Master’s thesis

DANISH-RUSSIAN RELATIONS IN THE ARCTIC

Regina Melkumian

July 2019

The originality of this thesis has been checked in accordance with the University of Turku quality assurance system using the Turnitin Originality Check service.
This thesis explores the main trends and drivers of the relationship between states of the Kingdom of Denmark and the Russian Federation in the Arctic in 2007-2019. The research topic belongs to the International Relations study, and its sub discipline named foreign policy analysis. The aim of the thesis is to enrich the present bulk of research on Danish-Russian relations in the Arctic due to its scarce amount and the increasing significance of the Arctic in international relations. The entire analysis is based on neorealism and geopolitics premises. The topic is approached through analyses of such areas as Arctic governance, economy, military sector, science and the environment.

The research applies the qualitative document analysis. The broad range of primary sources contains laws, strategies and concepts adopted by Danish and Russian authorities; international agreements; speeches, addresses, interviews and comments of Danish, Russian and other relevant politicians and officials; as well as reports and publications from governmental and non-governmental organizations, research institutes, corporations and media featuring Danish-Russian relations in the Arctic and the Arctic itself. The material includes information published in English, Danish, German and Russian. The desktop (Internet) research technique is utilized in the study. Comparative analysis, case study analysis and process tracing analysis are the main methodological tools.

The thesis reveals that the main drivers of Danish and Russian Arctic policies are determined by their endeavor to enhance power capabilities and by their positions in the international system. Both states share cooperation mood in the Arctic. This cooperation can be traced in all sectors at larger or lesser extents. Meanwhile, Danish-Russian relations experience the pressure of the global level. The current tension between such great/super great powers as the US, the EU and Russia has its spillover effect on Danish-Russian relations in the Arctic, which hinders their cooperation. Still, by and large, relations among great/super great powers in the Arctic region are of peaceful nature that create a real possibility for cooperation between Denmark and Russia in the nearest future.

Keywords:
Arctic, Danish Arctic policy, Russian Arctic policy, Arctic governance, Danish-Russian relations, Greenland, Faroe Islands, Denmark, Russia, China, US, Northern Sea Route, Arctic shipbuilding, Arctic fishery, Arctic shipping, Arctic gas and oil exploitation, Arctic tourism, Arctic environment, Arctic science, Arctic military affairs, Arctic energy efficiency, Arctic energy supply, Danish-Russian overlapping claims, Arctic Council, Arctic Economic Council, Barrents Euro-Coparation, Northern Dimension, NATO, Ilulissat Declaration, NSR Infrustructure, United Nations Commission on the Continental Shelf, Law of Sea, EU, Maersk, ROSATOM, Gazprom, Rosneft, Danfoss, sanctions, import substitution.
ACKNOWLEDGEMENTS

Throughout preparing the presented thesis, I have received a great deal of assistance. First, I would like to express my profound gratitude to my supervisor Kirsi Tuohela for coordinating my research.

I wish to thank Markku Jokisipilä for the comments given to my research plan and studies provided that were invaluable for me in the process of formulating and exploring the topic. Moreover, Markku Jokisipilä granted me an opportunity to study on exchange at the University of Copenhagen.

The time spent there was remarkable both from academic and personal perspectives. I am profoundly grateful to all tutors of the University of Copenhagen for warm welcome and a chance to further develop as a student. The knowledge gained there helped me a lot in elaborating my thesis.

I want to extend my sincere thanks to Tarja Hyppönen who is always there for all students, including me. I appreciate her for all support and assistance in academic matters.

In addition, my great family is definitely worth mentioning for their love, encouragement and wise counsel during the studies abroad.
# TABLE OF CONTENTS

INTRODUCTION..............................................................................................................1

I. DANISH INTERESTS IN THE ARCTIC.................................................................34

II. RUSSIAN INTERESTS IN THE ARCTIC.........................................................41

III. DANISH-RUSSIAN RELATIONS IN TERMS OF THE ARCTIC

GOVERNANCE..............................................................................................................45

IV. DANISH-RUSSIAN RELATIONS IN THE ARCTIC IN TERMS OF

ECONOMY................................................................................................................52

   4.1 General trends................................................................................................52
   4.2 Oil and gas exploitation.................................................................................55
   4.3 Shipping..........................................................................................................63
   4.4 Shipbuilding...................................................................................................69
   4.5 NSR infrastructure development.................................................................73
   4.6 Fishery............................................................................................................74
   4.7 Energy sector................................................................................................79
   4.8 Tourism..........................................................................................................82

*** Main outlines....................................................................................................84

V. DANISH-RUSSIAN RELATIONS IN THE ARCTIC IN TERMS OF

MILITARY................................................................................................................87

VI. DANISH-RUSSIAN RELATIONS IN THE ARCTIC IN TERMS OF

SCIENTIFIC AND ENVIRONMENTAL DEVELOPMENT....................................96

CONCLUSION............................................................................................................102

REFERENCES..........................................................................................................109
INTRODUCTION

The issue

At present, the Arctic has become a top agenda of International Relations (IR). This increasing significance of the Arctic is determined by several factors.

Firstly, the Arctic is one of the richest regions in the world in terms of natural resources. According to the US Geology Service, the Arctic possesses 30% of the world’s undiscovered natural gas and 13% of the world’s undiscovered oil. Approximately 84% of those resources are expected to occur offshore.\(^1\)

![Energy Resources in the Arctic](Source: Hansen 2016)

The vast resource deposits attracted a great deal of attention to the Arctic due to the presence of several simultaneous processes. They are depleting currently developed oil and gas deposits on the background of growth population, leading to increase in demand for energy resources and the concurrent trend of Global Warming that makes the Arctic

---

\(^1\) Bird et al. 2008; Ernst & Yong 2013, 2
natural resources more accessible. Therefore, the Arctic has its prominent position in future global energy policy.²

![World energy consumption by energy source (1990-2040)](image)

**World energy consumption by energy source (1990-2040)**

<table>
<thead>
<tr>
<th>Energy Source</th>
<th>Quadrillion British thermal units</th>
</tr>
</thead>
<tbody>
<tr>
<td>Petroleum and other liquids</td>
<td>250</td>
</tr>
<tr>
<td>Natural gas</td>
<td>200</td>
</tr>
<tr>
<td>Coal</td>
<td>150</td>
</tr>
<tr>
<td>Renewables</td>
<td>100</td>
</tr>
<tr>
<td>Nuclear</td>
<td>50</td>
</tr>
<tr>
<td>History</td>
<td></td>
</tr>
<tr>
<td>Projection</td>
<td></td>
</tr>
</tbody>
</table>

Figure 2. World Energy Consumption (Source: U. S. Energy Information Administration 2018)

Secondly, the Arctic is a region with promising new sea routes making it possible for ships to travel to the world’s three most developed continents. Ice melting with following opening of ice-free waters determines possible development of the four Trans-Arctic sea routes. They are the Northern Sea Route (NSR), the North-West Passage, the Transpolar Sea Route and the Arctic Bridge Route.³ The NSR is perceived as more realistic in terms of immediate employment, which can be explained geographically. The NSR is less covered by ice than its counterparts and is likely to be free of ice first.⁴ Hence, the Arctic has its position in the global communication net.

---

² Andreev 2014; U. S. Energy Information Administration 2018, 6
³ Rodrigue 2017
⁴ Ibid
Thirdly, the Arctic is a region with great significance in military terms. The Arctic is strategically significant for both the US as the leading NATO state and the Russian Federation as the state with the longest Arctic coast since the shortest airway between them lies through the Arctic.\(^5\) Therefore, military prominence of the Arctic is very high, particularly now, in time of crisis in NATO-Russian relations.

At last but not the least, the Arctic is a region, which according to the geopolitical school, due to its rich natural resources and strategic importance with respect of communications can and certainly attracts special attention of states.\(^6\) The detailed elaboration of geopolitical school presumptions and their further employment in my work will be presented later.

However, the emergence of new opportunities in the Arctic may well exacerbate existing contradictions. The issue of access to economic activities in the region as well as territorial disputes, primarily, among Arctic states, so called members of the “Arctic Club”, are some of good examples of this assumption.

Denmark and Russia are members of the mentioned above “Arctic Club”, the relations of which arouse the academic interest due to their geopolitical locations. Denmark is an

\(^5\) Henriksen and Rahbek-Clemmensen 2017, 76; RIA NOVOSTI January 23, 2014
\(^6\) Tamnes and Offerdal 2014, 6
Arctic coastal state. It possesses the largest island in the Arctic, Greenland, with many unexplored oil and gas deposits. The state holds a unique position in the Arctic being simultaneously a member of two supranational organizations: the EU and NATO. Denmark is also a permanent member of the Arctic Council addressing issues concerning the Arctic. Having Greenland within its borders, the Kingdom presents a state claiming expanding its territory in the Arctic. This topic is urgent as territories claimed by Denmark overlap with the areas claimed by Russia. Therefore, Danish-Russian relations in the Arctic are likely to be characterized by some researchers as controversial ones with territorial disputes in their core.

Figure 4. Territorial Claims in the Arctic (Source: BBC 2014)

With regard to Russia, the following points must be emphasized. It is an Arctic coastal state with permanent membership in the Arctic Council like Denmark. However, unlike
other Arctic states, Russia possesses the largest share of the Arctic territories.  According to the US Geology Service, Russia has the biggest deal of unexplored oil and gas deposits in the Arctic. The Russian Arctic zone is also the most populated and the most industrious part of the region. In contrast to other Arctic States, the Arctic zone plays a significant role in the Russian economy in general. Therefore, disputed territories with Denmark are of high value for Russia.

Looking back to the written history of Danish-Russian relations, one can count more than 500 years. During this period, Danish-Russian relations did not witness any military conflict. Following the words of the Russian Foreign Minister Sergej Lavrov “our [Danish-Russian] relations are unique to a certain extent. The first agreement between our countries was signed almost 515 years ago. Since then, Denmark and Russia have never, not a single day, not a single hour fought”. Moreover, the royal houses of the Kingdom of Denmark and the Russian Empire were connected.

Despite peaceful nature of Danish-Russia relations, in general, there were times of tension. As a rule, they coincided with increasing polarization at the global level, as in a case of “Chechen issue”, “Georgian issue” and “Ukrainian issue”. This coincidence is explained by Danish membership in the EU and NATO.

At present, Denmark as other EU member-states support sanctions imposed on Russia in 2014 and joined the sanctions imposed in 2019 concerning Russian shipbuilding. In this case, I deliberately employ the term Denmark, rather than the Kingdom of Denmark, as Greenland and the Faroe Islands are not the EU members.

14 Chilingarov 2013, 7-8
15 Bird et al. 2008
16 Pelyasov 2013
17 RIA NOVOSTI September 22, 2010
18 Lavrov and Møller 2008
19 Denmark in Russia. Ministry of Foreign Affairs of Denmark n. d.
20 Based on analyses of press releases of Danish and Russian Ministries of Foreign Affairs
21 European Union: Newsroom n. d.
22 Embassy of the Russian Federation in the Kingdom of Denmark n. d. (a)
Denmark is also a state which uncertainty on granting permission for construction and operation of Nord Stream 2 in its territorial waters delays the realization of this grand project within Russian energy sector.\(^ {23}\)

Hence, Danish-Russian relations, as a whole, consonants with the main tendencies of the global level where the tension between Russia from one side and the EU and the US from the other side exists. Here we can find an obvious testimony of the neo-realist assumption that the global level determines states’ behavior, especially when it comes to such a small state as Denmark.\(^ {24}\)

Thus, this thesis seeks to investigate in what way Danish-Russian relations evolve both at the global and national levels.

**Research question**

Though the Arctic presents a considerable importance for actors and there is plenty of works studying the Arctic at large, Danish-Russian relations have seen very modest research efforts. For sure, there is a drastic lack of fundamental works to coordinate dispersed knowledge and information on the issue of the thesis.

My thesis is devoted to Danish-Russian relations in the Arctic (2007-2019). The selection of the year 2007 as a starting point is not arbitrary. I argue that 2007 was a crucial year not just in the development of Danish-Russian relations in the Arctic but also in the Arctic region itself.

Firstly, it was 2007 when the head of Russian Arctic Expedition Mr. Chilingarov planted the Russian Flag into the Arctic Seabed, which triggered the immediate reaction of other states and brought the Arctic to the top of agenda in International Relations. Following the words of Danish Foreign Minister Per Stig Møller (2001-2010), after this event he woke up “soaked in perspiration with the head full of Russian submarines.”\(^ {25}\) In fact, the

\(^ {23}\) Brzozowski 2019
\(^ {24}\) Waltz 1979; Mathisen 1971; Rosenau 1966; Handel 1981; Bjol 1971; Branner 2000
\(^ {25}\) Møller, Per Stig quoted in Jacobsen 2016
Russian flag in the Arctic Seabed initiated the discussions on the Arctic legal status, which led to the signing of the Ilulissat Declaration (2008), one of the main documents regulating states’ relations in the Arctic.26

Secondly, it was 2007 when the record sea ice melt in the Arctic was registered.27 The Arctic was no more seen as a frozen territory but in contrast as a region with new business opportunities such as shipping, oil and gas exploitation, tourism, fishery etc.28

![Annual Sea Ice Minimum](image1.png)

Figure 5. Annual Sea Ice Minimum (Source: Cole 2007)

Finally, it was 2007 when increase in oil prices occurred and made the Arctic with its natural resources a crucial region in terms of energy.29

![Oil Price Rise](image2.png)

Figure 6. Oil Price Rise (Source: BBC n. d.)

---

26 Ilulissat Declaration 2008
27 Cole 2007
28 Ibid
29 Federal Reserve Bank of San Francisco 2007
The subject of the thesis belongs to the IR study, and its sub discipline named foreign policy analysis. Inspired by the words of one of the most prominent researchers in the foreign policy analysis Christopher Hill: “both explaining and understanding are necessary parts of good foreign policy analysis”, this thesis aims at extending the existing body of research by examining the nature of Danish-Russian relations in the Arctic (2007-2019).\(^{30}\)

So, my thesis is supposed to answer the following research question: What are the main trends and drivers of the relationship between states of the Kingdom of Denmark and the Russian Federation in the Arctic in 2007-2019? In order to respond the above-mentioned research question I will address the following points: What is Danish policy towards the Arctic? What is Russian Policy towards the Arctic? What drives the dynamic of Denmark and Russia’s Arctic policies? What is the nature of Danish-Russian relations in the Arctic in the following spheres: the Arctic governance, economy, science, the environment and military area? What kind of Danish-Russian relations can we expect in the nearest future? How can the empirical case of Danish-Russian relations be seen through the lenses of the neo-realist and geopolitics theories?

Relevance

The study of Danish-Russian relations has a great relevance for the theory development. The study, providing empirical case, can contribute to neo-realism and geopolitics in general and specific areas of IR research, such as the study of small states that has a tendency to be overlooked in comparison with the study of great powers. Particularly, it will contribute to the filling the gap, that exists in the studying relationship between the small state aligned with one of the great powers and another “assertive” great power. In effect, most of the researches concern the relationship between the small state and its aligned “great power” when the relationship of the same small state with not aligned “assertive” great power is just seen through the lenses of small state’s commitment towards aligned great power. In this study, I want to violate this tradition, and put the

\(^{30}\) Hill 2003, 30
relationship of the “aligned” small state with an assertive, at least not aligned great power, in the foreground.

Besides its theoretical importance, the research of Danish-Russian relations has great relevance for the real world. Nowadays, when the world witnesses the next polarization in the International System, new military conflicts such as Ukrainian and Syrian crises, the study of Danish-Russian relations comprising a potential element of conflict due to territorial disputes in the Arctic gets great significance. Since there is high vulnerability of the Arctic ecosystem and its sustainability to any potential military conflicts, any conflict in the Arctic can lead to the global disaster.\textsuperscript{31} So, understanding the relations between these two states in the Arctic can provide knowledge that can help to predict conflicts or give an example of how to deal with them.

The relevance of studying Danish-Russian relations can be also defined in respect of the EU-Russian relations. It is worth noticing that the EU-Russian relations are crucial for the development of the EU Common Foreign Policy. Following the words of former EU Trade Commissioner, Peter Mandelson “no other country reveals our deference as does Russia. This is a failure of Europe as a whole, not only member state in particular”.\textsuperscript{32} The investigation of Danish-Russian relations will give the excellent opportunity of revealing consistency as well as discrepancy between Denmark’s and the EU’s policies towards Russia and, since that, contributes to further elaboration of problems of EU Common Foreign Policy.

\textit{Background research}

To start with, one should note that there is a lack of literature devoted to Danish-Russian relations in general. The subject is not a top priority in Danish and Russian scientific traditions. The works, still little amount of them, investigating Danish-Russian relations primarily focus on their economy aspect.\textsuperscript{33} Meanwhile International Relations research concerning Danish-Russian relations in a retrospective view are scarce. At the same time,

\begin{flushright}
\textsuperscript{31} Bettwy 2015 \\
\textsuperscript{32} Mandelson 2007 \\
\textsuperscript{33} Liuhto 2018; Volkov 2017
\end{flushright}
no research of Danish-Russian relations in the context of the Arctic was discovered. Due to this fact, my work is predominantly based on primary sources.

However, there is a certain amount of works employed in my thesis. They can be subdivided into several groups.

*Firstly, there are works devoted to the issue of the Arctic in general.* The IR research on the Arctic have been generally empirical and can be subdivided into three major IR schools: realism (geopolitics), institutionalism and constructivism.

The realist view on states’ relations in the Arctic was a predominant approach during the Cold War, which was correlated with the superpower tension and military significance of the region. The explicit example of such research is the “The Age of the Arctic.” by Oran R. Young, published in 1985. This work is symbolically prominent as it was one of the first works forecasting future global significance of the Arctic. In his research, Young emphasizes security issues in the region and does not anticipate great cooperation in the region. Following him, the only field that can be characterized by cooperation in the future is the environment.

After the end of the Cold War the realist view, with pessimistic scenario on cooperation in the Arctic, was substituted to more optimistic vision. The possibility of peaceful and more developed cooperation between states in the Arctic was pointed out. Following one of the prominent researchers of the Arctic, Clive Archer, the Arctic offers nice conditions for cross border cooperation in the humanitarian field, in scientific research and the environment. This phenomenon was correlated to the emerging Arctic Environmental Protection Strategy and following establishment of the Arctic Council and Euro-Barents Cooperation. Works of that period primarily concern the evaluation of states’ collaboration within circumpolar organizations. Most researchers admit the fact that the

34 DIIS 1997; Young 1985-1986  
35 Young 1985-1986  
36 Archer 1988, 140  
37 Stokke 1990; Caron 1993; Scrivener 1999; Young 2002; Young 2005
expected level of cooperation was not achieved and did not generate high political interest in the Arctic affairs.\textsuperscript{38}

Another chronological crucial point in the development of the scientific tradition of analyzing the Arctic was the year 2007. The steel flag planted by the Russian scientist in the Arctic Seabed set the Arctic debate on the top of the agenda of scientific research. One of the first attempts to register and analyze new developments in the Arctic was made by Scot Borgerson in his article “Arctic Meltdown: The Economic and Security Implications of Global Warming.” Borgerson presents overall picture of transformation of the Arctic region. He emphasizes the role of the climate change in the “opening” of the Arctic. Following his words: “The Arctic Ocean is melting, and it is melting fast. […] It is no longer a matter of if, but when, the Arctic Ocean will open to regular marine transportation and exploration of its lucrative natural-resource deposits.”\textsuperscript{39} Borgerson stresses the lack of overarching political structure and agreements in the region for further peaceful development and forecasts the rivalry of the states for natural resources and conflicts on this issue.

Since then, the topic of the possibility of the struggle for the Arctic has become the main one in research field. In general, most researchers do not support the idea of the inevitable scramble for the Arctic.\textsuperscript{40} They state several factors determining peaceful development of the relations between states. Firstly, new oil and gas findings were primarily discovered in undisputed Arctic territories, within the line of the states’ national borders. Consequently, there was no expectation of great conflicts in the delimitation issue in the Arctic. Secondly, the well-developed functioning of the United Nations Commission on the Continental Shelf and the Law of the Sea provided legal tool for resolving territorial disputes in the region. Finally, the proclaimed devotion of the Arctic States to resolve all controversial issues under current international laws and agreements ensured non-conflict development.

\textsuperscript{38} Scrivener 1999; Hønneland 1998
\textsuperscript{39} Borgerson 2008, 63
\textsuperscript{40} Ebinger and Zambetakis 2009; Dodds 2010; Brosnan et all. 2011
The issue of adopting of overarching Arctic Treaty akin to Antarctic Treaty was another topic of scientific discussion. There were both proponents and opponents of such a treaty.41

The certain amount of works on the Arctic are framed by institutionalism. They analyze the Arctic in terms of the international regime.42 The main emphasis has been made on cooperation and the role of the Arctic Council and Law of Sea in building the Arctic regime.

Several studies on the Arctic as a region, particularly on discussions of the Arctic identity, region constructing and geopolitics in the regional cooperation arrangements correspond to the premises of constructivism.43

Secondly, there are works devoted to the investigation of the main drivers in Danish and Russian Arctic policies. Still, these works feature policies of both states not in comparison to each other but rather are inclined to uncover policies of each state in the region from the perspective of their national interests.

The realist school is quite strong in Danish scientific research, concerning Danish Arctic Policy. Research conducted by such Danish scientists as Mark Jacobsen, John Rahbek-Clemmensen and Anders Henriksen cover the issue of Danish policy in the Arctic.44 They analyze the Danish approach to the Arctic from the realist assumptions. They argue that Danish Arctic policy is determined by the Denmark’s small state status. They conclude that the key issue of the Danish Arctic policy is Greenland, particularly the question of its presence within the Kingdom of Denmark. In turn, Greenland’s importance is caused by its significance in the promotion of the status of the Kingdom of Denmark in the eyes of its “super great power” alliance, the US. They also emphasize the Danish endeavor to elude the possibility of conflicts in the region. John Rahbek-Clemmensen and Anders Henriksen argue the concurrent process of transformation of the “Greenland

41 Rothwell 2008; Stokke 2007; Young 2011
42 Koivurova 2010; Stokke 2007
43 Joenniemi 1989; Neumann 1994; Aalto et al. 2003; Keskitalo 2007; Browning 2010
44 Jacobsen 2016; Henriksen and Rahbek-Clemmensen 2017
Card” into the “Arctic Card” which takes place in Danish-US relations.\textsuperscript{45} Thus, these works have contributed a lot in the understanding of the main drivers of the Kingdom of Denmark in the Arctic.

There are a lot of research on the Russian Arctic Policy. As in the case of research on Danish Arctic Policy, the realist school is a predominant approach in the analysis of Russian Arctic policy. In terms of defining the nature of Russian policy in the field, there are two well-defined and opposing discourses on Russian drivers in the Arctic policy.

The first group of research describes Russian Arctic Policy as assertive and aggressive inheriting incentives for the struggle for the Arctic.\textsuperscript{46} The Russian flag planting in the Arctic Seabed is referred as the best example of such Russian “behavior” which is explained by Russia’s endeavor to successfully compete for the Arctic natural resources, trade routes and, at the large extent, by the intention to restore its imperial ambitions.

The second group of research features Russian actions in the Arctic from the perspective of its national interests that can be explained in terms of legitimacy, so they do not overcome interests of other Arctic states.\textsuperscript{47} By and large, this group of authors focuses on Russia’s development of the Russian Arctic Zone, primarily its natural resources, and Russia’s position to cooperate on various Arctic matters with other actors in the region, using peaceful tools, such as international law and international platforms of interaction.

\textit{Thirdly, there are works devoted to the Arctic governance.} The main concept of the Arctic Governance is reflected in the scientific works by Marc Jacobsen, Hans Mouritzen and, John Rahbek-Clemmensen.\textsuperscript{48} The authors point out the multi-level nature of the Arctic governance with the Arctic states as primary actors. They emphasize deliberate actions taken by the Arctic states to expel other non-Arctic states from the direct participation in the Arctic governance.

