

Canadian Threats to Arctic Sovereignty: Causes and Solutions

Mateo Larrazabal

251079231

Friday, November 20th, 2020

Post-Confederation Canada has never needed to defend its borders from a foreign military invasion. However, in recent decades, the Canadian north has grown in geopolitical importance and there are legitimate efforts to undermine the federal government's sovereignty. The sparse arctic population paired with stark inequalities between the north and the south has led to threats to Canadian authority in the arctic. Due to this, the world's superpowers have made advances to gain influence through treaties and international bodies.

This is a key issue that requires more attention due to its potential political, economic, and national security implications. First, the failure of the federal government to improve conditions and empower Northern communities could create friction between the territories and the rest of Canada. Tensions do not contribute to creating national unity and make the task of governing the country more difficult. Secondly, the arctic is a region with great economic potential. It is rich in natural resources, with plentiful mineral and oil deposits. Further, the irreversible damages caused by climate change have created several avenues of opportunity for major economic growth. Lastly, Canada could be at risk from major powers if it were to lose its dominion over the north. A reduced ability to exercise authority may create a position of weakness amongst arctic nations that would harm the country's position in ongoing disputes.

This paper will analyze how Canada's nation-building efforts have resulted in the current threats to its sovereignty. I will argue, analyzing from the lens of modernization theory that the Canadian government has failed to create adequate conditions for strong economic growth and competent local governance in the north, which has weakened its claims in arctic bodies. Followed by this, I will offer potential solutions that seek to alleviate these structural issues and thereby strengthen Canada's position internationally. Finally, I will summarize this paper and offer potential implications for academics and policymakers.

Analytical Framework

The structure from which this issue will be analyzed is based upon regionalism theory. This provides for a comprehensive analysis of the causes behind the north-south divide that has emerged in recent decades. Regionalism consists of the notion that individuals form a mental attachment to the people, institutions, and characteristics of a physical region (Alcantara 2020). This connection develops out of the emergence of visible differences between one area and another (Ibid.). The bond helps create unique political views amongst locals that seek to preserve the distinct identity of their region (Ibid.). Through conventional political campaigning and national bodies, individuals advocate for greater rights and protections for their constituency (Ibid.). There are various theories that attempt to explain this phenomenon. To adequately explain what caused the threats to sovereignty, the modernization theory will be used.

This theory suggests that pre-modern geographic isolation between peoples led to the creation of unique cultures (Ibid.). However, the rise of the nation state created a uniting force that forged connections between regions (Ibid.). Collective security leads to long-term stability and healthy economic growth, encouraging groups to unite as one (Ibid.). As such, the vast majority of countries today encompass a diversity of ethnicities, each with unique cultures and interests. Through nation-building projects, such as national railways and highways, regional differences subside (Ibid.). Due to the creation of bonds between areas, previously major disparities lose their prominence and broader homogenous identities take precedence over existing allegiances (Ibid.). In the case of Canada, the provinces at the time of Confederation had little, if any connections with each other. Delegates at the pre-union conferences openly admitted that there were no existing bonds between the colonies and extolled the virtues of their unique regional identities (Ajzenstat 2003, p.237-239). Rather, the reason for uniting was to ensure

stronger economic growth for their constituency and protection from the United States (Ibid., p.243). Prime Ministers have continuously pursued nation-building efforts to maintain stability and allegiance to the federal government. Through railways, highways, and other major legislative achievements, elites have gradually diminished the disjointed sentiment that existed when Canada was born. Long-standing peace and healthy economic growth were key factors that helped create the conditions for a Canadian national identity to form. Given this, one could argue that Canada's history is an example of a successful application of modernization theory. Amid strong subnational identities, the central government has kept the nation united whilst achieving economic growth and sustained stability.

The modernization theory offers the best way to analyze the federal government's approach to developing and integrating the arctic into Canada. The authorities have attempted to replicate the success experienced with uniting the provinces by applying much of the same policies and ideas to the north, such as spending on infrastructure and expanding the welfare state. While previously successful, this combination of initiatives did not account for the unique challenges created by the drastically different conditions of the north. Namely, the lack of infrastructure, harsh climate, and weak local governance are all issues that have delayed large-scale growth in the region. The government's policy has exacerbated existing issues and inspired locals into activism, both of which have made the economic and political development of the north more difficult. This perception has the potential to damage Canada in arctic disputes related to territory and resource rights. Given this, the modernization theory will best explain why the north is regarded as a region that is distinct and disconnected by the international community. Further to this, it will aid in pinpointing effective solutions that address the north's various issues and thereby strengthen Canada's claims.

