

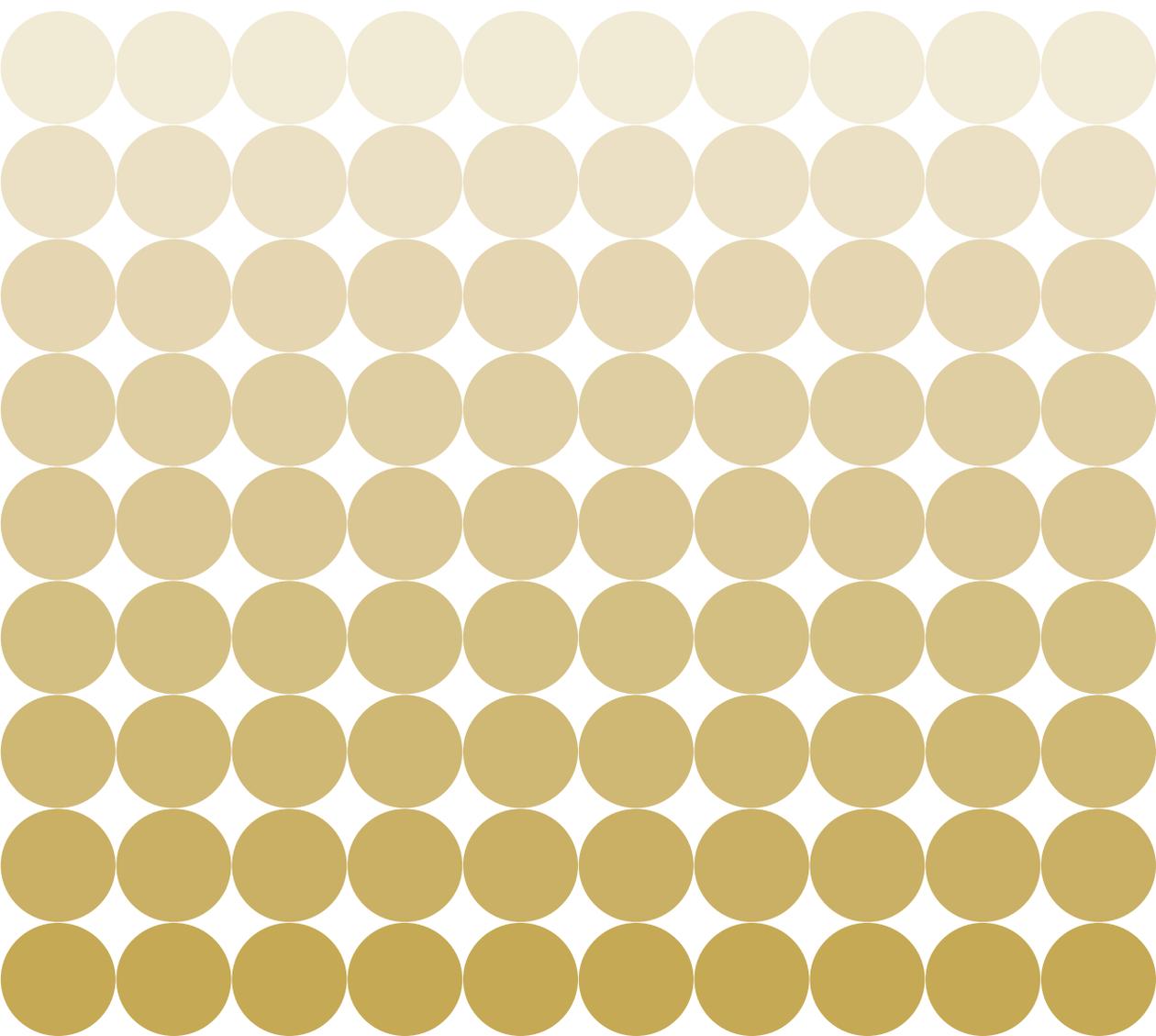
SIPRI
Policy Paper

34

November 2012

CHINA'S ARCTIC ASPIRATIONS

**LINDA JAKOBSON AND
JINGCHAO PENG**



STOCKHOLM INTERNATIONAL PEACE RESEARCH INSTITUTE

SIPRI is an independent international institute dedicated to research into conflict, armaments, arms control and disarmament. Established in 1966, SIPRI provides data, analysis and recommendations, based on open sources, to policymakers, researchers, media and the interested public.

The Governing Board is not responsible for the views expressed in the publications of the Institute.

GOVERNING BOARD

Göran Lennmarker, Chairman (Sweden)
Dr Dewi Fortuna Anwar (Indonesia)
Dr Vladimir Baranovsky (Russia)
Ambassador Lakhdar Brahimi (Algeria)
Jayantha Dhanapala (Sri Lanka)
Susan Eisenhower (United States)
Ambassador Wolfgang Ischinger (Germany)
Professor Mary Kaldor (United Kingdom)
The Director

ACTING DIRECTOR

Jakob Hallgren (Sweden)



STOCKHOLM INTERNATIONAL PEACE RESEARCH INSTITUTE

Signalistgatan 9
SE-169 70 Solna, Sweden
Telephone: +46 8 655 97 00
Fax: +46 8 655 97 33
Email: sipri@sipri.org
Internet: www.sipri.org

China's Arctic Aspirations

SIPRI Policy Paper No. 34

LINDA JAKOBSON AND
JINGCHAO PENG



**STOCKHOLM INTERNATIONAL
PEACE RESEARCH INSTITUTE**

November 2012

© SIPRI 2012

All rights reserved. No part of this publication may be reproduced, stored in a retrieval system or transmitted, in any form or by any means, without the prior permission in writing of SIPRI or as expressly permitted by law.

Printed in Sweden

ISSN 1652-0432 (print)

ISSN 1653-7548 (online)

ISBN 978-91-85114-73-3

Contents

<i>Preface</i>	<i>iv</i>
<i>Summary</i>	<i>v</i>
<i>Abbreviations</i>	<i>vii</i>
1. Introduction	1
2. China's Arctic actors	3
Government entities	3
Research institutions	4
Commercial actors	7
3. Motives behind China's Arctic activities	10
Economic development	10
Arctic governance	11
Legal issues	16
Table 3.1. Composition of the Arctic Council, November 2012	12
4. The bigger picture: China's foreign policy agenda	19
5. Conclusions	22

Preface

Changes in the Arctic region are bringing new opportunities and challenges for Arctic states and for the broader international community. As never before, the Arctic has become part of a complex set of political and economic dynamics linking actors within and outside the region. Among non-Arctic states, China is particularly determined to have a greater influence in Arctic affairs.

Although China has moved to protect its interests in the Arctic, it has yet to formulate a comprehensive set of Arctic policies. For the first time, this SIPRI Policy Paper maps the various actors involved in the development of China's Arctic policies. The authors, Linda Jakobson and Jingchao Peng, use their experience of assessing China's foreign policy-formulation processes to analyse the motives underlying China's Arctic activities. They show that, while China is undoubtedly keen to gain access to the Arctic and secure a share of the region's resources, it is unlikely to try to do this through threats or force. Because China is a staunch proponent of the need to respect sovereignty, it will not question the mineral and territorial rights of the Arctic states. Instead, China will presumably try to secure access to the resources through diplomacy and joint co-development projects with Arctic states.

This report follows Linda Jakobson's 2010 SIPRI paper 'China prepares for an ice-free Arctic', which was among the first English-language publications about China's burgeoning interest in the Arctic. It forms part of SIPRI's Arctic Futures project, which explores the emerging political and security dynamics related to the future development of the Arctic region. SIPRI is grateful to the Swedish Foundation for Strategic Environmental Research (MISTRA) for its generous funding of the project. Thanks are also due to SIPRI colleagues Dr Neil Melvin, Dr Bates Gill, Kristofer Bergh and Oliver Bräuner for their comments on the first draft of this report, to the external referee, and to the editor of the text, Joey M. Fox of the SIPRI Editorial and Publications Department. Finally, and most importantly, I thank the authors for their excellent work on this report.

Jakob Hallgren
Acting Director, SIPRI
Stockholm, November 2012

Summary

Although several non-Chinese observers have described China's actions in the Arctic as 'more assertive', China's Arctic policies are still in a nascent stage of formulation. China has not published an Arctic strategy and is not expected to do so in the near- to medium-term.

Despite its low-key approach to the Arctic, the Chinese Government has, over the past five years, indeed taken steps to protect what it perceives as its key interests in the Arctic. These steps are, first, to strengthen its capacity to respond appropriately to the effects that climate change in the Arctic will have on food production and extreme weather in China; second, to secure access, at reasonable cost, to Arctic shipping routes; and third, to strengthen China's ability as a non-Arctic state to access Arctic resources and fishing waters.

While China recognizes that it is an 'Arctic outsider' without sovereign rights in the Arctic, China sees numerous economic opportunities opening up in the Arctic. Consequently, it wants to be part of the Arctic order and influence discussions and decisions on how the Arctic should be governed. It is keen to become a permanent observer of the Arctic Council. Although permanent observers do not have voting rights, they automatically receive an invitation to Arctic Council meetings and activities. China presumably seeks the assurance that it would not be excluded from Arctic Council activities in the future and hopes that over time observers will have more sway over decisions taken by the council.

Chinese Government officials emphasize the global, rather than regional, implications of the melting ice. This is noteworthy because China, as a rising global power, rejects the notion that the Arctic states alone should decide Arctic issues because many non-Arctic states, China among them, will be affected by the Arctic's changing environment. Chinese analysts today refer to China as a 'near-Arctic state' and an 'Arctic stakeholder'.

Moreover, China is concerned that the international waters of the Arctic, in which the 1982 United Nations Convention on the Law of the Sea (UNCLOS) grants all states the right to explore and extract resources, will shrink considerably if all the claims by the Arctic states to outer-continental shelves are deemed legal. China will continue to stress the need for Arctic states to ensure a balance between their own interests and the common interests of the international community.

Over the past few years an evolution has taken place in public analysis by Chinese scholars of China's interests and rights in the Arctic. Before 2011 it was commonplace for Chinese analysts to air assertive, even hawkish views. Since late 2011, following the Arctic Council's second deferral of decisions on permanent observership applications, Chinese Arctic scholars have become more subdued in public. The concern that overly proactive statements run the risk of offending Arctic states and consequently undermining China's position in the Arctic today shapes the public face of Chinese analysis. Several scholars advocate that China should try to avoid sensitive issues such as resource exploration and

focus instead on climate change considerations, which will allow China to constructively participate in global cooperation.

Regardless of the increase in funding by the Chinese government for Arctic research and an increasing awareness among government officials of the opportunities that the Arctic future holds, the Arctic is not destined to be a priority of China's foreign policy. The visits in 2012 by Chinese senior leaders to several Nordic countries cannot merely be interpreted as Arctic-related efforts. In recent years China's diplomacy has generally focused on strengthening ties with diverse countries, especially those with strong technological capabilities.