\textsuperscript{45} Henriksen and Rahbek-Clemmensen 2017
\textsuperscript{46} Tayloe 2015; Giles and Smith 2007; Dugin 1991; Josephson 2014
\textsuperscript{47} Belov 2012; Alexandrov 2009; Diev 2009; Heininen 2011
\textsuperscript{48} Jacobsen 2016; Mouritzen 2018; Rahbek-Clemmensen 2011
Fourthly, there is research on the development of Danish-Russian economic relations in general. Though the amount of such works is not great, for instance the ones prepared by Kari Liuhto and Alexei Volkov. To sum up, the authors agree that Danish-Russian economic relations can be characterized as modest.49

Fifthly, there is research covering the sphere of Arctic oil and gas exploitation by the Arctic states including the Kingdom of Denmark and Russia.50 They provide great empirical data on this issue.

Sixthly, there are works concerning the development of the shipping industry in the Arctic in general. Marcus Matheus Keup and Pavel Devyatkin analyze pros and cons of shipping operations in the Arctic through the NSR.51 In turn, Pavel Devyatkin pays special attention to the Russian dimension of the NSR development.52

Seventhly, there are works devoted to the Arctic tourism. Dmitrij Medvedev, Yury Golubchikov, Victor Kruzhalin and Aleksandra Nikanorova present the general trends of the Arctic tourism by providing empirical data and future scenario of this development53.

Eighthly, there is research on the military aspect of the Arctic. The work by Anders Henriksen, and Jon Rahbek-Clemmensen stress the military significance of the region for the Russian Federation and the US.54 They highlight the Danish position on the demilitarized Arctic with low NATO’s involvement. The Danish intention to keep peaceful surrounding in the region is explained by the natural fear of the small state located next to the super/great powers to be squeezed in the case of a military conflict between them.

The Russian perspective on military issue is well analyzed. All researchers agree on the fact that increase of Russian military actions in the Arctic can be registered. However,

49 Liuhto 2018; Volkov 2017
50 Afanasyeva 2013; Kaznacheev and Bazaleva 2016; Panichkin 2016; Koptelov 2012; Andronova 2012
51 Devyatkin 2018; Keupp 2015
52 Devyatkin 2018
53 Medvedev 2015; Golubchikov et al.2018
54 Henriksen and Rahbek-Clemmensen 2017
there are two camps in terms of defining the main drivers behind Russian military actions. Researchers belonging to the first camp consider the Russian military build-up as an attempt to accumulate its great power status, and define Russia’s military actions assertive in nature. The proponents of the first camp are Ekaterina Piskunova, Paul R. Josephson, Aleksandr Dugin and Sergej Medvedev.\textsuperscript{55}

The proponents of the second camp are Artur Chilingarov, Valery Konyshev, and Aleksandr Sergunin, Pavel Devyatkin, Aleksandr Kramchikhin and Lassi Heininen.\textsuperscript{56} They emphasize the defensive nature of the Russian military actions, particularly determined by endeavor to secure its north vast border as well as provide search and rescue operations. The intensive military actions are also explained by the necessity to update old military units within the modernization programme of Russia.\textsuperscript{57} Overall, they argue that Russia has pragmatic interests in the Arctic and is not interested in the Arctic militarization. Moreover, the militarization of the Arctic is unlikely to happen.

\textit{Finally, there are works concerning the Arctic environment and science.} Most of them chronologically appeared after the Cold War. They usually cover several issues such as general trends of the development of the Arctic science and the environment, the evaluation of the effectiveness of the existing Arctic institutions in resolving existing environmental problems. In addition, they propose certain measures to improve the present situation. Among scientists exploring the mentioned issues, the following researchers can be named Clive Archer, Oran Young, Olav Stokke and David Screvener.\textsuperscript{58}

In most research, the environment and science are regarded as most expected spheres of states’ cooperation. However, Clive Archer emphasizes that the level of such collaboration is defined by the utility of the outcome. He forecasts the great level of cooperation in the field of producing knowledge-instrumental outcome i.e. fundamental knowledge about nature and its processes, but does not anticipate high level of cooperation in the sphere of producing practical-instrumental outcome i.e. new

\textsuperscript{55} Piskunova 2010; Josephson 2014; Dugin 1991; Medvedev 2016
\textsuperscript{56} Chilingarov 2013; Kramchikhin 2013; Heininen et al. 2014; Konyshev and Sergunin 2014
\textsuperscript{57} Konyshev and Sergunin 2014
\textsuperscript{58} Young 1985-1986; Archer 1988; Stokke 1990; Screvener 1999
technologies, “know-how.” He believes that states will incline to keep the latest knowledge in secrecy. Thus, the works on the environment and science have both empirical and analytical significance.

Afterwards, there is research devoted to the Arctic in general and Danish and Russian policies in the region separately. However, there is the absence of case studies examining Danish-Russian relations in the Arctic. This master’s thesis is an early attempt to explore the relationship of states of the Kingdom of Denmark and the Russian Federation through the lenses of the neo-realist school. I believe that my study will make its contribution to greater understanding of Danish and Russian Arctic policies in general and their relations to each other in particular.

The mentioned research on the Arctic allowed me to identify general trends of states’ relations in the Arctic, their drivers and dynamics as well as the theoretical background of their investigation.

Theoretical Framework

As it was stated before, the main aim of this work is analyzing Danish and Russian foreign policies, in particular their policies towards each other in the Arctic region. In the present work, I perceive foreign policy, following the definition developed by Dereck Beach in his book Analyzing Foreign Policy: “Foreign policy is both the broad trends of behavior and the particular actions taken by a state or other collective actor as directed towards other collective actors within the international system. Foreign policy actions can be undertaken using a variety of different instruments, ranging from adopting declarations, making speeches, negotiating treaties, giving other state economic aid, engaging in diplomatic activity such as summits, and the use of military force.”

This definition presents a broad concept of foreign policy including both the verbalized and non-verbalized foreign policy. I consider that the employment of the broad definition of the foreign policy will contribute more into the creation of complete picture of Danish-

59 Beach 2012, 3
Russian relations by bringing to analysis both their declared and undeclared intentions of two states.

Guided by the title of my work, my thesis is going to be state-centric that corresponds to the neo-realist school.\(^6^0\) I believe that states and their interests play the main roles when it comes to the Arctic, since this region with a great share of natural resources has unique complex environmental challenges and demands for huge financial, management investments and binding global regulations, which can be provided only by such large actors as states.

Thus, the neo-realist system level theory is intended to be a grand explanatory theoretical strand employed in my research. According to the neo-realism, the base of the international organization is an archaic system of states.\(^6^1\) Within this system, the states “at a minimum seek their own preservation and a maximum, drive for universal domination.”\(^6^2\) Hence, survival is the most basic foreign policy target.\(^6^3\) To guarantee its survival, states are interested in enhancing their power capabilities and relative gains. Power capabilities include population, territory, resources endowment, economical capabilities, military strength, political stability and competence.\(^6^4\) This proposition is vital for understanding the main drivers of Danish and Russian Arctic policies.

Reviewing states as the main actors of the international organizations, proponents of the neo-realist school believe that goals of state’s foreign policy are settled by its position in the international system and its relative power capabilities.\(^6^5\)

In terms of power capabilities and the degree of exercising influence on the International System, states are classified as small, great and super great powers.\(^6^6\) Following this classification, in my work Denmark is classified as a small power, meanwhile Russia as a great power in the international system.

\(^{6^0}\) Waltz 1979, 89-91 \\
\(^{6^1}\) Knutsen 1997, 277 \\
\(^{6^2}\) Waltz 1979, 37 \\
\(^{6^3}\) Mearsheimer 2001 \\
\(^{6^4}\) Ibid, 131 \\
\(^{6^5}\) Murray and Nuttall 2014, 38 \\
\(^{6^6}\) Vital 1967; Keohane 1988, 295-6
Neorealism, in its turn, expects the global level to play the most significant role in the determining of the state behavior in the international system, especially in the case of the small state. The global level is defined as the interaction between super/great powers. This assumption leads to the careful examination of the relations between super/great powers at the global level, and particularly, relations between Russia as a great power and the US as a superpower concerning the Arctic, since they will primarily determine Danish-Russian relations in the Arctic.

Following the neorealist view, the role of small states in international politics is highly restricted, since small states are mainly “pawns” in great power games. Therefore, they endeavor to rely on a super/great power for security and goods, if small states are strategically important in the eyes of super/great powers; otherwise, small states lacking strategic relevance will have less opportunities for maneuver and extremely depend on the mercy of super/great powers.

Stephen Walt highlights two principle strategies that states can stick to while building ally bonds with other states. They can do it either by balancing through joining other states to counterbalance a stronger power or bandwagoning through joining an alliance with the stronger power. Meanwhile, with regard to small states, Walt underlines the main driver of state behavior, which is identified as the extent of threat a small state experiences in face of great/super great powers.

Danish NATO membership is explicit evidence of this statement. Denmark declares itself as the US prominent ally and reaffirms its undisputed commitment to NATO, calling NATO the main pillar of its security policy. Here is the witness of bandwagoning, as the US is no doubt a superpower.

67 Waltz 1979, 184-5, 195; Mathisen 1971; Rosenau 1966; Handel 1981; Bjol 1971; Branner 2000
68 Knudsen 1994, 202
69 Waltz 1979
70 Ibid
71 Walt 1987
72 Ibid
73 Danish Parliament 2018
Hence, the implementation on neo-realist school seems to be justified within the scope of this work. This assumption leads to reviewing Danish relations with the US in the context of Danish Arctic policy as another way to plump its strategical significance in the eyes of the US to secure itself and its influence on Danish Arctic policy.

Another neo-realist assumption is that a small state, situated next to great/super great powers is extremely vulnerable to great shocks at the global level and extremely interested in the absence of conflicts between super/great powers as in this case they are supposed to be overwhelmed.\textsuperscript{74} This suggestion leads to the assumption that Denmark being a small state can be willing to mediate relations between great/super great powers, more specifically the US and Russia, and foster cooperation among all states to secure its position and obtain its gains in the Arctic.

Apart from neo-realist school, the theoretical background of my study incorporates the theory of geopolitics as it is best equipped with concepts relevant to my thesis, i.e. geography and international relations. The term geopolitics is defined as the dynamic prominence of how a geographical space interacts with international politics.\textsuperscript{75} In other words, the proponents of geopolitics state that geography matters within the IR. The focus of geopolitics is interaction between states in view of the attractiveness of a certain geographical area. As stated by geopolitics researchers, certain regions draw special states’ attention if they are rich in resources and strategically important in terms of communications.\textsuperscript{76} The Arctic as a large territory with its vast share of petroleum, bio, mineral resources and its increasing accessibility to the new sea trade routes complies with this fundamental criteria. Therefore, geopolitics is extremely suitable for understanding Danish-Russian relations in the Arctic.

Another proposition made by geopolitics thinkers is that geographical proximity determines more contacts between states.\textsuperscript{77} The development of such Arctic regional

\textsuperscript{74} Rahbek-Clemmensen 2016, 352  
\textsuperscript{75} Cohen 2009, 12  
\textsuperscript{76} Tamnes and Offerdal 2014, 6  
\textsuperscript{77} Nye 2007, 35
organizations as the Arctic Council, Northern Dimension and the Euro-Barents Council fits this assumption.

Finally, one of the main pillars of geopolitics is considering geopolitical significance of the given area as a changeable variable, which is true for the Arctic case. Prior the World War II, the Arctic was a marginalizing area. It was no more than remote, unexplored space with severe living conditions. During the World War II and especially the Cold War, the Arctic acquired its military significance due to its strategical location between assertive powers. The Arctic was a highly militarized and conflict region.

The next turn in the geopolitical value of the Arctic took place in 1987 when Mikhail Gorbachev proclaimed the course on the Arctic demilitarization and set the environmental issues as the main features determining the Arctic global policy. Following this intention, the Arctic was defined as a region of cooperation.

Meanwhile, the climate change with following ice melting and opening of the new sea routes as well as the detection of rich oil and gas deposits in the Arctic has dramatically changed the geopolitical value of the Arctic. This change was symbolically marked by the planting of the Russian Flag in the Arctic seabed by the head of Russian Arctic Scientific Expedition Mr. Chilingarov in 2007. That, in its turn, triggered the immediate reaction of other states and brought the Arctic to the top of agenda in IR. In my work, I expect that the changeable geopolitical value of the Arctic will determine Danish-Russian economic relations at great extent.

*Outlines of the thesis*

Guided by the research aim, I have organized my thesis in the following order: introduction, six chapters and conclusion. I believe this structure to be reasonable as it
reflects the necessary analysis in order to answer the mentioned above research questions and achieve the main research goal.

The *first and second chapters* feature Danish and Russian interests in the Arctic, analyze the main drivers of both states in the region. I consider them invaluable for understanding their policies on the ground.

The *third chapter* addresses the issues of the Arctic governance and reflects on its multi-layer structure. Moreover, this chapter presents comparative analysis of Danish and Russian visions of the Arctic governance, in particular. In this chapter, I trace the Arctic territories claim process of two states that sheds light on Danish and Russian incentives to cooperate rather than confront over resolving the question of disputable areas.

The *fourth, fifth and sixth chapters* are intended to examine the nature of Danish-Russian relations in specific areas, such as economy that is presented in particular sections (i.e. oil and gas sector, shipping, shipbuilding, fishery, energy, tourism), military sector as well as scientific and environmental areas. These chapters by means of applying selected methods of research present the overall nature as well as the main trends, drivers and obstacles in each sector of bilateral relations of Denmark and Russia. In this part of the thesis, I also offer a thorough investigation of the direct and indirect implications of Danish-Russian cooperation and influence of great/super great powers on the decision-making process of Denmark and Russia in different areas of relations.

In general, throughout the entire thesis, I construct my analysis on the theories presented in Introduction, i.e. geopolitics and neo-realism that are best suitable for explanation Danish-Russian bilateral relations as well as multilateral actions that are driven by global thinking of both states in terms of their place in the world political system. Meanwhile, selected research methods allow me to represent the object of research in its entirety and versatility.

In Conclusion, I summarize the thesis and reflect on areas of future research. In addition, I give my vision of future scenario of Danish-Russian relations in the Arctic based on the performed analysis.
Definitions

In my work the Arctic is defined as “the terrestrial and marine areas north of the Arctic Circle (66°32’N), and north of 62°N in Asia and 60°N in North America, modified to include the marine areas north of the Aleutian chain, Hudson Bay, and parts of the North Atlantic Ocean including the Labrador Sea”.

Figure 7. Boundaries of the Arctic (AMAP n. d.)

This definition determines the Arctic status of eight states. They are five Arctic coastal states, known as “Arctic Five” (Denmark, Russia, the USA, Canada, Norway) and three Arctic non-coastal states, which territories are intersected by the Arctic Circle (Finland, Sweden, Iceland). Together they make a group, known as “Arctic Eight”. These states alongside with six Arctic indigenous communities are the permanent members of the Arctic Council – an intergovernmental forum fostering collaboration, coordination and interaction among the Arctic States, indigenous organizations, thirteen non-governmental

---

83 AMAP 1998, 10
organizations and thirteen non-Arctic states as observers, on issues of sustainable development and environmental protection in the Arctic.\textsuperscript{84}

As my work is state centric, it is reasonable to give definitions of what is implied by Denmark and the Russian Federation. This is of great importance, as the Kingdom of Denmark cannot be equaled to the notion of Denmark without considerations.

In my study, the term Denmark substitutes the Kingdom of Denmark, which is referred as a constitutional entity including Denmark, autonomous parts of Greenland and the Faroe Islands, whereas Greenland and the Faroe Islands are not EU members.\textsuperscript{85} However, in Chapters 1 and 4 the term Denmark refers to the Danish government, this differentiation is determined by the necessity to describe relations between constitutional entities in the Kingdom and their influence on the Kingdom’s Arctic Policy.

![Denmark Map](VectorStock.com/18695235)

Figure 8. Denmark (Source: VektorStock n.d.)

The Kingdom of Denmark is a constitution monarchy.\textsuperscript{86} The Kingdom’s population is about 5.8 million of people.\textsuperscript{87} Denmark is one of the most prosperous countries in the world and one of the leading countries in the innovation development.\textsuperscript{88} Denmark’s

\textsuperscript{84} Arctic Council 2015 (a)  
\textsuperscript{85} Embassy of the Russian Federation in the Kingdom of Denmark n. d.  
\textsuperscript{86} FOLKETINGET The Danish Parliament n. d.  
\textsuperscript{87} Statistics Denmark 2019  
\textsuperscript{88} The Legatum Prosperity Index 2018
economy is export-orientated. According to the Global Competitive Index of countries’ economies Denmark occupies the 12th position out of 137 for the period 2017-2018. The Kingdom of Denmark is a proactive member of NATO. For 2019, Denmark has 51st position in terms of its military capabilities. The country is a member of such the Arctic international organizations as the Arctic Council, the Euro-Barents Cooperation and the Northern Dimension. The Kingdom has four opt-outs from the EU cooperation. In this research, Danish opt-out of EU Common Security and Defence Policy (CSDP) is relevant in analyzing Danish-Russian military relations in the Arctic.

The term Russia stands for the Russian Federation, the largest country in the world, located in Eastern Europe and Northern Asia and washed by the waters of the Pacific and Arctic Oceans. The Russian Federation is a Presidential (or a Constitutional) republic. The structure of the Russian Federation includes 85 subjects with different levels of autonomy. The Russian population is about 145 million of people. According to the Global Competitive Index of countries’ Russia occupies the 38th position out of 137 for the period 2017-2018. Russia is an export-orientated economy with natural resources in its core. For 2019, Russia possesses the 2nd position in terms of its military capacities yielding to the US. The country is a member of the Arctic Council, the Euro-Barents Cooperation and the Northern Dimension.

---

89 The Trade Representation of the Russian Federation in the Kingdom of Denmark 2018, 3
90 Schwab 2017, xi
91 Danish Parliament 2018; Damancev 2015
92 GFP (Global Fire Power) 2019
93 IMUNA (International Model United Nations Associations) n. d.; Arctic Council 2015 (a); Barents Euro-Arctic Cooperation n. d.; Exploring the Northern Dimension n. d.
94 FOLKETINGET EU Information Centre n. d.
95 Russian Investment Agency 2019
96 Ibid
97 Russian Embassy in China 2016
98 World Population Review 2019
99 Schwab 2017, xi
100 OEC (The Observatory of Economic Complexity) 2017
101 GFP (Global Fire Power) 2019
102 Arctic Council 2015 (a); Barents Euro-Arctic Cooperation n. d.; Exploring the Northern Dimension n. d.
Another definition, which is crucial for understanding Danish-Russian relations in the Arctic, is governance. The relations of the Kingdom of Denmark and the Russian Federation in terms of the Arctic governance are presented in Chapter 3.

In Chapter 3, I employ the broad definition of “governance” suggested by Oliver Williamson. According to Williamson, “governance” correlates to any form of establishing or maintaining political order and providing common goods for a given political community on any level.  

*Process of data collection*

Due to the limited works on the topic of my thesis, one of the challengeable tasks in my research was to collect empirical data on Danish-Russian relations in general and in the Arctic in particular to base my analysis on. This way of thinking led me to investigating a broad range of primary sources. During the process of data collection, I used the desktop (Internet) research technique. The value of my work is enshrined in careful study of

---

103 Williamson 1975
sources in Danish and Russian that provide a researcher with the internal perspective of the relations of two states in the Arctic.

This research question is approached through a thorough qualitative document analysis of laws, declarations, reports and publications from relevant governments, non-governmental organizations, research institutes, corporations and media with interest in Danish-Russian relations in the Arctic, in particular, and the Arctic development in general.

All sources employed in my work can be divided into eight groups. Altogether, they help me approach the research question from different angles in order to present the complex nature of the relations of two states in the region.

The first group of sources includes laws, strategies and concepts adopted by Danish and Russian authorities. They are the most important sources employed in my work.

It is hard to imagine analyzing Danish-Russian relations in the Arctic without attracting Danish and Russian Arctic Strategies. These strategies are crucial for defining Danish and Russian Arctic policies. They provide the states’ visions of the region both in the global and national contexts. Exploring the strategies, one can find the main Danish and Russian endeavors in the Arctic.

It is also vital to explore the states’ military strategies as well as foreign concepts. The analysis of these documents leads to the comprehensive understanding of Danish and Russian military policies in the Arctic both separately and in relation to each other.

It is also crucial to study the states’ laws and strategies concerning different fields of the economy such as oil and gas exploitation, fishery, shipping, shipbuilding, tourism etc. The exploration of these materials gives insights into the main trends of Danish and Russian economy policies in general and in the Arctic in particular.

The second group of sources encompasses international agreements i.e. bilateral and multilateral agreements. Such multilateral agreements as the Ilulissat Declaration and the United Nations Convention on the Law of the Sea are extremely important for
understanding the current Arctic governance and Arctic states’ vision of this governance. The United Nations Convention on the Law of the Sea is particularly important for explaining Danish and Russian territorial claims in the region. The agreements signed by the Arctic states are especially significant for exploring Danish-Russian relations in terms of the environment (Agreement on Cooperation on Marine Oil Pollution Preparedness and Response in the Arctic), military issue (Agreement on Cooperation on Aeronautical and Maritime Search and Rescue in the Arctic), science (Agreement on International Science Cooperation) and economy (Agreement between Arctic five on the Prevention of Unregulated High Seas Fishing in the Central Arctic). The Danish-Russian bilateral agreements provide information on Danish-Russian cooperation in such fields as economy and science.

The third group of sources comprises reports of governmental organizations. Official reports and reviews primarily provide information on economic and military facets of Danish-Russian relations in the Arctic. The surveys published by such Danish agencies as Danish Defence Intelligence Service and Danish Ministry of Defence are important for analyzing Danish stance on military affairs in the Arctic. At the same time, reports and analysis published by Danish Maritime Authority covers economic opportunities and challenges set before Denmark in the Arctic, generally in the maritime industry. Regarding Russian sources of this category, one should point out the data presented by the Trade Representation of the Russian Federation in the Kingdom of Denmark employed for better understanding of the general context of Danish-Russian relations in terms of economy.

Meanwhile, Denmark and Russia are not the only states official reports of which are used in the thesis. The reports published by governmental agencies of other states such as the US, Great Britain and Finland are incorporated in my research, too. The information provided by the US Geology Service and the US Energy Information Administration is specifically important for exploration the economic drivers of Danish and Russian Arctic policies. In its turn, the data presented by the US Coast Guard on the world icebreaker fleet is significant for analyzing Arctic states’ both military and economic capabilities in the region.
The report by the British House of Commons “On the Thin Ice: UK Defence in the Arctic” is valuable for elaboration Danish-Russian relations in military terms. The report is a comprehensive analysis of military situation in the Arctic based on official evidence and statements of Great Britain and the Arctic States. In particular, the report includes a written evidence on the Arctic military issue sent by the Kingdom of Denmark to the UK. This evidence is essential to determine the attitude of Danish authorities to the Russian military activities in the region and possible NATO’s further increasing involvement into the Arctic affairs.

The report by the Finish Border Guard is also very helpful for collecting empirical data on operative cooperation of Danish and Russian armed forces. This report reflects the main activities carried out under Finland’s chairmanship in the Arctic Coast Guard Forum (2017-2019).

The fourth group of sources includes *the reports of international organizations* such as NATO Parliamentary Assembly, the European Environment Agency and the Arctic Council. NATO’s Annual Presidential Report covers NATO’s position in the Arctic, its views on the Arctic military architecture, while the European Environment Agency and the Arctic Council’s reports concern the environment issue in the region.

The fifth group of sources encompasses *the reports of non-governmental organizations*. They primarily focus on the indicators of Danish and Russian economies. They are rankings and economic reports published by the World Bank, Bloomberg, IMD World Competitiveness Center, OEC (The Observatory of Economic Complexity), Ernst &Young, the Legatum Prosperity Institute, the Transparency International, the Lonely Planet, GFP (Global Fire Power). Their data is employed for exploration Danish-Russian relations in terms of economy.

