



2010 State of the Arctic Conference

March 18, 2010

Melting Ice and Drifting Interests - Assessing the Arctic's Importance as an Energy Region

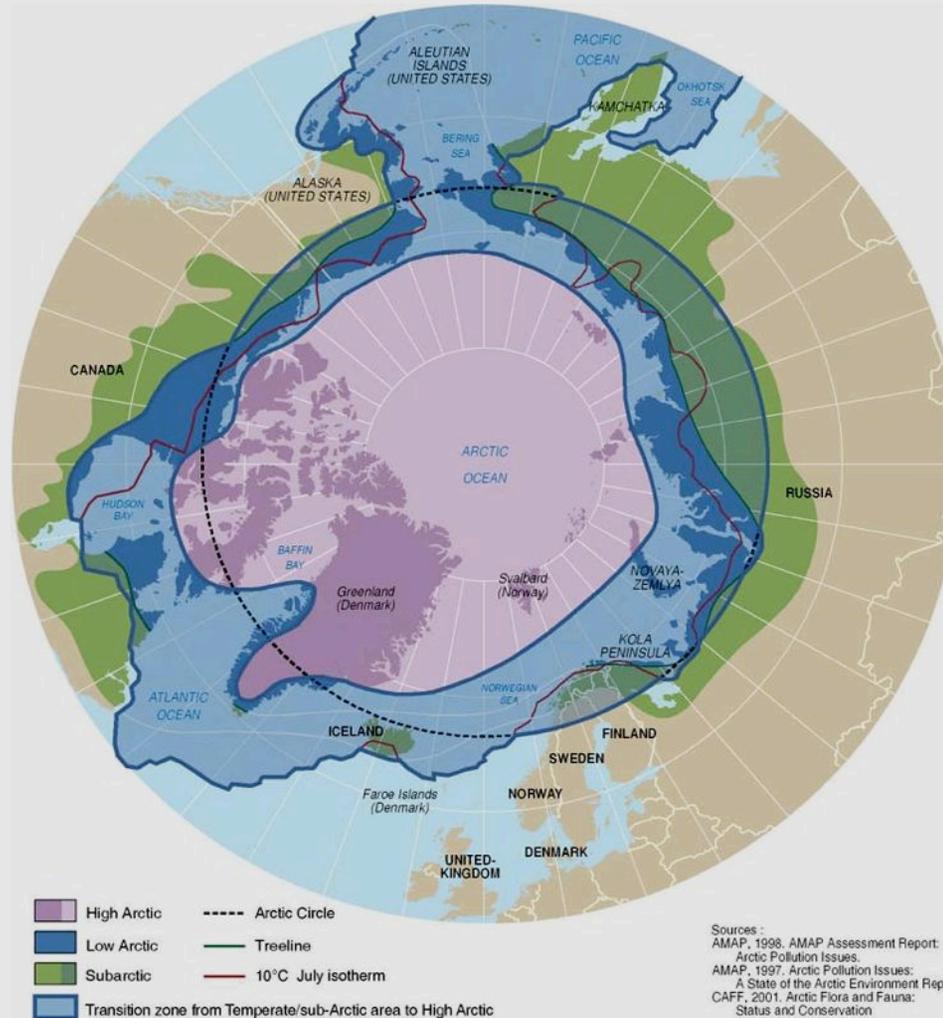
- A. Scientific perspectives
- B. Industry perspectives
- C. States perspectives

Elisa Burchert - Weatherhead Center for International Affairs, Harvard University



Introduction

Situating the debate



Source: Philippe
 Rekacewicz,
 UNEP/GRID-
 Arendal, 2005.



Outline

The Arctic as New Energy Frontier?

Inside the Arctic storehouse: geopolitical thaw or freeze?

- Assessing possible energy-conflict links: alarmist predictions abound

1/ **Scientific perspectives**

- What do we know about Arctic riches?
- How has scientific information been interpreted?

2/ **Industrial perspectives**

- How do international oil companies assess (offshore) Arctic areas?
- What can we expect from industrial development?

3/ **Arctic States perspectives**

- Will Arctic riches shift the economies of bordering states?
- Is a mad dash for Arctic resources likely?



A. Scientific perspectives

Inadequate knowledge

Assessing the Arctic's undiscovered petroleum resources

1/ Shortcomings of scientific evaluations

- Scientific and technological challenges comparable to Space conquer
- Data: sparse, uneven coverage, high uncertainty, controversial definitions

