

# The Arctic

## How Asia Has Joined the Race for Influence in the Frozen North

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# China Wants to be Heard on Arctic Issues

## By Linda Jakobson

In Focus: The Arctic

China has staked its claim to be included in important Arctic discussions. As the polar cap melts, the impact on China's ecosystem and economy could be significant and, as a result, the country has woken up to this new geopolitical challenge.

Linda Jakobson writes that the Arctic is not yet a major priority for China, but that interest and engagement will continue to rise.

IF ONE HAD TO PINPOINT a single event that triggered geopolitical interest in the Arctic among Chinese strategic thinkers it would be the decision in 2007 by Russia to deploy a nuclear submarine to the North Pole and plant a Russian flag on the seabed. Before that, only a handful of Chinese researchers outside the natural sciences and environmental studies fields paid much attention to the Arctic.

Since 2007, the number of Chinese social scientists focusing on various aspects of the Arctic has risen rapidly. Today, there are dozens of Chinese scholars who scrutinize geopolitics, international law, logistics, shipping, resource security and governance challenges in relation to the Arctic.

Government officials are also increasingly aware of the need to prepare China for the day when the Arctic will be accessible, at least during the summer months. China lobbied hard to be accepted as a permanent observer in the Arctic Council; after the council ministers approved the application, along with five other states, in May 2013, China's official news agency praised the decision, saying it would enable China to join international Arctic collaboration efforts more effectively.<sup>1</sup>

A mainstream view among scientists worldwide is that by 2050 large areas of the Arctic will be ice-free during summer months. This environmental transformation is expected to have an effect on regional and global trade as well as resource extraction. While China is not an Arctic littoral state, the melting of Arctic sea ice will undoubtedly also have a profound impact on China.

Especially over the past five years, the Chi-

<sup>1</sup> "China granted observer status in Arctic Council," Xinhua, May 15, 2013.

<sup>2</sup> A.-M. Brady, 'Polar stakes: China's polar activities as a benchmark for intentions', *China Brief*, Vol. 12, No. 14 (19 July 2012).

nese government has taken steps to protect what it perceives as its key interests in the Arctic. These are, first, to strengthen China's capacity to respond appropriately to the effect that climate change in the Arctic will have on food production and extreme weather in China; second, to secure access to Arctic shipping routes at a reasonable cost for Chinese shipping companies; and third, to strengthen China's ability to access Arctic resources and fishing waters.

Thus far, Beijing's efforts have been aimed primarily at increasing knowledge among Chinese specialists about every aspect of the Arctic, both within the natural sciences and the social sciences. New Arctic departments in Chinese universities have sprung up, as have new units within research institutions. Chinese scientists are already among the world's most advanced when it comes to polar research. It is noteworthy, however, that the Antarctic has been the main focus of China's polar research. This emphasis is expected to continue. Only about one fifth of the government's polar resources are devoted to Arctic expeditions.<sup>2</sup> In November 2013, the polar research icebreaker *Snow Dragon* embarked on China's 30<sup>th</sup> Antarctic expedition. China has undertaken only five expeditions to the Arctic.

In addition to the allocation of more government funding for Arctic research, in 2009, the State Council approved a preliminary \$300 million budget to construct a new polar icebreaker. When the new vessel becomes operational in 2014, it will complement the existing 163-meter long *Snow Dragon*, the world's largest non-nuclear polar icebreaker with a displacement of 21,000 tonnes. The new icebreaker, which a Finnish company was contracted to co-design, will be smaller, at 8,000 tonnes, but will also be more nimble. Furthermore, it will enable China to simultaneously undertake Arctic and Antarctic expeditions, if it chooses to do so.

### ECONOMIC GROWTH AND POLITICAL STABILITY

The overriding motive behind China's desire to understand the implications of a melting Arctic and strengthen its influence in Arctic affairs relates to economic growth. Chinese officials want to know how their country can benefit from the economic opportunities brought by a warmer Arctic and also how a warming Arctic may adversely affect their economy.

Sailing from Shanghai to Rotterdam via the Northern Sea Route through the Arctic, for example, is 6,100 nautical miles (11,300 kilometers) shorter than going via the Malacca Strait and the Suez Canal. Though hazardous icebergs (even during the summer) will require cargo ships to maintain a slow speed and insurance premiums will be high, the Arctic route could trim off about a week's sailing time and save an estimated \$600,000 per vessel per trip. Obviously, if Russia, whose territorial waters the Northern Sea Route traverses, were to impose high tariffs for the use of icebreaker and other essential support services, the route would be less commercially viable. It is precisely this type of consideration that is pushing China to be more active politically in international Arctic affairs.