Because of China's insistence on respect for sovereignty and its preoccupation with staunchly defending its perceived sovereign rights in the South and East China seas, China can be expected to continue to respect the sovereign rights of the Arctic littoral states. In the near- to medium-term it is hard to envision China being genuinely assertive in the Arctic—despite suspicions of other countries.

The Chinese Government will persist in its diplomatic efforts to increase, step-by-step, China's chances of being included in decisions pertaining to Arctic governance and resource exploitation despite its legal status as an 'Arctic outsider'. As a non-Arctic state, China must rely on diplomatic cooperation and the positive impact of scientific engagement and investments to promote its interests in the Arctic.

Abbreviations

AMSA	Arctic Marine Shipping Assessment
ASSW	Arctic Science Summit Week
CAA	Chinese Arctic and Antarctic Administration
CACPR	Chinese Advisory Committee for Polar Research
CAS	Chinese Academy of Sciences
CIMA	China Institute for Marine Affairs
CMS	China Maritime Surveillance
COSCO	China Offshore Shipping (Group) Company
CPC	Communist Party of China
EU	European Union
IASC	International Arctic Science Committee
IMO	International Maritime Organization
ISA	International Seabed Authority
MFA	Ministry of Foreign Affairs
OUC	Ocean University of China
PLA	People's Liberation Army
PRIC	Polar Research Institute of China
SIIS	Shanghai Institutes for International Studies
SOA	State Oceanic Administration
UN	United Nations
UNCLOS	UN Convention on the Law of the Sea

1. Introduction

Every year numerous icebreakers conduct scientific expeditions to the polar regions. But in September 2012, when the Chinese research vessel *Xuelong* returned to its home port in Shanghai from its fifth voyage to the Arctic, it was news around the globe.¹ For the first time, China's polar expedition icebreaker had traversed the Northern Sea Route along the Russian coast from the Pacific to the Atlantic.

China's every move evokes interest. The rise of a large power has throughout history caused jitters, and China's is no exception. No one knows with certainty how China will use its power in the coming decades, despite the Chinese Government's assurances that its rise will be peaceful and that it seeks to promote a harmonious world.² Now, even though the Arctic is not a foreign policy priority, China's growing interest in the region raises concern—even alarm—in the international community about China's intentions.³

Ten years ago few people in China outside the natural sciences and environmental studies spheres paid attention to the Arctic. In 2007, Chinese strategic thinkers started to take a geopolitical interest in the Arctic after Russian explorers planted a national flag on the seabed below the North Pole.⁴ Since then, a gradual awakening has taken place among Chinese Government officials and social science researchers of the need to prepare for the day when most of the Arctic will be accessible, at least during the summer.

As a result, over the past five years the Chinese Government has taken steps to protect what it perceives as its key interests in the Arctic. These steps are, first, to strengthen its capacity to respond appropriately to the effects that climate change in the Arctic will have on food production and extreme weather in China; second, to secure access, at reasonable cost, to Arctic shipping routes; and third, to strengthen China's ability as a non-Arctic state to access Arctic resources and fishing waters.

China's polar scientific capabilities are regarded as among the strongest in the world.⁵ Over the past five years the Chinese Government has increased funding

¹ 'Chinese icebreaker sails to Atlantic Ocean and back via Arctic, marking first for China', Associated Press, 27 Sep. 2012.

² Hu, J., Chinese President, 'Build towards a harmonious world of lasting peace and common prosperity', Speech at the United Nations Summit, New York, 15 Sep. 2005, <<http://www.fmprc.gov.cn/ce/ceun/eng/zt/shnh60/t212915.htm>>.

³ See e.g. Rosenthal, E., 'Race is on as ice melt reveals Arctic treasures', *New York Times*, 18 Sep. 2012; 'Snow dragons', *The Economist*, 1 Sep. 2012; and Ho, J., 'Opening of Arctic sea routes: turning threat into opportunity', RSIS Commentaries no. 101/2011, S. Rajaratnam School of International Studies, 12 July 2011, <<http://www.rsis.edu.sg/publications/commentaries.html>>.

⁴ 'Russia plants flag under N pole', BBC News, 2 Aug. 2007, <<http://news.bbc.co.uk/2/hi/europe/6927395.stm>>. The explorers were transported by 2 Russian mini-submarines.

⁵ See Chinese State Council Information Office, 'Retrospect of China's Arctic study', China.org.cn, <<http://www.china.org.cn/english/features/40960.htm>>; and Eide, E. B., Norwegian Minister of Foreign Affairs, 'The Arctic: the new crossroads between Asia and the West', Speech at the S. Rajaratnam School of International Studies (RSIS), Singapore, 7 Nov. 2012, <http://www.regjeringen.no/en/dep/ud/Whats-new/Speeches-and-articles/e_speeches/2012/arctic_asia.html?id=707621>.

for polar research and polar expeditions, and a second Chinese polar-research icebreaker is expected to be operational in 2014, enabling China to simultaneously conduct polar expeditions to the Arctic and the Antarctic. The Chinese Government has also made efforts to strengthen its diplomatic ties with Nordic countries—excepting Norway, with which relations remain frosty after the award of the 2010 Nobel Peace Prize to the Chinese dissident Liu Xiaobo.

Although several non-Chinese observers have described China's actions in the Arctic as 'more assertive', China's Arctic policies are still in a nascent stage of formulation.⁶ The government has not published an Arctic strategy, and it is not expected to do so in the near-to-medium term. Nevertheless, China's emerging Arctic policies are worthy of examination for two reasons. First, China's activities in the Arctic are increasing, and therefore a deeper understanding of China's intentions and policies is crucial when assessing the broader geopolitical challenges that the Arctic poses. Second, scrutinizing China's Arctic policies and the tactics it uses to meet its objectives could shed light on China's overall foreign policy thinking and behaviour.

This Policy Paper provides insights into thinking among Chinese officials and researchers on China's current and future role in the Arctic. Chapter 2 describes the actors involved in China's Arctic activities. Chapter 3 assesses the motives behind China's Arctic activities. Chapter 4 evaluates the importance of the Arctic in the light of China's overall foreign policy objectives. The concluding chapter summarizes the steps that China has taken to improve its capacity to defend its perceived interests in the Arctic and provides a preliminary analysis of their implications for the future of Arctic cooperation.

⁶ Perreault, F., 'Can China become a major Arctic player?', RSIS Commentaries no. 073/2012, S. Rajaratnam School of International Studies, 24 Apr. 2012, <<http://www.rsis.edu.sg/publications/commentaries.asp>>. See also Campbell, C., 'China and the Arctic: objectives and obstacles', US-China Economic and Security Review Commission Staff Research Report, Apr. 2012, <http://www.uscc.gov/researchpapers/research_archive.php>.

2. China's Arctic actors

Government entities

There is no one department within the Chinese Government that deals exclusively with Arctic affairs. Rather, the government handles Arctic and Antarctic matters jointly as polar affairs. The State Oceanic Administration (SOA) is the chief government body responsible for polar issues in all spheres, from scientific research to strategic issues.⁷ Under the SOA, the office of Chinese Arctic and Antarctic Administration (CAA) directly manages polar affairs and is administratively in charge of China's polar expeditions.⁸ The CAA has a staff of about 40 people.

The SOA reports administratively to the Ministry of Land and Resources. Thus, the SOA is a second-tier agency, one tier below a ministry, in the Chinese Government hierarchy. Its mandate includes overseeing maritime activities along China's coast from the South China Sea to the Bo Hai gulf. It also drafts China's maritime-related laws and regulations and facilitates China's participation in international maritime treaties.⁹ The political standing of the SOA has risen in recent years to a great extent because its maritime law enforcement agency, China Maritime Surveillance (CMS), is one of several fleets that has been assigned to patrol disputed waters in the Yellow Sea, the East China Sea and the South China Sea. Consequently, the CMS has been party to several international maritime incidents.¹⁰

The SOA heads the Chinese Advisory Committee for Polar Research (CACPR), which serves as an important governmental coordinating body on polar issues. The CACPR comprises experts from 13 Chinese ministries or bureaus under the State Council and the General Staff Department of the People's Liberation Army (PLA).¹¹ While it is known that Arctic studies are carried out in PLA-administered research institutions, it is not known whether the PLA has a role in China's other Arctic activities.¹²

⁷ Qu, T. et al. (eds), 北极问题研究 [Research on Arctic issues] (Ocean Press: Beijing, June 2011), p. 364.

⁸ Chinese Arctic and Antarctic Administration, <<http://www.chinare.gov.cn/en/>>.

⁹ Chinese State Oceanic Administration, '国家海洋局主要职责' [Primary responsibilities of State Oceanic Administration], <<http://www.soa.gov.cn/soa/governmentaffairs/overview/zhuyaozhineng/webinfo/2010/04/12701024873444747.htm>>.

¹⁰ Chinese State Oceanic Administration, '中国海监总队' [China's maritime surveillance corps], <<http://www.soa.gov.cn/soa/governmentaffairs/overview/jigoushezhi/jsdw/webinfo/2007/03/1271382671424901.htm>>; and Hu, B., '五路诸侯' 角逐海上管理权' [Five agencies compete for China's maritime administration rights], *Nanfang Zhoumo*, 18 Dec. 2010, <<http://www.infzm.com/content/50357>>.

¹¹ The 13 State Council agencies are the Ministry of Foreign Affairs, the National Development and Reform Commission, the Ministry of Education, the Ministry of Science and Technology, the Ministry of Industry and Information Technology, the Ministry of Finance, the Ministry of Land and Resources, the Ministry of Health, the Chinese Academy of Science, the China Earthquake Administration, the China Meteorological Administration, the National Natural Science Foundation, and the National Administration of Surveying, Mapping and Geoinformation. Qu et al. (note 7), p. 365.

¹² See e.g. Yin, D., '解决北极争端的法律机制分析' [Legal mechanisms to resolve Arctic disputes], *Haiyang Kaifa yu Guanli*, vol. 26, no. 9 (2009), pp. 11–16. The author, Yin Danyang, is from the PLA's Dalian Naval Academy.

China's polar activities are funded by several ministries and agencies administered by the State Council, China's highest governmental body to which the Communist Party of China (CPC) entrusts day-to-day administration of the country. For example, the decision in 2011 to build a new icebreaker was made by the State Council. The new icebreaker's construction plan then had to be endorsed by a ministry-level entity, the National Development and Reform Commission, which in polar matters approves funds for the construction of polar facilities and vessels, in consultation with the Ministry of Finance.¹³ The Ministry of Science and Technology and the National Natural Science Foundation, a second-tier State Council agency, provide financial support for Arctic scientific research and participate in the approval of scientific research projects.¹⁴ The Ministry of Environmental Protection implements international cooperation between China and Arctic states in the fields of climate change and environmental protection.