The sixth group of sources consists of *speeches and addresses of Danish and Russian politicians and officials*. The speeches and addresses of the Russian President Vladimir Putin, the Russian Minister of Foreign Affairs Sergej Lavrov and the head of the Russian State Commission for the Arctic, Dmitrij Rogozin (2015-2018), at the Annual International Arctic Forums held in Russia as well as at the government’s meetings are extremely significant for exploration the Russian Arctic policy. These sources equip a
researcher with the information on all facets of the Russian Arctic policy: economy, military issue, the environment, governance and science.

The addresses and discussions presented at the bilateral meetings of Danish and Russian authorities are particularly important for studying Danish-Russian relations in the Arctic. The explicit examples of such meetings are mutual official visits of Danish and Russian Foreign Ministers in 2008 and 2009, and the meeting of the Russian President Dmitrij Medvedev (2008-2012) and the Danish Prime Minister Lars Løkke Rasmussen (2009-2011) within Russian-Danish Business Conference in 2010.

The seventh group of sources includes mass media. In my work, I use following Danish, Russian and other relevant foreign mass media sources:

- **information agencies** (RT Reuters, InterFax, RIA NOVOSTI, Sputnik, TASS, Novosti Jenergetiki, ROSBALT)
- **TV/Internet channels** (BBC, CNBC, 1tv. ru, Vesti.ru, TvZvezda.ru, Youtube)
- **newspapers** (Politiken, Berlingske, Nyheder, the Telegraph, the Guardian, the Times, the Economist, Welt, Gazeta, EUObserver, Vedomosti, Izvestija IZ, Komsomol'skaja pravda, Vzgljad, Today, RBK, Kommersant)

The presented materials cover different fields of Danish and Russian Arctic policies as well as Danish-Russian relations as the whole. Meanwhile, interviews and comments given by Danish, Russian and other relevant foreign officials, scientists and representatives of business companies to mass media are especially important as they provide the first-hand information on the topic. The analysis of it sheds the light on practical and theoretical perspectives of the research question.

Among mentioned above, there should be noted the interviews and comments given by:
• the Danish Foreign Minister Lene Espersen (2010-2011)
• the Danish Minister of Defence Gitte Lillehund Bech (2010-2011)
• the Danish Foreign Minister Martin Lidegaard (2014-2015)
• the Danish Foreign Minister Anders Samuelsen (2016-2019)
• the Russian Permanent Representative to NATO, Aleksandr Grushko (2012-2018)
• the Deputy Prime Minister of Russia’s Defence and Space Industry, Jurij Borisov (2018 – present)
• the Minister of Natural Resources and Environment of the Russian Federation, Sergej Donskoi (2012-2018)
• the Russian Minister of Energy, Aleksandr Novak (2012-present)
• the Ambassador for Special Assignments of Ministry of Foreign Affairs of the Russian Federation, the Representative of the Russian Federation to the Arctic Council, Anton Vasil'ev
• the Russian Defence Minister, Sergej Shoigu (2012-current)
• NATO Secretary General Jens Stoltenberg (2014-present),
• NATO Deputy Secretary General Ambassador Aleksandr Vershbow (2012-2016)
• United States Special Representative for the Arctic, Admiral Robert J. Papp Jr. (2014-2017)
• the US Ambassador to Russia, John F. Tefft (2014-2017)

They are extremely useful for understanding Russian military and economic policies in the Arctic.

Speaking on the interviews and comments by the Russian and Danish scientists, the full interview with the Coordinator of scientific work on the preparation of the Russian territorial claim in the Arctic, Leopol’d Lobkovskij, demands special attention. This interview is vital for analysis of Danish-Russian relations in terms of Arctic governance in general, and territorial claims in particular. In contrast to the current mainstream existing in mass media, portraying Danish and Russian claims with a tint of their inherently adversary “competitive” nature, Leopol’d Lobkovskij provides the scientific account of the Danish and Russian applications to the United Nations Commission on the Limits and the Continental Shelf. His interview gives insights on cooperative nature of
presented claims. The comments provided by Kristian Markusen, chief Advisor at geological surveys of Denmark and Greenland (GEUS) in 2010, also give insights on Danish-Russian cooperation in this field.

The interviews and comments by the representative of private and state owned companies are also relevant for my study. The interviews and comments by chief executive officer (CEO) of Rosatom Aleksej Lihachjov and its deputy Vjacheslav Ruksha, chief-executive officer of Rosneft Igor' Sechin, Maersk’s chief technical officer, Palle Laursen and CEO of the Russian headquarter of the Danish company Danfoss, Mikhail Shapiro provide information on economic facet of Danish-Russian relations in the Arctic.

The eighth group comprises information presented on the websites. In my study, I employ websites of governmental organizations, international and non-governmental organizations. The list of websites is presented below. The full list is in the list of references.


- **Websites of international organizations** (Arctic Council, The Arctic Economic Council (AEC), Barents Euro-Arctic Cooperation, NASA, European Council, European Union, Exploring the Northern Dimension, Nordic Defence Cooperation, NATO, The Arctic Coast Guard Forum (ACGF), UN Environment, United Nations: Oceans and Law of the Sea, Sustaining Arctic Observing System (SAON), International Maritime Organization (IMO), International Arctic Science Committee, University of the Arctic (UArctic) etc.)
• *Websites of non-governmental organizations* (Danfoss, Gazprom, NORDIC Bulk Carrier A/S, NOVATEK, ROSATOM, ROSENERGOATOM, Russian Investment Agency, Russian-Danish Business Forum, SKSokolovo, National Tourist Union, Akcionernoe obshhestvo MNS etc.)

To sum up, the source foundation is vital for presenting reliable empirical data of Danish-Russian relations in the Arctic both for past and present. The factual back-up of my work provided me with the necessary information to construct prognosis of such relations in future.

**Methods**

My work has a qualitative character since it creates non-numerical data.104 In contrast to a quantitative study, a qualitative research includes a data collection and interpretation process with accents on descriptions and explanation, which is necessary to identify the main trends and drivers in Danish-Russian relations that are the basic aim of my thesis. Steinar Kvale considers a qualitative research as especially valuable in the process of investigating a particular topic burdened with complexity.105 To fulfill the tasks of my thesis, the following methodological tools are employed: comparative analysis, case study analysis and process tracing analysis. I apply each method as supplementary one to another. This approach is justified by complex nature of the research topic with intertwined factors determining its characteristics.

Considering Danish-Russian relations, I cannot dispense with comparative analysis that is a solid foundation on which I build the system of arguments in order to detect the areas of common and conflicting interests of both states in the Arctic. Comparative analysis is a powerful and universal tool that expands the possibilities of understanding and describing political processes and changes in accordance with the existing reality, concepts and goals. I rely on comparative analysis throughout the entire thesis. Though the aim of the thesis is highlighting the main trends and drivers in Danish-Russian

---

104 Saunders et al. 2012

105 Kvale et al. 2009, 31
relations rather than comparing the states’ policies in the Arctic, the competitive edge of comparative analysis as a whole is enshrined in its capacity to introduce diverse environment of decision-making process both in Denmark and Russia that can explain their motives in various sections of cooperation.

In turn, following Yin, case study analysis equips a researcher with required tools to explore a phenomenon within its real-time context.\(^{106}\) This assumption is certainly relevant for this study. Case study analysis is of great use in exploring current state of affairs in each particular sector of cooperation of Denmark and Russia, presented in chapters 4, 5 and 6. Also, I consider case study analysis favorable for revealing disputable territories claim process between Denmark and Russia in Chapter 3 as a good case of the Arctic governance on bilateral basis by applying not only national tools but also multilateral platforms as the Arctic Council to fulfill national interests. This argumentation fits neo-realism theoretical boundaries.

Finally, process-tracing analysis is the most appropriate research technique for identifying cause-effect mechanisms within a particular case. This method is embodied at less or great extent in each chapter to understand dynamics of Danish-Russian relations in the Arctic with necessary retrospective view to interpret outcomes of Danish-Russian interaction on the Arctic issues at a particular point. This method is complementary to comparative analysis and enables generalizations of observations from single case studies to similar cases.

Considering the problematic of present research, I find these methods the most suitable for illustrating the research question from different angles, revealing Danish-Russian relations dynamics, explaining the main trends and drivers within their relations concerning the Arctic issues.

\(^{106}\) Yin 2009, 16
I. DANISH INTERESTS IN THE ARCTIC

The kingdom of Denmark has its Arctic status due to the location of Greenland (the biggest island in the Arctic region) which is a part of the Kingdom. At the same time, the position of Greenland in the Kingdom of Denmark is specific. It is an autonomous part with lots of prerogatives. Following the prepositions of constitutional arrangement, the Act on Greenland Self-Government adopted in 2009, Greenland has the right to elect its own parliament and government. It exercises sovereignty and administration over such areas as the environment, health, fishery, education, utilizing natural resources and climate. Meanwhile, the Danish government reserves its jurisdiction over such areas as justice affairs, security policy, foreign policy, financial policy and civil right law.

Most significantly, the constitutional agreement also provides Greenland with the procedure to get independence. It is the possibility of Greenland’s independence that could threaten the Danish position in the Arctic. The idea of independence has a bunch of proponents in Greenland. The Danish government is highly interested in weakening the independence movements in Greenland. To ensure the Greenland’s presence within the Kingdom of Denmark, the Danish government is taking several measures.

Firstly, Denmark provides Greenland with substantial financial aid. Greenland’s economy primarily relies on the Danish annual block grant of 3.5 billion Danish kroners that accounts for more than 50% of Greenland’s government revenues, and 25% of GDP. To zero out the annual Danish subsidiary, Greenland needs to develop dozens of mines, oil and gas deposits. According to the US Geology Service appraisal from 2008,

---

107 Jacobsen 2016
108 Government of Greenland n. d. (a)
109 Ibid
110 Ibid
111 Ibid
112 Mouritzen, Hans. 2018, 127
113 Kirk 2018; Musaddique 2018
114 Rahbek-Clemmensen 2011, 1-2
115 Ibid; Index Mundi 2018 (a); Government of Greenland 2009
116 Jacobsen 2016
the Greenland’s basin is expected to contain approximately 17 billion barrels of oil and 138.000 billion cubic feet of natural gas.\textsuperscript{117}

However, to exploit these resources Greenland needs great investments and management skills that cannot be provided by Greenland itself. Since 1970 great investments by such companies as Dong, Exxon mobile, Statoil, Husky, Chevron and Cairn Energy have been allocated into the exploration of Greenland’s oil and gas deposits\textsuperscript{118}. Still, these explorations have not given any tangible results, no great oil and gas deposits have been discovered.\textsuperscript{119} Taking into account the current tendency of low oil prices, it seems challengeable for Greenland to attract new investments in the exploration. \textsuperscript{120}

It is worth mentioning that the Danish government enjoying its administrative capacity plays an active role in attracting of such investments, promoting Greenland’s interests in the international economic forums and meetings. For instance, in March 2019, the Danish Crown Prince Frederik headed a large Danish business delegation that traveled to Canada to present Greenland as an attractive destination for mining companies to run business. Denmark’s minister for Energy, Utilities and Climate Lars Christian Lilleholt (2015-present) also participated in the delegation.\textsuperscript{121} Therefore, Greenland is highly dependent on the Danish government both in terms of financial support and possible development of oil and gas deposits. In case of gaining independence from Denmark at present moment, Greenland will face the status of one of the poorest European nations.\textsuperscript{122} This economic dependence mainly predetermines Greenland’s presence in the Kingdom of Denmark.

Secondly, Demark partly promotes involvement of Greenland’s authorities into the decision making process on foreign policy to insure Greenland in the accounting of its interests in exercising Kingdom’s foreign policy.\textsuperscript{123} Particularly, it was done in the Arctic case, in which Greenland grasped an opportunity to elaborate Kingdom of Denmark's

\textsuperscript{117} Bird et al. 2008  
\textsuperscript{118} Østhagen 2012  
\textsuperscript{119} Kaznacheev and Bazaleva 2016, 107; Panichkin 2016  
\textsuperscript{120} Ibid  
\textsuperscript{121} Breum 2019  
\textsuperscript{122} Musaddique  2018  
\textsuperscript{123} Rahbek-Clemmensen  2011, 3
strategy for the Arctic from 2011 to 2020 on an equal foundation. Following the words of former Danish foreign minister (2015-2016), Kristian Jensen, “This cooperation (cooperation with Greenland) makes us (the Kingdom of Denmark) greater in the world.”

Thirdly, the Danish authorities also encourage Greenland’s commitment to the security policy, particularly through the volunteer participation of the Greenland residents in the activities of the Danish armed forces deployed on the island of Greenland.

Finally, apart from political involvement and financial support the Danish government strengthens its sovereignty over Greenland by active engagement into the international Arctic governance. This development is twofold.

On the one hand, Denmark boosted its political role in the Arctic governance to get “credentials” of its sovereignty over Greenland from other countries. Being an official contractor of legal binding agreements within the Arctic council, Denmark in existing constitutional framework is perceived by other states as a more convenient actor in the Arctic rather than Greenland. It is not a coincidence, that despite general Danish endeavor to promote Greenland’s involvement into the Arctic affairs, Greenland representatives have not taken part at the executive SAO meeting of the Arctic Council since 2011 and the sign at the table was changed from “Denmark, the Faroe Islands, and Greenland” to the Kingdom of Denmark. This act is another evidence of acknowledging the Kingdom of Denmark as the only actor in the Arctic issues.

On the other hand, Denmark’s commitment to the increasing engagement in the Arctic affairs aims to ensure Greenland’s economic interests providing its population with a wide range of necessary opportunities to gain all possible economical profits from the Arctic development. In accordance with this endeavor, the Kingdom of Denmark submitted a claim to the UN Commission on the Limits and the Continental Shelf for a

---

124 Arctic Council 2011
125 Ministry of Foreign Affairs of Denmark 2015
126 Rahbek-Clemmensen 2014, 409; The Government of Denmark et al. 2011
127 Olsen and Shadian 2017
large area of the Arctic seabed, approximately 895,541 sq. km in 2014.\textsuperscript{128} This claim required enormous scientific research for 12 years and over 55 million dollars worth of investments.\textsuperscript{129} The claim is of great importance for Greenland, since in case of positive decision the claimed territory with its all potential economic profits will become a part of Greenland anyway, even in case of independence from Denmark.

Thus, the ensurance of Danish sovereignty over Greenland is one of the main concerns in Danish Arctic policy. The geographical position of Greenland in the Arctic region and Denmark’s authority over it is the only Denmark’s guarantee to impact the Arctic issues directly as an Arctic state. This is a true illustration of strong intertwining of geography matters with politics issues that can be easily integrated into the framework of geopolitics.

What makes the Arctic, particularly Greenland, so essential in the eyes of Danish authorities? The proponents of the realistic school will immediately give the answer: it is territory and economic interest in the development of the Arctic natural resources. However, such great Danish investments into Greenland and strong commitment to the Arctic development are much more than just concern of the state territory expansion and getting future possible economic benefits.

Greenland is extremely significant for Denmark in terms of its relationship with a super-great power the US. The main reason for this is Greenland’s military importance to the US.\textsuperscript{130} Greenland is situated next to the halfway point between Moscow and New York City and has a perfect position for the US missiles strikes and interception of missiles flying over the North Pole.\textsuperscript{131} It is also crucial due to the so called Greenland-Iceland-U.K. gap, where Russian submarines would operate in case of a military conflict.\textsuperscript{132} In fact, Denmark could use Greenland as a “bargaining chip” to foster its relationship with the US enhancing its status as a prominent ally.\textsuperscript{133} This position can be explained with Denmark’s nature as a small state\textsuperscript{134}. According to the last adopted Danish Defence

\textsuperscript{128} Hannestad 2014 (a); Studinger 2014
\textsuperscript{129} Ibid
\textsuperscript{130} Rahbek-Clemmensen 2017
\textsuperscript{131} Ibid
\textsuperscript{132} Ibid
\textsuperscript{133} Rahbek-Clemmensen 2014, 410
\textsuperscript{134} Ibid
Agreement, NATO is the main security pillar of the Kingdom of Denmark.\textsuperscript{135} Holding a “Greenland card”, particularly the placement of the American Thule Air Base with sophisticated Early Warning radar system in Greenland, Denmark for many years has been able to enjoy a discount on its NATO membership, paying less than 2\% of GDP, which is NATO’s official defence spending target for member states.\textsuperscript{136}

However, nowadays the “Greenland card” has a tendency to evolve into the “Arctic card” as it itself is getting less important.\textsuperscript{137} The military significance of Greenland is correlated with increasing possibility of a real military conflict between the US and Russia\textsuperscript{138}. This correlation makes the “Greenland card” not very reliable, almost totally dependent on the nature of the US-Russia relations.\textsuperscript{139} Hence, Denmark is trying to pave new relevant paths to accommodate the US.\textsuperscript{140}

One of these ways is lying through Danish active policy in the Arctic. The US as an Arctic State is expected to have an increasing interest in the region. Meanwhile, the Arctic is still a marginal area in the US foreign policy.\textsuperscript{141} Recent decision of Trump administration to relocate budget money allocated for modernization of the current modest Arctic icebreakers fleet to the Mexican border wall construction is a bright prove of low relevant significance of the Arctic in the present US policy.\textsuperscript{142}

At the same time, low significance at the moment does not imply low significance in future. It is not surprising given the fact of rapid ice melting and potential energy resources situated in the Arctic. This thesis is fully embraced by the Danish Government, which advocates its participation in the Arctic. One of the aims of Danish active involvement into the Arctic affairs is acquiring Arctic knowledge and experience that could be shared in future by the request of the US.\textsuperscript{143}

\textsuperscript{135} Danish Parliament 2018
\textsuperscript{136} Jacobsen 2016
\textsuperscript{137} Rahbek-Clemensense 2017
\textsuperscript{138} Ibid
\textsuperscript{139} Ibid
\textsuperscript{140} Ibid
\textsuperscript{141} Henriksen and Rahbek-Clemensense 2017, 80
\textsuperscript{142} Wyland 2018
\textsuperscript{143} Henriksen and Rahbek-Clemensense 2017, 79 - 80
It is worth mentioning that alongside with using the “Arctic card” Denmark promotes its status in NATO by active engagement into NATO international operations.\textsuperscript{144} Thus, the Arctic commitment is one of the grand strategy elements of diversification of Danish means to strengthen its position as the US ally.

Another driver of Danish Arctic policy is recognizing the Arctic as “a natural place” to restore diplomatic relations between the US and Russia.\textsuperscript{145} Being a small state between two super/great powers, Denmark is highly sensitive to political shocks at the global level and is interested in peaceful relations between great and super great powers, particularly between Russia and the US. In case of a possible US-Russia conflict, Denmark will be placed into a “hot spot” between two countries and risk to lose its control over Greenland and, consequently, one of its political attractiveness to the US.\textsuperscript{146}

The decision-making process and governance model set in the Arctic, particularly within the Arctic Council, makes Denmark an equal peer of such great and super great powers as Russia and the US. This position allows Denmark to pursue its interests and employ legal tools to fully develop its agenda of promoting peaceful relations between great powers both through bilateral relations with the Arctic states and multilateral relations within the Arctic Council.

The main principles of Danish Arctic policy have been formulated in the Kingdom’s Strategy for the Arctic 2011-2020.\textsuperscript{147} According to the Danish Arctic Strategy, the Kingdom sets the following aims: peaceful, secure and safe Arctic; sustainable exploitation of natural resources; maintaining and enhancing Greenland’s development as an “equal partner” towards increasing autonomy; obtaining the status of one of the major players in the Arctic affairs; cooperation with other states in the field of the climate change, maritime safety and indigenous people.\textsuperscript{148}

\textsuperscript{144} Ibid, 90
\textsuperscript{145} Ibid, 78; Rosen 2016
\textsuperscript{146} Rahbek-Clemmensen 2014, 404
\textsuperscript{147} The Government of Denmark et al. 2011
\textsuperscript{148} Ibid
Apart from the adoption of the Arctic Strategy, the Danish government established the administrative resources to help manage the strategy realization. In 2012, the Danish Foreign Minister’s “office for the Arctic and North America” was set up. In the same year, the Senior Arctic official was granted the rank of the “Arctic ambassador”.

Afterwards, the main driver of the Danish Arctic policy is enhancing its sovereignty over Greenland. Greenland is in the heart of Denmark’s overall strategy in exploring and developing the Arctic region that, by some estimates, is considered profitable in terms of future economic gains from exploration of Arctic natural resources as well as new sea routes. This state of affairs specifies Danish intentions to keep Greenland in. Moreover, Danish interests in the Arctic are supplemented by the desire to boost its geopolitical weight through accommodating its super power ally, the US, and pursuing avoidance of political conflicts between great and super great powers, mainly the US and Russia.

149 Jacobsen 2016
150 Ibid
II. RUSSIAN INTERESTS IN THE ARCTIC

Russia possesses a unique geopolitical position in the Arctic due to the fact that it has more than half of the Arctic territory where, according to the US Geology Service, the biggest share of all undiscovered hydrocarbon resources (approximately 90 billion barrels of oil, 1.669 trillion cubic feet of natural gas, and 44 billion barrels of natural gas liquids) is stored.\textsuperscript{151}

Russia’s Arctic is the most populated and developed from an industrial perspective part of the Arctic.\textsuperscript{152} Russia is a country with the largest icebreakers fleet in the world.\textsuperscript{153} It is a permanent and active member of the Arctic Council.\textsuperscript{154} It is also a state with the greatest investments into the development of its Arctic infrastructure.\textsuperscript{155} Therefore, it is difficult to imagine the decision-making process in the Arctic without Russian involvement. The Danish researcher, Hans Mouritzen, even calls Russia as a superpower in the region in terms of population, territory and infrastructure.\textsuperscript{156}

In turn, the Arctic is vital for Russia. Following the words of the Russian President Vladimir Putin, the Arctic plays an important role in the Russian economy.\textsuperscript{157} It accounts for 22% of total volume of the Russian export revenue, about 11% of GDP, 15% of total volume of Russian fishing production and a plenty of mineral resources.\textsuperscript{158} Its mining industries provide primary and placer diamond (99% of total Russian production), platinum-group elements (PGE) (98%), nickel and cobalt (over 90%), chromium and manganese (90%), copper (60%), antimony, tin, tungsten, and rare metals (from 50 to 90%), and gold. 50% of all Russian hydrocarbon is located in the Arctic.\textsuperscript{159} This region of Russia is the most prolific producer of Russian gas (85%) and oil (about 13%).\textsuperscript{160}

\textsuperscript{151} Bird et al. 2008; Chilingarov 2013, 7-8
\textsuperscript{152} Pelyasov 2013
\textsuperscript{153} United States Coast Guard (U.S. Department of Homeland Security) 2017
\textsuperscript{154} Arctic Council 2015 (a)
\textsuperscript{155} Lavrov 2019 (a); Putin 2019
\textsuperscript{156} Mouritzen 2018, 128
\textsuperscript{157} Putin 2017(a)
\textsuperscript{158} RIA NOVOSTI March 29, 2017 (a)
\textsuperscript{159} RIA NOVOSTI September 1, 2016
\textsuperscript{160} Shpurov 2017
According to the Report of the Russian Ministry of Emergencies, the total cost of the natural resources deployed in the Russian Arctic is more than 30 trillion dollars.  

Apart from natural resources and bio-resources, the Arctic provides Russia with more accessible trade route – the NSR, which is the shortest sea route between Asia and Europe. The route is approximately 3.9 thousand nautical miles or 34% shorter compared to the route via the Suez Canal, which reduces the travel time from 33 days to 20 days accordingly. This route is promised to be a real alternative to the Suez Route. Russia sees the future of the NSR as an international transport artery capable of competing with traditional sea lines in terms of the cost of services, security and quality. The development of the NSR is also expected to promote the Russian shipbuilding. More than that, Russia is extremely interested in the development of all unexploited oil and gas deposits in the Arctic, particularly by using the NSR as the way of transporting resources got from these deposits.

