

China as an Arctic Great Power

Potential Implications for Greenland and the Danish Realm

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Abstract:

In late January 2018, China released its long-awaited White Paper on China's Arctic Policy. It represents the culmination of the development of a more confident, proactive and sophisticated Chinese diplomacy in the Arctic. Beijing has intensified its efforts in establishing substantial and extensive relations with all Arctic actors and has gradually increased the presence and influence of China in the Arctic institutions. An increasing number of Chinese investments and infrastructure projects take place in the Arctic, propelled primarily by a growing Chinese interest in Arctic resources and Arctic sea routes, which are now officially included in the maritime part of President Xi Jinping's prestige project, the Belt and Road Initiative (BRI). The policy brief analyses China's Arctic White Paper focusing on the potential implications for Greenland and the Danish Realm. The policy brief concludes that China's increasing presence in the Arctic constitutes a challenge as well as an opportunity depending on whether Copenhagen and Nuuk succeed in establishing open, respectful and constructive dialogue and cooperation.

Key words: China, Arctic, Belt and Road Initiative, Greenland, Danish Realm



In the summer of 2017, China carried out its eighth research expedition to the Arctic using the country's only icebreaker, the Snow Dragon (Xue Long).

Recommendations:

- Strive to establish open, respectful and constructive dialogue and cooperation between Danish and Greenlandic authorities on handling the increasing role and presence of China in the Arctic.
- Focus on specifying the priorities of the Danish Realm in relation to China's Arctic White Paper, and seek to strengthen the cooperation between Danish and Greenlandic authorities.
- Make it a priority in selected areas to establish strong joint Danish-Greenlandic research platforms from which to engage Chinese research environments.

A 'New Era' for China as a Great Power – including in the Arctic

These years, China appears on the international scene as an ever more confident great power. President Xi Jinping speaks of a 'new era' for China as a great power marking the end of the traditional 'keeping a low profile' guideline for Chinese foreign and security policy. China pursues great power responsibility and seeks to play a more active role in addressing and solving international conflicts and global challenges. However, the expectation on the part of China is that China in return attains great power influence and respect.¹

Domestic Driving Forces and a Visionary Chinese Leader

China's development is driven by strong domestic concerns and considerations. China's increasing dependence on imports of energy and natural resources has been the main factor causing China to enter into economic agreements and strategic partnerships to an unprecedented degree with countries in e.g. Africa, Latin and South America, Central Asia and the Middle East. The current restructuring of the Chinese economy, where Chinese-driven innovation and technological development are at the top of the agenda, also drives the expansion of Chinese investments in and acquisition of foreign companies. The new tendencies in Chinese foreign and security policy are also to be traced back to President Xi Jinping, who as an unusual proactive and visionary Chinese leader is more willing than his predecessors to use economic and military tools to demonstrate and secure what Beijing considers legitimate Chinese spheres of interest. With President Xi Jinping, China has begun to present Chinese ideas and solutions and to launch new comprehensive Chinese initiatives. The most ambitious of these initiatives is the Belt and Road

Initiative (BRI). With this initiative, China positions itself in the lead of efforts to generate regional and global economic growth and development by funding and establishing large-scale infrastructure projects such as high-speed train connections, modern roads and ports, oil and gas pipes as well as communication networks and cables. The BRI specifically aims to secure better and faster transport and communication connections between China and Europe, but also to the Middle East and Africa.