Analyzing the causes:

Previously seen as an impenetrable wasteland, the arctic is growing in importance due to climate change, where thawing permafrost could affect the lives of up to four million arctic citizens (Hjort et al. 2018). However, this also opens opportunity for development in the north. Due to limited economic growth and weak local institutions, many states have attempted to exploit this alleged weakness in exercising sovereignty through international bodies to wrest control of Canadian resources. In attempting to replicate its previous success, Canada has diminished the strength of its claims and strained relations between the north and the south.

The northern economy has for years suffered from a lack of growth, with the general consensus from key actors being that it is a vast region rich in resources, ripe for development (Exner-Pirot 2019, p.16). The government has been active in promoting growth, investing billions into supporting the territorial bureaucracy, extending welfare programs to the arctic, and improving infrastructure links (Ibid.). While this has brought positive change in some respects, it has ultimately created a situation wherein they are heavily dependent on the federal government (Ibid.). In the fiscal year of 2019-2020, Nunavut attributed 91% of its budget to transfer payments, with Yukon and the Northwest Territories at 84.2% and 79.8% respectively (Ibid., p.19). The government's attempts to improve northern conditions have only managed to constrain the territories in a financial bind. While historical government investment helped unify the provinces, many northern projects are of little impact due to cost overruns and policy changes. For example, a \$300 million highway from Tuktoyaktuk to Inuvik in Nunavut was completed only after the Trudeau government announced a moratorium on offshore oil exploration in the region, which the highway was meant to support (Ibid., p.18). While it is certainly true that provinces have also suffered from expensive initiatives of low impact, they are

not as pronounced and do not depend on their success in the same degree as the territories. Stable jobs with strong wages are almost exclusively found in either the northern public service or in the resource development industry (Ibid., p.17). This has created an unparalleled level of public sector dominance that has seriously damaged entrepreneurship and innovation. Despite the fact that the modernization theory was generally successful in the south, the north's challenges have prevented the replication of said success. Poor leadership supports the narrative that Canada does not effectively exercise its sovereignty in the arctic. Continued failures to address inequalities between the north and the south, which include the territories boasting the lowest life expectancies in the nation, will only diminish Canadian positions internationally (Statistics Canada 2017). Given this, Canada's arctic claims could be strengthened through more focused economic development that improve living conditions and promote diversification.

Politically, one could argue that Canada has made great strides to allow for local self-governance in the north. With the establishment of elected governments in the three territories, northerners are empowered to govern themselves and dictate local policy. However, the institutional layout in Canada has created the current situation wherein the arctic does not share the same influence as the south. Whereas provincial governments are guaranteed several powers under the constitution, such as policing, education, and healthcare, territories are capable to govern only to the extent dictated by Parliament. While there has been some devolution, the north is still hamstrung by its limited authority and poor implementation of treaties. A notable case of this is the controversy surrounding the Nunavut Land Claims Agreement of 1993, which at the time of its ratification, was widely applauded as a step forward in indigenous self-governance. The government of Canada has received criticism for not implementing provisions, notably paying \$255M in 2015 to Nunavut Tunngavik Inc. (NTI), an Inuit land claims

organization following a 9-year lawsuit (CBC News 2015). Further to this, several reports have detailed how little change has occurred since the launch of the lawsuit in 2006. Notably, while the Inuit account for 85% of Nunavut's population, they represent only 50% of the local government bureaucracy (NTI 2017). In addition, 70% of teachers are recruited outside of Nunavut, often without a strong proficiency in Inuktitut and an understanding of Inuit traditions (NTI 2017). Given this, the territories appear to serve as nothing more than a northern extension of the federal government. Understood through the lens of modernization theory, one could argue that the initiatives from Parliament foster connections between the north and Ottawa, which aid in solidifying Canadian identity in the arctic. However, this has only deepened divides and sparked locals into activism. In failing to adequately implement agreements, Canada is weakening its strongest argument for its claims in the arctic: that of historic Inuit land titles. Territorial governments cannot adequately serve their people without being afforded the requisite powers to act as a force of good in the region. In rectifying this, Canada can embolden its claims through competent local governance that is representative of its constituents.

