



China as (Near-) Arctic Great Power – Drivers and Perspectives

The intensified Chinese efforts to ensure its access, interests and great power influence in the Arctic give rise to new tensions and challenges, but also new opportunities in the region. The heightened zero-sum great power rivalry dynamics between the U.S. and China present close U.S. allies such as Denmark with growing challenges in their relations with China.

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China as (Near-) Arctic Great Power – Drivers and Perspectives

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In this ThinkChina.dk Policy Brief, Camilla T. N. Sørensen provides a comprehensive analysis on China's overall strategy in the Arctic region. The examination of China's growing strategic priority of the Arctic region focuses mainly on the great power U.S.-China-Russia relations. By additionally providing the reader with a prime example of the challenge this poses for the surrounding world, namely the case of Greenland and the Kingdom of Denmark, Sørensen contextualizes the global power battle, and illustrates the potential future global affairs we might see, if this tendency continues.

Keywords: *China, foreign policy, the Arctic region, Greenland, great powers*

China as (Near-) Arctic Great Power – Drivers and Perspectives

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These years, China appears on the international scene as a more confident great power marking the end of the traditional “keep a low profile” guideline for Chinese foreign and security policy. In Washington, China is increasingly seen – and treated – as a threatening great power rival resulting in a “securitisation” of almost all dimensions of the bilateral U.S.-China relationship from student exchanges and cultural programs to trade and joint business and research projects. The heightened zero-sum great power rivalry dynamics between the U.S. and China present close U.S. allies such as Denmark with growing challenges in their relations with China. This is playing out globally, but for Denmark, the implications for Arctic politics and security are especially important and difficult to manage also due to Russia’s presence in the region and the complex – and evolving – Kingdom of Denmark constellation.

China in the Arctic in a context of intensifying great power rivalry

The U.S., Russia and China are all assigning higher strategic priority to the Arctic and strengthening their diplomatic and military presence and activates in the region. For the U.S. and Russia, it links up to the growing security tension in the surrounding regions, e.g. the North Atlantic Ocean and the Baltic Sea region. For China, it is rather a question about ensuring access to Arctic sea routes

and resources, e.g. energy, minerals and fishery, and making sure that China gets to play a role in the future Arctic governance set-up. Beijing generally assess the Arctic governance regime as preliminary with opportunities for non-Arctic great powers such as China to shape its further development and institutionalization of the future rules and regulations in the region.

The polar regions, i.e. the Arctic and the Antarctic, are together with the deep seabed and the outer space categorized as “new strategic frontiers” [*zhanlue xin jiangyu*, 战略新疆域] in Chinese strategic considerations and plans. The new strategic frontiers are areas where the great powers in the 21st century are to compete in being best and quickest in operating and extracting resources, harvesting new knowledge and developing new technologies.ⁱ The great power, who succeeds in this, stands to gain crucial strategic advantages. Beijing’s determination to ensure a frontrunner position in these new strategic frontiers links up closely with the ongoing restructuring of the Chinese economy, where Chinese-driven innovation is at the top of the agenda. This is underlined in the “Made in China 2025” strategy, which identifies key sectors or areas, e.g. robotics and artificial intelligence, in which China wants to take the lead in developing new technologies and setting the standards globally. That is, the Arctic for the Chinese leadership links up to their focus on ensuring continued growth, prosperity, and political stability and further plays into China’s broader and long-term geo-economical and geo-strategical ambitions and plans.

Beijing therefore seeks to ensure that it is the Chinese companies that most effectively seize the new opportunities opening up in the Arctic as the ice melts and take the lead in developing and mastering the necessary new technologies and knowledge e.g. for building research stations, satellite receiver stations, off-shore platforms, pipelines and deep sea ports under polar conditions. It is critical for Beijing to ensure room for such Chinese presence and activities in the Arctic in the years to come. As a non-Arctic state, Beijing knows it risks exclusion. China especially fears a situation where the conflicts and strategic mistrust between the great powers get to dominate the Arctic region. This could potentially lead to what the Chinese sometimes refer to as a “melon effect” [*tiangua xiaoying*, 甜瓜效应], where sovereignty issues come to play a stronger role and where the Arctic will be divided as a melon only between the Arctic states marginalizing and excluding non-Arctic states. Such a situation would make Chinese activities in the region more difficult. Therefore, the Chinese are seeking to lock China in both bilaterally and multilaterally.