Increasing Strategic Significance of the Arctic

This 'new era' for China as a great power is also evident from the country's ambitions and diplomatic behaviour in the Arctic. China's first Arctic White Paper released in late January 2018 states that China, due to its status, size and proximity to the Arctic, has legitimate interests in the region and should therefore be respected and included as an important stakeholder. Furthermore, it emphasises that the Arctic should not be regarded as a demarcated region but has global implications and international impacts, and therefore it is not up to the Arctic states solely to establish the rules and norms for the future development of and access to the region and its resources. Non-Arctic states like China also have a legitimate role to play and a right to engage in Arctic research, navigation, overflight and a series of economic activities such as resource extraction, fishery, cabling and piping.² These are new directions. Previous Chinese official speeches and documents on the Arctic have taken a more modest and reluctant stance and underplayed China's ambitions in the region. This played an important role in reducing the concern among the Arctic states and in 2013 paving the way for China's membership of the Arctic Council as an observer state. However, among Chinese Arctic scholars and in internal Chinese documents characterising the Arctic as a 'common

1) Xi Jinping, "Secure a Decisive Victory in Building a Moderately Prosperous Society in All Respects and Strive for the Great Success of Socialism with Chinese Characteristics for a New Era," *Xinhua*, 3 November 2017 (http://www.xinhuanet.com/english/download/Xi_Jinping's_report_at_19th_CPC_National_Congress.pdf).

2) The State Council Information Office of the People's Republic of China, *China's Arctic Policy*, 26 January 2018 (<https://www.chinadailyasia.com/articles/188/159/234/1516941033919.html>).

good' has long been prevalent.³ November 2014 saw the first indications of how China's more confident and ambitious foreign and security policy also included the Arctic. For the first time, President Xi Jinping characterised China as a 'polar great power' and directly linked the country's ambitions in the polar regions, i.e. Arctic and Antarctica, to China's goal of becoming a maritime great power.⁴ In his speech at the 19th Party Congress in October 2017, President Xi Jinping further underlined Beijing's goal to obtain world-class military might by 2050 including a Chinese navy capable of operating globally. With the opening of China's first overseas military naval base in the East African country of Djibouti in August 2017, this is gradually beginning to materialise. The release of China's first Arctic White Paper should be seen in light of these developments. It shows how the Arctic has moved up the Chinese leaders' foreign and security policy agenda and is assigned increasing strategic significance.

China Contributes to Stability, Security, Development and Scientific Research in the Arctic

The Arctic White Paper provides assurances to the Arctic states that China will respect their territorial sovereignty and rights as well as international law and regulations, e.g. the UN Convention on the Law of the Sea (UNCLOS). Similarly, the white paper contains a series of promises of Chinese contributions to the Arctic in a number of areas: from strengthening scientific research into climate change over sustainable extraction of resources to the establishment of regulations and institutions to ensure continued stability and security in the region.

Throughout the white paper, it is stressed that China guarantees 'win-win cooperation' that will benefit all those involved. Especially research is highlighted with strong emphasis on the fact that China will continue to increase its research collaborations, presence and activities in the region. This entails the establishment of additional Chinese research stations and the launch of new Chinese ice-breaking vessels. In the summer of 2017, China carried out its eighth research expedition to the Arctic using the country's only icebreaker, the Snow Dragon (*Xue Long*), which sailed through the Northwest Passage (NWP) for the first time and anchored outside Nuuk en route.⁵

The Arctic Sea Routes as Part of the Belt and Road Initiative

Scientific research has long been the core element of China's Arctic diplomacy, and the Arctic White Paper does not add significantly to this. However, in one related area, the Arctic states are presented with new opportunities. This concerns China's contribution to developing the Arctic sea routes, which the Chinese assess can be used for commercial purposes sooner than what seems to be the general expectation. For China, the Arctic sea routes represent an attractive alternative to the longer and strategically vulnerable routes through the Strait of Malacca and the Suez Canal, which the country is dependent on today. In June 2017, Beijing officially declared the Arctic sea routes part of the BRI and has since then prioritised establishing cooperation with the Arctic states within the maritime area e.g. through Chinese high-level visits to the region.⁶

3) Anne-Marie Brady, *China as a Polar Great Power*, Cambridge, UK: Cambridge University Press, 2017: 33-34.

4) Anne-Marie Brady, *China as a Polar Great Power*, Cambridge, UK: Cambridge University Press, 2017: 3; The State Council Information Office of the People's Republic of China, *China's Military Strategy*, 26 May 2015 (http://eng.mod.gov.cn/Press/2015-05/26/content_4586805.htm).

