



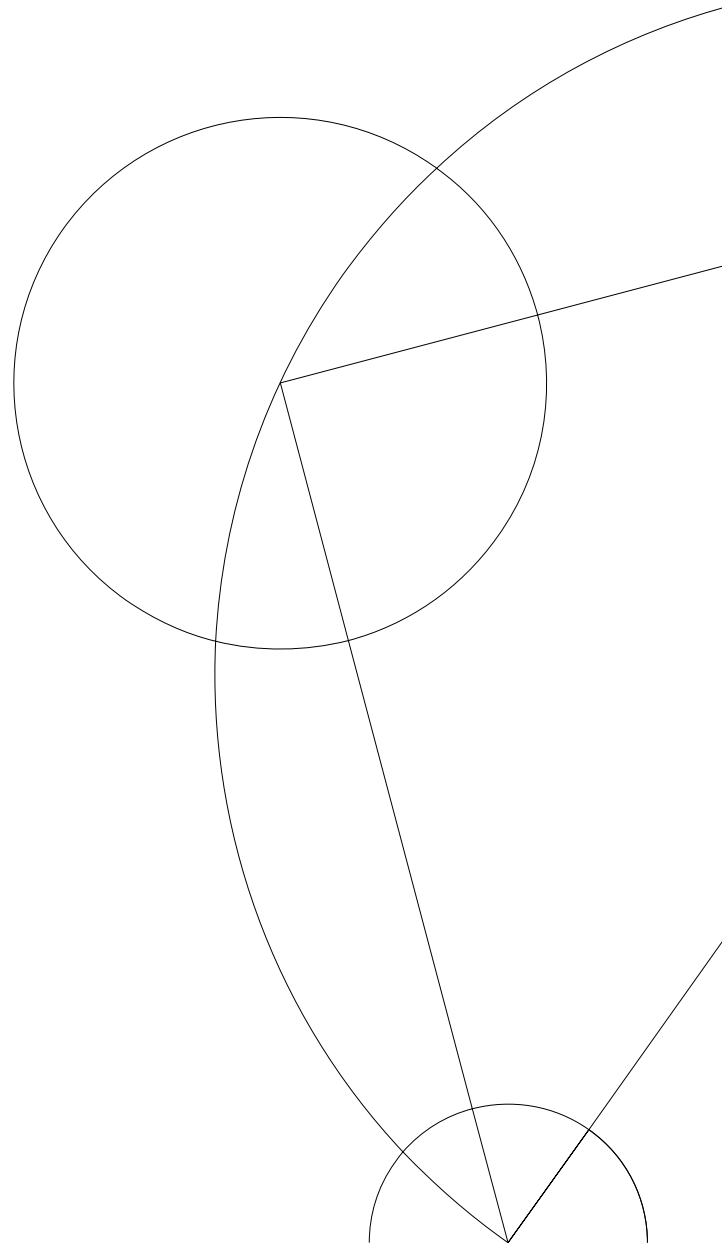
# Conference Report: China's Arctic aspirations

Centre for Military Studies

Nordic Institute of Asian Studies

ThinkChina.dk

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This report accounts for a mini-conference on China's aspirations in the Arctic region that ThinkChina.dk organized in collaboration with the Centre for Military Studies at the University of Copenhagen and NIAS, Nordic Institute of Asian Studies, on April 17, 2013.

The conference featured as its keynote speaker Dr. Linda Jakobson, the East Asia Programme Director of Lowy Institute for International Policy in Australia, and a leading scholar on Chinese foreign- and security policy. Linda recently published a report for SIPRI, the Stockholm International Peace Research Institute, which served as a point of departure for the conference. The report can be purchased as a hard copy or downloaded for free here:

[http://books.sipri.org/product\\_info?c\\_product\\_id=449](http://books.sipri.org/product_info?c_product_id=449)

The second half of the conference featured the following seven panelists, who gave brief presentations with different perspectives on China's relations with the Arctic region, followed by a plenary debate:

- Dr. Uffe Jakobsen, associate professor, Department of Political Science, University of Copenhagen, former Vice President of the University of Greenland
- Martin Breum, journalist, author of books on Greenland's role and position in the Arctic area
- Dr. Aki Tonami, researcher, Nordic Institute of Asian Studies
- Kasandra Behrndt-Eriksen, ph.d-researcher, University of Copenhagen
- Dr. Rasmus Gjedssø Bertelsen, ph.d., postdoc, Aalborg University
- Dr. Damien Degeorges, ph.d., founder, Arctic Policy and Economic Forum
- Dr. Kristian Sjøby Kristensen, senior researcher, Centre for Military Studies, University of Copenhagen

Hosting the conference was Professor Bertel Heurlin, co-coordinator of ThinkChina.dk.