Even though there are clear indications of China assigning stronger strategic priority to the Arctic and the Arctic is increasingly connected with highly prioritized strategic initiatives such as the “Made in China 2025” strategy and the Belt and Road Initiative (BRI), currently the region is still not at the top of the Chinese foreign and security policy agenda. Rather, issues or conflicts directly related to China near-abroad in East Asia such as Taiwan and the South China Sea take top-

priority. How the deepening great power rivalry between the U.S. and China, which primarily plays out in East Asia, will influence Chinese policies and activities in the Arctic in the years to come is difficult to predict. Many developments are likely to play in, not least the development in relations between China and the other Arctic states and here in particular Russia.

Recent years have seen a growing pragmatic understanding and cooperation between China and Russia in the Arctic in particular related to energy and infrastructure projects, e.g. the LNG-project on the Yamal Peninsula. Especially after the imposition of Western sanctions, Russia clearly looks to China for investments and technological cooperation in order to develop the Russian-Arctic and the Northern Sea Route (NSR). However, Russia does not want China to play a role in Arctic governance seeking instead to strengthen the control and privileges of the Arctic states – i.e. Russia, the U.S., Denmark (Greenland), Norway, Canada, Finland, Iceland and Sweden – in Arctic governance structures.

The so-called “Arctic exceptionalism” – i.e. the Arctic as a low-tension region, where the great powers, despite conflicts in other regions, continue to cooperate and not rely on political and military coercion and threats to solve their disagreements – seems to be ending. Arctic politics and security are increasingly intertwined with great power policy or rather great power conflicts, and this only makes it even more difficult for China as the only non-Arctic great power to ensure its access to and influence in the region. It arguably also makes it more difficult for the other

Arctic – non-great power – states to maneuver and balance the many concerns and interests.

China's great power ambitions playing out in the Arctic

Chinese President Xi Jinping talks of a new era for China as a great power presenting an increasingly confident, pro-active and risk-taking line in Chinese foreign and security policy. This also affects China's Arctic approach and policies. China's first Arctic White Paper released in late January 2018 hence states that China, due to its status, size and proximity to the Arctic, has legitimate interests in the region and therefore should 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, over flight and a series of economic activities such as resource extraction, fishery, cabling and piping.ⁱⁱ These are new tones. Previous Chinese official speeches and documents on the Arctic have taken a more modest and reluctant stance and downplayed 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 "com-

mon good" has long been prevalent, and China's President Xi Jinping already in November 2014 characterised China as a "polar great power" and directly linked Beijing's ambitions in the polar regions to China's goal of becoming a maritime great power.

The core of China's activities in the Arctic region so far has been Chinese scientific interests, where the aim is to build a solid Chinese polar research capacity especially focusing on climate changes in the Arctic, which have direct effects in Asia and China causing extreme weather patterns and are negatively affecting Chinese agriculture. However, setting up Chinese research stations etc. in the Arctic is also essential for the rollout of China's civil-military "BeiDou-2" [北斗-2] satellite navigational system, China's space science program and more accurate weather forecasting systems. These programs and systems have so-called "dual use" character – i.e. both civilian and military use – and here it is interesting to note, how the Danish Defence Intelligence Service in their most recent annual risk assessment report for the first time also notes that Beijing has military-strategic interests in the Arctic. The report hence states:

"Access to the Arctic also plays a military-strategic role for China. This is primarily due to the importance for other great powers of the use of the Arctic as an operating area for ballistic missile submarines, strategic air transport and ballistic missile attack early warning systems. So far, Chinese military activity in the region has been limited, and until a few years ago, the Arctic was not a high-

priority area for the Chinese People's Liberation Army (PLA). This has changed and the PLA is making efforts to strengthen its knowledge of the Arctic.”ⁱⁱⁱ

This is not surprising given China's great power ambitions, expanding great power reach and interests and the above-mentioned growing strategic priority that China – as well as the other great powers – assigns to the Arctic. Furthermore, Chinese President Xi Jinping has in general terms pointed to the need for better integration of Chinese civilian and military industries in order to fulfill the goal of China as a global military great power by 2050.