5) Walter Turnowsky, "Kinesisk isbryder tester handelsrute igennem Nordvestpassagen," *Sermitsiaq*, 19 September 2017 (<http://sermitsiaq.ag/kinesisk-isbryder-tester-handelsrute-igennem-nordvestpassagen>).

6) National Development and Reform Commission and State Oceanic Administration, *Full Text: Vision for Maritime Cooperation under the Belt and Road Initiative*, 20 June 2017 (http://www.china.org.cn/world/2017-06/20/content_41063286.htm).

The 'Polar Silk Road' Gains Ground

The Chinese have especially strengthened their dialogue and cooperation with Russia on developing infrastructure related to the Northern Sea Route (NSR), which is central to the large Russian-Chinese natural gas project on the Yamal Peninsula.⁷ Furthermore, in relation to Iceland and Finland, China has intensified its dialogue and cooperation within the area. Iceland is trying to promote itself as a logistical 'hub' on the 'Polar Silk Road', which has become the term of China's vision regarding the Arctic sea routes following the Arctic White Paper.⁸ In Finland, preliminary negotiations are currently taking place on the establishment of a 10,500-kilometre cable through the Arctic, which according to plan will be able to secure the fastest data connection between Europe and China as early as in 2020.⁹ Finland and Norway have initiated a cooperation on the so-called 'Arctic Corridor', the railway line from Rovaniemi in Finland to Kirkenes in Norway, which is positioned as the possible end station of the 'Polar Silk Road'.¹⁰ Sweden is also experiencing growing Chinese interest e.g. in Lysekil on the west coast, north of Gothenburg, where Chinese companies seek to invest in the expansion of the port of Lysekil as well as in the necessary surrounding infrastructure with roads, railroads and bridges. This is also connected to the 'Polar Silk Road'.¹¹ These are all large-scale potential Chinese investments, and the fact that the projects are tied to the realisation of the BRI likely means that the involved Chinese companies, banks etc. have better chances of obtaining financing e.g. from the state-owned Chinese investment fund, the Silk Road Fund,

and furthermore can largely count on political support. The Arctic White Paper directly encourages Chinese companies to assign priority to participating in the construction of infrastructure linked to the Arctic sea routes and emphasises that China is ready to cooperate with anyone interested in the development of the 'Polar Silk Road'.

The BRI is President Xi Jinping's prestige project and his most highly prioritised strategic initiative. Therefore, the BRI will continue to make its entry led by large state-owned Chinese companies and banks in the years to come, including in the Arctic. China's Arctic White Paper has made that very clear. This results in new opportunities, but also new challenges for the Arctic states in their relations with China.

How Do Greenland and the Danish Realm Fit into China's Arctic Policy?

The more confident, proactive and sophisticated Chinese Arctic diplomacy and the increasingly growing strategic significance assigned by China to the Arctic region constitute an important context for the analysis of developments in China's approach to Greenland. A precondition for realising China's ambitions in the Arctic is that China has substantial and extensive relations with all Arctic actors, including Greenland. If all Arctic stakeholders are tied to China through 'win-win agreements' on scientific research, resource extraction, infrastructure development etc., China is better positioned to manage unforeseen developments and future attempts to marginalise China in the Arctic.

7) Camilla T. N. Sørensen and Ekaterina Klimenko, "Emerging Chinese-Russian Cooperation in the Arctic. Possibilities and Constraints," SIPRI Policy Paper, No 46 (June 2017): 33-35 (<https://www.sipri.org/sites/default/files/2017-06/emerging-chinese-russian-cooperation-arctic.pdf>)

8) Arthur Guschin, "China, Iceland and the Arctic," *The Diplomat*, 20 May 2015 (<https://thediplomat.com/2015/05/china-iceland-and-the-arctic/>).