A recording of parts 1 and 3 of the conference may be accessed here:

<https://soundcloud.com/thinkchina-dk/conference-recording-chinas>

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# 1. Opening and Linda Jakobson's presentation

Professor Bertel Heurlin welcomed Linda Jakobson, the panelists and the audience. He referred to what he called the second rise of the Arctic area, the first having taken place during the Cold War when the area was of fundamental strategic importance in the East-West conflict: militarized, as it was over the Arctic that the possible exchange of hyper-deadly missiles would take place. Two decades later, we are experiencing the second rise: melting ice, rising powers, rising demands for raw materials, a rising debate on what are public goods, global commons, and how to cope with the concept of sovereignty. Along with the second rise, we are seeing new global conditions that are positioning the Arctic in a world order characterized by trends that are different from other historical eras that were conflict ridden due to hunger for resources. The 21st century displays – despite financial and economic crises – a more prosperous world, a more secure world without state-to-state wars, a more even world, developing countries transforming into developed countries, and finally a more regulated, integrated and interdependent world. We have to assess the Arctic Area in these new dimensions, unprecedented in history – dimensions favorable to China.

Linda Jakobson introduced the theme by emphasizing that the talk about Chinese aspirations in the Arctic area suffers from an unnecessary hype. Many people see the Chinese Arctic policy as assertive. It certainly is more active, but without signs of any "assertiveness." Such assertiveness may come to be the case in the future, and then the circumstances would be quite different. At present, however, the Arctic area is at a nascent stage in Chinese policy. There exists – as is the case for many other states – no Chinese Arctic strategy. Officials have stated, though, that this probably will not remain the case throughout their lifetimes. Linda Jakobson estimated that it could happen in 10-15 years. The Chinese Arctic policy is an ad hoc policy. We see a low-key approach looking into the future. China does not have the Arctic as a priority.

## 1.1 Why is China interested?

To China, there are three reasons for interest in the Arctic, and its policies in the region have developed stepwise in the last 4-5 years. First is climate change, the environmental problems causing extreme weather, which also affects food security – the capability to feed the population. This could indirectly threaten the government and its legitimacy. The melting ice is a challenge. The second objective is to ensure acceptance of access to shipping routes as part of Chinese

economic development. Foreign trade access is important, as is reducing the length of the shipping routes to Europe. A comprehensive shorter Shanghai-Rotterdam route is certainly lucrative. In 2012, a new Chinese icebreaker tested the route. The third reason involves resources – raw materials as well as fishing grounds. It is Chinese policy to recognize the sovereignty of the littoral states.

All in all Linda Jakobson underscored that the Arctic case has to do with co-development. China is not going alone, but as part of joint projects. And again: To China, sovereignty is a fundamental issue. China will not challenge the sovereignty of other states in the Arctic. China emphasizes that it is a sovereign state — not a post-modern unit like the EU.

So, China is considering itself as an outsider, but it also aims at being part of the discussion of the Arctic issue.

As concerns the Arctic Council, China for a longer time has been lobbying for permanent observer status, meaning an upgrade from its present status as ad hoc observer. The main difference is that as a permanent observer you have the right to participate in all meetings, including in working groups and committees and research-oriented activities (yet without voting rights). As a permanent observer, you don't need a specific invitation.

The conclusion is that 1) China is a rising power; its starting point is that it has the right to participate in discussions of Arctic development; 2) it certainly has legitimate interests in Arctic developments, is concerned about the future, and is expecting that some will want China to be involved, to invite China to active participation. Finally, 3), Chinese aspirations in the Arctic have to do with a long-term operation which in the long run could get China closer to decision-making. Generally, China wants to be accepted as partaking in developments in the Arctic, also due to the fact that the Arctic will change considerably in the coming years.

What has changed in recent years? China has rather long experience with Arctic research, but today, social science in an Arctic perspective is also included. This began in earnest some five years ago. At the time, China had very few social scientists dealing with Arctic issues. Now, we can count at least 70-80 specialists dealing with politics, maritime rights, economics and infrastructure.