In recent years, the Chinese research activities in the Arctic – and in the Antarctic – have been further strengthened launching more expeditions and intensifying efforts to build research networks and cooperation. Since 2004 China has had its own research station, the Yellow River Station (*Huanghe zhan*, 黄河站), on Svalbard and has recently opened the Aurora Observatory in Iceland. Beijing has also presented plans for opening a Chinese research station in Greenland. China, like other non-Arctic states, is taking an active part in the so-called “science diplomacy” in the region using their research activities to legitimize and strengthen their overall growing presence and influence in the region.

In the January 2018 Arctic White Paper, Beijing gives a series of promises of Chinese contributions to the Arctic especially within research also guaranteeing “win-win” cooperation that will benefit all those involved.

This concerns Chinese contributions to the exploration and extraction of the energy and mineral resources that the Arctic holds hereby helping to secure and diversify China's own supply, but it also includes China's contributions to the development of the Arctic sea routes. In June 2017, Beijing officially declared the Arctic sea routes as part of the Belt and Road Initiative (BRI).^{iv} Since then – and most clearly in the Arctic White Paper – Beijing has encouraged Chinese companies and banks to establish cooperation with the Arctic states and stakeholders within the maritime area and to participate in the construction of infrastructure linked to the “Polar Silk Road.” 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.

The key focus behind China's enhanced diplomatic and economic activities in the region is to establish strong and comprehensive relationships with all the Arctic states and stakeholders and gradually increase China's presence and influence in Arctic governance institutions. If all Arctic stakeholders are tied to China through “win-win” agreements on research, resource extraction, infrastructure development etc., China is better positioned to manage unforeseen developments and future attempts to marginalise China in the Arctic. Such reasoning has undoubtedly been central to China's decision to restore the frozen diplomatic relations with Norway in December 2016 after six years. As indicated above, Beijing uses an expanding range of diplomatic tools applied on multiple levels. It

is still done in a careful way in order to avoid generate fear of an assertive China – the “China threat fear” – instead seeking to build trust. As stressed above, this is getting increasingly difficult as great power rivalry, specially the deepened great power tension between the U.S. and China, tightens the grip on Arctic politics and security.

Great power China enters the Kingdom of Denmark

In line with Beijing’s more confident Arctic diplomacy, a careful Chinese diplomatic offensive in Greenland has been undergoing in recent years simultaneous with intensified Chinese efforts to launch various activities on the island, e.g. the establishment of a Chinese research station, a Chinese satellite receiver station and most recently the potential involvement of the Chinese state-owned construction company, China Communication Construction Company Ltd., in the construction of airports in Greenland. The Chinese involvement in the Greenlandic mineral sector has also gained new momentum recently with both the Citronen Fjord zinc project in Northern Greenland and the Kvanefjeld (*Kuannersuit*) Rare Earth Element (REE)-uranium project in Southern Greenland moving ahead. It is in both projects large Chinese state-owned companies that are committed.

China is still cautious and wary of being dragged into the complex relationship between Denmark and Greenland and therefore continues to seek out support in Copenhagen for Chinese activities in Greenland. Nevertheless, there are indications that China assigns establishment of direct relations with the Greenlandic government and

Chinese presence in Greenland an increasingly important role and is willing to take more risks in order to achieve this. However, there are no indications that Greenland is given an extra strong or special importance in China’s Arctic strategy compared to China’s interests and activities in relation to other Arctic states and stakeholders. The point is that Greenland is in the Arctic and Beijing’s central priority is to establish strong and comprehensive relationships with *all* the Arctic states and stakeholders. It does not want to leave Greenland out especially because of the uncertainties about the future status of the island. Greenland, however, is different due to the Kingdom of Denmark constellation that even without China is under pressure and due to the U.S. security interests and military presence in Greenland and the close strategic alliance between Denmark and the U.S.