Proposing Solutions:

The structural economic imbalances of the north can be addressed with smarter and more efficient government spending. For too long, millions have been squandered on costly projects of little impact. Instead, the federal government should invest in practical, common-sense initiatives that will contribute to improving the quality of life in arctic communities and thereby improve the business environment. For example, outside of Yellowknife and Whitehorse, communities are not connected to a grid and rely on independent fossil fuel sources (Poushinsky & Alvarez 2019, p.4). Further, the north is notorious for having poor internet connectivity relative to the rest of the country (Ibid.). Building northern high-speed internet allows for greater connectivity

between isolated areas, facilitating more development (Ibid., p.6). The government should also increase research capabilities in the arctic. The environment's constantly changing nature requires careful oversight by scientists to ensure northern development is sustainable (Ibarguchi et al. 2018, p.5). These seemingly low-impact initiatives help make day-to-day living in the north substantially easier and ensure growth is conducted in an environmentally conscious manner.

Arctic infrastructure has consistently been clouded by uncertainty due to cost overruns, changes in government policy and private corporations withdrawing from projects nearby. To combat this, the Government of Canada should fund more pre-construction work for proposals based in the north (Ibid.). This allows for more effective government spending and stability, which generates confidence from the private sector to invest in the north. Infrastructure spending should focus on providing permanent links between arctic communities while also creating greater avenues for resource exploration. Improved infrastructure would allow for export access through arctic ports or pipelines (Boland et al. 2016, p.31). Given this, there should be substantial investment to construct year-round highways and pipelines to open the region for economic growth (Ibid.). Development should be more inclusive of communities to ensure resource development revenues benefit locals as well (Southcott et al. 2018, p.402).

Additionally, the government should be more supportive of territorial government in tackling the high cost of living by expanding the Canada Mortgage Housing Corporation's mandate in the north, wherein construction costs per square foot are three times the rest of Canada (Tester 2009, p.140). In building territorial economies with a diminished reliance on federal transfers, Canada emboldens its claims by building self-sufficient communities.

Politically, there is much that the Government of Canada can do. Firstly, it should strive to fully implement the content of the 1993 Nunavut Land Claims Agreement. Nearly 30 years

on, several provisions remain to be fully executed. In addition to this, the Government of Canada should seek to complete its devolution negotiations with the territory. While Yukon and the Northwest Territories signed agreements in 2003 and 2014 respectively, the Nunavut government does not have legal jurisdiction over much of its land and resources. Signing an agreement would substantially expand the powers of locals, granting control over valuable resources (Mifflin 2008). Estimated to hold roughly 20 percent of Canadian oil and gas reserves, the economic potential of Nunavut is immense (Mifflin 2008). With increased development, the territorial government can provide adequate levels of funding to social programs to combat poor living conditions.

Outside of Nunavut, the Canadian government should work with the territories and create innovative policy to combat climate change. Cost of living is a major issue in the north, and fossil fuel usage is a major reason behind this, as it is relied upon to heat and electrify communities (McDonald & Pearce 2012, p. 466). Given this, developing renewable energy in the north is an initiative that would benefit the north immensely. Firstly, it reduces the harm on the environment and local communities. Secondly, it drastically reduces the cost of living, which in turn improves the quality of life. Between 2015-2020, arctic renewable electricity production nearly doubled, constituting 19% of electricity generated (Pembina 2020, p.4). With funding from both federal and territorial governments, this process could be greatly accelerated such that communities are able to avoid using fossil fuels. Producing innovative solutions to a worldwide problem helps strengthen Canada's claims in the arctic by displaying the capacity of the federal and territorial governments to exercise sovereignty and produce meaningful policy. Further to this, it makes northern living more affordable, allowing communities to use money previously spent on fossil fuels to supply other basic needs and improve conditions.

Conclusion

This paper found that the north is a region suffering from a lack of investment and good governance. Analyzing existing issues through the lens of the modernization theory revealed that the federal government's arctic nation-building policies have built unbalanced state-dominated economies and weak local legislatures. In attempting to replicate historical success with uniting the provinces, Canada did not adequately adjust to the different conditions posed by the north. The weak institutions, harsh climate, and poor access links are factors that have rendered many government initiatives as ineffective. To bolster Canadian claims over the arctic, Parliament should fully implement the many treaty agreements with indigenous groups in the north. Further to this, it should sign a devolution agreement with Nunavut, granting the territory greater control over its land and resources. This contributes to the development of an Inuit-led local bureaucracy that is creating effective policy. Additionally, there should be joint federal-territorial initiatives to combat climate change and spread renewable energy sources across the arctic. Economically, Canada should collaborate with territories in improving basic needs, which include high-speed internet and connections to electrical grids. Moreover, it should be more selective in infrastructure projects, completing proposals that have undergone feasibility studies. Construction would alleviate the patchwork of roads in the north, providing connections between communities and facilitating greater resource exploration. These findings should encourage policymakers and other actors to shift Canadian arctic policy from initiatives imposed by Parliament to a more collaborative approach. In working with territories and local communities, the government can create proposals that address the unique issues of regions in the north, rather than wasting millions on ineffective projects. In turn, this would create a healthier, more vibrant north, which strengthens Canada's arctic claims.