This interest is mainly determined by the fact that, following scientific forecasts, the existing on-land oil deposits situated in other parts of Russia are going to be depleted in 30-50 years. Being a country which economy is primarily based on the export of natural resources, the dwelling of existing oil deposits presents a great threat to the Russian national interests, particularly to its economic position in the world. So, the development of the Arctic deposits, to be specific, off-shore deposits, is considered by Russian authorities as the natural way to substitute the exhausting currently developed oil and gas deposits.

However, Russia does not have sufficient financial, technic and qualified human resources at its disposal to develop all possible oil and gas deposits and the NSR itself. To gain economic profits from the Arctic, Russia is in need of great investments and

---

161 RIA NOVOSTI March 1, 2017
162 RIA NOVOSTI September 22, 2011 (a)
163 RIA NOVOSTI September 22, 2011 (b)
164 RIA NOVOSTI December 20, 2013
165 Bychkov 2016
166 Ibid.; Novak 2019
167 IndexMundi 2018 (b)
168 RIA NOVOSTI September 23, 2010 (a); Ardaev 2016
peaceful surrounding. With this in mind, Russia is interested in cooperation within the Arctic as cooperation can bring prosperity to Russia.169

Apart from economic interest, the Arctic has great military significance for Russia. Such characteristics as the direct access to the Atlantic Ocean; its relative proximity to potential targets of missile and air defence as the shortest air ways from the North America to Eurasia lie through the Arctic, and an array of important defence industry and infrastructure facilities located in the Arctic – make the Arctic an appropriate spot for strategic naval operations. 170

The strategic importance of the North is also connected to the sea-based nuclear forces deployed in the Arctic. Russia’s nuclear forces are vital not only for its security policy and military strategy, but also for Russia’s great power status.171

Realizing the importance of the Arctic, The Russian Federation was among the first Arctic states to formulate the Arctic strategy in 2008 “The Foundations of the State Policy of the Russian Federation in the Arctic to 2020 and beyond”.172 In this strategy, the grand aim to “maintain the role of a leading Arctic power” was proclaimed.173 On February 20, 2013, the Strategy for the Development of the Arctic Zone of the Russian Federation to 2020 was approved by President Vladimir Putin, which revised and updated Strategy-2008.174 Both documents set the following goals: developing the Arctic resources; turning the NSR into a unified national transport corridor and line of communication; maintaining the region as a zone of international cooperation and improvement the quality of life of indigenous people.175 The new Strategy for the Development of the Arctic Zone of the Russian Federation to 2035 is to be adopted in 2019.176

169 RIA NOVOSTI March 29, 2017 (a)  
170 RIA NOVOSTI January 23, 2014  
171 Konyshev and Sergunin 2014, 80 – 100  
172 The Russian Government 2008 (a)  
173 Ibid  
174 The Russian Government 2013 (a)  
175 The Russian Government 2008 (a); The Russian Government 2013 (a)  
176 Putin 2019
Like its Danish counterpart, Russia established the specific body to regulate the issues concerning the Arctic and its development. In 2015, the State Commission for the Arctic was set up, that was substituted in 2019 by Ministry of the Russian Federation for the Development of the Far East and the Arctic\textsuperscript{177}

Hence, Russian main drivers in the Arctic policy are its economic, military and the following geopolitical gains. However, these expecting gains make Russia search for cooperation, as Russia cannot accumulate these profits only by fulfilling its own capacity.

\textsuperscript{177} The Russian Government 2015 (a); Ђ 2015; Krasnov 2019
III. DANISH-RUSSIAN RELATIONS IN TERMS OF THE ARCTIC GOVERNANCE

Nowadays, the Arctic governance has a multi-layer structure. At the global level, international conventions regulate the environmental issues, such as the protection of biodiversity and maritime ecosystems. At the regional level, the Arctic Council—consisting of 8 Arctic states (Denmark, Norway, Canada, Russia, the USA, Finland, Sweeden, Iceland), 6 indigenous organizations as permanent participants, and 13 non-Arctic states and 13 intergovernmental, inter-parliamentary organizations, and nongovernmental organizations (NGOs) as observers—is responsible for more practical and legally binding agreements, such as on maritime search and rescue, marine oil pollution preparedness and response, and scientific cooperation. The Barents Euro-Arctic Cooperation and the Northern Dimension are also entities to provide more opportunities for coordination at the regional level. Finally, at the state level, the Arctic States themselves are the main actors governing the Arctic.

Analyzing Danish and Russian Arctic policies led to the conclusion that both countries have similar vision of the Arctic governance. They support and promote the current system of the Arctic Governance. Denmark and Russia are interested in the process of sovereignizing the Arctic territory and enhancing cooperation through the Arctic Council. They disapprove of any attempts to internationalize the Arctic in a way as it was done with Antarctica. Particularly, they strongly oppose the idea of adopting any extra international convention on the Arctic - akin to the Antarctic Treaty, that in fact prohibits any national sovereignty in the Antarctica.

One of the proponents of such convention in the Arctic was the EU. On October 9, 2009, The EU Parliament adopted the Resolution on the Arctic Governance emphasizing the concern for the environment, security and energy in the Arctic, and calling for an

179 Arctic Council 2015 (a)
180 Barents Euro-Arctic Cooperation n. d.; Exploring the Northern Dimension n. d.
181 RIA NOVOSTI October 13, 2016; Samuelsen 2018, 28-29
182 RIA NOVOSTI October 13, 2016
183 Secretariat of the Antarctic Treaty n. d.
184 Fløistad and Lothe 2010
international treaty for the Arctic protection similar to the Antarctic Treaty.\textsuperscript{185} Following the words of Danish ex-minister of Foreign Affairs Lene Espersen (2010-2011), such convention “is proposed by some who think that the Arctic is not governed by laws and regulations. That is not the case.”\textsuperscript{186} This position coincides with other Arctic States’ position that was firmly expressed in the Ilulissat Declaration adopted by members of the Arctic Council in 2008.\textsuperscript{187} In this declaration, the Arctic states proclaimed that the current international law “provides a solid foundation for responsible management by the five coastal states and other users of this Ocean through national implementation and application of relevant provisions.”\textsuperscript{188}

Consequently, the Arctic States recognized no need for elaborating “a new comprehensive international legal regime to govern the Arctic Ocean.”\textsuperscript{189} In my opinion, to validate their stance on absence of the necessity of new international convention in the eyes of the international society, the Arctic States, including Denmark and Russia, are taking great efforts to strengthen the current system of the Arctic governance. This vision is particularly carried out through the enhancement of the position of the Arctic Council as the main international platform for cooperation in the Arctic and strengthening the role of existing international conventions concerning the Arctic.

For instance, it was Denmark that organized Ilulissat meeting of the Arctic Council where the Ilulissat Declaration was signed. The Ilulissat Declaration confirms the UN Convention on the Law of the Sea as the main legal framework for resolving territorial disputes in the Arctic.\textsuperscript{190} However, the Declaration did not only manifest the way of dealing with territorial disputes in the Arctic through the existing international convention in a cooperation mood, it also demonstrated the world that the Arctic belongs to the Arctic states only.\textsuperscript{191} The idea of the Declaration was wholly heart welcomed by Russia.\textsuperscript{192} The following development of the Arctic Council such as adoption of legal binding

\begin{itemize}
\item \textsuperscript{185} Ibid
\item \textsuperscript{186} Espersen 2011
\item \textsuperscript{187} Ilulissat Declaration 2008
\item \textsuperscript{188} Ibid
\item \textsuperscript{189} Ibid
\item \textsuperscript{190} Ibid
\item \textsuperscript{191} Jacobsen 2016; Mouritzen, Hans. 2018, 121
\item \textsuperscript{192} Lavrov and Møller 2008; Lavrov and Møller 2009
\end{itemize}
agreements between the Arctic states again proved the commitment of the Arctic States, particularly Denmark and Russia, to their common vision of supporting existing model of the Arctic governance.\textsuperscript{193}

Alluding the adoption of treaty similar to the Antarctic treaty in the Arctic case is explained by the rational choice of the Arctic states, that was determined by their national interests. Particularly, Denmark and Russia share common desire not to miss an opportunity to sovereignize vast natural resources preserved in the Arctic, in the region that is expected to be “the main energy territory on the planet in the 21\textsuperscript{st} century”.\textsuperscript{194} In other words, Denmark and Russia wish to exclude other non-Arctic states from the direct participation in the Arctic governance.\textsuperscript{195}

The aim to sovereignize the Arctic is explicitly presented in Danish and Russian claims on the continental shelf in the Arctic Ocean outside their Exclusive Economic Zones. Some clarifications of this claim process is called for. Denmark and Russia ratified the \textit{United Nations Convention on the Law of the Sea (UNCLOS)} adopted and signed in 1982, according to which the state has the right to claim the territory beyond its exclusive zone if it is able to prove that this territory is the continuation of its continental shelf.\textsuperscript{196}

In 2001, Russia was the 1\textsuperscript{st} country that applied for this procedure in the Arctic.\textsuperscript{197} Nevertheless, due to the lack of scientific data, most importantly the reliable theoretical model of geodynamic evolution process of the Arctic, proving the continental nature of claimed territories, the claim was disapproved of the UN Commission on the Limits of the Continental Shelf (CLCS) and sent back for further elaboration.\textsuperscript{198} During more than 10 years Russia had been collecting new data to present it CLCS in august 2015.\textsuperscript{199} The decision on this claim is expected to be announced in summer 2019.\textsuperscript{200} In case of the positive decision, Russia is going to get an opportunity to expand its territory by 1.2

\begin{flushright}
\textsuperscript{193} Arctic Council 2015 (b) \\
\textsuperscript{194} Aleksandr Sobjanin quoted in RIA NOVOSTI August 7, 2015 \\
\textsuperscript{195} Rahbek-Clemmensen 2011, 5 \\
\textsuperscript{196} United Nations Convention on the Law of the Sea 1982 \\
\textsuperscript{197} Lobkovskij 2015 \\
\textsuperscript{198} Ibid \\
\textsuperscript{199} Denisova 2015 \\
\textsuperscript{200} Hramov 2019
\end{flushright}
million square kilometers (over 463,000 sq. miles) of sea shelf extending more than 350 nautical miles (about 650 km) from the shore, including the Lomonosov Ridge, Mendeleev-Alpha Rise and the Chukchi Plateau Ridges with estimated reservoirs of about 5 billion tons of standard fuel.\textsuperscript{201}

In December 2014, Denmark also presented its claim on approximately 895,541 square kilometers of the Arctic seabed to the north of Greenland, where part of this territory, to be specific, areas of Amundsen Basin, the Lomonosov Ridge, Makarov-Podvodnikov Basins and Mendeleev Rise, area under the North Pole overcross the Russian’s claimed territory. Overall, overcrossing territories comprise 550000 square kilometers.\textsuperscript{202}

It is worth stating that the mentioned above disputable territories triggered a big turmoil in mass media and scientific research. Many journalists and researchers described it as the beginning of the struggle for the Arctic by Denmark and Russia.\textsuperscript{203} Michael Byers, Professor at the University of British Columbia, named Danish claim not required provocation at a critical time. He warned Denmark of possible unwanted reaction from Russia.\textsuperscript{204} Several researchers predict more intrusive Russian naval exercises or aircraft operations near the Denmark’s border within the Baltic Sea.\textsuperscript{205}

Nowadays, this controversial overcrossing issue is still presented as the biggest challenge in the development of peaceful Danish-Russian relations in the Arctic. However, I do not agree with this vision. In opposite, I think this claim is not a sigh of tension in their relations rather it is a sigh of cooperation. To get this idea, we have to look carefully trough the claim procedure.

First and foremost, it is worth mentioning that decisions produced by the UN commission themselves are not documents supposed to determine the delimitation of borders between Denmark and Russia in the Arctic. The UN Commission has authority to give scientific

\textsuperscript{201} RT 2016; Ardaev 2016
\textsuperscript{202} Damkjær 2015; RIA NOVOSTI September 7, 2016
\textsuperscript{203} Schümer 2015
\textsuperscript{204} Hannestad 2014 (a)
\textsuperscript{205} Hannestad 2014 (b)
approval if the claimed territories are expanding of the continental shelf or not. Afterwards, on the base of this approval the state can claim the area.  

In case of disapproval, neither Denmark nor Russia can have an opportunity to expand their territories. Claimed areas will keep their international status, particularly, they will be recognized as the Arctic seabed, i.e. international waters.  

In other words, the main concern of Denmark and Russia is not the problem of delimitation but endeavor to prove that claimed areas can become the subject of this delimitation. This endeavor determined Danish-Russian cooperation in the scientific data collection driven by the grand scope of the scientific task to prove the continental nature of the claimed areas during the process of preparing the claims.  

Following the words of Coordinator of scientific work on the preparation of the Russian application Leopol’d Lobkovskij, “We (Russia) do not have conflicts with Denmark and Canada (Canada is also planning to claim the same territory) as all three countries are interested in the expanding of the continental shelf to the North Pole”. He also continued that disputable ridges in the Arctic run from Russian Eurasian suburbs to Greenland and Canadian North American suburbs. Consequently, Denmark, Russia and Canada have common basis for extending the shelf.

Figure 10. Lomonosov Ridge (Source: Winz 2013)

---

206 The Information and Press Department of the Russian Foreign Ministry 2014  
207 Lobkovskij 2015  
208 Donskoj 2016  
209 Lobkovskij 2015  
210 Ibid
The claim process as well as the problem of scientific back up of territories were not a secret to both sides that encouraged Denmark and Russia to cooperate on this issue.\footnote{The Information and Press Department of the Russian Foreign Ministry 2014; Markusen 2010} Moreover, there was even an idea from the Russian side to have a joint application to the UN CLCS.\footnote{Lobkovskij 2015} In many interviews, Russian scientists and authorities express the idea that both claims are not controversial to each other but, in contrast, they are supportive to each other and make the adoption of the positive decision on them more likely.\footnote{Ibid.; Vasil’ev 2013} Statements delivered by high Danish and Russian authorities on legitimacy of the applications and their consonance with the Ilulissat declaration provisions underline the peaceful nature of the presented claims.

The representatives of both countries constantly emphasize their commitment to resolve future possible territorial disputes in case of the UN CLCS acknowledging the claims through the process of negotiations and bilateral agreements.\footnote{Putin 2017 (b)} Taking into account the precedents of peaceful resolution of territorial disputes in the Arctic, such as division of the territory between Norway and Russia in the Barents Sea, and common endeavor of
Denmark and Russia to elude conflict situations in the Arctic, there is a great possibility that the question of overall claims will be resolved in the cooperative mode. More than that, the US and other Arctic States approve of the claim process.

It is worth mentioning that there was an attempt taken by the Russian side to resolve the delimitation of the disputed areas between Denmark and Russia by the preliminary bilateral agreements prior to the decision of the UN CLCS. The idea was announced by the head of the Ministry of Natural Resources and Environment of the Russian Federation, Sergej Donskoj (2012-2018) in 2016.

However, the Danish side did not approve of this action. Danish Foreign Minister Kristian Jensen proclaimed Denmark’s wish not to settle down this question before the UN assessment and, more than that, not to complicate its relationship with its NATO ally, Canada that was preparing its own claim for the same disputed areas.

Afterwards, in terms of the Arctic governance, there is a great cooperation in Danish-Russian relations. Both countries want to exclude “other” non-Arctic states from direct participation in the Arctic governance. They actively promote existing multi-layer governance model and see the Arctic as an object of fulfillment of their sovereign rights. A strong desire to give the Arctic areas the status of national territories of the Arctic states is the main driver for Danish-Russian cooperation in terms of governance. It is the exact field of overlapping interests of both states.

---

215 Ibid
216 Denisova 2016
217 RIA NOVOSTI  September 7, 2016
218 Hannestad 2016; RIA NOVOSTI September 12, 2016
4.1. General trends

To understand the main drivers of economic relations between two states in the Arctic region, a brief review of both economies is required. It seems to be impossible to analyze economic Danish-Russian relations in the Arctic without general acquaintance with Danish and Russian economies, their trends and goals. This paragraph is supposed to handle this task.

Denmark is considered one of the most prosperous countries in the world. According to World Competitors Yearbook, it occupies the 6th position in terms of competitive capabilities of its economy. The Kingdom is recognized as one of the best countries for business running and implementing innovations. Its economy is export-oriented. Such products as agricultural goods, pharmaceuticals and technical equipment, technologies and innovations are main export items. In addition, Denmark is one of the leading maritime countries.

Nowadays, the main market for Denmark is the EU. However, China is gaining its economic weight in the eyes of Danish business elites due to the scope and size of China’s market and what is more important due to significant investments China can provide Denmark for economic development.

Moreover, Denmark holds the 1st position in the world ranking in terms of energy efficiency. Denmark possesses oil and gas resources. However, Denmark’s oil

---

219 The Legatum Prosperity Index 2018
220 IMD World Competitiveness Center n. d.
221 The World Bank: Doing Business 2019; Bloomberg 2019
222 The Trade Representation of the Russian Federation in the Kingdom of Denmark 2018, 3-6
223 Ministry of Foreign Affairs of Denmark. Invest in Denmark n. d.
224 The Trade Representation of the Russian Federation in the Kingdom of Denmark 2018, 4
225 Erickson and Collins 2012
226 Danish Ministry of Energy, Utilities and Climate 2017
production has decreased since 2004 and in 2015 its oil consumption surplus its production.\textsuperscript{227} It is estimated that the following 25 years Denmark’s oil production will totally stop.\textsuperscript{228} Being a producer of natural gas, Denmark is a net exporter of the natural gas.\textsuperscript{229}

The Arctic melting has opened new opportunities for Danish economy. First, opening of the Arctic sea trade routes is very essential for Danish shipping industry. Secondly, appearing of more ice-free water space in the Arctic is another asset for Danish fishing companies. Thirdly, the vast oil and gas deposits that could be found in Greenland according to the US Geology Service can bring a great profit to the development of Danish economy. Finally, difficult environmental conditions in the Arctic call for innovations in technologies for oil and shipping industries that Denmark can export to other countries, such as China and Russia. In other words, the Arctic and its development go in line with Denmark’s national interests in terms of prosperity.

In contrast, Russian economy is not as developed as Danish one. It occupies the 38\textsuperscript{th} position in terms of competitive capabilities in the world.\textsuperscript{230} Russian economy is also export oriented.\textsuperscript{231} However, in comparison with Denmark, the export goods are not so various. Natural resources are the main export items and the solid foundation of Russian economy.\textsuperscript{232}

These circumstances make the Arctic and its expected great oil and gas volumes are crucially important for Russia. Russian authorities directly point out “the strategic significance” of the development of Arctic continental shelf oil and gas deposits and, following it, the promotion of Russian shipbuilding to transport these resources through the NSR.\textsuperscript{233} Especially, this issue is of great concern of Russia as existing oil and gas deposits exploited in other parts of Russia are estimated to be dwelled in 30-50 years.\textsuperscript{234}

\begin{thebibliography}{99}
\bibitem{227} Liuhto 2018, 5
\bibitem{228} Ibid
\bibitem{229} Ibid, 7
\bibitem{230} Schwab 2017, xi
\bibitem{231} OEC (The Observatory of Economic Complexity) 2017
\bibitem{232} Ibid
\bibitem{233} RIA NOVOSTI December 20, 2013.
\bibitem{234} Bychkov 2016; Novak 2019
\end{thebibliography}
The availability of the NSR is also extremely important for Russia, because the NSR mostly lies in Russian territorial waters so that Russia can fully enjoy its location as the transit area.\textsuperscript{235} Ice melting gives another edge to Russian fishery industry. Like in case of Denmark, the Arctic is viewed in Russia as a profitable region for future business operations.

In terms of trade, Denmark and Russia are not significant partners to each other.\textsuperscript{236} As a rule, Denmark’s exports to Russia industrial equipment, pharmaceuticals and scientific equipment.\textsuperscript{237} In turn, Russia exports natural resources such as oil, coal and iron.\textsuperscript{238} In 2015, Russia accounted for 46\% of Denmark’s oil products imports.\textsuperscript{239} In 2016, Russia accounted for 64.1\% of Danish solid fuel imports.\textsuperscript{240} However, in total, as for 2016, Russia represented 0.8\% of Denmark’s export and 1.7\% of its import.\textsuperscript{241}

There is no great investment activity between countries either. By the end of 2016, Russia was responsible for minial 0.1\% of Denmark’s foreign direct investment.\textsuperscript{242} Most Danish investments are directed into the real sector of Russian economy: Carlsberg, Novo-Nordisk, Danfoss, Rockwood and some others\textsuperscript{243}. The small amount of investments is registered from the Russian side, too.\textsuperscript{244} The major companies in Denmark with Russian capital “NLMK DanSteel”, “Silvatec Skovmaskiner A/S” и “Affitech A/S”.\textsuperscript{245}

Meanwhile, there is evidence of states’ endeavors to promote economic relations. In accordance with these endeavors the Intergovernmental Russian-Danish Economic Cooperation Council, a special platform for business meetings was created in 2004.\textsuperscript{246} The forum was established in accordance with the Agreement on the development of

\begin{footnotes}
\item[235] RIA NOVOSTI September 22, 2011 (b)
\item[236] Volkov 2017, 80
\item[237] Ibid, 82-84
\item[238] Ibid.
\item[239] Liuhto 2018, 6
\item[240] Ibid
\item[241] Ibid
\item[242] Ibid
\item[243] Volkov 2017, 84-86
\item[244] Ibid, 86-88
\item[245] Ibid, 87
\item[246] Vneshmarket.Ru n. d
\end{footnotes}
economic, industrial, scientific and technical cooperation between the Russian Federation and the Kingdom of Denmark of 27 October 1992. There is also a special body for fostering economic cooperation in the Arctic, the Arctic Economic Council, an independent organization, created by the Arctic Council during 2013-2015. Being members of the Arctic Council Denmark and Russia have an opportunity to elaborate their economic relations in the region with the help of this body.

This analysis leads us to the conclusion that Denmark and Russia do not perceive each other as the indispensable partners in terms of general economic context. However, common economic interests that both states share in the Arctic can generate cooperation in the fields of mutual concern. In general, economic Danish-Russian relations in the Arctic can be analyzed in the following sectors: oil and gas exploitation, shipping, shipbuilding, fishery, energy and tourism.

4.2. Oil and gas exploitation

Oil and gas exploitation of the Arctic is on the top of the Russian Arctic agenda. The share of the Arctic shelf in the overall Russian resources is overwhelming. The Arctic counts for 90% of overall Russian shelf hydrocarbons and 70% of total oil deposits. Following the predictions of the US Geology Service, Russia possesses 41% of total Arctic oil resources and 70% of total gas Arctic resources. These potential resources are very crucial for Russian future development. The Arctic is considered to be as the solution of dwelling oil and gas resources that Russia is going to face in future.

Moreover, Russia has always been regarding dependence of other states on its natural resources as a lever to defend its political interests. In this light, the Arctic can be considered significant not only in terms of economy, but also in terms of geopolitical capacity that Russia is willing to gain.

247 The Russian Government 1992 (a)
248 The Arctic Economic Council (AEC) n. d.
249 Afanasyeva 2013, 3
250 Kaznacheev and Bazaleva 2016, 100-101
251 RIA NOVOSTI September 15, 2015
Russian endeavor to exploit natural resources in the Arctic is enshrined in its Arctic Strategy documents such as ‘The Foundations of the State Policy of the Russian Federation in the Arctic up to 2020 and Beyond’ and “The Strategy for the Development of the Arctic Zone of the Russian Federation up to 2020.” Russian state own companies: Rosneft and Gazprom, the only companies authorized by the Russian government to develop Arctic oil and gas off-shore products, invested a great sum of money into their Arctic projects and called the Arctic exploitation a priority area for the development. Particularly, Rosneft is going to invest about 500 billion dollars into the Arctic development.