What is causing problems and challenges is that there are different expectations, assessments and concerns evolving both internally in Greenland and Denmark and in relations between them regarding the increasingly confident, proactive and sophisticated Chinese diplomacy in the Arctic and specifically the growing Chinese interests and activities in Greenland. The Greenlandic side highlights Chinese partners and companies as prospective partners and investors having the necessary financial resources and the relevant skills and experiences. The Danish side acknowledges the potential benefits for Denmark in supporting a Chinese role in the Arctic region, including in Greenland, and in engaging China on Arctic issues. However, there are concerns in Copenhagen about whether Nuuk is capable of dealing with

large-scale Chinese investments and the potential risks that follow from such investments. These risks include an increased Chinese presence in Greenland and the political interests and pressures that may follow from such presence. The Danish Defence Intelligence Service in their most recent annual risk assessment report hence notes:

“As a result of the inter-connection between Chinese companies and China’s political system, there are certain risks related to large-scale Chinese investments in Greenland due to the effect that such investments would have on an economy the size of Greenland’s. In addition, the risk of potential political interference and pressure increases when investments in strategic resources are involved.”

The tensions and disagreements between Copenhagen and Nuuk often circle around the question of where to take decisions, e.g. on resource or infrastructure development in Greenland. Is it purely a matter for the Greenlandic government or does Copenhagen have a say? The ongoing case regarding the potential involvement of the Chinese state-owned construction company, China Communication Construction Company Ltd., in the construction and expansion of the airports in Nuuk, Ilulissat and Southern Greenland – the most expensive infrastructure project in Greenland’s history – have given cause to such disagreement between Copenhagen and Nuuk. It seems, however, to be a high priority for the Danish Prime Minister, Lars Løkke Rasmussen, to turn such a development around and he seems to have been able to reach an understanding and a com-

mon risk assessment with the Greenlandic premier Kim Kielsen. In mid-September 2018, Løkke Rasmussen during a visit to Nuuk presented a plan for how Denmark will invest 700 million Danish kroner in the airport project and provide credit worth 450 million Danish kroner as well as state guarantee for another 450 million Danish kroner from the Nordic Investment Bank. The importance of this agreement and promises remains to be seen. It will not keep the Chinese out or away from Greenland, and the agreement will be put to a tough test as the airport project moves forward. To complicate matters further, the U.S. Embassy in Copenhagen a few days after Løkke Rasmussen’s visit in Nuuk, released a statement notifying that the U.S. Department of Defense *“intends to analyse and, where appropriate, strategically invest in projects related to the airport infrastructure in Greenland”*. What precisely lies behind the U.S. statement – concerns about Russia’s strengthened military presence in the Arctic and the following increasing vulnerability of the U.S. military in the region, e.g. at the Thule Air base, or concerns about the implications of China’s intensifying Arctic diplomacy and growing presence in the region for U.S. security interests and alliances – is difficult to say. It might be both and a further sign of how the intensifying great power rivalry plays into the Arctic.

¹ E.g. Xinhua, “Guojia anquan fa cao'an ni zengjia taikong deng xinxing lingyu de anquan weihu renwu” [The draft national security law will increase security in space and other new areas, 国家安全法草案拟增加

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ⁱⁱ The State Council Information Office of the People's Republic of China, *China's Arctic Policy*, 26 January 2018

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ⁱⁱⁱ Danish Defence Intelligence Service, *Intelligence Risk Assessment 2018*, Copenhagen, December 2018, p. 38

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^{iv} National Development and Reform Commission and State Oceanic Administration, *Full Text: Vision for Maritime Cooperation under the Belt and Road Initiative*, 20 June 2017

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^v Danish Defence Intelligence Service, *Intelligence Risk Assessment 2018*, Copenhagen, December 2018, p. 38

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Further reading

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