How Asia Has Joined the Race for Influence in the Frozen North

Martin Breum
Climate change and melting ice have seen this frigid region emerge as the world’s next great economic frontier, rich in opportunities.

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China may not have the Arctic as its top priority, but it has its sights set on claiming a full set of rights to exploit the region.

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Interest in the Arctic and its economic potential in Japan, South Korea and Singapore is rapidly growing in markedly different ways.
Arctic Newcomers: The View from Japan, South Korea and Singapore

By Aki Tonami

Interest in the Arctic region and its economic potential in Japan, South Korea and Singapore was slow to develop but is now rapidly growing. All three countries have in recent years accelerated their engagement with Arctic states, laying the institutional frameworks needed to better understand and influence policies relating to the Arctic. But each country’s approach is quite different, writes Aki Tonami.

JAPAN, SOUTH KOREA and Singapore were three of the five Asian countries accepted as Permanent Observers at the Arctic Council in May 2013 — the other two being China and India. Although becoming an observer does not dramatically change their status as non-Arctic coastal states in international forums, there are signs that the governments and businesses of these three countries have started to take the Arctic more seriously following the acceptance of their applications. In this essay, I will look at the changes in policies and business activities from these three countries. How do Japan, South Korea and Singapore view the Arctic? Do they see opportunity in the Arctic? If so, where does it lie?

JAPAN: GETTING ‘THE CREDIT’ A STEP AT A TIME

Japan’s history in the Arctic is long, considering that it is not an Arctic coastal state. It has been one of the few non-Western states to conduct polar research, doing so since 1957, although mainly focusing on Antarctica. Japan is also one of the 14 High Contracting Parties to the Spitsbergen Treaty of 1925, which recognizes the sovereignty of Norway over the Arctic archipelago of Svalbard. In 1990, Japan formally joined the Arctic research community by becoming a member of the International Arctic Science Committee (IASC) as a non-Arctic state. This polar heritage has been acknowledged and encouraged by the Japanese government. It believes that Japan can contribute to the sustainable development of the Arctic by providing scientific knowledge.

Furthermore, given that Japan does not have a legal title to access natural resources in the region other than Svalbard, it is critical for Japan to engage in international research and development in co-operation with littoral states to secure its future interests. It is important for Japan’s engagement and position to “get the credit” one step at a time, in other words to deliver and build upon actual, concrete results. Examples of such results are scientific research findings, the assignment of an Arctic ambassador in March 2013, including the Arctic in renewed bilateral science and technology cooperation agreements with Germany and Canada and having a Japanese petroleum company begin oil production in Norway.

The particular characteristic of Japanese government administration, whereby business and industry often play a critical role in policy development, is also observed in Japan’s Arctic policy. Long before the current rise in public interest, Japanese businesses concluded that the benefits from developing the Northern Sea Route, which is supposed to cut the shipping distance from Asia to Europe by 40 percent, were too meager to provide significant financial or logistical advantages over existing sea routes. As a result, the Japanese government did not experience sufficiently strong pressure from the business community to prioritize Arctic issues until recently. Meanwhile, since Japan became a Permanent Observer of the Arctic Council in May 2013, the Arctic has gained a certain level of political momentum and the Arctic policies of Japan have started to move steadily forward. With stronger lobbying from the Ocean Policy Research Foundation (OPRF), which is a think-tank and a lobbying organization for the Japanese shipping industry and related manufacturing industries, the Arctic was included in the new Basic Plan on Ocean Policy released in April 2013. Based on this plan, a new inter-ministerial committee on the Arctic (Liaison Committee among Ministries and Agencies on Various Issues Related to the Arctic) was set up in July 2013. Committee meetings are held according to the schedule of the Working Group Meetings of the Arctic Council in order to facilitate information-sharing among various ministries.

Regarding ministerial activities on the Arctic, the most noteworthy is the Ministry of Land, Infrastructure and Transportation (MLIT). It has strong relationships with the shipping industry, and began a feasibility investigation on the Northern Sea Route in March 2012, suggesting that it is a yet-to-be realized opportunity in the ocean frontier. For fiscal year 2013, MLIT allocated a small amount of funding to study the issue further, particularly the practical legal implications of using the NSR along the Russian coast. Ministry officials believe that it is the national government’s role to maintain or improve the institutional aspect of using shipping routes for Japanese companies. They hope to achieve this by impressing upon relevant governments (such as that of Russia) the need to create a system that is economically efficient and, at the same time, does the least damage to the natural environment. The necessity of engagement in the international rule-making process is well recognized by the ministry. A good example is its support for the development of the Polar Code by the International Maritime Organization (IMO). The Polar Code is strongly backed by Koji Sekimizu, Secretary-General of the IMO, who is a former Japanese diplomat seconded by MLIT.

Arctic affairs are also gaining attention in the domestic political arena. A new federation of Diet members on the Arctic frontier was established in October, in addition to the existing federation on Arctic security, which is headed by current Prime Minister Shinzo Abe.
SOUTH KOREA:
A VOCAL STRATEGIC ACTOR

Given its relatively recent entry into Arctic-related activities, South Korea has achieved a lot in its pursuit of further engagement. Similar to Japan, South Korea’s polar activities have primarily centered on Antarctica, starting from the late 1970s. The country’s engagement in the Arctic began with scientific research—a preliminary study on the Arctic in 1993-1995. But it was only in 2002 that South Korea became a full member of the IASC and opened its first research station in Svalbard. In 2009, it launched the research vessel Araon, and in September 2012 former President Lee Myung-Bak visited Greenland and Norway.