However, Russian companies encounter the problems of insufficiency of Russian technologies in development and exploitation of Arctic resources. Besides, severe weather conditions raise the issue of high cost of Arctic oil exploitation so that the financial ground of the Russian companies cannot allow them to develop these projects only by their own efforts.

The Russian government realizes the need for great investments and international cooperation in the Arctic oil exploitation. Following this inspiration, Gazprom and Rosneft made several agreements with foreign oil and gas companies such as Statoil, Eni, EXON-MOBIL, BP, Total to develop its Arctic continental shelf projects. The most explicit example of such cooperation is collaboration between EXON-MOBIL and Rosneft on exploration of oil resources in the Kara Sea that was successfully finished in 2014.
Among other successful Russian projects in Russian Arctic, one should mention another project. Obviously, I mean the 1st and still the only project in Russian history on extracting off-shore oil deposits in the Arctic which resulted in the 1st stationary platform for extracting from the Arctic shelf in the world in 2014. The platform named Prirazlomnaya is situated in the Pechora Sea. The project was fulfilled by Gazprom. The investments of foreign companies led Russia to designing optimistic scenarios of further development of Russian Arctic off-shore projects.

However, everything changed in 2014 when the sanctions of the EU and the US were implemented. The EU implemented sanctions on Russia in March in 2014 to strongly condemn Russian actions in Ukraine, particularly “Russia’s illegal annexation of Crimea.” The imposed sanctions concern travel bans and property freezes against persons involved in “actions against Ukraine's territorial integrity.” Later in July 2014,

---

259 Ibid
260 Ibid
261 RIA NOVOSTI April 22, 2014.
262 European Union. Newsroom n. d.
263 Ibid
the EU imposed economic sanctions and reinforced them in September 2014.\textsuperscript{264} The economic sanctions include sanctions on the Russian public banks, embargo on military goods and restriction on the export of technologies, services and equipment, concerning oil industry.\textsuperscript{265} In particular, companies of the EU states are not allowed to sell and provide services to the Russian projects on oil exploration and production in deep waters, in the offshore areas in the Arctic and shale formations.\textsuperscript{266} The EU declared sanctions to be in force until the full implementation of the Minsk Agreements by the Russian side.\textsuperscript{267} Moreover, the US supported this by implementing their own package of sanctions on Russia.\textsuperscript{268}

According to the American and Russian authorities, the main aim of sanctions was to curl Russian activities in oil and gas sectors in the Arctic.\textsuperscript{269} Due to the sanctions, a lot of international joint projects were delayed or closed despite the assurance granted by the Russian authorities that sanctions would cause no suspension in the realization of joint Arctic projects.\textsuperscript{270}

Although foreign companies were reluctant to get out of the projects, the political situation forced them to do it.\textsuperscript{271} It was a huge blow to Russian Arctic ambitions. Russia did not have substitution to western technologies and enough investments.\textsuperscript{272} This state of affairs pushed Russia to look in another way. It has been doing all its best to attract investments from Asian countries like China, Japan, India and Vietnam. There were signed agreements.\textsuperscript{273}

\footnotesize{
\textsuperscript{264} Ibid
\textsuperscript{265} Ibid
\textsuperscript{266} Ibid
\textsuperscript{267} Ibid
\textsuperscript{268} U. S. Department of State n. d.
\textsuperscript{269} RIA NOVOSTI September 12, 2014; RIA NOVOSTI May 20, 2015
\textsuperscript{270} Novak 2014.; RIA NOVOSTI December 9, 2014; RIA NOVOSTI, December 10, 2014; Vedomosti 2015; RIA NOVOSTI June 8, 2016
\textsuperscript{271} Andreev 2014
\textsuperscript{272} Ardaev 2016
\textsuperscript{273} Rogozin 2016 (a); RIA NOVOSTI December 9, 2014; RIA NOVOSTI December 11, 2014; RIA NOVOSTI May 8, 2015; RIA NOVOSTI July 8, 2015; RIA NOVOSTI March 15, 2016; RIA NOVOSTI September 2, 2016. ; RIA NOVOSTI October 9, 2016; RIA NOVOSTI November 28, 2018}
Also, Russia has proclaimed the course of import substitution and allocated a lot of money in technology development.\textsuperscript{274} It is worth mentioning that technology development consumes a lot of time, more than 5-10 years. Asian countries do not have sufficient experience and innovative technologies for off-shore oil extractions which make further Russian off-shore oil development still unlikely.\textsuperscript{275}

There are much more possibilities in the development of on-shore oil and gas deposits in the Arctic where there is a room for public-private cooperation. Novatek is one of such private companies. Particularly, this company is responsible for opening Yamal 1 and is working on the project LNG Project Arctic 2 on Yamal Penninsula. China and France are also engaged into this project.\textsuperscript{276}

Denmark is a country with its own oil and gas companies like Dong and Moller expected to have great chances to participate in the exploitation of oil and gas resources in the Russian Arctic.\textsuperscript{277} However, these expectations were not justified.

In 2010, there were real attempts to create joint Moller Maersk-Gazprom projects. The Russian Prime-Minister (2008-2012) Vladimir Putin visited the Maersk headquarter during its visit to Copenhagen.\textsuperscript{278} There was also a meeting between Moller Maersk Group Vice-President Klaus Rud Sejling and Gazprom Deputy Chairman of the company’s management Committee Aleksandr Ananenkov, on discussing future cooperation in the development of the Artic off-shore oil and gas deposits in 2011.\textsuperscript{279}

The same year, Rosneft’s chief-executive Eduard Khudanaitov mentioned Maersk oil alongside Norway’s Statoil as possible partners in the Arctic.\textsuperscript{280} These statements echoed the endeavor of Maersk’s chief executive who undoubtedly demonstrated his interest in this cooperation: ‘We would be interested in entering oil sector in Russia’.\textsuperscript{281} Meanwhile,

\begin{itemize}
\item \textsuperscript{274} RIA NOVOSTI June 4, 2015; RIA NOVOSTI, October 27, 2014
\item \textsuperscript{275} Ardaev 2017
\item \textsuperscript{276} Williams 2015; NOVATEK 2019 (a); NOVATEK 2019 (b)
\item \textsuperscript{277} Koptelov 2012
\item \textsuperscript{278} ВЕСТИ. RU 2012
\item \textsuperscript{279} GAZPROM 2011; Offshore Energy Today 2011
\item \textsuperscript{280} Nils S. Andersen quoted in Energy-Pedia General News 2011
\item \textsuperscript{281} Ibid
\end{itemize}
there was a precedent of cooperation between Danish oil company Dong Energy and Gazprom. In 2011, the companies signed the Memorandum about intentions to cooperate in the energy sector.\textsuperscript{282}

Nevertheless, all these endeavors were not fulfilled. Possibly, due to some economic interests, Rosneft and Gazprom preferred Norwegian, British, American, French and Italian companies as their chief partners. After the implementation of the sanctions in 2014, the opportunities for this cooperation were squandered. Still, to my mind, even if the sanctions are lifted there will no big chance for Danish-Russian cooperation in the field of oil and gas exploitation in the Arctic as big Danish oil and gas companies like Moller Maersk and Dong are restructuring their businesses and selling their oil and gas branches. For instance, Maersk sold its oil exploration and production business to French oil company Total in 2017 and declared shipping the major direction of business strategy.\textsuperscript{283} Dong Energy agreed to sell its oil and gas business to Petrochemicals firm INIOS and focus on developing on-shore wind energy.

These decisions can be explained by several reasons. The first reason is announced by the company owners: the low price of oil since 2013/4 makes running oil business unprofitable.\textsuperscript{284} In my opinion, the second reason is estimated cease of oil production in Denmark in 25 years due to exhausting existing deposits\textsuperscript{285}. In brief, there is a little possibility for Danish companies involvement into oil and gas exploitation in the Russian Arctic even in the case of global political tension relief.

However, joint oil and gas projects in the Arctic are not the only spheres where Danish and Russian relations can be analyzed through the oil and gas exploitation lenses. Denmark and Russia have at great point similar situation in oil and gas exploitation in the Arctic. Both countries possess a high volume of resources in the Arctic with most of them not well explored by now.\textsuperscript{286} From this perspective, the Russian case is more favorable

\textsuperscript{282} Andronova 2012, 5  
\textsuperscript{283} Carlsen and Pico 2019; TODAY 2019; Offshore Energy Today 2018  
\textsuperscript{284} Carlsen and Pico 2019  
\textsuperscript{285} Liuhto 2018, 5  
\textsuperscript{286} Panichkin  2016; RIA NOVOSTI October 27, 2014; RIA NOVOSTI March 29, 2017 (a)
as some deposits have already been successfully explored, whereas in Greenland no deposits despite several expensive English and Australian projects have been spotted.\textsuperscript{287}

There is also a great necessity for both states to bring investors to the Arctic projects. Taking into account Greenland’s modest economy and high dependence on Danish government subsidies, Greenland does not have substantial financial fund to exploit its natural resources.

More than that, both countries see China as the most likely option to get investments for their natural resources development. Nowadays, Denmark pays primary attention to development of economic relations with China.\textsuperscript{288} Denmark was one of the countries that strongly advocated granting China the status of an observer in the Arctic Council.\textsuperscript{289} China has invested a lot of money to Greenland.\textsuperscript{290} Some Danish politicians believe that these investments can provoke negative reactions of the US and promote China’s political interest in the Arctic.\textsuperscript{291}

\textsuperscript{287} Panichkin 2016
\textsuperscript{288} Erickson and Collins 2012
\textsuperscript{289} Ibid
\textsuperscript{290} Ibid
\textsuperscript{291} Breum 2018 (a); Gad 2018
Russia is also in efforts to attract China’s investments due to the fact that China is highly interested in the development of the NSR as the way to get necessary natural resources from Russia to develop its economy. For instance, China is one of the partners of the project Arctic LNG 2. China Silk Road Fund invested a lot into Russia’s LNG Gas Project in Yamal.

In my opinion, this makes Denmark and Russia competitive to each other in terms of attracting foreign investments including Chinese ones. At the same time, both states have their pros and cons for investors.

Filimonova and Krivokhizh 2018
Daiss 2019
Ibid; Filimonova and Krivokhizh 2018
Denmark has no bureaucratic obstacles and corruption, which make it one of the best for investments.\textsuperscript{295} Moreover, in contrast to Russia, there are no sanctions imposed on Greenland’s oil and gas exploration. In this light, Denmark is perceived as a good place for investments. However, there are some disadvantages. There are great expenses on salaries.\textsuperscript{296} In comparison to Denmark, Russia does not have so high taxes burden and the labor cost is not so high. Meanwhile, the existence of bureaucratic obstacles and corruption alongside with sanctions make Russia less attractive for investments.\textsuperscript{297}

Afterwards, there is no witness of the development of Danish-Russian relations in oil and gas exploitation. Danish companies were not and are not partners in joint international projects on exploiting oil and gas of the Russian Arctic. Likewise, Russia was not a counterpart of any projects carried out on Greenland ground. This phenomenon can be justified by the fact that both countries have similar challenges in the Arctic oil and gas development and are in extreme need for investments. At present, cooperation is not possible due to sanctions and withdrawal of Danish oil and gas companies from the market.

4.3. Shipping

Danish-Russian relations in shipping within the Arctic is determined by the development of the NSR. Here are the possibilities of cooperation. Meanwhile, there are some obstacles. Denmark as one of the 10 leading shipping states in the world has its interest in the development of the NSR.\textsuperscript{298} This interest is reflected in the Danish Arctic Strategy where the preposition of Danish endeavor to explore the need for the creation of new transport route can be found.\textsuperscript{299}

This endeavor can be explained by several reasons. Firstly, Danish companies are interested in the diversification of transport routes to carry goods to Asia. This interest is

\begin{footnotes}
\footnote{295 Transparency International 2018; The Trade Representation of the Russian Federation in the Kingdom of Denmark 2018, 45}
\footnote{296 Ibid}
\footnote{297 Transparency International 2018}
\footnote{298 The Government of Denmark et al. 2011, 18; Koptelov 2012}
\footnote{299 Ibid}
\end{footnotes}
natural. Nobody wants to have all eggs in one basket. Nowadays, the main route employed for transportation cargos from Europe to China is Suez Canal. Secondly, the increasing trade turnover between the EU and the Asian market makes shipping companies search for new ways where the traffic is not as heavy as in the Suez Route.\textsuperscript{300} As it is known, in the NSR there are no great long ship queues that gives another advantage to this route.\textsuperscript{301} Thirdly, this route is free from pirates in contrast to Suez Canal.\textsuperscript{302} Finally, the utilizing of this route produces less carbon dioxide that consonants with preventing climate change policy.\textsuperscript{303}

![Northern Sea and Suez Canal routes](image)

**Figure 14.** (Source: The Economist 2014)

All these reasons stimulate Danish shipping companies will to develop the NSR as the transit route.

This Danish approach corresponds to the Russian approach. From Russian perspective, the evolution of this route is vital for the following reasons: the Arctic oil and gas deposits development; promoting Russian shipbuilding and NSR as international transit area and,
as a consequence, gaining economic profits since the most part of the NSR lies in the territorial waters of Russia.\textsuperscript{304}

However, Russia needs to settle a status question of the route. At present, Russian sovereignty over the routes is threatened by the US position that the NSR should be considered as international waters.\textsuperscript{305} This statement is in total contradiction with Russian point of view that regards the route as an internal transport corridor. To strengthen this position, Russia has produced legislation concerning the NSR. In 2012, the law on the NSR was adopted in Russia.\textsuperscript{306} It defines the NSR as ‘a historic national transportation line of the Russian Federation’ and clarifies the borders of the NSR as an internal trade corridor.\textsuperscript{307} In the same year, the special government Agency for organizing navigation in the NSR – the Administration of the NSR – was set up.\textsuperscript{308} The Russian government also adopted the comprehensive project on the NSR development in 2015.\textsuperscript{309} The project includes measures for navigation, hydrographic and hydro meteorological support of navigation in the waters of the NSR, for emergency and rescue services for shipping, for the development of seaports, for defence issues in the waters of the NSR, and for the design and construction of marine equipment, systems and means.\textsuperscript{310}

To enhance its sovereignty rights on the NSR, Russia has been increasing its military presence in the region and invests a lot of money in its infrastructure development, particularly to restoring ports, cleaning activities, opening safe and rescue stations and most importantly expanding ice breaking fleet.\textsuperscript{311} Three new modern icebreakers are being produced and recently the production of 3 new icebreakers has been announced.\textsuperscript{312} By 2035, it is expected that Russian Arctic fleet will have had 13 heavy icebreakers including 9 nuclear ice-breakers.\textsuperscript{313}

\textsuperscript{304} The Federal Law of Shipping on the Water Area of the Northern Sea Route 2012
\textsuperscript{305} Devyatkin 2018
\textsuperscript{306} The Federal Law of Shipping on the Water Area of the Northern Sea Route 2012
\textsuperscript{307} Ibid
\textsuperscript{308} The Russian Government 2013 (b); The Northern Sea Route Administration n. d.
\textsuperscript{309} The Russian Government 2015 (b)
\textsuperscript{310} Ibid
\textsuperscript{311} Devyatkin 2018
\textsuperscript{312} Putin 2019; RIA NOVOSTI September 14, 2018
\textsuperscript{313} Putin 2019
Due to the above mentioned measures, Russia controls the NSR passage. No ship can pass this route without Russian Agency permission. As before, no foreign vessel has sailed the NSR without obtaining Moscow’s permission since 1965. The Russian successful tendency in the ensuring sovereignty right of the route can also be explained by the US reluctance on promoting its international status at present thanks to American occupation with other issues of foreign policy.

Some achievements were reached on the way of the NSR development. These achievements are reflected in the volume of cargo transportation through the NSR. The growing tendency of this cargo transportation proves the life capability of this route. In 2018, the volume of goods transported via the NSR skyrocketed by 81%, announced the representative of the Russian Ministry for Maritime and River Transport in an interview with PortNews. By the end of 2018 about 20 million tons were transported to and from ports along the NSR. In 2017, 5.5 million tons were transported.

Denmark and its companies are not aside from this process. There are regular meetings and forums between Danish and Russian authorities concerning the transport regulations of the NSR. Among such meetings Russian-Danish transport working meetings in Copenhagen took place in January 2018. Both countries are cooperating on the implementation Polar Code 2018 concerning navigation in the Arctic.

Danish shipping companies are ones of the most proactive foreign shipping enterprises in using the NSR alongside with China. It was particular Danish carrier that was one of the 1st non-Russian vessel sailing via the NSR. In 2010, the Nordic bulk carrier “Nordic Barents” travelled from Norway to China transporting iron ore. In 2011, the same company transported iron ore from the northern part of Russia to China with bulk carrier of ice class through the NSR. It is worth mentioning that the US based owner takes

---

314 Devyatkin 2018
315 Carlsen 2018
316 Putin 2019
317 PortNews 2018
318 World Maritime News 2013
319 SeaNews 2018 (a)
320 Ibid
321 NORDIC Bulk Carrier A/S n. d.; Koptelov 2012
322 NORDIC Bulk Carrier A/S. n. d.
control over entire Nordic bulk company in 2015. Therefore, at present, this company activities in the NSR more represents American involvement in the exploitation of the NSR than Danish one.

However, in 2018, the leading Danish shipping company Maersk Moller successfully finished the NSR trial voyage. The company sent container ship named “Ventamaersk” to carry a load of frozen fish from Vladivostok to St. Petersburg. During the voyage, the vessel was escorted by Rosatom’s nuclear icebreaker. This event was highly welcome by Russian authorities. During the negotiations on this trial Russian special representative of President on nature, ecology and transport, Sergej Ivanov (2016-present) called it an example of Danish-Russian cooperation ‘beyond the sphere of political controversies’.

Meanwhile, according to Maersk-Moller representatives, the ultimate goal of the voyage was to obtain operational experience in the Arctic and test its new ice class Baltic feeders, specifically designed to operate in cold waters. Palle Laursen, chief technical officer at Maersk, elaborated this idea stating following: ‘Currently we don’t see the NSR as the viable commercial alternative to existing East-West routes.’ Among the reasons for this approach he pointed out a short period of the availability of the route for navigation (only 3 months a year) and additional investments that are required to construct ice class vessels. Still, he emphasizes that Maersk Moller ‘do follow the development of the NSR.’

In sight of estimations published by Copenhagen business school that after 2040 the NSR can become a real alternative to Suez Canal, it becomes clear what development is applied. Hence, Laursen’s statement shows both incentives and obstacles for further involvement of Danish shipping companies into the NSR development.

---

323 Vogdrup-Schmidt and Grønvald Raun 2015  
324 SeaNews. 2018 (b)  
325 Sergej Ivanov quoted in PortNews 2017  
326 SeaNews. 2018 (b)  
327 Palle Laursen quoted in SeaNews 2018 (b)  
328 Ibid  
329 Hansen et al. 2016, 55
Still, there are more obstacles in this light. These obstacles can be characterized by
general lack of the necessary capacity of both states as well as specific problems existing
in each state.

Firstly, administrative and beurocratic barriers are presented by the Russian
government.\textsuperscript{330} This consideration proved its validity by recent events when Russia
adopted new amendments to trade sailing code in 2017, according to which oil and LNG
transit via the NSR must be fulfilled only by means of Russian flag vessels. The adoption
of these amendments was justified by the necessity of protection of the Russian
shipbuilding producers. Russian authorities also referred to existing similar legislation in
other countries.\textsuperscript{331} This decision provoked negative reaction of Danish shipping
companies.\textsuperscript{332}

To put it simply, there is an inherent contradiction in the Russian policy towards the
development of the NSR. On the one hand, Russia wants to make the NSR the
international route. On the other hand, it wants to restore its shipbuilding. Meanwhile,
since passing these amendments Russian authorities had to mitigate them due to the
incapability to provide sufficient amount of Russian flag vessels to cope with the transit
demand.\textsuperscript{333} In my opinion, the delay of construction of the ship yard ‘Zvezda’, which is
supposed to be the center of shipbuilding for Arctic transit demands, as well as sanctions
that were imposed by the EU and the US on several Russian ship yards and ship building
plants including ‘Zvezda’ on the 16\textsuperscript{th} March, 2019, played its role in this incapability.

Afterwards, on the 20\textsuperscript{th} of March, 2019, Prime-Minister Medvedev signed Order 435-p
that allowed 26 foreign flag vessels to transit LNG till 2043. Still, the destiny of oil
transition is not settled yet.\textsuperscript{334}

Secondly, the lack of specially trained staff to work in the Arctic conditions is one more
problem that has to be regulated.\textsuperscript{335} Thirdly, the lack of knowledge about operating in the

\textsuperscript{330} Danish Maritime Authority 2014, 6
\textsuperscript{331} Borisov 2018
\textsuperscript{332} Sören 2018
\textsuperscript{333} SeaNews 2018 (c)
\textsuperscript{334} The Russian Government 2019; Petrov 2019
\textsuperscript{335} Danish Maritime Authority 2014, 5
Arctic waters.\textsuperscript{336} Fourthly, severe costs of not only ice class vessel construction, but also of communication and emergency management in the Arctic.\textsuperscript{337} Following the Russian regulations, all vessels passing via the NSR should have insurance.\textsuperscript{338} They also have to pay for weather and ice reports as well as for icebreakers escorting.\textsuperscript{339} Finally, still not sufficiently developed infrastructure of the NSR is an obstacle of promoting Danish shipping companies involvement to transport goods via the NSR.\textsuperscript{340} The shallow waters of the Arctic Ocean are suitable only for small vessels which makes goods transportation via the NSR more expensive, in comparison to Suez canal.\textsuperscript{341}

As a result, Danish-Russian relations in the Arctic shipping have pros and cons. Danish companies have explicit interests in the promoting the NSR. However, these interests have a long-term prospect. At present, Danish companies do not see immediate profit from exploiting the NSR due to environmental and socio-economic challenges that explains their gradual involvement in the development of the NSR. What can be really expected is increase in Danish commitment to the NSR employing step-by-step along with further expanding of ice-free waters in the Arctic. The ambiguous position of the Russian government on attracting foreign partners will also be one of the main factors defining the result of this process. Nowadays, the task of clarification of Russian policy towards the NSR by the Russian government is called for.

4.4. Shipbuilding

To understand Danish-Russian relations in shipbuilding sector, explanation of Russian and Danish positions in the world of shipbuilding is required.

At the beginning of the 1990s, Denmark was a leading European country in terms of tonnage launched. Later, Danish shipbuilding was surpassed by such developed shipbuilding countries as Japan, South Korea and China. In 2012, Denmark closed the

\textsuperscript{336} Ibid, 6
\textsuperscript{337} Ibid
\textsuperscript{338} Keupp 2015, 58
\textsuperscript{339} Devyatkin 2018; Keupp 2015, 61
\textsuperscript{340} Devyatkin 2018
\textsuperscript{341} Ibid
last big shipyard.\textsuperscript{342} However, Danish companies working on the development of the ship equipment survived and are still playing role in the global shipbuilding.\textsuperscript{343} Some Danish companies relocated their production capacities to Asia, the leading region in the world shipbuilding.\textsuperscript{344} It is in this way that Danish companies have preserved their, maybe indirect, place in shipbuilding industry.

Russia’s shipbuilding witnesses ups and downs. Being highly developed during the Soviet Era, Russian shipbuilding experienced its deterioration after the collapse of the Soviet Union.\textsuperscript{345} However, since the end of 2000s the Russian government has adopted several strategies and laws to restore Russian shipbuilding.\textsuperscript{346} Nowadays, Russia’s share in the world military shipbuilding is 12%. Russia has the second position in the world in terms of producing military vessels.\textsuperscript{347} Despite that fact, Russia is not so successful in civilian and cargo production. The Russian civil shipbuilding comprises only about 0.5% of the total volume of the world civil transport shipbuilding in terms of the compensated gross tonnage or 1.3% - in terms the number of vessels.\textsuperscript{348} Instead, China, Japan and South Korea are responsible for 90% of the world cargo ship production\textsuperscript{349}.