Some assertive voices among Chinese Arctic scholars refer to the idea that China's vision should be a “near-Arctic state” or “an Arctic stakeholder.” This is a way to gradually tell the people of the world that China has a voice, that China is concerned, and that it has the right to take care of e.g. climate change in the Arctic. China is of the opinion that there is a rightful place for China in the Arctic order —placing an emphasis on global, not regional, rights.

China is concerned about upholding the status of international waters, as it is stated in the United Nations Convention on the Law of the Sea (UNCLOS), which refers to them as “the treasure of mankind.” China is concerned that the Arctic's international waters could “shrink to next to nothing.” That also goes for the possibility of shrinking fishing waters. China adheres to international law but is interested in taking part in developments in the future, also due to the fact that UNCLOS cannot find solutions for everything.

Why is China worried, and why the issue of resources? Beijing’s renewed interest in the Arctic was catalyzed by the planting of a Russian flag on the seabed close to the North Pole back in 2007. In reaction, assertive voices were raised in China; but now they have disappeared or been toned down, as the government made efforts to dampen nationalist rhetoric. The situation now is that China, although obviously dependent on outside resources, avoids talking about it. China seems to be addressing the global public without making resources the issue.

Linda Jakobson further emphasized that most of the Chinese money for general Arctic research — around four fifths — is bound for Antarctica and not for the North Pole. And the Antarctic research is about hard science: again, the Arctic is not prioritized.

Referring to sovereignty as the main issue, China therefore will emphasize global rights, conveying its long-term interests and demonstrating a hope of being invited to invest financially and production-wise in the Arctic.

## **1.2 How to assess the bigger picture?**

In the last few years, the Scandinavian countries have experienced many high-level visits from China. They reflect no doubt the Chinese search for global outreach and the interest for technology attached to Arctic conditions.

The interests in the Arctic have to be analyzed according to the core interests of China. They are, according to the Chinese government, the following:

First, the survival of the regime; second, sovereignty and territorial integrity; and third, economic development. The Arctic belongs to the third category.

This is clearly demonstrated in the Norwegian case. Up to 2010, when the Nobel Peace Prize was awarded to a Chinese dissident, a huge blow to the Chinese regime, relations between the two countries were more than excellent. Close relations existed and were constantly developed, not least on Arctic issues. Norway has extensive knowledge and experience in Arctic technology. China has a scientific base at Svalbard. Two months earlier, the Norwegian Foreign Minister visited China, and the main theme was the Arctic. All the Chinese media reported about the Arctic issue. After what the Chinese interpreted as the Nobel Peace Prize scandal, all cooperation stopped immediately. Almost all diplomatic relations were cut off. A thaw is now slowly taking place. But for two-and-a-half years, Norway was out in the cold.

The reason was that core interest number one was under attack. Attempts to “remove the Chinese regime” were in Beijing's eyes "accepted by Norway." So, Arctic issues and politics were sacrificed. This is a manifestation that the Arctic is part of Chinese foreign policy, but its priority is certainly not at the highest level. The Arctic belongs to the economic development realm. The Arctic has not risen to a place of high importance for the Chinese government.



## 2. Panel presentations

The second part of the conference featured five-minute presentations by each of the seven panelists on various topics pertaining to China and the Arctic.

### 2.1 Kristian Sjøby Kristensen

Kristian Sjøby Kristensen's presentation is relayed in the below script:

#### **Debating the Fears of the Future: China and the Arctic**

What will happen as the Arctic ice continues to recede? What will happen as China continues to grow? We do not know, but we know that in answers to both questions a massive potential for change exists. Global and regional geopolitics and balances of power will change. And change is always dangerous in international relations.

This fear of future change is reflected in much public and political discourse about China, about the Arctic, and not least about China in the Arctic. The combination of the unknown future of China with the unknown future of the Arctic makes China in the Arctic double dangerous, making very dystopian prophecies of the future, if not likely, then possible.

China is, on the one hand, by its sheer size dangerous. It has overwhelming human, intellectual and financial resources to apply to any given subject considered important – for instance the Arctic. These resources easily translate into political power. Further, China is changing as its global position is changing. It is difficult, therefore, to know what kind of power, what kind of actor, China will be in the future. How will 'China's rise' affect the society of states, its conventions and rules, and what kind of global power will China become? Even Chinese decision makers seem sometimes to worry about how China will employ its increasing powers. Finally the Chinese political decision-making process seem opaque to many, and its mixed state-governed capitalist economy makes it difficult to see where public political interest end and private economic interests begin. This makes it easy to interpret what could be solely economic actions as means to larger long-term political ends.