In the policy arena, South Korea identified the Arctic as a priority before the Arctic Council welcomed South Korea as one of the new Permanent Observers. President Park Geun-hye announced 140 national priorities in February 2013, and the Arctic was among the ones that would help the country’s engagement in the Arctic. In July, the South Korean government announced a plan to draw up an Integrated Arctic Policy. The priorities of the South Korean government in this area are: • Strengthening co-operative relations with the Arctic countries; • Expanding Arctic research activities; • Developing a new Arctic business model; • Improving legal and institutional infrastructure.

Unlike some other Asian countries, South Korea is not hesitant to express its interest in exploring new energy sources in the Arctic. In addition, the Ministry of Foreign Affairs emphasizes the importance of securing energy sources and the potential that the Arctic offers to achieve this. South Korea is the 10th largest energy consumer in the world and the fifth largest crude oil importer. In 2012, South Korea imported 96.4 percent of its energy resources, and while the Middle East remains critical, South Korea would like to lower its dependence on Middle Eastern oil by diversifying energy sources.

The South Korean government’s National Basic Energy Plan 2008-2030 set the direction for this. The plan emphasized the necessity of long-term energy diplomacy and listed three goals: securing stable energy, expanding demand and enhancing supply.

Dependence on imported energy is as high in Japan, but because South Korea is a latecomer in securing energy resources abroad, the country has not hesitated to express its eagerness to engage and invest in energy development projects in the Arctic. Using its icebreaker Araon, South Korea led a research survey into the Beaufort Sea in September 2013 to look for sub-sea permafrost and methane hydrates.

As a maritime nation, another relevant aspect of the Arctic for South Korea is the possibility of using the Northern Sea Route for shipping. In October 2013, the country made its first commercial freight voyage using the route. The government, as explained in the National Basic Energy Plan, sees the possibility of combining these two interests: exploration for oil, gas, coal, iron and other resources in the Arctic region and the use of the Northern Sea Route as an eventual shipping route for these resources. To achieve these goals, the government regards co-operation on energy with Arctic states as essential, and it also sees this as a way of enhancing South Korea’s international profile, an important and urgent goal for a country that has rapidly become one of the world’s developed economies.

SINGAPORE:
BUSINESS PRAGMATISM AND HUMAN CAPACITY

As a city-state in Southeast Asia just north of the Equator, Singapore would not appear to have any significant interest in the Arctic, and it has little history of engagement in the polar regions compared to Japan or South Korea. Yet Singapore has expressed its intention to play a role in Arctic governance through statements, its application for observer status at the Arctic Council and by appointing a dedicated Special Envoy for Arctic Affairs within the Ministry of Foreign Affairs in early 2012. Singapore has played an important role in numerous global governance regimes and institutions for ocean management and transportation. It is also a major shipping hub and a long-standing member of the International Maritime Organization. Singapore asserts that freedom of navigation is an issue of vital interest, that the high seas are the common heritage of mankind and that there must be improved co-operation between littoral and user states. It also believes that ocean governance must be open and inclusive. Seeing the melting Arctic sea ice as a direct threat to an island state that is just 163 meters above sea level at its highest point, Singapore has said that its interest in Arctic issues is mainly a matter of survival and that it does not have any political agenda.

One of the most common assumptions about Singapore’s interest in the Arctic is that it is driven by the potential challenge that the Northern Sea Route poses to Singapore’s role as a global shipping hub. However, significant questions remain about the near-term potential of large-scale, highly regularized Arctic shipping.

On the other hand, Singapore sees an opportunity in the Arctic to use its expertise in the running of major port facilities and offshore and marine engineering (OME), two industries that are of vital importance for Singapore’s economy. Keppel Corporation, one of Singapore’s most important engineering companies, specializes in building icebreakers and constructing offshore rigs that are more environmentally friendly. Two major research centers on OME in Singapore, the National University of Singapore Centre for Offshore Research and Engineering and the Singapore Maritime Institute (SMI), have begun new
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research programs on the marine environment. Recognizing the importance of indigenous people in the Arctic, and perhaps their influence in Arctic decision-making, Singapore emphasizes the importance of indigenous communities and their ability to continue their lifestyle and adapt to various changes. Singapore organized a study visit for Arctic indigenous communities to Singapore in June 2012, and a second study tour is expected in the near future.

IMPORTANT, BUT NOT A TOP PRIORITY
In conclusion, Japan is slowly preparing to make certain that any future investment in the Arctic is going to make sense for the Japanese government and for Japanese business. South Korea, on the other hand, has demonstrated firm government backing on Arctic issues with its remarkable five-year plan, but implementation of the plan is just in its initial stages. Singapore, meanwhile, says it has no political interest in the Arctic, but would like business agreements that mutually benefit the Arctic littoral states and Singapore. Of the three countries, Singapore has perhaps shown the most sensitivity to the voices of indigenous peoples in the Arctic, which has led them to prioritize human development for Arctic peoples.

It is fair to say that the Arctic does not have the highest priority for Japan, South Korea or Singapore. At the same time, given that all three are among the world’s largest maritime trading nations, they see being part of the decision-making and rule-making processes with regards to the Arctic as essential. Their new status as Permanent Observers at the Arctic Council has made it easier for government and business in these countries to assert a legitimate interest in the Arctic, whether it has to do with climate change, scientific research or commercial opportunities.

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