Works Cited

- Ajzenstat, Janet. *Canada's Founding Debates*. University of Toronto Press, 2003.
- Alcantara, Christopher. "Theories." Regionalism and the West. YouTube. October 2020. Lecture.
- Boland, Kells, et al. Centre for International Governance Innovation, 2016, pp. 27–35, *Arctic Ports and Northern Corridors in Transition*, www.jstor.org/stable/resrep05237.8. Accessed 20 Nov. 2020.
- Exner-Pirot, Heather, et al. Centre for International Governance Innovation, 2019, pp. 14–21, *Canada's Northern Economic Development Paradigm and Its Failures*, www.jstor.org/stable/resrep21105.6. Accessed 20 Nov. 2020.
- Government of Canada, Statistics Canada. *Life Expectancy at Birth and at Age 65, by Province and Territory, Three-Year Average*, Government of Canada, Statistics Canada, 6 Dec. 2017, www150.statcan.gc.ca/t1/tb11/en/tv.action?pid=1310040901.
- Hjort, J. et al. "Degrading permafrost puts Arctic infrastructure at risk by mid-century." *Nature Communications* 10, 264 (2019). <https://doi.org/10.1038/s41467-018-08240-4>
- Ibarguchi, G., V. Rajdev, and M. S. Murray. "Are Current Research Funding Structures Sufficient to Address Rapid Arctic Change in a Meaningful Way?". *Polar Research*, vol. 37, Nov. 2018, <https://polarresearch.net/index.php/polar/article/view/3401>.
- Mcdonald, Nicole C., and Joshua M. Pearce. "Renewable Energy Policies and Programs in Nunavut: Perspectives from the Federal and Territorial Governments." *Arctic*, vol. 65, no. 4, 2012, pp. 465–475. *JSTOR*, www.jstor.org/stable/41758915. Accessed 20 Nov. 2020.
- Mifflin, Michael. "Canada's Arctic Sovereignty and Nunavut's place in the federation", Policy Options, 1 Jul 2008, <https://policyoptions.irpp.org/magazines/quebec-1608-2008/canadas-arctic-sovereignty-and-nunavuts-place-in-the-federation/>
- "NTI Report Confirms Enormous Economic Costs from Lack of Inuit in Government Work Forces in Nunavut." *Nunavut Tunngavik Inc.*, 12 Sept. 2017, www.tunngavik.com/news/nti-report-confirms-enormous-economic-costs-from-lack-of-inuit-in-government-work-forces-in-nunavut/.
- "Ottawa to Pay Nunavut Inuit \$255M in Settlement | CBC News." *CBCnews*, CBC/Radio Canada, 4 May 2015, www.cbc.ca/news/canada/north/ottawa-to-pay-nunavut-inuit-255m-in-settlement-1.3057973.
- Pembina Institute. *Diesel Reduction Progress in Remote Communities: Research Summary*. Pembina Institute, 2020, www.jstor.org/stable/resrep25466. Accessed 20 Nov. 2020.

Poushinsky, Nick and Pierre Alvarez. "Strategic Assets in Uncertain Times: Unlocking Energy and Resources in Canada's North", Public Policy Forum, 9 July 2019, <https://ppforum.ca/publications/strategic-assets-in-uncertain-times-unlocking-energy-and-resources-in-canadas-north/>

Southcott, Chris, et al. "Beyond the Berger Inquiry: Can Extractive Resource Development Help the Sustainability of Canada's Arctic Communities?" *Arctic*, vol. 71, no. 4, 2018, p. 393+. *Gale Academic OneFile*, <https://link.gale.com/apps/doc/A575010633/AONE?u=lond95336&sid=AONE&xid=c94f93b9>. Accessed 20 Nov. 2020.

Tester, Frank."Iglutaasaavut (Our New Homes): Neither "New" nor "Ours" *Housing Challenges of the Nunavut Territorial Government.*" *Journal of Canadian Studies/Revue d'études canadiennes*, vol.43 no. 2, 2009, p. 137-158. Project MUSE muse.jhu.edu/article/384824.