

Norway-Russia relations: Recent developments and background

Recent developments:

According to a 16 January situation report from Stratfor, approx. 300 US Marines arrived in Norway on 16 January 2017 for a six-month deployment focused on Arctic warfare training. Once their training period is finished, they will be replaced by another contingent of Marines that will also deploy for six months. While Russia's embassy in Oslo questioned the deployment back when it was announced in October, the move has nothing to do with Russian aggression, according to the Norwegian military representative and an official for Norway's Defence Ministry. Mistrust between Russia and the USA has raised tension between Washington and Moscow, with many US lawmakers quick to label Russia as a major threat to the USA, despite the entreaties made by President-elect Donald Trump to Russian President Vladimir Putin. Still, after years of steady economic and political pressure, visible cracks in the united Western front against Russia mean Moscow may have something to look forward to in 2017. The deployment comes just days after around 4 000 U.S. troops arrived in Poland.

Background: Relations with Russia

As described in the IHS February 2017 Country Risk Profile, Norway was the only NATO member to have a common border with the Soviet Union during the Cold War. The military tension along this border has since eased and new opportunities for economic, environmental, and cultural co-operation have arisen. In 2010, the countries solved a long-standing maritime border dispute (the treaty entered into force in July 2011) and instituted a system whereby people living within 30km of the border can receive a permit to live and work within that zone.

Rediscovering the mutual benefits enjoyed during the eighteenth and nineteenth century Pomor trade, the fishing industry in Norway has benefited from Russian supplies of fish and some industries in the Kirkenes area, close to the Russian border, depend on the Russian market. Norway has also provided Russia with financial assistance and expertise with the aim of improving basic infrastructure, environmental infrastructure and the education system, and in recent years with humanitarian assistance, as economic and social instability in northern Russia could easily impact on Norway.

As a result of Russia's annexation of Ukraine's Crimea region in March 2014, Norway followed the EU in imposing sanctions against Russian individuals. It also cancelled bilateral meetings and temporarily suspended military co-operation with Russia. In the medium to long term, Norway is likely to seek to maintain good relations with Russia in the north in order to avoid negative economic consequences for northern Norway, but to follow the EU regarding the overall sanctions regime.

Norway's defence focus shifting to the High North

The 17 June 2016 'Long-Term Plan for the Norwegian Armed Forces for the Years 2017-2020', sets the tone for Oslo's current and future defence policy. It announces a significant

spending increase dedicated primarily to procuring key capabilities. It also solidifies Norway's strategic orientation to the High North, a process which has been under way for some time after a decade of expeditionary operations in places such as Afghanistan.

According to Oxford Analytica (27 July 2016), if fully executed, the plan will lead to a significant increase of high-end capabilities in the High North. Norway's parliament will consider the plan after the summer, but there is little to suggest that the approach laid out by the government will meet serious parliamentary opposition. The government is then likely to move forward quickly on upgrading its maritime patrol aircraft fleet. It will also seek to achieve cost savings in military infrastructure and bases to free resources for improving readiness and capabilities.

Norway occupies a strategic position in Europe as NATO's northernmost flank, with a shared land and maritime border with Russia. While Norway has a population of only 5 million, it is responsible for a maritime domain (territorial waters and exclusive economic zones) that is nearly the size of the Mediterranean. Furthermore, Norway exercises sovereignty over the Svalbard islands located far into the Arctic, away from the mainland. These factors colour the assumptions embedded in the recently released long-term plan.

Strategic drivers

Norway is increasingly concerned about Russia's continued assertiveness in Europe and the possibility that Moscow may permanently alter the European security order in its favour through intimidation or the use of force. In particular, it is concerned about Russia's increasing military activity in the High North and the North Atlantic and the continued modernisation of Russia's northern fleet based in Murmansk.

Norway has also noted Russia's ability to mobilise forces quickly over significant distances, both to support real-world operations and during snap exercises. This is driving Norway's sense that it needs to enhance its intelligence, surveillance and reconnaissance capabilities as well as bolster the readiness levels of its forces.

To date, Norway has been unable to attract much attention from the broader NATO alliance for the emerging security challenges in the High North, although there has been bilateral engagement from the United Kingdom and the United States. This means that Norway increasingly will have to focus on the region and function as 'first responder' during a crisis or wartime before NATO reinforcements can arrive.

New capabilities

The plan includes spending increases that will raise the defence budget to almost 60 billion kroner (7 billion dollars) by 2020, making Norway the largest defence spender in the Nordic region. Over a 20-year period, the plan calls for 165 billion kroner in additional spending above current levels.

This will be coupled with a review of defence infrastructure, with an eye towards base consolidation and closure to free resources for procurement and readiness. This element of the plan has its critics. Military bases provide employment in rural parts of Norway with otherwise low economic activity.

