

Why the U.S. Should Support Arctic Council Observer Status for Estonia

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KEY TAKEAWAYS

In May, the 12th Arctic Council Ministerial Meeting will consider the applications of countries and organizations seeking observer status in the Arctic Council.

The U.S. would benefit from Estonian involvement in the Arctic Council. Estonia has proven a reliable and capable ally—especially on security and defense issues.

Estonia is a valuable NATO ally, and the United States should strongly support Estonia's application to become an Arctic Council Observer.

On May 19 and 20, the 12th Arctic Council Ministerial Meeting will take place in Reykjavík, Iceland. Among other issues, the eight council member states will consider the applications of countries and organizations seeking observer status in the Arctic Council. Estonia is one of the applicants for observer status. As a non-Arctic state that will undoubtedly contribute to the work of the Arctic Council, Estonia meets the requirements for observer status. Estonia is a valuable North Atlantic Treaty Organization (NATO) ally, and Estonia's growing interest in Arctic matters will serve to advance transatlantic interests in the region. As such, the United States should strongly support Estonia's application to become an Arctic Council Observer.

This paper, in its entirety, can be found at <http://report.heritage.org/ib6040>

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The Arctic Council

The Arctic Council is the world's primary multilateral forum concerned with the Arctic region, and focuses on all Arctic policy issues other than defense and security. It was established in 1996 with the Declaration of Establishment of the Arctic Council, also known as the Ottawa Declaration, as a way for the eight Arctic countries to coordinate and work together on mutually important issues in the region. The chairmanship rotates every two years. The current chair, Iceland, will hand over leadership to Russia in May.

Reflecting the fact that there are many countries, organizations, and indigenous groups that have legitimate interests in the Arctic region, the Arctic Council has three categories of membership:

1. **Member states.** This category consists of the eight countries that have territory in the Arctic: Canada, Denmark (Greenland and the Faroe Islands), Finland, Iceland, Norway, Russia, Sweden, and the United States. Only member states have decision-making power in the Arctic Council.
2. **Permanent participants.** This category is reserved for the six organizations representing indigenous groups that live above the Arctic Circle, often across national boundaries—the Aleut International Association, the Arctic Athabaskan Council, the Gwich'in Council International, the Inuit Circumpolar Council, the Russian Association of Indigenous Peoples of the North, and the Saami Council.¹
3. **Observers.** Due to the possibility of new shipping lanes opening, some non-Arctic countries may also have a stake in the region. For example, China, Singapore, and South Korea have observer status in the Arctic Council. This category is open to non-Arctic states, inter-governmental and inter-parliamentary organizations, and global and regional nongovernmental organizations. There are currently 38 Observers.² Observers are allowed to attend meetings, make oral statements, present written statements, submit relevant documents, participate in and fund working groups (less than 50 percent of the working group's budget), and provide views on the issues under discussion.

Estonia Is a Valuable U.S. Ally

Estonia is a small Baltic nation that punches well above its weight on the world stage. The U.S. would benefit greatly by having this close ally become more involved in the Arctic Council. Estonia has proven to be a reliable and capable U.S. ally—especially on security and defense issues. Estonia is currently one of only 10 NATO countries that spends the required 2 percent of gross domestic product (GDP) on defense.³ Estonia has demonstrated that it takes defense and security policy seriously, focusing on improving defensive capabilities at home while maintaining the ability to be a strategic actor abroad. In 2020, Estonia spent 2.38 percent of GDP on defense, of which 17.3 percent went to equipment acquisitions.⁴ Estonian service members have also deployed alongside U.S. forces and are held in high regard by their U.S. counterparts. Perhaps Estonia’s most impressive deployment has been to Afghanistan: The small country deployed more than 2,000 troops between 2003 and 2014 and sustained the second-highest rate of deaths per capita among NATO members.