The Ministry of Foreign Affairs (MFA) is the lead organization on issues related to Chinese international Arctic cooperation.¹⁵ The MFA's Department of Law and Treaty prepares China's official statements on the Arctic, coordinates Chinese representation at Arctic Council ministerial meetings, and is the Chinese counterpart in bilateral and multilateral engagement on Arctic matters.¹⁶ Within the MFA, an assistant foreign minister is the highest-ranking official to address Arctic issues. Former Assistant Foreign Minister Liu Zhenmin made a High North Study Tour to Norway in 2010, as did his predecessor, Hu Zhengyue, in 2009.¹⁷ While in Norway, they both publicly articulated what the government perceives as China's rights in the Arctic.¹⁸ Lower-ranking officials have represented China in its capacity as ad hoc observer at the 2007, 2009 and 2011 Arctic Council ministerial meetings.

Research institutions

The task of Chinese research institutions and individual academics is to help policymakers understand polar issues from their specialized perspectives and to provide policy recommendations.

¹³ Cui, J., '我国将建世界领先的极地科考破冰船' [China is going to build the world's top polar expedition icebreaker], *Zhongguo Haiyang Bao*, 2 Aug. 2011.

¹⁴ Qu et al. (note 7), p. 365.

¹⁵ Qu et al. (note 7), p. 365.

¹⁶ Chinese Ministry of Foreign Affairs official, Interview with the authors, Beijing, 27 Oct. 2011.

¹⁷ The High North is not defined in precise geographic terms. It is a political term used in Norway and other Nordic countries. See Skagestad, O. G., *The 'High North': An Elastic Concept in Norwegian Arctic Policy*, Fridtjof Nansen Institute (FNI) Report no. 10/2010 (FNI: Lysaker, Aug. 2010), pp. 2–3.

¹⁸ There are 6 vice-ministers who report to the foreign minister and 4 assistant foreign ministers who rank below the vice-ministers but above the department chiefs. For Hu and Liu's speech see Ning, X., '地球未来的缩影—外交部部长助理谈北极研究之旅' [A microcosm of the world's future—Assistant Foreign Minister talks about 'High North Study Tour'], *Shijie Bolan*, vol. 349, no. 19 (2009), p. 58; and Liu Z., Chinese Assistant Foreign Minister, 'China's view on Arctic cooperation', Speech on the High North Study Tour 2010, Chinese Ministry of Foreign Affairs, <<http://www.fmprc.gov.cn/eng/wjw/zzjg/tyfls/tfsxw/t812046.htm>>.

Polar Research Institute of China

China's principal research institution focusing solely on polar affairs is the Polar Research Institute of China (PRIC), governed by the CAA. It employs over 120 people. The PRIC is responsible for China's polar expeditions, China's research stations in both the Arctic and the Antarctic and the icebreaker *Xuelong*.¹⁹

In a move reflecting China's recognition of the geopolitical significance of the Arctic, the PRIC appointed Zhang Xia, one of the first Chinese specialists to publish on Arctic geopolitics, to set up an Arctic strategic research department in July 2009.²⁰ The department has a general planning, coordinating and funding role to support Chinese academic institutions and individuals to carry out Arctic research within the social sciences. In sum, the PRIC links Chinese policymakers with academia.

Shanghai Institutes of International Studies

The Shanghai Institutes of International Studies (SIIS), established in 1960 and currently employing 30 senior fellows, is among the most prestigious Chinese research institutions in the area of international affairs. Within SIIS, researchers from the Center for Maritime and Polar Region Studies, the Center for Global Governance Studies and the Center for Russia and Central Asia Studies are currently working on government-sponsored projects on global governance in the Arctic, China–Nordic cooperation in the Arctic and Russia's Arctic strategies.

The fact that one of two SIIS vice-presidents, Yang Jian, leads Arctic research within SIIS reflects the growing importance of the Arctic as a geopolitical focus of study in China. Five years ago Arctic researchers in China were not of Yang's stature. His articles articulating China's stance on future challenges of Arctic governance are the most authoritative unofficial reflections in open source literature of China's thinking on issues of sovereignty and rights in the region.²¹

China Institute for Marine Affairs

The China Institute for Marine Affairs (CIMA), established in 1987 within the SOA, is China's core institution for Chinese research on maritime policy, legislation, economics and interests.²² As the SOA's internal research centre, CIMA has a broad agenda of which the legal aspects of China's polar policies are just one focus. To date CIMA has not set up a special department for polar affairs.

¹⁹ Polar Research Institute of China, '中国极地研究中心介绍' [Introduction of the Polar Research Institute of China], <<http://www.pric.gov.cn/info.asp?sortid=1&subid=1>>.

²⁰ Li, J., '中国启动开发极地战略 依法参与北极开发' [China launches polar development strategy to legitimately take part in Arctic development], *Shijie Xinwen Bao*, 14 Sep. 2010.

²¹ See e.g. Yang, J., 'China has a key role in safeguarding the Arctic', *China Daily*, 29 June 2012; and Yang, J., '北极事务离不开中国 寻求观察员地位' [China is a part of Arctic affairs and is seeking for observer position in Arctic Council], *Huanqiu Shibao*, 20 Apr. 2012.

²² China Institute for Marine Affairs, '海洋发展战略研究所简介' [Overview], <http://www.cima.gov.cn/_d270421662.htm>.

Chinese Academy of Sciences

Ranked as a ministry in China's government hierarchy, the Chinese Academy of Sciences (CAS) is the country's central academic and research institution for natural sciences, technological science and high-tech innovation. Within CAS, several institutes conduct scientific studies about the Arctic environment and climate change, such as the Institute of Aerophysics, the Institute of Geographic Sciences and Natural Resources, and the Institute of Oceanology.

Universities

The government sponsors university-based Arctic research centres to conduct academic research in their respective specialities. Thus, university researchers not only publish their research on Arctic issues, but they also produce internal (i.e. confidential) papers with policy recommendations. Geopolitical studies related to the Arctic mostly take place in universities in China's coastal cities.

One of the first scholars to pay attention to Arctic geopolitics was Li Zhenfu of Dalian Maritime University. He continues to lead China's academic research on Arctic shipping and logistics. In 2010 the Arctic Shipping Affairs Research Center was established within the university's Shipping Development Academy.²³

The Ocean University of China (OUC) is China's leading university for oceanography and fisheries science.²⁴ In 2010 the School of Law and Political Science of the OUC established the Research Center for Polar Law and Politics. The centre hosts Liu Huirong, an expert in Arctic legal issues, and Guo Peiqing, one of China's leading advocates of China's polar rights.

In addition to the work by researchers at SIIS and the PRIC, a number of professors of politics in universities in Shanghai are undertaking government-funded projects on Arctic geopolitics. Chen Yugang and his team at Fudan University are researching international Arctic cooperation and China's strategy.²⁵ Pan Min and Wang Chuanxing at Tongji University are studying Arctic changes and their implications for China's security.²⁶ Researchers from Shanghai University of Political Science and Law are examining the Arctic from a climate change perspective and Chinese-Canadian cooperation in Arctic affairs.²⁷

²³ '大连海事大学成立北极海事研究中心' [Dalian Maritime University sets up Arctic Shipping Affairs Research Center], China National Shipping Service, 7 Apr. 2010, <<http://www.cnss.com.cn/article/32478.html>>.

²⁴ Ocean University of China, 'About', <<http://www.ouc.edu.cn/english/aboutouc/aboutouc.html>>.

²⁵ Chen, Y., Tao, P. and Qin, Q., '北极理事会与北极国际合作研究' [The Arctic Council and Arctic international cooperation], *Guoji Guancha*, vol. 112, no. 4 (2011), pp. 17–23.

²⁶ Pan, M. and Zhou, Y., '论北极环境变化对中国国家非传统安全的影响' [Arctic environmental change and its impact on China's non-traditional security], *Jidi Yanjiu*, vol. 22, no. 4 (Dec. 2010), pp. 415–22.

²⁷ See e.g. He, Q., '气候变化与北极地缘政治博弈' [Climate change and geopolitical games in the Arctic], *Waijiao Pinglun*, vol. 27, no. 5 (2010), pp. 113–22; and Zhao, Y., '加拿大北极政策剖析' [Analysis of Canadian Arctic policy], *Guoji Guancha*, vol. 115, no. 1 (Jan. 2012), pp. 72–79.

Commercial actors

Although Chinese officials and researchers are aware of the opportunities that the melting of the Arctic potentially offers industries such as shipping, resources and fishing, the region has only just started to be noticed by the commercial sectors in China.

Shipping and fishing industries are expected to be the first to benefit from a seasonally accessible Arctic. The Arctic Council's Arctic Marine Shipping Assessment (AMSA) 2009 report estimates that regular trans-polar summer transport (four months) will begin in 2040.²⁸ If this happens, transiting the Northern Sea Route from Shanghai to Rotterdam would shorten the trip by 6100 nautical miles (11 300 kilometres) compared to the route via the Strait of Malacca and the Suez Canal.²⁹ This would trim off about a week's sailing time. Financial savings associated with using this shorter route are estimated at about \$600 000 per vessel per trip.³⁰

Despite the potential of the Northern Sea Route, it could prove commercially unprofitable for shipping companies, at least in the short term, due to high insurance premiums, lack of infrastructure and harsh conditions. This uncertainty is presumably the reason why China's largest state-owned shipping companies have adopted a wait-and-see approach to the Arctic. To date, only China Ocean Shipping (Group) Company (COSCO) has even contemplated conducting a profitability study of the Northern Sea Route.³¹ Chinese shipbuilding companies, in turn, while among the largest in the world, lack experience in building vessels for polar conditions. Moreover, due to excess shipping capacity and decreasing profitability, the Chinese shipping industry, including COSCO, experienced serious losses in 2011 and in the first half of 2012.³² It is unlikely that China's shipping industry will prioritize developing new shipping routes as long as financial difficulties persist.

The most significant Arctic-related shipping development in China is the leasing of North Korea's port of Rajin by Hunchun Chuangli Haiyun Logistics Ltd, based in neighbouring Jilin province, in north-eastern China. Rajin lies on the far north-eastern tip of North Korea, near its border with Russia. The company is private, but the lease was agreed on 'in cooperation with six Chinese ministries and the Jilin provincial government'.³³ In 2008 a 10-year lease was

²⁸ Arctic Council, *Arctic Marine Shipping Assessment 2009 Report* (Arctic Council: Apr. 2009).

²⁹ Guo, P. et al., 北极航道的国际问题研究 [Study of international Arctic shipping routes] (Ocean Press: Beijing, Oct. 2009), p. 45.

³⁰ Ho (note 3).

³¹ COSCO, '魏家福董事长在冰岛调研商业利用北极夏季航道课题' [Chairman Wei Jiafu expressed interest in Northern Sea Route summer navigation utilization project in Iceland], 7 Sep. 2012, <<http://www.cosco.com/cn/news/detail.jsp?docId=23048>>.

³² Ye, Y., 'COSCO reports wider loss in H1', *China Daily*, 30 Aug. 2012; '航运业持续冬眠 9亏损公司中期亏损近80亿' [Winter lingered on shipping industries: 9 companies reported a total of nearly 8 billion yuan loss by mid-2012], *Zhengquan Ribao*, 31 Aug. 2012.