The plan also identifies several 'strategic capabilities', primarily in the maritime and air domains, in which Oslo will seek to invest in the coming years. These include the following elements:

- procurement of F-35 advanced fighters from Lockheed Martin, already under way (Norway recently took delivery of the first jet);
- a new class of submarines to replace the ageing Ula boats;
- a replacement for the P-3 Orion maritime surveillance aircraft, likely to be Boeing's P-8 Poseidon; and
- modernised ground-based air defence systems.

These capabilities are directly relevant to the expansiveness of Norway's north and the increasingly capable Russian forces that Norway would have to face in the event of a crisis in the region.

There is broad political consensus on the need to invest in new capabilities, but the ambitions of the plan may be tempered by weak economic growth. The economy is reliant on oil and gas extraction. Current low global energy prices have put a strain on growth and government spending.

Strategic relationships

The plan, which clarifies that NATO is the pivotal institution for Norwegian security, is viewed by Oslo as an important contribution to securing NATO's northern flank, including the North Atlantic. However, within NATO, Oslo has found it difficult to gain traction for security challenges in the High North with the alliance distracted by events and requirements in Europe's east and south (see NATO: Alliance disunity may undermine Warsaw agenda - July 11, 2016).

Therefore, Oslo seeks to strengthen its bilateral defence relationships, particularly with the United States, United Kingdom and France. These countries are seen as vital and capable partners for Norwegian defence efforts in terms of building capabilities and joint operations and exercises.

Acquisition of the P-8 Poseidon aircraft as suggested by the plan would mean that three key NATO countries in the North Atlantic (the United States, the United Kingdom and Norway) can operate a common platform, which would enable joint operations, sharing of information and training opportunities.

Norway has a dynamic defence relationship with the United States. The new plan will deepen this. Many of the capabilities Norway seeks are likely to come from the United States as Washington seeks to highlight European NATO allies who increase defence spending and appear serious about capabilities building.

The United Kingdom and Norway signed a bilateral defence cooperation agreement during the recent NATO Summit in Warsaw. The 'Brexit' vote does not seem to have diminished the United Kingdom's willingness to engage in the defence realm both bilaterally and through NATO.

In the coming years, it is likely that both the United States and United Kingdom, and perhaps France, will pay more attention to the North Atlantic and the High North in response to the increased presence and sophistication of Russian air and naval forces.

Norway's Arctic territorial claims and Russia

Norway: 'standing firm' together with its allies following Ukraine

Norway has coastal frontage in the Arctic Ocean and can therefore claim maritime zones in the Arctic Ocean in accordance with the 1982 United Nations Convention on the Law of the Sea (UNCLOS). The same goes for Russia, Canada, Denmark/Greenland and the USA.

Norway ratified UNCLOS on 24 June 2006 and on 27 November 2006 submitted an extended continental shelf claim to the CLCS as the second Arctic Ocean coastal nation after Russia. The claim extends the Norwegian seabed beyond the 200 nautical mile EEZ in three areas of the north-eastern Atlantic and the Arctic: the 'Loop Hole' in the Barents Sea, the Western Nansen Basin in the Arctic Ocean, and the 'Banana Hole' in the Norwegian Sea. In March 2009, Norway received recommendations from the CLCS on its 2006 submission, advising that Norway and Russia pursue individual agreements. Norway and Russia ratified a Treaty on Maritime Delimitation in the Barents Sea in 2011, ending a 40-year dispute. There are, however, still unresolved questions over the Arctic archipelago of Svalbard; Norway and Russia disagree on whether equal treatment rights guaranteed by the 1920 Svalbard Treaty apply to maritime zones. The maritime boundary between the outer continental shelves of Svalbard and Greenland also remains unresolved.

Norway's government released its High North Strategy in December 2006 and adopted the slogan 'High North, low tension', which still characterises Oslo's approach to the region, including neighbouring Russia. The main policy priorities in the 2006 strategy include exercising authority in the 'High North' (focusing mainly on the Barents Sea, partly in view of the above-mentioned then-unresolved territorial disputes with Russia) in a consistent and predictable way and strengthening cooperation with Russia.

Norway shows Russia a firmer side after Ukraine

The 2009 follow-up, New building blocks in the North, emphasises Norway's role as a 'responsible and significant actor in the High North', broadening the scope of the concept of the 'High North' to become synonymous with 'the circumpolar Arctic'. The document stresses that 'NATO is present and must continue to be present in the High North, where the main task of the organisation is to help in maintaining stability and predictability and to preserve the low level of tension that has traditionally characterised the region'. It also highlights the EU's 'major contribution through its extensive funding schemes'.

The 2014 government report, 'Norway's Arctic policy', emphasises the 'vital' Barents cooperation, including with Russia. However, it now stresses that 'together with the rest of Europe and our other allies, we are standing firm in defence of international law and international rules in the face of Russia's conduct in Ukraine. This approach is also important in the context of the Arctic'. It also emphasises the 'important' NATO presence in Norway.

Source: Arctic continental shelf claims — Mapping interests in the circumpolar North
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