Russian authorities view Arctic and its development as a way to promote Russian non-military shipbuilding in the global market. The construction of sea platforms and icebreakers for exploitation and transporting the Arctic oil and gas is considered to become one of the main “niches” of Russian shipbuilding in the world.\textsuperscript{350}

Inspired by this aim, the decision of building a grand shipyard “Zvezda” in the Primorskii krai was taken. The building of the shipyard with the participation of Asian partners started in 2009 and was planning to be finished in 2018. Recently, it was declared that the

\begin{thebibliography}{99}
\bibitem{342} Polpred 2014
\bibitem{343} Ibid
\bibitem{344} Polpred 2010
\bibitem{345} Ministry of Industry and Trade of the Russian Federation 2012 (a), 11
\bibitem{346} The Russian Government 2012; The Russian Government 2014; The Russian Government 2007; The Russian Government 2008 (b); Ministry of Industry and Trade of the Russian Federation n. d. (b)
\bibitem{347} Ministry of Industry and Trade of the Russian Federation 2012 (a), 14
\bibitem{348} Ibid, 31
\bibitem{349} Ministry of Industry and Trade of the Russian Federation 2018, 10
\bibitem{350} Ibid.; Ministry of Industry and Trade of the Russian Federation 2012 (a), 18
\end{thebibliography}
deadline was postponed until 2020. After its launching, the shipyard is supposed to be able to satisfy demand for ice class vessels and platforms, employed in the Arctic. Particularly, this shipyard was chosen as a site for the construction of the icebreaker "Leader" with a capacity of 140 MW, the technical project of which has already been developed. The construction of the vessel will begin in the Far East in 2020. It has also been announced that the shipyard will be responsible for the construction of a pilot gas carrier vessel for the Arctic LNG-2 project.

To sum up, Danish-Russian relations in shipbuilding evolve in the context of Russian ambitions to increase its role in the world shipbuilding and endeavors of Danish companies, producing ship equipment, to find sales market. Here, there is an obvious coincidence of interests that both sides are aware of. There are some evidence to this statement. In 2010-2011, several meetings between high authorities devoted to Danish-Russian cooperation in shipbuilding took place. The emphasis on possible cooperation was made by Putin in 2010.

There is a long tradition of Danish-Russian relations in shipbuilding. Danish companies producing necessary equipment for ship construction have always been welcome on the Russian market. Such Danish companies, as SELCO, Furino Eurus LLC, Teledure Resson A/S at different times have been partners of Russian companies in implementing various shipbuilding projects. The most explicit case of employing Danish equipment and innovations in the Russian Arctic shipbuilding occurred when the world's leading manufacturer of energy-saving equipment and drive technology Danish Company Danfoss provided the necessary technologies and equipment for the construction of two ice-class vessels “Aleksandr Seninkov” and “Andrei Vilnickii”. These two vessels were ordered by state-owned company Gazprom within Gazprom’s program “Time of Arctic” for providing all-year transportation of oil from “Novoportovoe” deposit via the NSR. The order was fulfilled by “Viborgskii shipbuilding plant” that ensured its plan to

---

351 Petrov 2019  
352 Rogozin 2016 (b)  
353 Volovik 2019  
354 The Russian Government 2010  
355 Korabel. Ru. 2010; Danfoss 2015; The Russian Government 2010  
356 Akcionernoe Obshhestvo MNS; Akcionernoe Obshhestvo MNS n. d.  
357 Danfoss n. d (a)
further attract Danfoss technical system in ice-class vessel building.\textsuperscript{358} One should admit that Danfoss is successfully engaged into other Russian projects, not connected with shipbuilding, such as providing energy efficiency technologies for buildings and Arctic plants.\textsuperscript{359}

However, sanctions imposed by the US, Canada and the EU on Russian shipyards and shipbuilding plants in response to Russia’s policy in Ukraine make Russia be primarily focused on cooperation with Asian partners in the development of the Russian shipyards in general, and the shipyard “Zvezda” in particular.\textsuperscript{360}

Another important implication of this sanction process is Russia’s orientation on import substitution. In March 31\textsuperscript{st}, 2015, Order 661 on approval of sectoral action plans for import substitution in shipbuilding industry of the Russian Federation was adopted by the Ministry of Industry and Trade. This document is a plan of activities with the implementation period of projects up to 2022. According to the programme, at the time of its approval, the share of imports, for example, turbochargers for hybrid main diesel-gear units, in the helical columns in large-capacity transport vessels, is 100 %. By 2020, the planned maximum share of import of the above-mentioned categories is to be reduced up to 20-60 %.\textsuperscript{361} Recent amendments to Order 719, adopted in March 28\textsuperscript{th}, 2019 state new requirements for the localization of Russian shipbuilding and ship equipment production in Russia. These requirements are quite flexible for sea class vessels, so they are not going to complicate the work of the shipyard “Zvezda”. However, they are quite strict for river class vessels. According to Russian authorities, the aim of the amendments is to support Russian local companies.\textsuperscript{362} The topic of import-substitution was also echoed in International Marine Forum of Russia in 2015 and International Forum Marine Industry of Russia in 2017.\textsuperscript{363}

In brief, Danish companies realize their interests in the Russian shipbuilding sector. This trend is mutually beneficial in terms of the Arctic development. However, at present, there

\textsuperscript{358} Ibïd
\textsuperscript{359} Danfoss n. d (b); Shapiro 2013
\textsuperscript{360} Shtanov 2014; PortNews 2019; Volovik 2019; Rogozin 2016 (a)
\textsuperscript{361} Ministry of Industry and Trade of the Russian Federation 2015
\textsuperscript{362} Vedeneeva and Djatel 2019
\textsuperscript{363} Utime News 2015; 10times n. d.
are some obstacles. As it was mentioned before, Russia is more interested now in Asian partners due to the sanctions and high professionalism of the Asian companies. Besides, Asian companies are better option for future shipyard “Zvezda” due to their geographic proximity to the shipyard\textsuperscript{364}. Therefore, shipping equipment from Asian partners is more cost-efficient. Meanwhile, there is still a possibility for Danish companies to take it through its companies functioning in Asia.

Another obstacle on further Danish-Russian cooperation is Russian proclaimed course on import substitution. Anyway, this course mainly refers to river class vessels. In other words, there is still a room for employment foreign equipment in the sea class vessels. Afterwards, Denmark and Russia have mutual interests in the shipbuilding cooperation in the Arctic. The investigation of this interest is generally determined by international political situation. To be more specific, the sanctions have direct influence on Danish companies’ involvement into Russian shipbuilding projects, including the Arctic vessels and sea platforms construction projects.

4.5. NSR infrastructure development

Danish shipping companies can participate in restoring and development of Russian Arctic ports. Nowadays, the Russian government invests a lot of resources in their restoration. At the latest International Arctic Forum held in St. Petersburg the Russian President Vladimir Putin urged other countries to take part in Russian Arctic ports development\textsuperscript{365}. The Danish shipping company Maersk-Moller has the necessary experience in port management, particularly in Russia. Maersk terminal operator APM Terminals partly owns Russian port terminal company Global ports\textsuperscript{366}. Global ports is the operator of 5 container terminals in Russia with 2 of them located in Finland and 1 oil terminal.\textsuperscript{367} Though Denmark does not keep any companies on the Arctic ground, it definitely has a potential to accept Vladimir Putin's offer due to the sufficient experience of Denmark’s business entities with Russian counterparts in ports management. However,

\textsuperscript{364} Putin 2019
\textsuperscript{365} Ibid
\textsuperscript{366} Krigslund 2017; Andersen 2015;
\textsuperscript{367} Krigslund 2017
the final decision will be determined primary by revenues of the particular companies. More traffic in the Arctic will produce more income. As a result, the correlation between the growing open-waters in the Arctic and Danish companies’ involvement into ports development can be identified.

4.6. Fishery

Fishery is a strategic branch of the Russian economy. Russia is one of the top 10 World Fishing Nations.\(^{368}\)

The Arctic plays a significant role in the Russia fishing industry. The Arctic waters are accounted for about 20% of the total country’s annual fish catch in 2017.\(^{369}\) The Russian government considers melting of the Arctic Ocean to promote the Russian fishing industry, as it will increase the accessibility of the waters.\(^{370}\) In accordance with this idea, Russia has adopted “Strategy for Fishery Development until 2030” in which the great financial allocations for the scientific research on the Arctic fishery have been allotted.\(^{371}\) At present, the western part of the Russian Arctic waters is a well explored and fishery developed area, while the eastern part is called for exploration.\(^{372}\)

Fishery is also an essential branch of the Danish economy, particularly of Greenland and the Faroe Islands’ economies. In terms of annual fish catch, the Kingdom of Denmark is one of the leading countries in the EU and one of the ten largest fish processing countries in the world.\(^{373}\)

\(^{368}\) Federal Agency for Fisheries and Ministry of Agriculture of the Russian Federation 2017, 8

\(^{369}\) Stupachenko 2018

\(^{370}\) Ibid

\(^{371}\) Korabel.Ru. 2019

\(^{372}\) Stupachenko 2018

\(^{373}\) The Trade Representation of the Russian Federation in the Kingdom of Denmark 2018, 18
Greenland and the Faroe Islands economies are highly dependent on exports of shrimp and fish. Fish accounts for 90% of Greenland’s export.\textsuperscript{374} In case of the Faroe Islands, the fishing industry accounts for 97% of exports and half of GDP.\textsuperscript{375}

Greenland, the Faroe Islands and Russia have a long tradition of cooperation in fishery through bilateral agreements on the fishery quota allocations.

Russian-Greenland cooperation in the fishing industry is based on the intergovernmental agreement on mutual relations in the field of fishery signed in 1992.\textsuperscript{376} Since then, there have been regular annual consultations on adopting bilateral agreements on quotas allocation.

The latest agreement was achieved at the end of 2018. According to this agreement, Greenland fishery companies have been granted quotas for fishing in the Barents Sea, while Russian fishery companies have been granted quotas for fishing in the waters next to Greenland.\textsuperscript{377} During the latest consultation, taking place in Moscow in December 2018, the Greenland government asked the Russian government to consider an opportunity to expand the allowed area for fishing activities beyond the northern border of the Barents Sea with the purpose to utilize allocated shrimp quotas more effectively.\textsuperscript{378} Russian authorities have not given any comments on this issue yet. The concerns of Russian business elite play a significant role in the position of the Russian government. There is a great opposition among Russian business elite to granting shrimp-quotas to Greenland. Several years ago shrimp fishing in Russia was not well developed. However, during the last years there have been great improvements.\textsuperscript{379} This development determines Russian business elite’s disapproval of ship quotas allocation to Greenland Government as Greenland is regarded as a competitor in shrimp industry.\textsuperscript{380}

\textsuperscript{374} Government of Greenland n. d. (b); IndexMundi. 2018 (a).
\textsuperscript{375} Index Mundi 2018 (c)
\textsuperscript{376} The Russian Government 1992 (b)
\textsuperscript{377} Ministry of Agriculture of the Russian Federation: The Federal Agency for Fishery 2018; FishNews 2018 (a)
\textsuperscript{378} FishNews 2018 (b)
\textsuperscript{379} Ramsden and Seaman 2018
\textsuperscript{380} FishNews 2018 (b)
The quotas allocation is not the only field of Russian-Greenland relations in the fishery. There are strong relations in the fish trade, too.

Russia is one of the top export destinations of Greenland. The principal supplies are fish and seafood. There was a significant increase in Greenland export to Russia in 2015 when the volume of the export rose by 136.2% to 58.8 million dollars compared to 2014 and 41 times compared to 2013.\textsuperscript{381}

This increase and further development of Greenland fish export to Russia seemed to be unexpected due to the Russian embargo imposed on the food-related import from the EU member states and Canada. However, it was particularly this embargo, which contributed to promotion of Greenland export to Russia. Being non-EU member state, Greenland has evaded the embargo effect. At the same time, the Russian embargo put an end to fish export from Canada, a leading provider of cold-water shrimps to the Russian market. Therefore, Greenland could fill in the niche, which in turn increased Greenland's shrimp import to Russia from 190 tons in 2013 to 9,806 tons in 2017. The sanctions played a positive role in the development of Greenland's export to Russia.

The Faroe Islands being a constitution part of the Kingdom of Denmark and non-EU member state has also improved its economy due to the development of relations with Russia in terms of fishing industry.\textsuperscript{382} The Faroe Islands-Russian cooperation in fishing industry can be traced to 1977 when the agreement on mutual relations in the field of fishery between the USSR, the Danish Government and the Faroe Islands government was signed.\textsuperscript{383} Since then, there have been annual meetings of the Faroe Islands and Russian’s Commission on Fishery. The latest meeting of the Commission took place in December 2018.\textsuperscript{384} As the result of this meeting, the new agreement on quotas allocation was adopted.\textsuperscript{385}

\textsuperscript{381} Volkov 2017, 88
\textsuperscript{382} Breum 2018 (b)
\textsuperscript{383} The USSR Government et al. 1977
\textsuperscript{384} Federal Agency for Fishery of the Russian Federation 2017
\textsuperscript{385} Ibid
As in the case of Greenland, being non-EU member state, the Faroe Islands has well developed fish trade with Russia. At present, the Faroe Islands is the biggest fish supplier to Russia, surpassing Norway.386 Russia is one of the main markets of the Faroe Islands fish export. As for 2017, Russia accounted for 27% of fish export, ceding only to the EU, which accounted for 43%.387 Like Greenland, the Faroe Islands witnessed the significant increase in the export to Russia in 2014 as an effect of the introducing Russian ban on food-related products export from the EU and Canada. In 2015, the Faroe Islands export to Russia increased by 60,3% compared to 2014 and by 147, 8% compared to 2013. 388

Due to this development, the Faroe Islands economy has risen by 6-8% for the last years.389 Inspired by this improvement, the government of the Faroe Islands constantly shows its endeavor to elaborate trade relations with Russia. The Faroe Islands does not support the EU sanctions imposed on Russia and, more than that, signed a memorandum of cooperation with Eurasian Economic Council including Russia, Belarus, Kazakhstan, Armenia and Kyrgyzstan.390 The Danish Government criticized this decision of the Faroe Islands government for inconsistency with the general line of the EU policy towards Russia.391 However, ripping benefits from fish export to Russia, the Faroe Islands government insists on further cooperation with the Russian Federation. Particularly, the Faroe Islands government offered the Supreme Eurasian Economic Council to adopt agreement on free-trade.392 Nowadays, this issue is on the agenda.

Afterwards, Greenland and the Faroe Islands have mutual beneficial relations with the Russian Federation. The economic interests and Greenland and the Faroe Islands’ specific status in the Kingdom of Denmark determine the development of these relations. Due to their autonomy, particularly in economic issues and non-EU status, Greenland and the Faroe Islands are able to get many benefits from the deterioration of relations between Russia and other countries, such as the EU states, Canada and Norway. The proclaims made by the Greenland and the Faroe Islands’ governments ensure the following

386 Pudovkin 2018
387 Ibid
388 Volkov 2017, 88
389 Breum 2018 (b)
390 Breum 2018 (c)
391 Ibid
392 Portjakova 2018
elaboration of the cooperation with Russia in the fishery. However, this development will definitely set the tension in relations between the Danish Government and the autonomous governments of Greenland and the Faroe Islands. Being non-interested in the complication of already not simple relations with Greenland and the Faroe Islands, Danish government hardly ever speaks out on the case of Greenland, the Faroe Islands and Russia cooperation in the fishery.

Apart from fish trade and quotas allocation, another field of Danish- Russian relations in the fishing industry is cooperation in the sector of the fish equipment and technologies. The Kingdom of Denmark is one of the world leading countries in the innovation and equipment production. For this reason, the Russian fishery companies show their interest in Danish produced fish technologies. The fulfillment of this interest is explicitly reflected in the signing of the contract between the company Russian Fishery, one of the biggest fishery companies in Russia and Danish company Carsoe, specializing in the producing of fish processing equipment. The representatives of Carsoe called the signing of the contract “a big victory” and emphasize its significance at the global level. Particularly, this case strengthens the position of the Danish companies in comparison to their Norwegian counterparts. Thus, the fish equipment trade is another facet of Danish-Russian relations in the fish industry.

Danish- Russian relations in the Arctic fishing is also developed through multilateral agreements such as Agreement between Arctic five on the Prevention of Unregulated High Seas Fishing in the Central Arctic signed in October, 2018. Following this agreement, the Arctic states proclaimed the ban on the fishing exploitation of the Central Arctic fish stock and the demand for its scientific exploration. Thus, there is a multilateral facet of the relations.

To sum up, the fisheries is an economy branch that witnesses strong Danish – Russian cooperation in the Arctic dimension. The quotas allocation, the developed bilateral fish

393 FishNews 2018 (c)
394 Mikkel K. Jacobsen quoted in FishNews 2018 (c)
395 Ibid
396 European Council: Council of the European Union 2019
397 Ibid
and equipment trade, multilateral agreements are great evidence of this cooperation. However, this cooperation has inherent controversy since Greenland and the Faroe Islands, autonomous parts of the Kingdom of Denmark primarily responsible for this development, act not along with the general Kingdom of Denmark’s economy policy towards Russia, determined by the EU policy. This circumstance causes the internal tension between the Danish government and Greenland and the Faroe islands’ governments respectively. However, the Danish government do not have real legislative power to hinder the fostering of economic relations between Russia and these autonomous entities, as economy is a prerogative of Greenland and the Faroe Islands’ internal policy. The increasing Arctic melting and further scientific exploration of the Arctic fish stock can expand the existing relations.

4.7. Energy sector

There are two main ways in the energy aspect of Danish-Russian relations in the Arctic. They are energy efficiency and energy supply in the Arctic.

Denmark is one of the world leaders in the development of energy efficiency technologies.\textsuperscript{398} Energy efficiency is always referred by Danish and Russian politicians as a priority area of Danish-Russian cooperation.\textsuperscript{399} Cooperation in the sector of energy efficiency is one of the main subjects of the Declaration on Partnership for Modernization between the Kingdom of Denmark and the Russian Federation signed in 2010.\textsuperscript{400}

Danish energy efficiency technologies are widely presented at the Russian market. For instance, the Danish company Danfoss has localized their production in Russia twenty-six years ago, in 1993.\textsuperscript{401} It has a great experience of working on Russian energy market. This company completed many projects with Russian local authorities, for instance, local administration of Republic Yakutia and the city of St. Petersburg.\textsuperscript{402} Danfoss energy-

\begin{itemize}
\item \textsuperscript{398} Danish Ministry of Energy, Utilities and Climate 2017
\item \textsuperscript{399} Lavrov and Møller 2009; Medvedev 2010; Rasmussen 2010
\item \textsuperscript{400} Medvedev 2010
\item \textsuperscript{401} Danfoss. n. d. (c)
\item \textsuperscript{402} Danfoss. n. d. (d); Novosti Jenergetiki 2014
\end{itemize}
efficiency technologies are used for numerous purposes such as the heating of houses, building ships, mining and processing plants.403

The conditions of cold in the Arctic, where providing energy and warmth is crucial for sustaining living conditions, make these technologies significant in the eyes of the Russian authorities striving to develop infrastructure in the Arctic by building new ports, plants and houses. Following the words of the Russian Head of the Ministry of Construction, the houses situated in the Arctic must be constructed with the employment of energy-efficiency technologies.404 Danfoss has already had an experience of providing energy-efficiency solution for Olenogorskiy mining and processing plant situated in Murmansk.405

Afterwards, there is a great expectation in Danish-Russian cooperation in this field of energy efficiency. Denmark has technologies to offer and Russia has a demand for them to develop its Arctic zone.406 The Danish decision to set up its own scientific center in Skolkovo in 2013 and comments of Russian authorities on importance of enhancing cooperation are great prove of this expectation.407

As for energy supply, Denmark is prominent for its anti-nuclear position.408 Denmark invests a lot of money into developing alternative ecologically friendly sources of energy and is considered one of the world leaders in this industry.409

In its energy strategy up to 2050, Denmark proclaims two basic ideas: its grand aim to become independent of coal, oil and gas and the target to increase share of (renewable) energy to 33% by 2020.410 This energy vision is in striking contrast with the Russian grand energy vision in the world, particularly in the Arctic.

403 Ibid
404 RIA NOVOSTI April 9, 2019
405 Danfoss n. d. (b)
406 Lavrov and Møller 2009
407 Shustikov 2013
408 World Nuclear Association 2019
409 Danish Ministry of Energy, Utilities and Climate 2017
410 The Danish Government 2011, 5
The Russian government regards nuclear power as one of the reliable and most effective solutions for energy-supply in the Arctic. Nowadays, the Rosatom State Nuclear Energy Corporation is one of the main Russian actors in the Arctic. Being officially an only authorized operator of the NSR, Rosatom is also responsible for building icebreakers and power supply in the Arctic. The Arctic is regarded as a test site for new developed Rosatom’s technologies. Particularly, Rosatom is preoccupied by the construction of movable and underwater power plants with low power capacities of 5-6 MW or 20-30 MW to be employed in off-shore field in the Arctic.

At present, Rosatom is transporting the world's only floating nuclear power station ‘the Akademik Lomonosov’ to the town Pevek, with the population under 5000 on the Chukotka peninsula. The station is supposed to provide energy for the town which is significant for the development of the NSR. Rosatom sees movable nuclear power stations as promising export products. Once the tested models prove their operational stability they will become items for export. The interest to the presenting items was already expressed by different states such as China, Indonesia, Malyasia, Argentina, Namibia. The elaborating of floating nuclear power stations caused a lot of criticism from the environmentalists. However, Rosatom’s representatives and proponents insist on safety of their exploitation and emphasize such advantages as possibility to supply energy to remote areas regardless of transport infrastructure and reducing carbon dioxide footprint in the Arctic.

Hence, the tendency of Danish-Russian relations in the field of energy supply in the Arctic is of both more cooperation (energy efficiency) and less cooperation (energy supply) moods. Since there is a great contradiction between Danish and Russian views on the

411 Rogozin 2017; RIA NOVOSTI October 15, 2014; RIA NOVOSTI February 13, 2015; RIA NOVOSTI April 21, 2015; RIA NOVOSTI September 1, 2016 (b); RIA NOVOSTI March 29, 2017 (b)
412 President of Russia 2018; Ruksha 2019; Lihachjov 2017; RIA NOVOSTI April 21, 2015
413 RIANOVOSTI December 30, 2014
414 RIA NOVOSTI March 29, 2017 (b)
415 ROSATOM 2018
416 Ibid
418 Halpin 2007
419 RIA NOVOSTI March 29, 2017 (b)
possibility of using nuclear power in the Arctic, there is little expectation for cooperation in the field of energy supply.

Meanwhile, there is still a way for cooperation in this field. In general, Russia aims to rely on non-carbon dioxide energy in the Arctic, including not only nuclear power plants, but also wind and hydropower plants.\textsuperscript{420} The Danish involvement into Russian Arctic projects concerning wind and hydropower plants is likely, taking into account that Denmark is one of the recognized leaders in this area. Moreover, there is an operational experience in the development of the wind power plants between Denmark and Russia. For instance, Rosatom has an experience of cooperation with Danish company DIS in constructing wind power stations in Adygeya in 2018.\textsuperscript{421} However, one should admit that renewable energy sources are not a top priority now. There is no Russian Federal Projects on the development of renewable energy sources in the Arctic.\textsuperscript{422}

Afterwards, there are two facets of Danish-Russian relations in the Arctic in terms of energy. On the one hand, there is a great opportunity for cooperation in energy efficiency matters with Danfoss activities in Russia as a good example of it. On the other hand, there is a different vision on sources of energy supply in the Arctic. Danish companies are mainly focused on the proliferation of non-nuclear renewable sources of energy while Russian energy companies, particularly Rosatom, are primarily focused on nuclear development and regard the Arctic as a proving ground for its future export-orientated products. Meanwhile, there is a space for cooperation in the field of the renewable energy in the Arctic in the future.