³³ Hunchun Chuangli Haiyun Logistics Ltd representative, Telephone interview with the authors, 15 Oct. 2012; and Hunchun Chuangli Haiyun Logistics Ltd, '公司介绍' [Company introduction], Hangyun Zaixian, <<http://vip.sol.com.cn/SOL04110475>> (author's translation).

signed for Rajin's Pier 1.³⁴ This granted China access to the Sea of Japan for the first time since 1938. Although the Arctic was not mentioned in media reports about the lease, Chinese scholars presumably view Rajin as a potential Arctic hub. According to several Chinese analysts, the opening of Arctic shipping routes will be beneficial for the Tumen river area.³⁵ In late 2011 the lease was extended for another 20 years. A year later, Hunchun Chuangli's parent company, Dalian Chuangli Group, was granted 50-year leases on Rajin's piers 4, 5 and 6.³⁶

The opening up of the Arctic will also spur exploration of oil, gas and minerals—all of which are essential to China's economic growth. In 2008 the US Geological Survey estimated that the Arctic contained up to 30 per cent of the world's undiscovered gas reserves and 13 per cent of the world's undiscovered oil reserves.³⁷ Additionally, the region contains vast amounts of coal, nickel, copper, tungsten, lead, zinc, gold, silver, diamonds, manganese, chromium and titanium. Offshore land bordering the Arctic Circle is also forecast to be rich in mineral resources.³⁸

In the resources sector, Chinese companies have been most active in Greenland. In 2009 a private mining company from Jiangxi province acquired prospecting rights to explore metals and minerals in southern Greenland.³⁹ Another private company from Jiangxi invested in a joint prospecting project in Greenland with the United Kingdom's Nordic Mining Corporation.⁴⁰ In 2011 a company owned by the Sichuan provincial government, Xinye Mining, was reported to have plans to purchase an iron ore mine in Greenland's Isua region from the British company London Mining. If successful, this would constitute the biggest Chinese investment inside the Arctic Circle.⁴¹ To date, the only measure related to Arctic resources taken by one of China's large state-owned resource companies is a long-term cooperation agreement regarding transportation of hydrocarbons signed in 2010 between China National Petroleum Corporation and Russia's Sovcomflot Group.⁴²

³⁴ Qian, H., '破解图们江困境' [Tackling the Tumenjiang dilemma], *Liaowang Dongfang Zhoukan*, no. 19 (May 2012).

³⁵ Zhang, X. et al., '北极航线的海运经济潜力评估及其对我国经济发展的战略' [Economic estimates for Arctic sea routes and their strategic significance for the development of the Chinese economy], *Zhongguo Ruanke xue*, Zengkan no. 2 (29 Oct. 2009), p. 92. The article is co-authored by 5 Chinese specialists, including Zhang Xia and Guo Peiqing. North Korea's Rajin Port is located on the east coast of the Sea of Japan. The Tumen river is part of the boundary line between China, North Korea and Russia. It originates from Changbai Mountain and ends in the Sea of Japan.

³⁶ Ji, H., '中朝贸易加速 朝鲜开放罗津港后再开放清津港?' [Sino-DRRK trade speed up: Chongjin after Rajin?], *Diyi Caijing Ribao*, 8 May 2012; '中国再获朝鲜罗先特区三个码头使用权' [China has secured lease of another 3 piers in the Rason zone], *Huanqiu Shibao*, 16 Feb. 2012.

³⁷ US Geological Survey, '90 billion barrels of oil and 1,670 trillion cubic feet of natural gas assessed in the Arctic', 23 July 2008, <<http://www.usgs.gov/newsroom/article.asp?ID=1980>>.

³⁸ Lindholt, L., 'Arctic natural resources in a global perspective', eds S. Glomsrød and L. Alaksen, *The Economy of the North*, Statistical Analyses no. 84 (Statistics Norway: Oslo, 2006).

³⁹ The Chinese company is called Jiangxi Zhongrun Mining Ltd. See Pu, J., '北极圈寻矿' [Searching for minerals in the Arctic Circle], *Xinshiji Zhoukan*, no. 45 (Nov. 2011).

⁴⁰ The Chinese company is called Jiangxi Lianhe Mining Ltd. See Pu (note 39).

⁴¹ Pu (note 39).

⁴² Nong, H., 'Arctic energy: pathway to conflict or cooperation in the High North', *Journal of Energy Security* (May 2011); and Sovcomflot, 'Sovcomflot Group and China National Petroleum Corporation become strategic partners', Press release, 22 Nov. 2010, <<http://www.sovcomflot.ru/npage.aspx?did=75963>>.

Arctic tourism, which is already attracting Chinese travellers, could also become a destination for Chinese investment.⁴³ In 2011 the Chinese businessman Huang Nubo announced plans to purchase 300 square kilometres of land in northern Iceland to develop an Arctic ecotourism centre. The Icelandic Government rejected Huang's company's application amid controversy stemming from suspicions that the land could be used strategically by the Chinese military.⁴⁴ Huang then pledged to seek alternative opportunities to develop his ambition of an Arctic eco-centre in the Nordic region.⁴⁵ In May 2012 Huang stated that he was optimistic that the Icelandic Government would agree to transfer 70 per cent of the land to his company under a 40-year lease.⁴⁶ If the project in Iceland proceeds smoothly, Huang has said he plans to expand his ecotourism operations into Finland and Greenland.⁴⁷

⁴³ See e.g. Domnitskaya, M., 'Russian Arctic welcomes tourists', *Voice of Russia*, 26 Mar. 2012, <http://english.ruvr.ru/2012_03_26/69630326/>; and Fu, Y., '500游客尝鲜北极圈 南北极旅游起步价5万' [50 thousand tourists get a taste of the Arctic Circle: fares for Arctic and Antarctic travel start at 50 000 yuan], *Beijing Wanbao*, 16 Oct. 2012.

⁴⁴ Huang previously worked for the International Department of the Communist Party of China for 11 years. On departure he held the rank of division head. Zhang, Y., '黄怒波: 野蛮人的冰岛征途' [Huang Nubo: a barbarian's journey to Iceland], *Nanfang Zhoumo*, 14 Oct. 2011, <<http://www.infzm.com/content/63891>>; and Ward, A., Anderlini, J. and Hook, L., 'China and the world: a chilly reception', *Financial Times*, 2 Sep. 2011.

⁴⁵ '黄怒波: 最快6月和冰岛签约 后续进军丹麦芬兰' [Huang Nubo: agreement with Iceland to conclude in June at the earliest, Denmark and Finland to follow], China News Service, 5 May 2012, <<http://finance.china-news.com/cj/2012/05-05/3866816.shtml>>.

⁴⁶ Mei, J., 'Chinese business close to renting land in Iceland', *China Daily*, 4 May 2012.

⁴⁷ China News Service (note 45).

3. Motives behind China's Arctic activities

Economic development

The overriding motives behind China's desire to understand the implications of a melting Arctic and strengthen its influence in Arctic affairs are economic: how China can benefit from new economic opportunities offered by the warming Arctic and how a warming Arctic will adversely affect China's economy are the government's most important concerns.

As mentioned above, Chinese officials and scholars recognize that in the next decades the Arctic will offer opportunities for many shipping-related industries, fishing and the resources sector. As for the adverse effects, Chinese scientists want to understand how changes to China's climate caused by the melting Arctic sea ice will affect agriculture—in other words, food security.⁴⁸ For example, changes in the Arctic climate are believed to pose direct flood threats to Chinese coastal cities. According to Ma Deyi, the chief scientist on China's fifth Arctic expedition in 2012, research shows that the increase of melting ice in September 2007, which at the time set a new record, caused an extreme storm in southern China with freezing temperatures in early 2008.⁴⁹

To strengthen the capabilities of Chinese scientists, the Chinese Government has encouraged international Arctic-related scientific cooperation. China has invited foreign scientists to participate in all five of its Arctic expeditions. In 2012, for example, scientists from France, Iceland, Taiwan and the United States were on board *Xuelong*.⁵⁰ Since 1996 China has been a member of the International Arctic Science Committee (IASC), a non-governmental organization that aims to facilitate multidisciplinary research on the Arctic region. In 2005 the SOA, with the help of the PRIC, initiated the Pacific Arctic Group within the Arctic Science Summit Week (ASSW), an IASC-sponsored programme, to facilitate communication among scientists in the Asia-Pacific region. The group, composed of 13 Arctic science agencies from 6 Pacific countries (Canada, China, Japan, South Korea, Russia and the USA), convenes every year at the ASSW to exchange their views over Arctic scientific developments.⁵¹ Since 2005 China has been a member of the Ny-Ålesund Science Managers Committee, which was

⁴⁸ See e.g. Li, Z., Wei, L. and Liu, Y., '北极气候变化对加拿大和中国社会与经济的影响' [Arctic climate change and its impact on Canadian and Chinese society and economy], *Neimenggu Daxue Xuebao*, no. 1 (2010), pp. 128–33; Gao, Q., Sun, Z. and Ni, D., '冬季北极海冰与中国同期气温的关系' [Arctic sea ice in winter and its relationship with China's climate], *Qixiang yu Jianzai Yanjiu*, vol. 34, no. 4 (2011), pp. 7–15; and Ma, J., Wang, H. and Zhang, Y., 'Will boreal winter precipitation over China increase in the future? An AGCM simulation under summer "ice-free Arctic" conditions', *Chinese Science Bulletin*, vol. 57, no. 8 (Mar. 2012), pp. 921–26.

⁴⁹ '北极科考团首席科学家马德毅谈科考' [Lead Arctic expedition scientist Ma Deyi talks about the expedition], *Bandao Dushi Bao*, 3 July 2012. Ma Deyi is the director of the No. 1 Ocean Research Institute, SOA's own research institute for marine sciences and oceanology.

⁵⁰ Qu, J. and Zhang, X., '我国科考队踏上北极之旅 将首次穿越俄北方航道' [Chinese scientists have embarked on another Arctic expedition and will traverse the Northern Sea Route for the first time in history], *Xinhua*, 2 July 2012, <http://news.xinhuanet.com/politics/2012-07/02/c_112336620.htm>.