In 2017, Estonia and the U.S. strengthened their bilateral relationship by signing a defense cooperation agreement that builds on the NATO–Estonia Status of Forces Agreement, further clarifying the legal framework for U.S. troops in Estonia.⁵ Cooperation continues to grow. In 2019, Estonian and American troops engaged in more than 150 military-to-military engagements.⁶ Estonian forces contribute to a number of operations, including 42 soldiers taking part in the Resolute Support Mission in Afghanistan, and “up to 210 service members being sent to NATO’s Response Force (NRF), with an armored infantry company (within the Baltic Battalion), special operations forces, staff officers and a mine counter-measures vessel crew, and up to 24 service members towards the UK-led Joint Expeditionary Force.”⁷

Estonia Will Advance Transatlantic Interests in the Arctic

Estonia is located fewer than 500 miles from the Arctic Circle. After the United Kingdom, it is the closest country to the Arctic Circle that is not technically an Arctic power. This proximity means that the Arctic region has a strong impact on Estonian security. Furthermore, Estonia works closely with the Nordic nations of Denmark, Finland, Iceland, Norway, and Sweden—all of which are Arctic states. As fellow Baltic nations, Finland and Sweden share a similar strategic outlook to Estonia. Additionally, Estonia has strong cultural and historical ties to the Arctic region, and the work of the Arctic Council would benefit from the participation of Estonian businesses, scientists, and worldview.

While defense and security issues fall outside the Arctic Council's remit, Estonia may support burgeoning efforts for NATO to take on a larger role within the Arctic. Considering that five of the world's Arctic countries are in NATO (Canada, Denmark, Iceland, Norway, and the U.S.), one would expect that the Alliance would place a strong focus on the region. This has not been the case. NATO has no agreed common position or policy on its role in the Arctic region. While the Arctic was mentioned a few times in the recent NATO Strategic Reflection,⁸ its cursory treatment underscores the work that still needs to be done to shore up deterrence on the Alliance's northern flank.

One area where an Estonian voice in the Arctic Council would be particularly helpful is on the issue of economic freedom in the region. Economic freedom can help to keep the Arctic stable and secure. It should be a focal point of broader U.S. engagement in the region, and Estonia, which ranked 10th overall in the *2020 Index of Economic Freedom*,⁹ can be counted on to share the U.S. commitment to economic freedom as a foundational principle for future Arctic policy.

The U.S. Should Stand Behind Its Ally

America's interests in the Arctic region will only increase in the years to come. The Arctic Circle is an important forum for a range of policy issues relating to the High North. Having another ally join the forum as an Observer advances U.S. interests. As such, the U.S. should:

- **Support Estonia's application to become an Arctic Council Observer.** Estonia is a close U.S. NATO partner which has proven itself a valuable and committed ally. Estonia's inclusion as an Observer would serve to advance transatlantic interests in the Arctic, and further highlight the important linkages between the Arctic and Baltic regions.
- **Deepen relations with Estonia to advance transatlantic interests in the Arctic.** Estonia is an important U.S. ally in many places around the world, and the Arctic region should be no different. The U.S. should use Estonia's interest in the Arctic region as a new opportunity to deepen U.S.–Estonian relations and advance transatlantic interests in the Arctic.
- **Work with Estonia to promote economic freedom in the Arctic.** Economic freedom spurs prosperity, respect for the rule of law, job creation, innovation, and economic sustainability. Most important, economic freedom can help to keep the Arctic stable and secure. It

should be the focal point of broader U.S. engagement in the region. Estonia, a tech savvy, innovative nation, which has embraced economic freedom as the express lane to prosperity, would be a welcome ally in instilling this principle in future Arctic policy.

Conclusion

The Arctic is becoming increasingly important for economic and geopolitical reasons. The U.S. has a strong interest in safeguarding economic freedom and national sovereignty in the region. Estonian observer status in the Arctic Council will assist in these efforts, advance transatlantic interests in the Arctic, and help to counterbalance the ideas proffered by another observer nation, China.

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Endnotes

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