In analysing Chinese government policies, it is useful to bear in mind that the foremost goal of the Communist Party of China — one that it openly states — is to maintain political stability; this means keeping the party in power and the socialist system intact. In turn, economic growth and development are identified as the foundation of political stability.

Climate change has the potential to create social tensions. For example, there is a consensus among Chinese scientists that the climate changes in the Arctic will influence China's climate, ecosystem and, consequently, its agricul-

ture. In addition, rising sea levels pose a threat to Chinese coastal cities and low-lying areas and is regarded as one of the causes of extreme weather. Ma Deyi, chief scientist on China's Arctic expedition in 2012, has said publicly that research shows that a record increase in melting ice in September 2007 caused an unusually harsh winter storm in southern China in early 2008. Scores of people died and hundreds of thousands of passengers were stranded following a breakdown in the railway network during the busy Spring Festival travel period. The authorities were able to avert a major crisis, though there were isolated protests. This kind of storm has the potential to cause social unrest if Chinese authorities are perceived as incapable of effectively managing rescue efforts and other operations.

#### IS CHINA BECOMING ASSERTIVE IN THE ARCTIC?

An underlying, but not publicly stated motive behind China's increasing Arctic activities is undoubtedly its desire to exert influence as a rising major power. However, media reports that describe China's Arctic actions as "assertive" should be read with caution — in reality, China's Arctic policies are still a work in progress. The region is not presently a priority of foreign policy officials.

If the Arctic were a priority for China, it would not have upheld punitive measures against Norway, a leading Arctic state, for more than three years. The Chinese Government continues to shun Norway diplomatically to express its displeasure at the award of the 2010 Nobel Peace Prize to the imprisoned dissident Liu Xiaobo. 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

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Beijing amid enthusiastic declarations of future Chinese-Norwegian Arctic co-operation. But when faced with the choice of Arctic co-operation or opposition to perceived meddling in its internal affairs, as the Nobel Peace Prize Committee's decision was seen by the Chinese leadership, Beijing chose the latter. Regime stability trumps everything else.

To date, China has not published an Arctic strategy nor is it expected to do so within the next decade. The Arctic is simply not sufficiently high on the agenda of senior officials. Nevertheless, China wants to make its voice heard in regional discussions on future Arctic governance.

According to mainstream thinking among

<sup>3</sup> L. Jakobson and J. Peng, *China's Arctic Aspirations*, SIPRI Policy Paper 34/2012, p.18.

<sup>4</sup> "Arctic Council observer status guarantees China's legitimate rights," *Xinhua Insight*, May 16, 2013.

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 ecosystem, agriculture and economic development. Moreover, China claims the right to explore the area of the Arctic Ocean that is in international waters, based on the United Nations Convention on the Law of the Sea (UNCLOS), to which China is a signatory.

Chinese scholars have started to refer to China as a "near-Arctic state" and "Arctic stakeholder." It is evident that they want to create the perception that China has legitimate rights in the Arctic. Their goal is to ensure that others do not trample on what China perceives as the rights of non-Arctic states. For this reason, Chinese officials and scholars alike emphasize that the Arctic belongs to all of humankind.

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 Arctic littoral states. For China, the provisions of UNCLOS constitute the legal basis for China's activities in the Arctic. Hence, China acknowledges that, because it does not border the Arctic Ocean, it does not have sovereign rights in the region. However, China could conceivably garner support among non-Arctic states to oppose the claims of littoral states seeking to substantially expand their continental shelves. Chinese Arctic scholar 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." Another scholar, Gui Jing, states that "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."<sup>3</sup>

#### THE RIGHTS OF NON-ARCTIC STATES

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. This was presumably the driving force behind China's insistence that it be accepted into the Arctic Council as a permanent observer.

Qu Xing, who heads the Foreign Ministry-affiliated China Institute for International Studies, has said that being granted observer status shows that China's activities and opinions about the region have been recognized by all member states. China's official news agency Xinhua went further and stated: "Even without the power to vote, the Arctic Council's latest decision to grant observer status to China can guarantee the country's legitimate rights and activities in the region."<sup>4</sup>

As a non-Arctic state, China must rely on diplomatic co-operation and the positive impact of scientific engagement and investment to promote its interests in the Arctic. In the long term, China will presumably pursue joint exploration projects in order to access Arctic resources. In the short term, ensuring access for Chinese vessels to Arctic shipping routes will be a priority simply because the melting ice will permit regular passage sooner than resource exploration and extraction. This means that China will be dogmatic in emphasizing the rights of non-Arctic states when issues such as search and rescue requirements, environmental standards and ice-breaker service fees are decided.

**Linda Jakobson is East Asia Program Director at the Lowy Institute for International Policy. She is the author of several publications about Northeast Asia and the Arctic, notably *China's Arctic Aspirations* (SIPRI Policy Paper 34/2012).**