⁵¹ Qu et al. (note 7), p. 368.

established in 1994 to enhance cooperation among the research centres at Ny-Ålesund, located in Norway's Svalbard archipelago. Between 2007 and 2010, China also participated in the International Polar Year project, a large international scientific programme on the Arctic and Antarctic.⁵²

Arctic governance

China sees numerous economic opportunities opening up in the Arctic, and it consequently wants to influence discussions and decisions on how the Arctic should be governed. China already has a stake in the general framework of Arctic governance: it is represented in numerous international organizations and is party to several international agreements that pertain directly or indirectly to Arctic governance. Most importantly, China is a veto-wielding member of the United Nations Security Council, the ultimate authority of the 1982 UN Convention on the Law of the Sea (UNCLOS, see below).⁵³ China is, along with 41 other countries, a signatory of the 1920 Svalbard Treaty, which grants all members equal rights to access Svalbard while recognizing Norway's absolute sovereignty.⁵⁴ It is also a member in the International Maritime Organization (IMO), a UN agency responsible for adopting measures to secure international shipping and to prevent marine pollution from ships.⁵⁵

However, when it comes to the Arctic Council, the paramount regional governance regime specifically devoted to the Arctic, China remains an outsider. Chinese policymakers have clearly stated that they regard the Arctic Council as the most influential international institution for developing Arctic governance and cooperation.⁵⁶

China and the Arctic Council

The Arctic Council was established in 1996 as an intergovernmental forum to promote cooperation, coordination and interaction among Arctic states on sustainable development and environment protection issues in the Arctic region. The council has eight member states with voting rights: the five Arctic littoral states (Canada, Denmark, Norway, Russia and the USA) and the three other Arctic circumpolar states (Finland, Iceland and Sweden).⁵⁷ Until the turn of the century the council was chiefly concerned with coordinating the protection of the Arctic environment and rights of indigenous peoples. Over the past decade, however, its political importance has grown rapidly in pace with the melting ice.

⁵² Qu et al. (note 7), p. 357–58.

⁵³ United Nations Convention on the Law of the Sea (UNCLOS), opened for signature 10 Dec. 1982, entered into force 16 Nov. 1994, *United Nations Treaty Series*, vol. 1833 (1994).

⁵⁴ Treaty relating to Spitsbergen (Svalbard Treaty), signed 9 Feb. 1920, entered into force 14 Aug. 1925, *League of Nations Treaty Series*, vol. 2 (1920).

⁵⁵ International Maritime Organization (IMO), 'Introduction to IMO', <<http://www.imo.org/About/Pages/Default.aspx>>.

⁵⁶ Liu (note 18).

⁵⁷ Denmark's littoral status is on the basis of its sovereignty over Greenland and the Faroe Islands. Finland, Iceland and Sweden have territory within the Arctic Circle but do not have a coastline on the Arctic Ocean.

Table 3.1. Composition of the Arctic Council, November 2012

Membership status	Member
Member states	Canada; Denmark; Finland; Iceland; Norway; Russia; Sweden; United States
Permanent participants	Arctic Athabaskan Council; Aleut International Association; Gwich'in Council International; Inuit Circumpolar Council; Russian Association of Indigenous Peoples of the North; Saami Council
Permanent observer states	France (2000); Germany (1998); The Netherlands (1998); Poland (1998); Spain (2006); United Kingdom (1998)
Non-state observers ^a	Advisory Committee on Protection of the Seas; Arctic Circumpolar Gateway; Association of World Reindeer Herders; Circumpolar Conservation Union; International Arctic Science Committee; International Arctic Social Sciences Association; International Union for Circumpolar Health; International Work Group for Indigenous Affairs; Northern Forum; University of the Arctic; World Wide Fund for Nature Global Arctic Programme; International Federation of Red Cross and Red Crescent Societies; International Union for Conservation of Nature; Nordic Council of Ministers; Nordic Environment Finance Corporation; North Atlantic Marine Mammal Commission; Standing Committee of Parliamentarians of the Arctic Region; United Nations Economic Commission for Europe; United Nations Development Programme; United Nations Environment Programme
Permanent observer applicants	China; European Union; Italy; Japan; South Korea

^a These are non-governmental, inter-parliamentary and intergovernmental organizations.

Sources: Arctic Council, <<http://www.arctic-council.org/>>; and Molenaar, E. J., 'Current and prospective roles of the Arctic Council system within the context of the Law of the Sea', *International Journal of Marine and Coastal Law*, vol. 27, no. 4 (2012), pp. 553–59.

The council's 2011 ministerial meeting, held in Nuuk, Greenland, was attended by the foreign ministers of every Arctic Council member state, reflecting its increased stature.

Chinese Arctic specialists in both the government and academia have expressed concern that the Arctic Council member states are the sole decision makers for the region.⁵⁸ They view this as an inadequate governance structure given the global consequences of the melting ice.⁵⁹ Chinese scholars emphasize that the new Arctic environment offers opportunities and poses challenges for countries other than the Arctic Council member states.⁶⁰ China's present Arctic policies and research agenda are based on the premise that the more the Arctic states recognize the potentially lucrative implications of a melting Arctic, leading them to adopt policies to maximize their interests in the region, the more China,

⁵⁸ Liu (note 18); Chen, Tao and Qin (note 25), pp. 17–23; Wang, C., '论北极地区区域性国际制度的非传统安全特性-以北极理事会为例' [On the characteristics of non-traditional security of regional international institutions in the Arctic region: a case study of the Arctic Council], *Zhongguo Haiyang Daxue Xuebao*, no. 3 (2011), pp. 1–6; and Sun, K. and Guo, P., '北极理事会的改革与变迁研究' [Research on reform and transformation of the Arctic Council], *Zhongguo Haiyang Daxue Xuebao* (Shehuikexue Ban), no. 1 (2012), pp. 5–8.

⁵⁹ Liu (note 18); Cheng, B., '北极治理机制的构建与完善: 法律与政策层面的思考' [Construction and improvement of Arctic governance: thinking from legal and policy perspectives], *Guoji Guancha*, no. 4 (2011), pp. 1–8; Qu et al. (note 7), p. 272; and Sun and Guo (note 58), pp. 5–8.

⁶⁰ See e.g. Yang (note 21); and Li, S., Pan, M. and Yan, Q., '机遇与挑战: 气候变暖趋势下的北极' [Opportunities and challenges: Arctic under climate change], *Kexue*, vol. 61, no. 4 (2009), pp. 45–48.

as a non-Arctic state, should look after its own interests and what it perceives as its rights.

According to mainstream thinking among Chinese Arctic specialists, China has a legitimate right to participate in Arctic governance because environmental changes in the Arctic have a major impact on China's ecological system and subsequently its agriculture and economic development.⁶¹ Moreover, China claims a right to explore the area of the Arctic Ocean that is in international waters, based on UNCLOS, to which China is a signatory.⁶² Hence, academics advocate that China should make every effort to ensure that it will be included in discussions and decisions pertaining to Arctic governance.⁶³

China has been an ad hoc observer at Arctic Council meetings since 2007, and has applied for permanent observer status.⁶⁴ As an ad hoc observer, China must await a formal invitation to Arctic Council ministerial meetings and other activities; as a permanent observer, it would automatically have the right to attend. It is noteworthy that a permanent observer does not have voting rights. Hence, China's desire to become a permanent observer is linked both to an unspoken concern that at some point in the future it will not be a desired attendee and to China's aspiration that observers could over time attain more influence in the Arctic Council. As of November 2012, a total of five applications for permanent observer status had been submitted to the Arctic Council—from China, the European Union (EU), Italy, Japan and South Korea. The ministerial meeting to be held in May 2013 is expected to take a stand on observer applications (see table 3.1).⁶⁵

Former Assistant Foreign Minister Liu Zhenmin of the MFA elaborated on China's expectations of the Arctic Council in October 2010: 'The Arctic Council [has] continued to pay attention to the livelihood, culture and health of the Arctic residents and other issues concerning sustainable development'. Later in the same speech, he pointed out that 'the issue for Arctic Council members now is how to involve non-Arctic states in relevant research efforts and discussions at an early stage and in depth'.⁶⁶ Foreign ministry representatives from Denmark, Finland, Iceland, Norway and Sweden have expressed support for China's application for permanent observer status.⁶⁷ As of the time of writing, officials from Canada, Russia and the USA have remained silent on the issue.

⁶¹ Liu, H., '中国可以在北极做什么' [What can China do in the Arctic?], *Jingji Cankao Bao*, 27 Dec. 2011.

⁶² Qu et al. (note 7), p. 329.

⁶³ See e.g. Cheng (note 59), pp. 1–8; Sun, K. and Guo, P., '北极治理机制变迁及中国的参与战略研究' [Institutional reform of Arctic governance and China's participation strategy], *Shijie Jingji yu Zhengzhi Luntan*, no. 2 (2012), pp. 127–28; and Liu (note 61).

⁶⁴ Two former assistant foreign ministers, Hu Zhengyue and Liu Zhenmin, publicly expressed China's desire for observer status in the Arctic Council, in 2009 and 2010 respectively. See Ning (note 18); and Liu (note 18).

⁶⁵ As of Nov. 2012, permanent observers to the Arctic Council included 6 non-Arctic states, 9 inter-governmental organizations and 11 non-governmental organizations. Norwegian Ministry of Foreign Affairs (MFA), *The High North: Visions and Strategies*, White Paper (MFA: Oslo, 18 Nov. 2011).

⁶⁶ Liu (note 18).

⁶⁷ See e.g. Martina, M., 'Denmark welcomes China in from the Arctic cold', Reuters, 28 Oct. 2011, <<http://www.reuters.com/article/2011/10/28/us-china-arctic-idUSTRE79R28S20111028>>; Nilson, T., 'Norway welcomes China to the Arctic', *Barents Observer*, 31 Aug. 2010; 'China, Iceland pledge close consultations on

The inclusion of new permanent observers has been a contentious issue among Arctic Council members in recent years. At two consecutive Arctic Council ministerial meetings (in 2009 and 2011), decisions on all pending applications were deferred due to a lack of consensus among the member states.⁶⁸ At the 2011 Nuuk ministerial meeting, criteria for new permanent observers were announced. While Chinese officials have not publicly commented on these, officials have privately expressed displeasure with some of the criteria: the stipulations that an applicant must have demonstrated the 'political willingness and financial ability to contribute to the work of the Permanent Participants' and 'recognize Arctic states' sovereignty, sovereign rights and jurisdiction in the Arctic'.⁶⁹ In contrast, Chinese scholars have publicly expressed indignation. Cheng Baozhi of SIIS criticized the criteria as meaning that member states of the Arctic Council have 'raised the political threshold in order to stop non-Arctic states interfering in Arctic [affairs]'.⁷⁰ Another academic, Guo Peiqing, has stated that the decisions in Nuuk showed that 'Arctic states are announcing to the world: the Arctic belongs to the Arctic states. They reject the idea that the Arctic is a treasure of human kind'.⁷¹

Still other scholars have responded to the Arctic Council's criteria by insinuating that the Arctic Council risks making itself obsolete. According to Zhang Xia: 'If many countries were to be excluded from the Arctic Council, the power of the council would be weakened and it would be difficult for it to remain the primary institution to negotiate Arctic affairs.'⁷²

Changes in China's public position on the Arctic

The vigorous public debate among Chinese Arctic scholars over the years indicates an evolution in their thinking about China's approach to Arctic governance. Chinese academics were first alarmed about potential Arctic geopolitical competition when in 2007 Russia planted its national flag on the North Pole seabed in an act perceived as a declaration of sovereignty.⁷³ Soon afterwards, Chinese

Arctic affairs', Xinhua, 21 Apr. 2012, <http://news.xinhuanet.com/english/china/2012-04/21/c_131541416.htm>; Nylander, J., 'Sweden supports China's Arctic push', Swedish Wire, 18 Apr. 2012, <<http://www.swedishwire.com/politics/13449-sweden-supports-chinas-arctic-push->>>; and Halinen, H., Finnish Arctic Ambassador, Communication with the authors, 13 Nov. 2012.