4.8. Tourism

Ice melting has a positive influence on tourism development in the Arctic, making the Arctic more accessible. Approximately 10.2 million tourists visit the Arctic annually.\textsuperscript{423}

\textsuperscript{420} RIA NOVOSTI September 1, 2016 (b)  
\textsuperscript{421} ROSATOM 2017  
\textsuperscript{422} TASS 2017  
\textsuperscript{423} Golubchikov et al. 2018, 10
Nowadays, the Arctic witnesses an increase in the number of tourists.\textsuperscript{424} Particularly, since the 1990s the amount of tourists visiting Greenland has increased from 3,500 to approximately 35,000 annually.\textsuperscript{425} The same tendency occurs in the Russian Federation. In 2018, the number of tourists visiting the Russian Arctic increased by 20\%, compared with the data of 2016.\textsuperscript{426} About 527,000 tourists choose the Russian Arctic as their destination every year.\textsuperscript{427} Such attractions as visiting the national park “Russian Arctic” and a cruise to the North Pole – an exclusive Russian tourist product – are the main Arctic tourist products offered by Russia.\textsuperscript{428}

Danish and Russian governments are supportive to the development of the Arctic tourism. Russia maintains the Arctic tourism via the adoption of laws and regulations on the Arctic tourism, setting up a working group on its development within the body of the Federal Agency Russia Tourism, opening new national parks, promoting the Arctic as a tourist destination in mass media and developing the tourist infrastructure.\textsuperscript{429}

The Kingdom of Denmark has the similar approach to the Arctic tourism. In The Danish Arctic Strategy, tourism is defined as one of the promising branches in the Arctic economy.\textsuperscript{430} It is worth mentioning that it is Greenland which takes the most active part in promoting the Arctic tourism within the Kingdom of Denmark.\textsuperscript{431} The Greenland government regards tourism as the third possible pillar of Greenland’s economy alongside with mining and fishery.\textsuperscript{432} To boost tourism, the Greenland government takes great measures to improve its tourist infrastructure. Particularly, the government has adopted the plan of renovation of two existing airports and the construction of the third one, demanding the enormous investments.\textsuperscript{433} Greenland is also good at elaborating tourist

\textsuperscript{424} Ibid, 8
\textsuperscript{425} Government of Greenland n. d. (b)
\textsuperscript{426} Skoryj 2018
\textsuperscript{427} Golubchikov et al. 2018, 8
\textsuperscript{428} Skoryj 2018
\textsuperscript{429} Russian Federal Agency for Tourism 2018; RIA NOVOSTI April 2, 2019; RIA NOVOSTI December 1, 2018
\textsuperscript{430} The Government of Denmark et al. 2011, 23-24
\textsuperscript{431} Ibid, 23
\textsuperscript{432} Ren and Chimirri 2018
\textsuperscript{433} McGwin, Kevin 2018
packages.\textsuperscript{434} Due to these activities, Greenland was included in the Top 10 countries to visit in 2016 by the travel guidebook publisher Lonely Planet.\textsuperscript{435}

However, despite some positive results in the development of the Arctic tourism there is a common understanding that the Arctic tourism still has a long way to pass before being equally developed sector in the world tourism.\textsuperscript{436} The main obstacles on this way are still non-well developed infrastructure, relatively high prices on tourist products, the complexity of possible emergence situations.\textsuperscript{437} Being potentially prosperous in future, the development of the Arctic tourism demands cooperation of the countries in tourist infrastructure sector, especially sea routes infrastructure, multilateral exchange of information and achievements on rescue operations and monitoring tourist vessels. These activities are especially important for promoting the international cruise lines in the Arctic. Therefore, the Arctic tourism is a topic of the further discussion within the Arctic Economic Council where multilateral cooperation can be achieved.\textsuperscript{438}

Thus, there is a great possibility for cooperation between Denmark and Russia in the Arctic tourism, mainly in the development of the international cruise lines. However, there is no explicit witness of such cooperation, which can be determined by the fact that cruise tourism in the Arctic has not got its full development yet. The tourism development is in concordance with the increase of the accessibility of the region. More access will bring more tourists. Nowadays, both countries invest into the Arctic tourism meanwhile they admit the assumption that it will take time to rip real benefits from it.

\textit{Main outlines}

There is no evidence of the development of Danish-Russian relations in oil and gas exploitation. Danish and Russian companies did not and do not take part in any major

\textsuperscript{434} Government of Greenland n. d. (b)
\textsuperscript{435} Butler 2015; Bennett 2015
\textsuperscript{436} TASS 2019
\textsuperscript{437} Medvedev 2015, 55-57
\textsuperscript{438} Ibid
joint international projects on exploiting oil and gas of the Arctic. This phenomenon can be explained by several reasons.

Firstly, both countries experience undeniable pressure as a result of tension at the global level. The sanctions are a great obstacle on the way of collaboration. Secondly, both countries has similar challenges in the Arctic oil and gas development. They are in the extreme need for investments. Finally, both countries have different business environment. Danish oil and gas companies withdraw from the market while Russian companies intend to promote their positions there.

There are promising relations in shipping. Being a maritime country, Denmark has an explicit interest in the exploitation of the NSR. This interest manifests itself in journeys made by Danish carriers via the NSR and Danish-Russian SAO meetings on cooperation in shipping. However, the further development of the Danish-Russian relations in the dimension of the Arctic shipping depends on the expanding of ice-free waters in the Arctic, the economical profits from exploiting the NSR and the Russian government’s wish to utilize the NSR as a transit route. The same assumptions can be referred to the relations in the sector of the Arctic infrastructure.

The cooperation can be also traced in shipbuilding sector where the Russian shipbuilding companies employ the equipment produced by Danish companies. High Russian authorities, particular Vladimir Putin, emphasized the possibility and importance of further development of this cooperation. Meanwhile, the relations in this sector are mainly determined by the international political situation. Nowadays, due to the sanctions imposed on the Russian shipbuilding plants with the following Russian primary orientations on working with Asian partners and import-substitution, the Danish-Russian relations in shipbuilding are expected to face great obstacles on the way of their development.

The most successful relations are registered in fishery, where Russia, Greenland and the Faroe Islands promote cooperation in allocation of fishery quotas in the Arctic waters and development of the fish trade. Here, the political situation at the global level again plays its significant role. Exactly, the non-EU status of Greenland and the Faroe Islands allow
them to avoid the Russian ban on the fish import from the EU countries and rip benefits from expelling such competitors as Norway and Canada from Russian import market.

In the energy sector, the relations are two-facet. The energy-efficiency field witnesses a long tradition of cooperation. To be more specific, there is an employment of the Danish technologies in providing energy-efficiency solution for icebreakers, mining and processing plants and houses. Russia regards the issue of energy-efficiency as one of the main solutions of the Arctic sustainable development. Thus, there is a great expectation that the tendency of cooperation will strengthen.

The energy supply field on the ground witnesses less cooperation. At present, Denmark and Russia have different views on what can become the main source of energy supply in the Arctic. Denmark is a great proponent of non-nuclear sources whereas Russia is a proponent of using floating nuclear power stations as a way to provide power in the Arctic. However, there is still the opportunity for cooperation in the development of renewable energy in the Arctic.

Finally, there is a possibility for cooperation in the Arctic tourism, particularly in the development of the international Arctic cruise lines. Meanwhile, the destiny of this cooperation is determined by the expanding of the Arctic ice-free waters with the following increase in the accessibility of the region and business interests, profits. Nowadays, the Arctic tourism is still at the starting line of its development.

Thus, Danish-Russian economic relations in the Arctic have ambiguous nature. There are pros and cons for their development the character of which is determined by political, economic and geographical variables.
V. DANISH-RUSSIAN RELATIONS IN THE ARCTIC IN TERMS OF MILITARY

The Arctic has an obvious significance in military terms. Primarily, it is strategically important for the US and Russia. The Arctic is the place where the US and Russia can most successfully strike each other with missiles.\textsuperscript{439} Therefore, particularly Russia-the US rivalry is a potential source of Arctic militarization.\textsuperscript{440}

Nowadays, the military architecture of the Arctic consists of eight states. Four of five Arctic coast states are NATO members. Three other Arctic states: Norway, Sweden and Finland – are not NATO members, but they actively promote their cooperation with NATO through common exercises.\textsuperscript{441} Russia has supported its interests in the Arctic by independent military presence.

\textbf{Figure 15. Arctic Military Facilities:} Russia –red; Norway – yellow; Denmark/Greenland –green; Canada –violet, U. S. – blue (Source: Roston and Migliozzi 2017)

There is also a close cooperation between Nordic countries in the Nordic Defence Cooperation (NorDefCo).\textsuperscript{442} NATO presence in the Arctic is represented by the united

\textsuperscript{439} Henriksen and Rahbek-Clemmensen 2017, 76; Rahbek-Clemmensen 2017
\textsuperscript{440} Rahbek-Clemmensen 2014, 404
\textsuperscript{441} Ryabov 2019
\textsuperscript{442} Nordic Defence Cooperation (NORDEFCO) n. d.
system of air defence, missile warning system AWACS.\textsuperscript{443} NATO forces are also responsible for patrolling the air space of Iceland.\textsuperscript{444} Turning to Denmark’s place in the Arctic in these terms, it is worth saying that Denmark is a NATO and the EU member.\textsuperscript{445} However, in case of the EU membership, Denmark is out of the Common Foreign and Security Policy of the EU.\textsuperscript{446} As for the Arctic, it means that the EU cannot determine Danish security police in this area.

At present, the Arctic experiences increase in military exercises, number of armed forces and modernization of Arctic armed forces. These developments made a lot of politicians and journalists speak about the militarization of the Arctic.\textsuperscript{447} Most explicitly, this tendency has been reflected by British authorities. In August 2018, Britain’s Parliamentary Defence Committee published “On Thin Ice: UK Defence into the Arctic” where the militarization of the Arctic was pointed out.\textsuperscript{448}

However, an analysis of Danish-Russian military relations and the position of the US and Russian officials shows that talks on the militarization of the Arctic that sound in the US, Russia and other countries, are often ways to get public attention or get benefits in internal political struggles within the countries.

Russia has a great military interest in the Arctic. The Arctic is referred as one of the main security priorities of Russian Armed forces.\textsuperscript{449} The Arctic got its fixed position in the Russian military sector.\textsuperscript{450} Following the words of the Russian president Vladimir Putin, “Russia shall have all that is necessary in the Arctic to protect Russian national and security interest”.\textsuperscript{451} Arctic ice melting, opening new sea routes, exploitation of oil and gas deposits make the Arctic the strategically significant region not only in military terms but also in economic, social and environmental terms.

\textsuperscript{443} Baltacheva et al. 2018; Suhomlin 2015
\textsuperscript{444} Suhomlin 2015
\textsuperscript{445} IMUNA (International Model United Nations Associations) n. d.
\textsuperscript{446} FOLKETINGET EU Information Centre n. d.
\textsuperscript{447} Axe 2015, Williamson 2018; Rothwell 2018
\textsuperscript{448} House of Commons: Defence Committee 2018
\textsuperscript{449} RIA NOVOSTI July 24, 2015
\textsuperscript{450} The President of the Russian Federation 2016; RIA NOVOSTI January 18, 2016
\textsuperscript{451} Putin 2013
The increasing of human activity in the Arctic caused the appearance of new challenging tasks before the Russian armed forces. These tasks were mentioned in several Russian documents. They are enforcement sovereignty, maritime surveillance, support for scientific expedition, patrolling the NSR, search and rescue services, environmental surveillance and the Arctic clearing.

To meet these challenges, the Russian government rationalizes the administration of the armed forces in the Arctic and stands for the process of their modernization. Particularly, Russia has created special Arctic armed forces united under one Arctic commendation called “Sever” (dubbed “North”). In addition, Russia has built new military cities in the Arctic and founded the farthest northern military base in the world called “Trilistnik” on the island “Zemlya Fransa Iosifa.” Russia also invests many funds into renovation and restoring Arctic airfields and the development of new Arctic technics, weapons and icebreakers.

Some of new military items were presented at the parade on the Victory Day in 2017. Russia has also set up a net of new radar stations. The Russian government pays peculiar attention to regular military exercises in the Arctic, specifically, to the exercise of paratroopers and swat forces since mobile forces are crucial for successful military operations in such weather conditions as they are in the Arctic.

---

452 Lavrov 2016 (a)
453 The Russian Government 2013 (b); The Russian Government 2008 (b); The President of the Russian Federation 2016; President of Russia 2009; RIA NOVOSTI November 24, 2014; RIA NOVOSTI March 17, 2015
454 TASS 2014
455 RIA NOVOSTI November 27, 2014; RIA NOVOSTI April 17, 2017; RIA NOVOSTI October 22, 2014
457 Kazannikov 2017
458 RIA NOVOSTI June 20 2015; RIA NOVOSTI October 3, 2015
459 Farley 2014; RIA NOVOSTI December 5, 2013; RIA NOVOSTI March 14, 2014; RIA NOVOSTI, July 25, 2015; RIA NOVOSTI August 24, 2015; RIA NOVOSTI October 8, 2015
According to Russian authorities, all these efforts are supposed to promote sustainable Arctic development. They are determined by increasing human activities in the Arctic caused by ice melting.\textsuperscript{460} Russian politicians promote the idea of “non-militarized” Arctic.\textsuperscript{461} They are firmly on the position that there is no need for proliferating NATO involvement into the Arctic military sector, for the region proved its peacefulness even in the time of military and political conflicts in other regions.\textsuperscript{462} Russian interest in obtaining economic benefits from Arctic development and the development of the NSR, oil and gas deposits, in particular, determines Russian intention to keep the Arctic away from military conflicts.

This is the reason why Russia has been increasing its military activity in the Arctic, which is basically determined by the scope of new challenges in this region. Danish and the US authorities share this vision.

Despite a lot of warning statements made by prominent American politicians about Russian militarization of the Arctic, in fact, official comments made by the US State department and the Chairman of NATO show the US endeavor not to put a great emphasis on Russian military actions.\textsuperscript{463} Following the words of special representative of the US on Arctic affairs, Admiral Robert Papp, “Russia does in the Arctic exactly that what we would do in the case of increasing transport volume to the shore.”\textsuperscript{464}

Even in the backdrop of the escalating conflict between the US and Russia on Ukrainian crisis, the Chairman of NATO calls for cooperation with Russia in the Arctic.\textsuperscript{465} It is worth noticing that recent exercises conducted by NATO forces called ‘Trident Juncture’ from October, 25 to November, 7, 2018 in the Arctic caused some tension with Russia.\textsuperscript{466}

\textsuperscript{460} Putin 2014; Putin 2017; Lavrov 2017; Lavrov 2018; Rogozin 2015
\textsuperscript{461} Putin 2014; Putin 2017; Lavrov 2017; Lavrov 2018; Rogozin 2015; RIA NOVOSTI, December 2, 2013; RIA NOVOSTI September 16, 2015; RIA NOVOSTI October 5, 2015 (b); RIA NOVOSTI August 30, 2016
\textsuperscript{462} Lavrov 2019 (a); Grushko 2015; Lavrov 2019 (b); RIANOVOSTI October 20, 2014
\textsuperscript{463} Stoltenberg 2018; RIANOVOSTI August 8, 2015; RIANOVOSTI August 18, 2015; Sputnik September 1, 2015; McCain 2015; RIANOVOSTI October 29, 2015; Zlodorev 2016; Stoltenberg 2016; RIA NOVOSTI March 29, 2017 (c)
\textsuperscript{464} Robert Papp quoted in RIANOVOSTI, March 9, 2015
\textsuperscript{465} Stoltenberg 2018; Stoltenberg 2016; NATO Parliamentary Assembly 2018, 28
\textsuperscript{466} North Atlantic Treaty Organization (NATO) 2018; Gorey 2019
One should keep in mind that this operation is considered the biggest one since the end of the Cold War. However, even after this military exercise at the Arctic Forum held in St. Petersburg the Russian president Vladimir Putin underlines the lack of any dramatic tension in the Arctic zone.467

Danish position on the question of militarization in the Arctic is the same. Being a small state, Denmark is highly interested in maintaining demilitarized Arctic, because otherwise, in case of real conflicts between the US and Russia, Denmark can be squeezed between two powers.468 Moreover, regarding the specific status of Greenland in the Kingdom of Denmark, in case of the worst scenario to come into life, Denmark is at risk to lose control over Greenland.469

Inspired by this endeavor, the Danish government is against solid NATO involvement into the Arctic affairs.470 It was explicitly represented in the Danish authorities’ comments sent to Britain’s Parliamentary Defence Committee. To be more accurate, the Danish Government stated the following: “Presently, Denmark sees no need for an increased military engagement on enhance operative role for NATO in the Arctic.”471 Denmark excuses Russian military presence in the Arctic with a strong necessity to guarantee its increasing economic and human activities on the ground.472

Following the same driver, Denmark strengthens its military presence in the region.473 Particularly, in 2008, Danish Defence Commission placed the Arctic as a fix point for future defence plans.474 From then on, Denmark has rationalized the Arctic command structures by uniting Greenland command and the Faroe Islands command in a common Arctic command situated in Nuuk.475 It also has been increasing investments into armed

467 Putin 2019
468 Rahbek-Clemmensen 2014, 402
469 Ibid
470 Ibid
471 The Danish Government 2018
472 Taksøe-Jensen 2016, 72; Danish Defence Intelligence Service 2017, 43-44
473 RIANOVOSTI March 29, 2017(d)
474 Defence Committee 2008
475 Danish Parliament 2009, 12
forces in the Arctic and employed the local population of Greenland in Armed Forces Activities.476

The latest Danish defence agreement, a document for the Danish military provisions for the period 2018-2023, emphasizes the necessity of increasing military presence in the Arctic and further investment into the process.477 Among the main challenges of the region setting before the armed forces climate change and increased activity are declared.478 It is worth noticing that in spite of general tendency of emphasizing assertive Russian actions in the world, particularly in the Baltic Sea Region, Russia is not identified as a threat in the case of the Arctic.479

However, there were attempts to portray Russia as a possible military threat in the Arctic. For instance, according to the report of the Danish intelligence services, Russia is still likely to assertively demonstrate its military power in the region in the showdown over the territory surrounding the North Pole.480 Meanwhile, these attempts were condemned by some Danish politicians and were not reflected in the agreement.481

Following the provisions of the previous and current defence agreements, the Danish armed forces are to fulfill the following tasks in the Arctic: sovereignty enforcement, patrolling surveillance, environmental protection, fishery inspection and search and rescue in the Arctic and most importantly providing possibilities for international cooperation.482 Danish armed forces in the Arctic are not presented at large. There is a military base station Nord, Air Group West at Kangerlussuaq the Defence Guard at Mestersvig, a liaison unit at the Thule base, 12 men of the Sirius Patrol, modern inspection vessels of the KNUD RASMUSSEN class.483 Danish armed forces do not possess icebrakers in the Arctic.484 However, in terms of the Arctic it is not the amount of

476 Danish Parliament 2013, 14, 27
477 Danish Parliament 2018, 10
478 Ibid, 1
479 Ibid, 1
480 Damkjær 2016; Forsvarets Efterretningstjeneste 2016, Danish Defence Intelligence Service 2018, 33-37
481 Danish Parliament 2018; Damkjær 2016
482 Danish Parliament 2009; Danish Parliament 2013; Danish Parliament 2018
483 Danish Ministry of Defence 2019
484 The US Coast Guard Office of Waterways and Ocean Policy 2017
technical equipment but the mobility of forces that is the key to the success of military operations.\textsuperscript{485}

Analysis of the Danish defence agreement shows that the Arctic is a field of Danish security policy but not a priority field. The distribution of military budget proves that Arctic is still marginal area of Danish security policy.\textsuperscript{486} The latest defence agreement, in contrast to the previous one aiming to reduce military budget, proclaims a significant rise in military budget from 1.17\% to 1.5\% by 2023 in order to partially meet NATO military spending target 2\% for NATO member states.\textsuperscript{487}

![Danish Military Budget Distribution by 2023](image)

Figure 16. Danish Military Budget Distribution (Source: Author’s Compilation Based on the Danish Defence Agreement 2018-2023)

\textsuperscript{485} Khramchikhin 2011, 5
\textsuperscript{486} Danish Parliament 2018, 15-16
\textsuperscript{487} Ibid
Proclaiming NATO as the main pillar of the Danish security, Denmark government decided to ensure their commitment to the NATO by increasing its military budget. It is particularly followed through actions promoting Danish involvement into NATO activities: establishing deployable brigade and enhancement units and equipment for participations in NATO’s international operations, which are primarily financed.\(^{488}\) At the same time, the Arctic occupies only the 13\(^{th}\) position out of 16 initiatives in terms of financing.\(^{489}\) The difference in financing is quite striking. The total investment in the deployable brigade is about 50 times more than in the Arctic.\(^{490}\)

Hence, the security policy aim of the Kingdom in the Arctic is maintaining the Arctic as a low tension area.\(^{491}\) Denmark does not see a great necessity for dramatic increase in its military presence in the Arctic since it does not register any evidence of militarization in the region. Most representatives of Danish authorities believe in the secure nature of Russian military activities in the Arctic that is propped by economic interests of Russia to avoid conflict there.\(^{492}\)

In my opinion, the US position of demilitarizing Russian actions in the Arctic also plays its role in the Danish approach as Danish foreign policy is, at great extent, preoccupied by the task to strengthen its position as the US ally. This Danish approach fosters Danish-Russian military cooperation in the Arctic.

Most evidently, this cooperation is realized in the fulfillment of the Arctic Council agreements such as agreement on cooperation on aeronautical and maritime search and rescue in the Arctic as well as agreement on cooperation on marine oil pollution preparedness and response in the Arctic.\(^{493}\) There are also meetings of high military authorities from Danish and Russian sides that took place within the Arctic Council.\(^{494}\)

\(^{488}\) Ibid
\(^{489}\) Ibid
\(^{490}\) Ibid
\(^{491}\) Samuelsen 2018, 28
\(^{492}\) Taksøe-Jensen 2016, 72; Damkjær 2016
\(^{493}\) Arctic Council 2015 (b)
\(^{494}\) Russian-Danish Business Forum 2011
Apart from the Arctic Council, Danish and Russian armed forces experience operational cooperation within the Arctic Coast Guard Forum established in 2015. Particularly, both countries took part in the first common operative exercise “The Arctic Guardian” held September 5-9, 2017. The object of the exercise was to examine cooperation between search and rescue units of Arctic Coast Guard Forum members. Danish and Russian armed forces also took part in the second combined search and rescue and mass rescue operation exercise “Pollaris 2019”.

Based on these facts, the analysis leads to the conclusion that Danish-Russian military relations in the Arctic, in its core, can be characterized within the framework of cooperation. Both countries manifest their good intentions while strengthening their military presence in the Arctic. They justify this narrative by new challenges in the Arctic determined by the increasing human activity in the region. Countries also have common position on the question of NATO involvement in Arctic security affairs. Danish and Russian representatives are against NATO further involvement in the Arctic. Finally, there is operational cooperation between Danish and Russian armed forces within the Arctic Coast Guard Forum.

495 Finnish Border Guard 2019, 7; The Arctic Coast Guard Forum (ACGF) 2017 (a)
496 The Arctic Coast Guard Forum (ACGF) 2017 (b)
497 Ibid
498 Finnish Border Guard 2019, 7; The Arctic Coast Guard Forum (ACGF) 2019
VI. DANISH-RUSSIAN RELATIONS IN THE ARCTIC IN TERMS OF SCIENTIFIC AND ENVIRONMENTAL DEVELOPMENT

Environmental and scientific fields are often referred by different researchers as the most natural sphere of cooperation between countries in the Arctic. If the environment is called as the most possible area of cooperation, the scientific area raises a little bit more questions about possibility of cooperation. Most researchers agree with the fact that there is a big chance for cooperation in fundamental science, such as sharing and developing information on climate change, animal and bird population, studying possible new diseases in the Arctic, prevention of pollution, dealing with urgent situations etc.