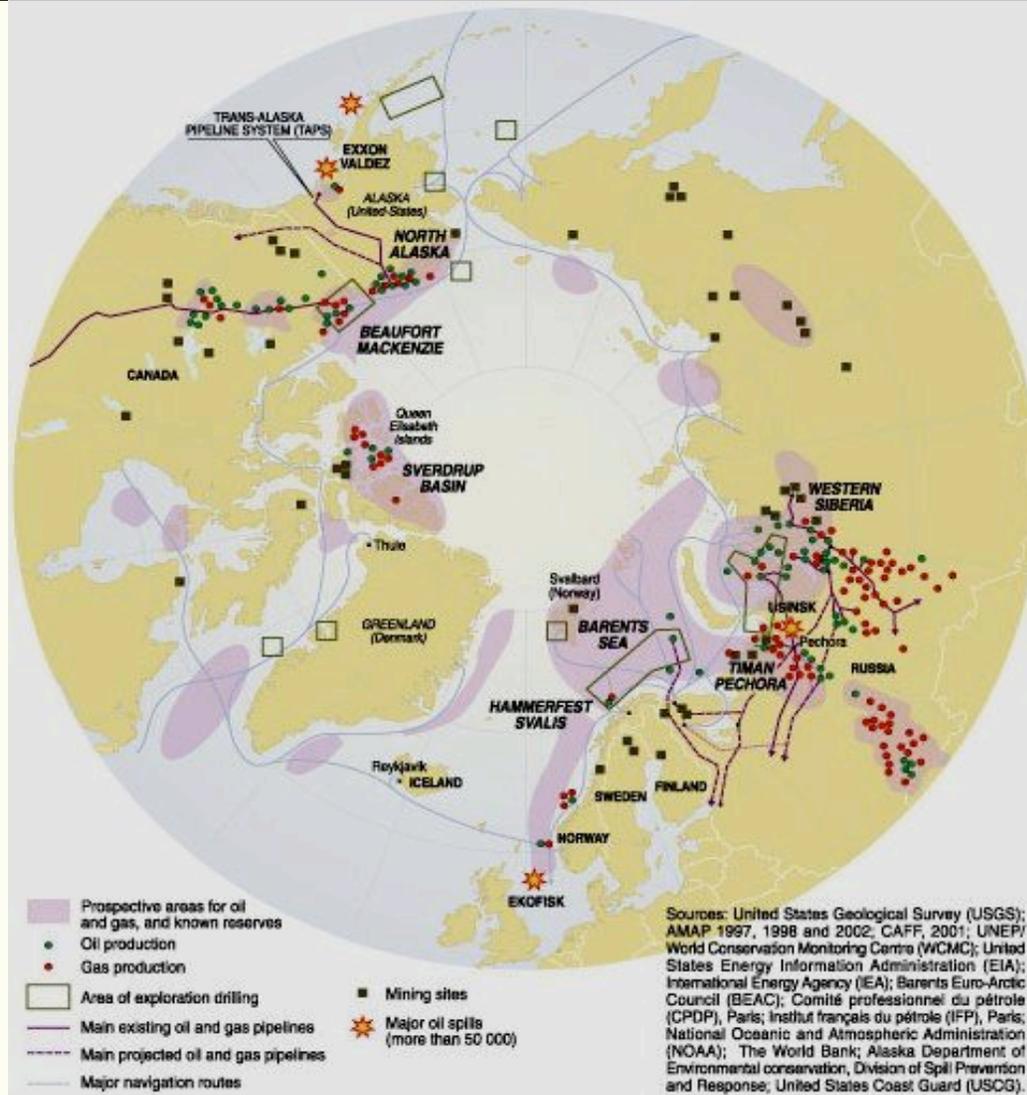
2/ Methodology

- Geologic analysis coupled with probabilistic methodology
- USGS 2000 assessment: Arctic as 'boutique province': 84% offshore



B. Industry perspectives

The Arctic as new energy frontier?



Source: Philippe Rekacewicz, UNEP/GRID-Arendal, 2005.



B. Industry perspectives

The Arctic as new energy frontier?

2/ Resource bonanza or extractive periphery

a/ Ongoing onshore development for decades

- Prudhoe Bay 1969

b/ Increasing interest spurred by

- *Three drivers:* melting ice, demand for resources, technological innovation
- High oil prices (2004-2008)
- However, economic slowdown provides new window of opportunity

c/ Expansion of oil and gas activities poses tremendous challenges

- *Technologically:* infrastructure, distances, remoteness
- *Financially:* extraction costs, other factors (oil price, discoveries elsewhere)
- *Socio-politically:* constraints by institutions, investment frameworks
- *Legally:* land rights (Nunavut)



C. State perspectives

Once of strategic utility - now a prize in itself

3/ Arctic states

a/ Energy security, and national identities

- Norway - the 'responsible steward': 68% of total exports
- Russia - 'othering' discourse: creation of wealth, poor environmental standards

b/ Making the most of Arctic possibilities - unbroken energy optimism

- Politicization of energy (*sovereignty*: legitimacy, control, authority)
- International focus on climate and environment: new responsibilities
- Concept of sustainable resource management: positive local impacts

c/ Is a mad dash for Arctic resources likely?

- *Disputes*: increased focus on cooperation, but possible hardening of positions
- *Legal framework*: set of legal procedures to be followed (no vacuum)
- History of cooperation



Conclusion

Some preliminary thoughts

Research agendas

a/ **The role of science**

- Scientific and technological expertise for increased state relevance

b/ **The role of emotions**

- Emotional behavior and assumptions about rationality (N. Crawford, 2000)
- The Weight of the Shadow of the Past (realism and alliances: D. Reiter, 1993)

c/ **Awareness of analytical lenses**

- Debating the added value of looking through the lenses provided by traditional schools of thought of IR theory (e.g. realism, liberalism, constructivism)

The Arctic as patient