⁶⁸ Chinese Arctic and Antarctic Administration officials, Interview with the authors, Beijing, 13 Sep. 2011.

⁶⁹ Chinese Arctic and Antarctic Administration officials (note 68); and Arctic Council, 'The criteria for admitting observers and role for their participation in the Arctic Council', Senior Arctic Officials (SAO) reports to ministers, Nuuk, May 2011, <<http://www.arctic-council.org/index.php/en/about/documents/category/20-main-documents-from-nuuk>>, p. 50.

⁷⁰ Qian, Y., '中国离北极有多远' [How far is China from the Arctic], *Liaowang Dongfang Zhoukan*, no. 29 (2011), <<http://www.lwdf.cn/wwwroot/dfzk/Focuseast/252093.shtml>> (author's translation).

⁷¹ Guo, P., '应对北极门罗主义的挑战' [Making preparations against an Arctic Monroe Doctrine], *Liaowang*, no. 42 (2011), pp. 71–72 (author's translation).

⁷² Qian (note 70).

⁷³ Reynolds, P., 'Russia ahead in Arctic "gold rush"', BBC News, 1 Aug. 2007, <<http://news.bbc.co.uk/2/hi/6925853.stm>>. The Russian flag was planted under the Lomonosov Ridge during Russia's Arctic expedition 'Arktika 2007'. Soon after the expedition, Russia's Ministry of Natural Resources issued a statement declaring that the samples it collected from the expedition showed that the Lomonosov mountain chain had a similar structure to the world's other continental shelves and stated that therefore 'the ridge is part of Russia's land mass'. See 'Arctic seabed "belongs to Russia"', BBC News, 20 Sep. 2007, <<http://news.bbc.co.uk/2/hi/europe/7005483.stm>>.

policymakers and scholars began to ponder China's rights in the Arctic. Their early deliberations focused on identifying the benefits of the melting ice for China and assessing what legitimate rights China has in the Arctic region. Policy recommendations from this period contained assertive and even hawkish stances. For example, in 2009 Guo Peiqing urged the Chinese Government to protect its legitimate rights in the Arctic. He said it was not in China's interests to remain neutral and 'stay out of Arctic affairs'.⁷⁴ 'Being distant from the Arctic should not be the reason for us to be inattentive', he wrote in 2009. 'China is on the path to becoming a global power from being a regional power. What is happening in the polar region concerns Chinese interests.'⁷⁵ Retired Rear Admiral Yin Zhuo created a stir in 2010 by stating that 'the North Pole and the sea area around the North Pole belong to all the people of the world'. Yin also said that 'China must play an indispensable role in Arctic exploration as we have one-fifth of the world's population'.⁷⁶ Strong rhetoric by Chinese researchers and PLA officers is interpreted by non-Chinese observers, especially in Arctic states, as a sign that China is preparing to flex its muscles in the Arctic, despite having no sovereign rights there.⁷⁷

However, since late 2011, following the Arctic Council's second deferral of decisions on permanent observership applications, Chinese Arctic scholars have become more subdued in public. Chinese officials are certainly well aware of the suspicions that China's interest in the Arctic evokes and of the sensitivities of Arctic politics, especially in the realm of resources and sovereignty.⁷⁸ In 2011, Qu Tanzhou, the director of the CAA, informed an annual national polar research meeting that the words 'evaluation of polar resource potential' were dropped from the title of the Five-Year Plan's polar project because of outsiders' fears about China's interest in polar resources. But, he added, this did not mean that China had given up its interest in polar resources.⁷⁹ Another example of China's desire to avoid drawing attention to its interest in Arctic resources is the request by the MFA's Department of Law and Treaty to avoid discussion of resources at a 2012 SIPRI workshop in Beijing on prospects for Nordic and Chinese cooperation in the Arctic.⁸⁰ MFA approval was a prerequisite for organizing the workshop, and an MFA official justified the request by saying that the resources sector is not an Arctic research priority in China.

⁷⁴ Guo, P., 'New cold wars over Arctic wealth', *Global Times*, 27 July 2009.

⁷⁵ "极地未来对中国影响重大": 专访中国海洋大学极地问题专家郭培清 [The future of the polar regions is significant for China: exclusive interview with Ocean University of China polar expert Guo Peiqing], *Cankao Xiaoxi*, 10 July 2008 (author's translation).

⁷⁶ Luo, J., '海军少将: 开发北冰洋 中国不可"缺位"' [Navy admiral: China cannot stay absent from 'Arctic' development], *China News Service*, 5 Mar. 2010, <<http://www.chinanews.com.cn/gn/news/2010/03-05/2154039.shtml>> (author's translation).

⁷⁷ See e.g. Wright, D., 'We must stand up to China's increasing claim to Arctic', *Calgary Herald*, 8 Mar. 2011; and Akin, D., 'Harper deals with new Arctic rival: China', *Toronto Sun*, 23 June 2010.

⁷⁸ Chinese Ministry of Foreign Affairs official (note 16); and Chinese Arctic and Antarctic Administration officials (note 68).

⁷⁹ Qu, T., Speech at China Symposium on Polar Science 2011, Authors' record, Wuhan, 23 Sep. 2011.

⁸⁰ SIPRI Workshop 'Sino-Nordic perspectives on Arctic development', Beijing, 10 May 2012. The workshop was co-hosted by the China Centre for Contemporary World Studies, a think tank under the International Department of the Communist Party of China.

The concern that overly proactive statements run the risk of offending Arctic states and consequently undermining China's position in the Arctic today shapes the public face of Chinese analysis. Professor Lu Junyuan of Jiangnan Social University has written that China should try to avoid sensitive issues such as resource exploration. Furthermore, he points out that Arctic countries are likely to use environmental protection as a pretext to restrain outsiders from participating in the development of Arctic resources.⁸¹ According to Lu, the most feasible way for China to strengthen its place in the Arctic is for it to take part in international cooperation, especially on issues that require global collaboration. A similar approach is reflected in an article by Liu Huirong:

First of all, looking at China's Arctic plans, the most important concern is Arctic climate change and its impact on China. So China's current scientific study revolves around the climate change topic. Secondly, the reality of China's participation in Arctic affairs shows that China has limited speaking power and influence. Most Chinese activities are in the scientific sphere. In addition, Arctic states are worried about China in Arctic affairs. China has yet to cross the basic threshold [the Arctic Council]. Lastly, China has not yet solidified cooperation with partners with similar interests and pursuits in the Arctic. It keeps China alone in regional cooperation in the Arctic, which further restrains China's influence.⁸²

Thus, Liu believes that focusing on Arctic climate change is the best approach for China, and that Arctic biodiversity, shipping, fishery management and indigenous people's rights can be raised in discussions at global climate change negotiations.

The number of Chinese researchers who recommended that climate change be prioritized in China's Arctic agenda so as to avoid controversy increased from 2011. This also reflects a new kind of public narrative.⁸³ By advocating a focus on climate change, Chinese scholars strive to circumvent the sensitivity of Arctic resources and sovereignty issues, and to calm outsiders' jitters about China as a rising power. Climate change cooperation provides China with opportunities to partner with other states on the Arctic agenda.

Legal issues

The transforming Arctic has fuelled competing claims by Arctic states over territorial waters as well as outer continental shelf extensions. Unsettled disputes among these states over maritime boundaries, jurisdiction and Arctic resource exploration underline the inadequate and, in some respects, controversial nature of current Arctic legal mechanisms. UNCLOS, which entered into force in 1994, remains the most comprehensive international legal framework for governance of state activities over the world's oceans, including the Arctic Ocean. The USA is the only Arctic state yet to ratify UNCLOS, which in the opinion of many Arctic

⁸¹ Lu, J., 北极地缘政治与中国应对 [Geopolitics in the Arctic and China's response] (Shishi Press: Beijing, Dec. 2010), p. 340.

⁸² Liu (note 61) (author's translation).

⁸³ See e.g. Lu (note 81), pp. 340–42; Liu (note 61); and Sun and Guo (note 63), pp. 127–28; and Yang (note 21).

observers weakens US influence in Arctic affairs.⁸⁴ The Ilulissat Declaration, which was signed by all five Arctic littoral states in 2008, reiterates the commitment to UNCLOS and an orderly settlement of any possible overlapping claims in the Arctic. The declaration also states that there is no need to develop a new comprehensive international legal regime to govern the Arctic Ocean.⁸⁵

For China, UNCLOS provisions constitute the legal basis for China's activities in the Arctic. China acknowledges that, because it does not border the Arctic Ocean, it does not have sovereign rights in the region. Speaking in 2010, Assistant Foreign Minister Liu Zhenmin publicly endorsed UNCLOS as the primary legal mechanism for Arctic activities as well as the basis for international cooperation. He said:

in accordance with the United Nations Convention on the Law of the Sea and other relevant international laws, Arctic states have sovereign rights and jurisdiction in their respective areas in the Arctic region, while non-Arctic states also enjoy rights of scientific research and navigation. To develop a partnership of cooperation, Arctic and non-Arctic states should, first and foremost, recognize and respect each other's rights under the international law.⁸⁶

According to UNCLOS, all states enjoy the freedom of navigation in a coastal state's exclusive economic zones.⁸⁷ In addition, Article 136 of the convention provides that the area of the ocean beyond national jurisdiction, and its resources, are 'the common heritage of mankind'.⁸⁸ No state may claim sovereign rights over any part of this area or its resources.⁸⁹ The International Seabed Authority (ISA), an autonomous international organization, administers mineral resources in international waters.⁹⁰

In July 2011 the China Ocean Mineral Resources Research and Development Association, a subordinate body of the SOA, became the first organization to be granted approval by the ISA to prospect for polymetallic sulphides in the Indian Ocean.⁹¹ This is noteworthy for two reasons. First, it reflects the skill and agility

⁸⁴ See e.g. Conley, H. A. and Kraut, J., *U.S. Strategic Interests in the Arctic: An Assessment of Current Challenges and New Opportunities for Cooperation* (Center for Strategic and International Studies: Washington, DC, Apr. 2010); Gardner, R., 'US must ratify law of sea convention', American Security Project, 13 June 2012, <<http://americansecurityproject.org/blog/2012/us-must-ratify-law-of-sea-convention/>>; and Bergh, K., 'The Arctic policies of Canada and the United States: domestic motives and international context', SIPRI Insights on Peace and Security no. 2012/1, July 2012, <http://books.sipri.org/product_info?c_product_id=446>. Although the USA has not ratified UNCLOS, it recognizes UNCLOS as a codification of customary international law. See e.g. Groves, S., 'Accession to the U.N. Convention on the Law of the Sea is unnecessary to secure U.S. navigational rights and freedoms', Heritage Foundation, Background no. 2599, 24 Aug. 2011, <<http://www.heritage.org/research/reports/2011/08/accession-to-un-convention-law-of-the-sea-is-unnecessary-to-secure-us-navigational-rights-freedoms>>.