However, the entire cooperation in sharing practical-instrumental science knowledge such as development of natural resources: oil and gas deposits exploration, development of infrastructure technologies - is less expected. As one can see, the development of Danish-Russian relations in the Arctic in terms of environmental and scientific affairs almost correspond to these ideas.

There is a great cooperation in solving environmental problems. This collaboration can be traced to 1987, when Mikhail Gorbachev pointed out in his famous Murmansk speech that there was a demand to transform previously high militarized Arctic into a zone of peace with international collaboration on urgent civilian matters, such as environmental protection.

Afterwards, the platforms for international cooperation on environmental issues, i.e. the Barents Euro-Arctic Council, the Barents Regional Council and the Northern Dimension were established. Most importantly, the Arctic Environmental Protection Strategy was adopted by the “Arctic Eight” that became the base for foundation of the Arctic Council in 1996.

499 Young 1985-1986; Archer 1988; Stokke 1990
500 Archer 1988
501 Gorbachev 1987
502 Exploring the Northern Dimension n. d; Barents Euro-Arctic Cooperation n. d.
503 UN Environment n. d.
Nowadays, the Arctic Council is the main platform for international collaboration on Arctic environmental problems. Moreover, the collaboration on environmental issues has rather multilateral than bilateral character. Despite the bilateral agreement on cooperation in the field of environmental protection signed in 1993 between Denmark and Russia, Danish-Russian actions on protecting fragile ecological system of the Arctic are made primarily through adopting multilateral agreements, projects and regulations, developed within such international organizations as the Arctic Council, the Barrents Euro-Arctic Council, the Barrents Regional Council and the Northern Dimension.

The explicit example of such cooperation is legally binding agreement on cooperation on marine oil pollution preparedness and response in the Arctic, signed in 2013 by members of the Arctic Council including Denmark and Russia. One should notice that the Arctic Council is the main platform for Danish-Russian environmental cooperation, whereas the Barrents Euro-Arctic Council and the Barrents Regional Council are less significant for this tangible cooperation due to de-facto Denmark’s “advanced observer’s status” in this organization.

This multilateral facet of Danish-Russian relations in the environmental sector seems to be reasonable. The size and scope of environmental challenges in the Arctic are so extensive that only involvement of all Arctic actors, particularly states, can produce adequate response. The multilateral tradition of response to environmental challenges in the Arctic can be traced to the beginning of environmental cooperation in the Arctic when in 1987 Mikhail Gorbachev in fact launched the era of turning the Arctic from a

504 Lavrov 2019 (c)  
505 Arctic Council 2015 (b)  
506 Mouritzen 2018, 117  
507 European Environment Agency 2004, 13; Lavrov 2019 (c); Lavrov 2016 (b); Harding 2010
highly militarized zone into a zone of peace with international cooperation on environmental protection. 508

As for science, here are two trends in Danish-Russian relations that can be registered. First, there is evidence of cooperation in the fundamental science sector. Secondly, there is a lack of cooperation in practical science. Like in the environmental field, the academic relations develop more through international forums rather than through bilateral agreements. The cooperation in the fundamental science occurs within such international organizations as the Arctic Council, the Barrents Euro-Arctic Council, the Barrents Regional Council, the Northern Dimension and the International Arctic Science Committee. 509

Danish and Russian representatives like other member-states of such organizations take an active part in producing projects and agreements to foster sharing scientific knowledge and its following development. One of the tangible results of such activity turned out to be an agreement on enhanced international Arctic scientific cooperation signed by the members of the Arctic Council in 2017. 510 Another common Arctic States achievement is the establishment of the Sustaining Arctic Observing System (SAON) following 2011 Arctic Council NUUC Declaration. 511 This system is vital for strengthening observation capacity by sharing observation data.

Apart from international organizations, Danish-Russian scientific cooperation occurs through agreements between higher educational institutions. 512 This collaboration includes exchange programmes, guest lectures and participation in scientific expeditions. For instance, Danish representatives took part in the Arctic Floating University – an expedition organized by Russian Northern (Arctic) Federal University named after Mikhail Lomonosov. Danish universities can be also found among partners of the Russian universities concerning the Arctic. 513 However, one detail should not be omitted.

508 Gorbachev 1987
509 International Arctic Science Committee n. d.; Exploring the Northern Dimension n. d; Barents Euro-Arctic Cooperation n. d.; Arctic Council 2015 (a)
510 Arctic Council 2018.
511 Sustaining Arctic Observing System (SAON) n. d.; Arctic Council 2015 (c)
512 Siberian Federal University 2016
513 Milkus 2019
Obviously, Russian universities have more bonds with their counterparts in other Arctic states, for instance, Finland, Norway and Sweden. There are a lot of bilateral joint programmes with the mentioned countries.\textsuperscript{514}

When it comes to Danish university partners, in most cases, it is a collaboration through multilateral exchange programmes and networks. North-to-North Programme and the University of the Arctic are some of the outstanding examples of this assumption.\textsuperscript{515} Still, there is no overwhelming bilateral agreement on cooperation between the Danish Agency for Science, Technology and Innovation and the Russian Research Agency.\textsuperscript{516}

This state of affairs witnesses two main trends: the rise of academic interest to the Arctic, on the one hand, and the lack of priority from both sides to cooperate on academic issues on a bilateral base, on the other hand. Existing multilateral platforms are considered sufficient to satisfy academic needs of both states.

The most explicit example of Danish-Russian bilateral scientific cooperation in the development of Arctic fundamental knowledge is cooperation that occurred during the process of scientific back up of official claims on extending of the continental shelf by Denmark and Russia.\textsuperscript{517}

In general, there is a cooperation in such areas as sharing and developing information on climate change, animal and bird population, studying possible new diseases in the Arctic, prevention of pollution, dealing with urgent situations etc. However, when it comes to technologies and innovations as well as practical knowledge that can be used by business entities, there is less cooperation. This can be explained by bare business ambitions of both countries that are inherently competitive. There is no clear common interest, so there is less cooperation. The sanctions imposed by the EU on Russia in 2014 hinder the

\textsuperscript{514} Northern (Arctic) Federal University named after M.V. Lomonosov (NARFU) n. d.; Murmansk State Technical University (MSTU) 2015; Murmansk Arctic State University 2018; Institut narodov Severa (INS) Rossijskogo gosudarstvennogo pedagogicheskogo universiteta im. A. I. Gercena 2017

\textsuperscript{515} University of the Arctic (UArctic) 2019 (a); University of the Arctic (UArctic) 2019 (b)

\textsuperscript{516} Ministry of Higher Education and Science of the Kingdom of Denmark n. d. (a)

\textsuperscript{517} Donskoj 2016
cooperation in technology sphere as they prohibit European companies to collaborate with the Russian oil and gas companies, primary actors of technology development.\textsuperscript{518}

Also, the indicator of poor state of Danish-Russian relations in terms of technology and innovations is the fact that Denmark has no single innovation center in Russia unlike other countries including China, Brazil, etc.\textsuperscript{519} Despite the general trend of margining development of Danish-Russian cooperation in the field of technology and innovations, still some good examples of this cooperation can be found. In 2010, the Declaration on Partnership for Modernization between the Kingdom of Denmark and the Russian Federation was signed.\textsuperscript{520} Alongside with this Declaration, the Danish company DANFOSS, the leading company in energy-efficiency technologies with its own quarters in Russia, signed an agreement with the Russian research center Skolkovo on the establishment of its research center on the base of Skolkovo in 2013.\textsuperscript{521} However, this case is more of exception rather than a rule in the area of technologies and innovations as a whole and in relation to the Arctic, in particular.

The possibility of future cooperation in this specific area even in case of lifting sanctions still seems to be unlikely. This thesis can be proved by some reasons. Firstly, business entities pursue private interests, i.e. economic profit, that will force them to follow the competitive spirit so that they are not inclined to share technologies and innovations with their business counterparts. Secondly, the energetic as one of the main spheres demanding innovations is not suitable area for scientific cooperation between Denmark and Russia as both states have a different vision on energy architecture of the Arctic. Particularly, the Russian side regards nuclear power as one of the main source of energy in the Arctic while Denmark is a strong opponent to nuclear power energy and focuses on the development of green energy resources.

Afterwards, Danish-Russian scientific cooperation has multilateral character. Still, this cooperation is multi-dimensional. Fundamental academic issues on the Arctic draw the main attention and cooperation efforts as Denmark and Russia share common interest in

\textsuperscript{518} European Union. Newsroom n. d.
\textsuperscript{519} Ministry of Higher Education and Science of the Kingdom of Denmark n. d. (b).
\textsuperscript{520} Embassy of the Russian Federation in the Kingdom of Denmark n. d.
\textsuperscript{521} S.O.K. 2013
the field. However, the area of technologies and innovations is less developed as it is basically defined by business interests that do not always correspond to states’ ones. Of course, in terms of bilateral relations, this cooperation is of more Russian concern than Danish one as Russia is keen on developing the Arctic natural resources that require profound and sophisticated technologies and equipment that Russian companies do not own. Perhaps, this area is likely to be evolved in future, mainly, by Russian initiative. As for environmental issues, they also bear a multilateral facet due to the nature of the Arctic environmental challenges demanding international response that goes beyond the efforts of one or two states. This concept is widely accepted by Denmark and Russia as well.

522 RIA NOVOSTI February 9, 2016
CONCLUSION

My master’s thesis has investigated the relationship between states of the Kingdom of Denmark and the Russian Federation in the Arctic in 2007-2019. The main purpose of the work was to extend the current body of research due to its limited nature by examining Danish-Russian relations in the Arctic.

Obviously, the Arctic itself has attracted great attention of scholars from all over the world. Still, Danish-Russian relations in the Arctic have not been in focus of researchers. I argue that this lack of studies can be explained by predominant interest of academics to the relationship of ‘big’ state actors as Russia and the US. Meanwhile, the interactions occurring between small states and great powers in the region have been neglected.

Apparently, the Arctic is a region of profits and fulfilling national interests for all Arctic states, including Russia and Denmark. This statement goes in line with geopolitical perspective. My thesis is based on the analysis of their relationship in such areas as Arctic governance, economy, military sector, science and the environment as it is in these particular spheres where Denmark and Russia interact.

By and large, my research revealed that the main driver of Danish and Russian policies in the region is enshrined in the endeavor to get relative gains, particularly, to enhance their power capabilities in comparison with non-Arctic states. The Arctic with its vast deposits of natural resources, new sea routes, its military significance in the game of great and super great powers, its opportunities to expand states’ territories, is crucial for increasing such Danish and Russian power capabilities as territory, economy and military strength.

The Arctic is also prominent for Danish and Russian political stability and competence. In the case of Denmark, the Arctic issue, to be more specific, Greenland issue is the question of political cohesion and existence of the Kingdom of Denmark as it is now. In its turn, the Arctic is the base of the Russian stability.

Danish and Russian interests in the Arctic are predetermined by their position in the international system. Particularly, Denmark as a small state finds the Arctic policy as one
of the ways to bandwagon its super great power ally, the US. Besides, the Arctic also presents a forum for Danish politicians to promote peace and cooperation between great powers. This is an inherited interest of the small state located next to the rivalry super/great powers as Russia and the US. The peaceful surrounding is mainly prominent for reserving the entity of the Kingdom of Denmark, to be more accurate, to keep Greenland in. That is highly important for preserving and promoting the strategic significance of Denmark in the eyes of the US. Non-conflict Arctic is also essential for Denmark as the mean to avoid the worst scenario for small states to be squeezed in the conflict of great and super great powers as Russia and the US.

Russia is also highly interested in keeping peace in the Arctic as non-conflict environment is primarily necessary for gaining economic benefits from oil, gas, mineral and bio-recourses exploitation as well as from utilization of the NSR. Being a great power, Russia regards the Arctic as the way to obtain “energetic super power” status of the 21st century, which is important to foster its great power status and get preferences in the great/super great powers games.

Therefore, Denmark and Russia are extremely interested in maintaining cooperation trends in the Arctic. These cooperation trends can be traced in such sectors of Danish-Russian relations as Arctic governance, economy, science, the environment and military sector.

There is a great level of Danish-Russian cooperation in terms of the Arctic governance which is determined by the common vision of the Arctic governance architecture. Both states promote existing multi-layer pattern of governance with sovereign actors, i.e. states, in its heart. In other words, Denmark and Russia pursue the policy of exclusion of non-Arctic states from direct participation in Arctic affairs and prevent any attempts to internationalize the Arctic following the Antarctic model by asserting sufficiency of the current Arctic governance model to deal with challenges in the region.

Particularly, Denmark and Russia are constantly enhancing the legitimacy of the Arctic Council through adopting the Ilulissat Declaration and further legal binding agreements. They are great proponents of the process of sovereignizing the Arctic resources through the applications of the territorial claims in the Arctic.
Danish and Russian overlapping claims on the expanding their continental shelves are considered by mass media and some researchers as an explicit illustration of Danish-Russian confrontation which, in fact, can be perceived as the sample of their cooperation on a way to sovereignize Arctic territories. The mutual scientific Danish-Russian cooperation on preparing these claims is based on the presumption that both claims include intertwined knowledge of both parties. The main preoccupation of the claims is not the conflict issue, i.e. delimitation of the territories between Denmark and Russia in the Arctic, but their common intention to get scientific evidence that claimed areas are an object within sovereign rather than international authority.

Both the common interest of Denmark and Russia in supporting non-conflict zone in the Arctic and their own declarations of commitment to peaceful solution of the disputed territories are compelling reasons to expect peaceful delimitation of the claimed territories in case of recognizing them as sovereign objects.

At the global level, this state-centric model of the Arctic governance does not initiate any conflict between the US and Russia. Despite the fact that the US proclaims against non-international status of the NSR, the US does not take any real serious attempts to argue the NSR Russian territorial status and does not step against Danish and Russian claims within the UN.

Therefore, the Arctic governance witnesses clear common Danish and Russian interests in promoting the sovereignizing model instead of international model, which does not meet any resistance at the global level. These are common interests and their favourable state of affairs at the global level which determine the collaboration nature of Danish-Russian relations in terms of the Arctic governance.

Danish-Russian economic relations in the Arctic have ambiguous nature. Their character is determined by political, economic and geographical variables. As a whole, three groups of sectors of the economy can be distinguished. The first group includes sectors with great level of Danish-Russian cooperation. They are fishery, energy-efficiency and shipping. The second group consists of sectors with the absence of relations and little expectation for their further development. They are the Arctic oil and gas exploitation and the Arctic energy supply. The third group comprises sectors with currently non-developed relations
or the ones experiencing difficulties but having a potential for the future. They are tourism, the NSR infrastructure and shipbuilding.

My thesis identified three main drivers of Danish-Russian relations in economy. They are of different nature.

The first driver is a political situation at the global level. The EU sanctions imposed on Russian oil and gas industries as well as shipbuilding sector generally prevent the development of the Danish-Russian relations in these sectors of economy. At the same time, the absence of sanction issue in the relationship between Greenland, the Faroe Islands and Russia determines boosting of their economic relations, particular in the fishing industry.

The second driver is business interests, to be more specific the issues of the economic profit and general business strategy. The economic profit seems to be the most obvious driver of any economic relations. However, as it could be seen on the example of oil and gas sector as well as in the case of shipbuilding sector, the profit driver can abdicate its position to the political one. The economic profit is the main driver in the development of Danish-Russian relations in such sectors as energy-efficiency, shipping, tourism, the NSR infrastructure and fishery. The sectors proving their relevant profitability such as energy-efficiency, and fishery are already witnessing current Danish-Russian cooperation, while sectors not proving their relevant profitability but having potential to get it in the future, such as tourism, infrastructure and shipping, are expected to witness this cooperation soon.

The business strategies of companies are also important in the determination of Danish-Russian economic relations in the Arctic. For instance, the decision of Danish oil and gas companies to withdraw from the oil and gas market to concentrate on other branches of their business is one of the reasons that defines the absence of Danish-Russian relations in the Arctic oil and gas sector. The focus of Danish companies working in energy sector on the development of renewable energy, while the Russian energy company Rosatom promotes nuclear power as a main source of the energy supplier in the Arctic, causes little expectations about Danish-Russian cooperation in the issue of energy supply in the Arctic. Meanwhile, the Russian government’s support of the idea of possible renewable
energy sector development in the Arctic leaves the chance for Danish-Russian cooperation in the energy – supply in the Arctic.

The third driver is the climate change. It is exactly the climate change that has brought the Arctic on the top of the global economy agenda. The further Arctic melting will directly define the potential development of Danish-Russian relations in such sectors as shipping, fishery, tourism and infrastructure.

Danish-Russian military relations in the Arctic, in general, can be defined within the framework of cooperation. Despite the fact of Denmark’s NATO membership and current tension between NATO and Russia in the International System, Danish-Russian relations in the Arctic do not experience any profound detrimental effect in the field of the Arctic military relations. This phenomenon can be explained by several reasons.

Firstly, NATO-Russian relations in the Arctic dimension in general are comparatively peaceful in spite of some echoes from general tension of NATO-Russian relations expressed in expanding NATO military exercises in the Arctic and claims of several NATO counties like Great Britain, Norway and Netherland on assertive nature of the Russian military presence in the Arctic. NATO authorities as well as Russian authorities constantly express their commitment not to militarize the Arctic and peacefully resolve any conflicts in the region. More than that, the US Department of States constantly defines Russian military presence in the Arctic in terms of natural Russian endeavors to enforce its sovereignty rights on its legitimate territory. Thus, NATO-Russian relations in the Arctic mainly have non-conflict nature.

Secondly, Denmark and Russia have a lot in common in their approaches to the Arctic military affairs. Denmark and Russia share a common vision on the Arctic military architecture. They are similar in their intention to minimize NATO involvement in the Arctic affairs. Denmark opposes the greater NATO involvement due to the question of “security dilemma”. Denmark sees possible increasing NATO actions in the Arctic as a trigger of misunderstanding and following militarizing of the Arctic which in turn can put Denmark into a predicament between super/great powers. Russia as a great power is against the escalation of NATO participation in the Arctic affairs since Russia perceives
this possible action as the first step to militarization of the Arctic bringing the additional security issues on the table.

Apart from the common vision on the Arctic military architecture, Denmark and Russia proclaim the similar drivers of their increasing military presence in the Arctic. Both countries do not register any assertive nature in their own actions as well as the actions of their counterparts. The increasing human activity in the region, which in turn creates new tasks before armed forces such as enforcement sovereignty, maritime surveillance, support for scientific expedition, patrolling the opening sea route, search and rescue services, environmental surveillance and the Arctic clearing, is defined as a fundamental reason for the increasing military presence in the Arctic by both states.

Finally, Denmark and Russia have an experience of operational cooperation between their armed forces in the Arctic. Specifically, both states took place in the exercises conducted by the Arctic Coast Guard Forum.

There is significant cooperation in terms of science and the environment. Being the oldest sector of cooperation among the Arctic states, environmental issues continue to play a role of one of the most promising sectors of cooperation between Denmark and Russia. Meanwhile, this collaboration is of more multilateral than bilateral nature. The cooperation occurs within such international organizations as the Arctic Council, the Euro Barrents Council, the Euro Barrents Regional Council and the Northern Dimension through adopting agreements on environmental issues. The multilateral facet of Danish-Russian cooperation is determined by the grand scope of the environmental challenges in the Arctic. Thus, cooperation in this field is required for the Arctic sustainable development.

Like the environmental sector, the scientific sector witnesses Danish-Russian cooperation in the multilateral dimension. Particularly, Denmark and Russia cooperate through international forums and multilateral common exchange programmes and the Arctic University network. A rare explicit example of bilateral cooperation is collaboration fulfilled by Denmark and Russia in preparing territorial claims in the Arctic. This multilateral nature of scientific cooperation can be explained by globalization process in
the development of the global science in general. Apart from it, multilateral cooperation in science seems to be an adequate response to great scientific tasks set by the Arctic.

It is worth noticing that Danish-Russian cooperation in science is two-fold. On the one hand, there is fruitful cooperation in the field of fundamental science, which is determined by common states’ clear interests to accelerate their knowledge about Arctic nature. On the other hand, there are rare cases of cooperation in the field of technologies and innovations which, in turn, is determined both by inherent competitive states’ interests to be leaders in technological know-how to promote their economic and scientific profiles at the global level. Particularly, sanctions imposed by the US and the EU on Russia since 2014 have been preventing Danish-Russian cooperation in this area in all possible ways.

To sum up, Danish-Russian relations in the Arctic have a cooperative nature and based on the analysis of the present state of affairs at the global and national levels the cooperation mode is likely to be support by not only Denmark and Russia, but also the rest of the Arctic states. First and foremost, making the Arctic another zone of conflict in the nearest future will hinder opportunities of the states to satisfy their interests, primarily economic ones, in the region. The main drivers of these relations can be determined in terms of the neorealist school. Any military conflict in the Arctic will lead to the disaster in the global dimension due to its unique geographical position and significance for the rest of the world in terms of the environment. In case of military conflicts, setting the Arctic into the situation of threat to the world, the Arctic states can lose their privileges in the Arctic governance, provoking other big actors, for example, China and the EU, to question the existing Arctic governance structure with the Arctic states in its core.

My research is an early attempt to analyze Danish-Russian relations in the Arctic. In this research, I have presented general trends and drivers of Danish-Russian relations. I believe the explored topic still has areas of further elaboration that go beyond the width and scope of my research. These sectors are the cultural dimension of Danish-Russian relations, indigenous people policies of both states in the Arctic, Danish-Russian relations in a broader context of the Arctic stability and sustainability in terms of economy and military issues. I consider these issues can be fascinating topics for studies.
REFERENCES

**Primary Sources**

Laws // Declarations // Agreements


Rogozin, Dmitrij. 2016 (a). “Vice-Prem'er Dmitrij Rogozin na Konferencii «Mezhdunarodnoe Sotrudnichestvo v Arktike.” [Deputy Prime Minister Dmitry Rogozin at the Conference "International Cooperation in the Arctic.”]. Address presented at the


*Reports of governmental // non-governmental organizations*


The Trade Representation of the Russian Federation in the Kingdom of Denmark. 2018. *Obzor Sostojanija Jekonomiki i Osnovnyh Napravlenij Vneshnejekonomicheskoj Dejatel'nosti Danii v 2017 Godu*. [Review of the state of the economy and the main directions of foreign economic activity of Denmark in 2017]. Accessed April 15, 2019. http://91.206.121.217/TpApi/Upload/fe54295a-cdbc-4723-b795-071742e98edb/%D0%9E%D0%91%D0%97%D0%9E%D0%A0%20%D0%AD%D0%9A%D0%9E%D0%9D%D0%9E%D0%9C%D0%98%D0%9A%D0%98%20%D0%94%D0%90%D0%9D%D0%98%D0%98_2017%20(3).docx


**Mass Media**


RIA NOVOSTI. 2016. “Rossija Dobivaetsja Rassmotronija Zajavki po Shel'fu v Arktike Letom 2017 goda.” [Russia is Seeking Consideration of an Application for the Arctic


**Interviews**


**Websites of governmental organizations**


**Websites of international organizations // bodies**


Websites of other organizations


**Secondary Sources**


Khramchikhin, Alexander. 2013. “Stanet li Arktika Teatrom Voennykh Deistviy Po Poslednemu Peredelu Mira?” [Will the Arctic Become a Military Theater for the Final


https://link.springer.com/content/pdf/bfm%3A978-1-137-47072-0%2F1.pdf


Medvedev, Dmitrij. 2015. *Mezhdunarodnoe Jekonomicheskoe Sotrudnichestvo v Arktike: Arkticheskij Jekonomicheskij Sovet*. [International Economic Cooperation in the Arctic:


Young, Oran R. 2011. “If an Arctic Treaty is not the Solution, What is the Alternative?” *Polar Record* 47, no.4: 327–34.