9) "China mulls joining scheme to lay telecom cable across Arctic Circle," *South China Morning Post*, 14 December 2017 (<http://www.scmp.com/print/news/china/diplomacy-defence/article/2124239/china-mulls-joining-scheme-lay-telecom-cable-across>).

10) "Norske byer i kamp om Kinas nye Silkevej," *Berlingske Tidende*, 29 January 2018; Doug Tsuruoka, "Finland could serve as China's Arctic gateway for OBOR," *Asia Times*, 2 July 2017 (<http://www.atimes.com/article/finland-serve-chinas-arctic-gateway-obor/>).

11) Jojje Olsson, "China's Bid to Build the Largest Port in Scandinavia Raises Security Concerns," *Taiwan Sentinel*, 22 December 2017 (<https://sentinel.tw/china-port-scandinavia-security/>).

Such reasoning has undoubtedly been central to China's decision to restore the frozen diplomatic relations with Norway in December 2016 after six years.¹²

A Preliminary Chinese Diplomatic Offensive in Greenland?

China is still careful not to get dragged into the complex relationship between Denmark and Greenland and continues to seek out support in Copenhagen for Chinese activities in Greenland.¹³ Nevertheless, there are indications that China assigns Greenland and the establishment of direct relations with the Government of Greenland an increasingly important role in the country's Arctic diplomacy. This is supported e.g. by the recent agreement – a so-called Memorandum of Understanding (MoU) – between the Chinese State Oceanic Administration (SOA), which is part of the Chinese Ministry for Land and Resources, and the Greenlandic Ministry of Education, Culture, Research and Church. The agreement, which became effective in May 2016, aims to increase research networks and exchange between China and Greenland.¹⁴ Subsequently, the Chinese side has followed up on the agreement with efforts to establish a research station and a satellite receiving station in Greenland.¹⁵ In addition, the visit by Greenland's Minister for Independence, Foreign Affairs and Agriculture, Suka K. Frederiksen, to the Chinese Ambassador in Copenhagen in the beginning of January 2018 is also noteworthy.



The Greenlandic Minister for Independence, Foreign Affairs and Agriculture, Suka K. Frederiksen, visiting the Chinese Ambassador in Copenhagen in the beginning of January 2018.

According to the subsequent press release from the Chinese embassy, the Ambassador first stressed that the meeting concerned 'local exchanges' and then encouraged the two parties – China and Greenland – to increase their exchanges and cooperation within areas such as culture, tourism and the unspecified 'Arctic affairs', which seems to complicate limiting the meeting to 'local exchanges'.¹⁶

12) Marc Lanteigne, "China and Norway: Cold Shoulder no more following diplomatic thaw," *Arctic Deeply*, 4 January 2017 (https://www.upi.com/Top_News/Opinion/2017/01/04/China-and-Norway-Cold-shoulder-no-more-following-diplomatic-thaw/5301483559501/).

13) Camilla T. N. Sørensen, "Promises and risks of Chinese investments in Greenland seen from Nuuk, Copenhagen and Beijing," in Kristian Sjøby and Jon Rahbek-Clemmensen (eds.), *Greenland and International Security in a Changing Arctic*, Oxford, UK: Routledge (Research in Polar Regions), 2017: 90-97.

14) Sorlannguaq Petersen, "Tættere forbindelser indenfor arktisk forskning med Kina," *Sermitsiaq*, 19 May 2016 (<http://sermitsiaq.ag/taettere-forbindelser-indenfor-arktisk-forskning-kina>); Camilla T. N. Sørensen, "Promises and risks of Chinese investments in Greenland seen from Nuuk, Copenhagen and Beijing," in Kristian Sjøby and Jon Rahbek-Clemmensen (eds.), *Greenland and International Security in a Changing Arctic*, Oxford, UK: Routledge (Research in Polar Regions), 2017: 86.