⁸⁵ Ilulissat Declaration, Arctic Ocean Conference, Ilulissat, Greenland, 28 May 2008, <http://www.oceanlaw.org/downloads/arctic/Ilulissat_Declaration.pdf>.

⁸⁶ Liu (note 18).

⁸⁷ UNCLOS (note 53), Article 58.

⁸⁸ The UNCLOS defines 'Area' as 'the seabed and ocean floor and subsoil thereof, beyond the limits of national jurisdiction'. UNCLOS (note 53), articles 1 and 136.

⁸⁹ UNCLOS (note 53), Article 137.

⁹⁰ UNCLOS (note 53), articles 157 and 137.

⁹¹ 'China gains rights to explore 10,000-square-km int'l seabed sulphide ore deposit', China Network Television (CNTV), 19 Nov. 2011, <<http://english.cntv.cn/program/newsupdate/20111119/102879.shtml>>. On the International Seabed Authority see <<http://www.isa.org/jm/en/scientific/exploration/contractors>>.

of a Chinese organization in utilizing this provision of UNCLOS and manoeuvring in the complicated legal terrain of resource exploration. Second, it is precisely the UNCLOS clause (under part XI) pertaining to deep seabed areas and mining of potentially valuable metals that the USA opposes and is one of the main reasons why it has not ratified UNCLOS.⁹²

However, many Chinese scholars believe that UNCLOS does not entirely safeguard China's perceived Arctic interests. UNCLOS grants Arctic states the possibility of extending their territory by claiming a continental shelf extending 200 nautical miles (370 km) from the state's coastal baseline. So far, three of the five Arctic littoral states—Denmark, Norway and Russia—have submitted outer-continental shelf claims to the UN agency that oversees the implementation of UNCLOS in respect of continental shelf limits, and Canada also plans to do so.⁹³ Guo Peiqing estimates that 'the high seas area will shrink by two-thirds if all the outer-continental shelf claims by Arctic states were to be approved'.⁹⁴ Gui Jing of a SOA-affiliated agency writes, 'If the Arctic states succeed in their claims to extend their outer continental shelves, the international community's and China's right to fairly benefit from Arctic resources will be weakened'.⁹⁵

In addition to UNCLOS, Chinese officials and scholars see the Svalbard Treaty as another legal foundation to safeguard China's Arctic interests.⁹⁶ The treaty, which China ratified in 1925, is widely regarded by Chinese officials and scholars as another justification for China's Arctic presence. The treaty establishes Norway's sole sovereign right to the Svalbard archipelago while granting its 42 parties equal rights to undertake fishing, hunting, mining, trade and industrial activities in the area.⁹⁷ Under the treaty, 10 signatories, including China, have set up research stations at Ny-Ålesund.

⁹² Rabkin, J., *The Law of the Sea Treaty: A Bad Deal for America*, Issue Analysis no. 3 (Competitive Enterprise Initiative: Washington, DC, 2006).

⁹³ United Nations Divisions for Ocean Affairs and the Law of the Sea, 'Submissions, through the Secretary-General of the United Nations, to the Commission on the Limits of the Continental Shelf, pursuant to article 76, paragraph 8, of the United Nations Convention on the Law of the Sea of 10 December 1982', <http://www.un.org/Depts/los/clcs_new/commission_submissions.htm>.

⁹⁴ Guo, P., Professor, Ocean University of China, Interview with the authors, Qingdao, 25 June 2009.

⁹⁵ Gui, J., '外大陆架划界中的不确定因素及其在北极的国际实践' [Uncertain factors in the delimitation of the outer continental shelf and its international practice in the Arctic], *China Ocean Law Review*, no. 1 (2010), p. 116. Gui Jing is a researcher at the National Marine Data and Information Service, an agency under the SOA.

⁹⁶ Qu et al. (note 7), p. 327.

⁹⁷ Svalbard Treaty (note 54).

4. The bigger picture: China's foreign policy agenda

When evaluated in isolation, China's Arctic engagement appears to have increased markedly. More funds have been allocated to Arctic research; a second polar ice-breaker is being built, drawing on Finnish expertise; Chinese diplomats are lobbying Arctic Council members to garner support for China's permanent observership application; and China has pursued closer ties with several Nordic countries that are permanent members of the Arctic Council and have first-class Arctic technology and know-how.⁹⁸ In April 2012 the Chinese Prime Minister, Wen Jiabao, visited Iceland and Sweden; this was the first visit by a senior Chinese leader to Iceland in 40 years. China has increased its diplomatic presence in Iceland, which is expected to develop into a major Arctic shipping hub. Wen's visit to Iceland was followed in July by a port call by China's icebreaker *Xuelong* in Reykjavik.⁹⁹ In June 2012 President Hu Jintao paid a state visit to Denmark, the first ever visit to the country by a Chinese head of state.

While these indicators show a growing interest in the Arctic, they are also reflections of China's activities as a rising major power. Funding for polar research has increased but it is still only about 0.1 per cent of the central government's allocation for scientific research.¹⁰⁰ Moreover, the Antarctic remains China's primary polar focus.¹⁰¹ Only one-fifth of China's polar resources are devoted to the Arctic.¹⁰² Recent high-level visits by Chinese leaders to Nordic countries have not focused on the Arctic. The visits signify, in part, China's diplomatic efforts to strengthen ties with diverse countries and, in part, China's desire to deepen relations with countries known for their strong scientific and technological expertise. Polar technology is one field among many in which China is seeking to strengthen its technological capabilities.

Arctic cooperation was not even mentioned in an official Chinese analysis of Hu's visit to Denmark.¹⁰³ Also, Hu did not visit Greenland, even though Chinese companies are exploring investment opportunities in major infrastructure pro-

⁹⁸ '中国订造首艘极地科考破冰船' [China orders polar expedition ice-breaker for the first time], Chuanxun Wang, 6 Aug. 2012, <<http://shipbuilding.shipxy.com/ShipNews/Detail/dce27538-55ba-4587-bbcb-3feld2941de4>>.

⁹⁹ Qu, J., 'China's icebreaker *Xuelong* berths at outport of Iceland's capital', Xinhua, 15 Aug. 2012, <http://news.xinhuanet.com/english/photo/2012-08/15/c_131787792.htm>.

¹⁰⁰ The central government allocates \$60 million annually for polar research, including running costs for its polar facilities. This constitutes about 0.1% of expenditure by the central government on scientific research. Brady, A.-M., 'Polar stakes: China's polar activities as a benchmark for intentions', *China Brief*, vol. 12, no. 14 (19 July 2012); and Chinese Ministry of Finance, '关于2011年中央决算的报告' [Report on 2011: final accounts of the central government budget], 11 July 2012, <http://www.mof.gov.cn/zhengwuxinxi/caizhengshuju/201207/t20120711_665583.html>.

¹⁰¹ Chen, S., 'China poles apart on missions to Arctic and Antarctic', *South China Morning Post*, 29 Aug. 2012.

¹⁰² Brady (note 100). As of Oct. 2012, China has organized 28 expeditions to the Antarctic, but only 5 to the Arctic.

¹⁰³ '综述: 中丹全面战略伙伴关系加速深化' [Synopsis: China-Denmark comprehensive strategic partnership deepened], Xinhua, 18 Sep. 2012, <http://news.xinhuanet.com/world/2012-09/18/c_113119042.htm>.

jects there (e.g. airports and port facilities) that would make mining of rare earths and other minerals more commercially viable.¹⁰⁴ As for *Xuelong's* maiden voyage traversing the Northern Sea Route, at least 38 other vessels made the same journey during the summer of 2012.¹⁰⁵ Similar expeditions during the summer months can be expected to be undertaken to gain experience of navigation in harsh conditions along the route.

The Chinese Government's Arctic activities need to be assessed in the context of China's overall foreign policy objectives. According to China's own definition these are, first, China's political stability; second, sovereign security, territorial integrity and national unification; and third, China's sustainable economic and social development.¹⁰⁶ When these objectives are viewed in the context of Arctic affairs, China evidently wants to ensure that it will be able to safeguard its third vital national interest: economic development. This includes access to shorter shipping routes and the means to enhance food and resource security. An underlying, although unstated, objective is that China seeks respect as a major power and wishes to be seen as a responsible member of the international community.

Apart from speaking out about China's desire to be a permanent observer in the Arctic Council, Chinese officials have maintained a discreet posture in other approaches to Arctic politics—a sign that the Chinese Government is being cautious. China's MFA has agreed to bilateral dialogues with representatives of Arctic Council member states from time to time, but sensitive issues are avoided and scientific cooperation is still the main focus of the meetings. Moreover, China has not initiated bilateral engagement on the Arctic. To quote an MFA official, 'We are happy to have a dialogue if we are approached by an Arctic state, but we ourselves have not actively reached out to Arctic states for a bilateral dialogue'.¹⁰⁷ Another sign of the Chinese Government's cautious posture is the fact that Arctic cooperation between China and the larger Arctic states is limited to academic exchange programmes. Although China and the USA began in 2010 to hold an annual dialogue on the law of the sea and polar issues as a part of the China–US Strategic and Economic Dialogue, the Arctic remains a marginal issue in the discussions.¹⁰⁸ To date, the Arctic has not been mentioned in the public reports of meetings between China's top leaders and their Canadian, Russian and US counterparts. At the 2012 China–EU Summit, the two sides exchanged 'views on Arctic matters' for the first time.¹⁰⁹ However, China and the EU made no further commitments to Arctic cooperation.

¹⁰⁴ Rosenthal (note 3); and Pu (note 39).

¹⁰⁵ Pettersen, T., 'Cargo record on Northern Sea Route', *Barents Observer*, 15 Oct. 2012.

¹⁰⁶ Dai, B., '坚持走和平发展道路(全文)' [Adhering to the path of peaceful development (full text)], China News Service, 7 Dec. 2010, <<http://www.chinanews.com/gn/2010/12-07/2704984.shtml>>. Dai is China's state councillor in charge of China's foreign affairs.

¹⁰⁷ Ministry of Foreign Affairs official (note 16).

¹⁰⁸ '中美举行第三轮海洋法和极地事务对话' [China and US held third round dialogue on the Law of the Sea and polar issues], China News Service, 24 May 2012, <<http://www.chinanews.com/gn/2012/05-24/3913496.shtml>>.

¹⁰⁹ 'Joint press communiqué: 15th EU–China Summit: towards a stronger EU–China comprehensive strategic partnership', European Commission, MEMO/12/693, Brussels, 20 Sep. 2012, <http://europa.eu/rapid/press-release_MEMO-12-693_en.htm>.

Another sign that the Arctic is a low priority for China is the Chinese Government's persistence in shunning Norway diplomatically to express its displeasure at the award of the 2010 Nobel Peace Prize to the imprisoned dissident Liu Xiaobo.¹¹⁰ Norway is an Arctic Council member and the world leader in deep-sea and cold-climate drilling technology. Just two months before the award was announced in October 2010, Norway's foreign minister was warmly welcomed in Beijing amid enthusiastic declarations of future Chinese–Norwegian Arctic cooperation.¹¹¹ If the Arctic were a priority for China, it would not have upheld punitive measures against Norway for more than two years. At the time of writing, Norway's ambassador to Beijing had been unable to obtain a meeting at the Chinese MFA since the award, and the countries' bilateral human rights dialogue and bilateral free trade negotiations have been postponed indefinitely.¹¹² The award of the prize to Liu Xiaobo, a person who the Chinese authorities deem to be a 'criminal trying to sabotage the socialist system', was perceived by the Chinese Government as proof once again of Westerners' 'ill intentions'.¹¹³ The desire of the Chinese Government to drive home the message, both domestically and internationally, that China will not tolerate what it perceives as meddling in its internal affairs has outweighed any consideration of possible damage to China's Arctic cooperation. China's foremost foreign policy objective is to ensure political stability. This means opposing actions that are perceived by China's leaders as threatening the socialist system.

¹¹⁰ The Chinese Government holds the Norwegian Government responsible for the Norwegian Nobel Committee's decision, although the committee is made up of independent members and is not subordinate to the Norwegian Government.

¹¹¹ Chinese Ministry of Foreign Affairs, '杨洁篪外长与挪威外交大臣斯特勒会谈' [Foreign minister Yang Jiechi met with Norwegian Foreign Minister Jonas Gahr Store], 31 Aug. 2010, <<http://www.fmprc.gov.cn/chn/pds/wjb/zzjg/xos/xwlb/t736368.htm>>; and Norwegian Ministry of Foreign Affairs, 'The Arctic–Norwegian Policy and International Cooperation', 30 Aug. 2010, <http://www.regjeringen.no/en/dep/ud/WhatsNew/Speechesandarticles/speeches_foreign/2010/arctic_beijing.html?id=613162>.

¹¹² Berglund, N., 'Chinese relations in deep freeze', Views and News from Norway, 4 Jan. 2011, <<http://www.newsenglish.no/2011/01/04/chinese-relations-in-deep-freeze/>>; and Pei, S., 'Is rising Asian power China an emerging trade bully?', *Strait Times*, 27 Sep. 2012.

¹¹³ Wang, J., 'China's search for a grand strategy', *Foreign Affairs*, vol. 90, no. 2 (Mar./Apr. 2011), p. 70.

5. Conclusions

Because China has not made an Arctic strategy public and official statements by Chinese Government officials have been low-key, it can be surmised that senior policymakers are still in the early stages of developing an official policy towards the Arctic. During the initial formulation of an official policy in China, it is usual for academics, political commentators, retired military officers and representatives of possible interest groups to first engage in a public debate about what the country's objectives and policies should be. They also gauge reactions of foreigners towards various policy directions at international seminars and workshops.¹¹⁴ Next, an internal debate takes place among key policymakers before an official policy is announced. After that, there is scant—if any—outright critique of the country's official policy, with the exception of blog posts by netizens and unofficial commentary via social media.

Although Chinese society is more open and multifaceted than a decade ago and a growing number of official and unofficial actors strive to influence policy, decision-making processes in China remain obscure.¹¹⁵ It is impossible to predict with any certainty which of the options that are presently discussed by a wide array of Chinese Arctic specialists will be incorporated into China's official Arctic policies. Nevertheless, the repeated emphasis in specialists' comments and articles on the global, not merely regional, nature of Arctic challenges is noteworthy. The implication is that if decisions taken about the Arctic have global ramifications, then China, as a rising global power, should have a say in them. As SIIS Vice-president Yang Jian puts it, 'China has a key role in safeguarding the Arctic'.¹¹⁶

Furthermore, China will continue to stress the need for Arctic states to ensure a balance between their own interests and the common interests of the international community. Already in 2010 Assistant Foreign Minister Liu stated: 'Given the trans-regional implications of certain Arctic issues, non-Arctic states that fall under such influence also have legitimate interests on Arctic-related issues.'¹¹⁷ Two other terms have crept into the Chinese lexicon when researchers refer to China's relationship to the Arctic: China is now described as an 'Arctic stakeholder' and as a 'near-Arctic state'.¹¹⁸ Given China's tendency to take a long-term view of its objectives, it can be anticipated that Chinese officials and specialists will repeat these terms until they creep into accepted phraseology.¹¹⁹

¹¹⁴ Sun, Z., '中国外交思想库: 参与决策的角色分析' [The think tanks and the making of Chinese foreign policy], *Fudan Xuebao* (Shehui Kexue Ban), no. 4 (2004), pp. 100–101.

¹¹⁵ Jakobson, L. and Knox, D., *New Foreign Policy Actors in China*, SIPRI Policy Paper no. 26 (SIPRI: Stockholm, Sep. 2010), p. 1.

¹¹⁶ Yang (note 21).

¹¹⁷ Liu (note 18).

¹¹⁸ SIPRI Workshop 'Sino-Nordic perspectives on Arctic development' (note 80). See also SIPRI, 'China defines itself as a "near-Arctic state"', Press release, 10 May 2012, <http://www.sipri.org/media/press_releases/arcticchinapr>.

¹¹⁹ Jakobson, L., 'China prepares for an ice-free Arctic', SIPRI Insights on Peace and Security, 2010/2, Mar. 2010, <http://books.sipri.org/product_info?c_product_id=402>, p. 13.

To date, steps taken by the Chinese Government to protect its perceived interests in the Arctic include efforts to: (a) gain a deeper understanding of the detrimental effects that climate change in the Arctic will have on China's environment, its climate patterns and ultimately its food production; (b) ensure China's participation in the Arctic Council with the goal of participating in and gradually wielding influence on discussions and decisions pertaining to Arctic governance; (c) highlight that the challenges stemming from the transforming Arctic environment are global issues, not merely regional; (d) emphasize the notion that the area of the Arctic that lies outside the sovereign territory of any littoral state belongs to all of mankind (as stated in UNCLOS) and further that Arctic states should take the rights of non-Arctic states into consideration when making decisions; and (f) strengthen ties with Nordic member states of the Arctic Council (except possibly Norway, depending on the success of low-key efforts behind the scenes to get China-Norway relations back on track).

As a result of China's insistence on respect for sovereignty and its preoccupation with staunchly defending its perceived sovereign rights in the South and East China seas, China can be expected to continue to respect the sovereign rights of the Arctic littoral states. At the same time the Chinese Government will persist in its diplomatic efforts to increase, step-by-step, China's chances of being included in decisions pertaining to Arctic governance and resource exploitation despite its legal status as an 'Arctic outsider'. As a non-Arctic state, China must rely on diplomatic cooperation and the positive impact of scientific engagement and investments to promote its interests in the Arctic. In the short term, ensuring access for Chinese vessels to the Arctic shipping routes will be a priority simply because the melting ice will permit regular ship transits sooner than resource exploration and exploitation. This means that China will be dogmatic in emphasizing the rights of non-Arctic states when issues such as sea and rescue requirements, environmental standards and ice-breaker service fees are decided.

Judging by China's diplomacy over the past 30 years, pragmatic considerations will be the main drivers of China's Arctic policies. Consequently, once the ice has melted to the point that exploration for resources is more feasible and less costly than today, China can be expected to invest massively in co-development projects with, for example, Russia or Canada.

In the near- to medium-term it is hard to envision China being genuinely assertive in the Arctic. The Arctic is not destined to become a priority of China's foreign policy. However, suspicions among outsiders and even outright denunciation of China's 'aggressive' posture by some observers will undoubtedly continue to colour any discussion of the rising power's actions in the Arctic.

RECENT SIPRI POLICY PAPERS

- No. 24 *Air Transport and Destabilizing Commodity Flows*, by Hugh Griffiths and Mark Bromley (May 2009)
- No. 25 *China's Expanding Role in Peacekeeping: Prospects and Policy Implications*, by Bates Gill and Chin-hao Huang (Nov. 2009)
- No. 26 *New Foreign Policy Actors in China*, by Linda Jakobson and Dean Knox (Sep. 2010)
- No. 27 *Conflict Minerals in the Democratic Republic of the Congo: Aligning Trade and Security Interventions*, by Ruben de Koning (June 2011)
- No. 28 *Implementing an Arms Trade Treaty: Lessons on Reporting and Monitoring from Existing Mechanisms*, by Paul Holtom and Mark Bromley (July 2011)
- No. 29 *China's Energy and Security Relations with Russia: Hopes, Frustrations and Uncertainties* by Linda Jakobson, Paul Holtom, Dean Knox and Jingchao Peng (Oct. 2011)
- No. 30 *Arms Flows to Sub-Saharan Africa*, by Pieter D. Wezeman, Siemon T. Wezeman and Lucie Béraud-Sudreau (Dec. 2011)
- No. 31 *Transparency in Military Spending and Arms Acquisitions in Latin America and the Caribbean*, by Mark Bromley and Carina Solmirano (Jan. 2012)
- No. 32 *Maritime Transport and Destabilizing Commodity Flows*, by Hugh Griffiths and Michael Jenks (Jan. 2012)
- No. 33 *Verifying a Fissile Material Cut-off Treaty: Technical and Organizational Considerations*, by Shannon N. Kile and Robert E. Kelley (Aug. 2012)

All SIPRI Policy Papers are available to download or buy at <http://www.sipri.org/publications/>.

China's Arctic Aspirations

China wants to be part of the Arctic order and, as a rising power, emphasizes the global implications of the Arctic's melting ice. Although several non-Chinese observers have described China's actions in the Arctic as 'more assertive', and the Chinese Government has taken steps to protect what it perceives as its key interests in the region, China's Arctic policies are still in a nascent stage of formulation.

This Policy Paper represents the first comprehensive mapping of the agencies and individuals involved in the formulation of Arctic policies and an assessment of the motives underlying China's Arctic activities. The authors show that, while China recognizes that it is an 'Arctic outsider'—without sovereign rights in the Arctic—it nevertheless sees numerous economic opportunities opening up in there. It consequently seeks to influence discussions and decisions on how the Arctic should be governed.

Linda Jakobson (Finland) is the East Asia Program Director at the Lowy Institute for International Policy, Sydney, and a member of SIPRI's Arctic research team. Until 2011 she was Director of the SIPRI China and Global Security Programme. Before moving to Sydney in 2011, she lived and worked in China for 20 years. She has published six books on Chinese and East Asian society and has written extensively on China's foreign policy, energy security, science and technology policies and the Taiwan Strait.

Jingchao Peng (China) is a graduate student at Waseda University, Tokyo. Until September 2012 he was a Research Assistant with the SIPRI China and Global Security Programme, based in Beijing. His main research interests include the Arctic policies of East Asian states and China's maritime security issues.

ISBN 978-91-85114-73-3



9 789185 114733