15) Martin Breum, "Kina vil bygge kontroversiel forskningsstation i Grønland," *Information*, 18 October 2017 (<https://www.information.dk/udland/2017/10/kina-bygge-kontroversiel-forskningsstation-groenland>); Walter Turnowsky, "Satellitstation kan være del af kinesisk GPS-system," *Sermitsiaq*, 19 December 2017 (<http://sermitsiaq.ag/satellitstation-kan-del-kinesisk-gps-system>).

16) Chinese Embassy, *Ambassador Deng Ying Meets with Minister for Independence, Foreign Affairs and Agriculture of Greenland Self-Government*, press release, 15 January 2018 (<http://dk.china-embassy.org/eng/zgxw/t1525818.htm>).

It is understandable that Chinese diplomats and Chinese companies have difficulties determining with whom – Nuuk or Copenhagen – to enter into agreements and apply for permission concerning Arctic collaborations and projects, e.g. in relation to the ‘Polar Silk Road’. However, even if this creates some frustration on the Chinese side, they will carry on tirelessly and undoubtedly show more willingness to take risks in the future. The message from Beijing is that the Arctic and the ‘Polar Silk Road’ must take high priority.

Pressure to Increase Focus on the Arctic in Denmark’s China Policy

The Arctic has played a limited role in Danish China policy. ‘Arctic’ is not mentioned once in the extensive ‘China-Denmark Joint Work Programme’ signed in May 2017. This is the case even though the programme has as its stated objective to chart the course for stronger cooperation between Danish and Chinese authorities towards 2020 and touches on no less than 58 different areas of cooperation and involves 80 (35 Danish and 45 Chinese) authorities.¹⁷ There may be various reasons for this, and some of the reasons are most likely the result of the complex relationship between Denmark and Greenland. However, it is reasonable to expect that over the next few years the Arctic and the ‘Polar Silk Road’ will be higher on the Chinese agenda, when Danish ministers and diplomats meet with their Chinese counterparts. Similarly, outreach initiatives and proposals from the Chinese to both Danish and Greenlandic authorities are to be expected, e.g. on potential BRI projects and investments in infrastructure. It will prove difficult to handle this in a way that does not cause misunderstandings and disagreements between Copenhagen and Nuuk. Therefore, the Danish and Greenlandic authorities must strive to establish open, respectful and constructive dialogue and cooperation on this matter.

For the Benefit of Greenland and the Danish Realm

The launch of China’s Arctic White Paper is a good starting point for an intensified dialogue between Denmark and Greenland on a more determined and proactive way of addressing China’s increasing presence and activities in the Arctic. Specifically, it needs to address how the Chinese projects and investments in the region in the years to come are to benefit both Greenland and the Danish Realm. It is also a precondition for maintaining the credibility of the Danish Realm in a wide sense that Denmark and Greenland are able to find stronger common ground in their approach to China in the Arctic.

In concrete terms, a feasible way to begin is to focus jointly on the priorities and interests of the Danish Realm in relation to China’s Arctic White Paper identifying where the Danish Realm could bid on and actively seek cooperation with the Chinese authorities involving Greenlandic authorities and stakeholders as well. China’s focus on strengthening its research capacity within the Arctic environment and the effects of climate changes seems to be an area where it is possible to draw on the knowledge of Danish and Greenlandic scientists, who together may create a forum from which they can engage Chinese scientists. The same goes for research into the installation and use of satellites in Arctic areas and research related to the ‘Polar Silk Road’, e.g. research in identifying and developing new technology and capacity for vessels. However, all of this requires that both Copenhagen and Nuuk acknowledge the need for talking and working together to a much greater extent than is the case today. Neither Denmark nor Greenland alone is able to handle – not to mention benefit from – China’s increasing role and presence in the Arctic.

17) Ministry of Foreign Affairs of Denmark, *China-Denmark Joint Work Programme (2017-2020). Upgrading the Comprehensive Strategic Partnership to a New Level*, 3 May 2017 (<http://kina.um.dk/da/om-kina/myndighedssamarbejde/>).

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