This dangerous picture of what China might become and how China might act feed into visions of Arctic futures. The Arctic region is undergoing genuine geographical change. This change will inevitably have geopolitical consequences. Global interest in the Arctic is high as it promises economic gains both in terms of new natural resources and new avenues for global trade. These economic promises come, however, with new potential political dependencies. The Arctic is often imagined as a fragile and virgin region, ‘ripe for the taking’ by outside major powers or global economic interests (Chinese or not). Outside interest and investment, it is imagined, will bring with it outside political power and domination. Building on African lessons it is feared that the natural resources of the region will not be an economic blessing, but a social, political and ecological curse, destroying cultural cohesion, traditional livelihoods and lead to corruption and political mismanagement. The very same outside political and economic interests might, it is sometimes argued, clash. The rush for Arctic resources might increase tension between global major powers (among them China) in the region, leading to conflict – even to the use of force. This would, of course, significantly change regional dynamics and lead to a marginalization of regional indigenous interests.

These fears mix and feed into each other. General fears about ‘China’s rise’ are actualized in the potential future of the Arctic, and the other way around, generalized fears about the Arctic are actualized in what China may become. From a policy perspective two issues emerge from this. First, although this political discourse is about how the future might become, and thus is more a prophecy than reality, the fears of the future are real. And they can have real effects in the present. The task, accordingly, is to make sure these prophecies do not become self-fulfilling prophecies. Secondly, in developing policy, it is important to focus not only on how to manage diverse political and economic interests as the Arctic develops. It is also important to focus on how to manage popular and political fears.

## **2.2 Uffe Jakobsen**

Uffe Jakobsen’s presentation is relayed in the following:

More thorough analysis and outreach on facts about Chinese activities in the Arctic are highly needed, not least in view of the almost alarmist response in Danish political debate to the prospects of growing Chinese interest in the Arctic in general and especially in Greenland. Recently, a Chinese Foreign Ministry spokesperson found reasons to tell the press that reports on China’s

involvement in Greenland has gone “way beyond truth” concerning Chinese investment in extractive industries in Greenland.

In Greenland, big scale mining in need of foreign investments are not only seen as a possibility for obtaining economic growth and the maintenance of welfare systems in Greenland, but also as one of the few possibilities for obtaining a sustainable economy, which is a prerequisite for obtaining political independence that is the promise on the Self-Government Act adopted in 2009 by the Greenlandic and the Danish parliaments after a Greenlandic referendum in which about 75 percent of the voters voted yes.

This could, of course, cause alarm in Denmark, and raise questions concerning whether Denmark, eventually, will lose the current arrangement with Greenland as part of the Danish community of the realm - if Greenland decides for independence. So, the issue of China’s Arctic aspiration in the Danish political debate is clearly intertwined with the issue of the future of the Danish-Greenlandic relationship. However, some of the contributions in the ongoing debate on Chinese investments in Greenland are rather of a rhetorical move, speech acts of securitisation, than proper representations of the actual issue. The negotiations between a multinational private mining company and the China Development Bank on financing a large-scale iron mine in Greenland are presented in the Danish debate as a strategic act by the Chinese Government to secure a stronghold in the Arctic in order to pursue Chinese geopolitical interests. Again, more research is needed before conclusions can be drawn.

It is worthwhile to consider the paradox that the case of Chinese-Greenlandic relations reveals. On the one hand, Denmark is generally speaking a trade-oriented country and is also open to Chinese investments in Denmark that typically are seen as “win-win cooperation” between the two countries. On the other hand, the concern about impacts of Chinese investments in Greenland unwarrantedly blocks for further development of cooperation with Chinese actors. By securitising the potential Chinese investments in an iron mine in Greenland, Danish politicians are trying to gain access to the decision-making power in the policy area of raw materials that otherwise is part of the prerogatives of the Greenlandic Government. In this perspective, there seems to be a long and bumpy road ahead for Greenland to realise its political aspirations with or without using Chinese investments for that purpose.

## **2.3 Damien Degeorges**

Damien Degeorges emphasized that China's interest in the Arctic, in addition to polar research, is currently about two main territories: Iceland, for reasons of shipping, and Greenland, for its natural resources.

He further emphasized that China's interest in Greenland is not as new as is sometimes held. For example, Greenlandic Premier Hans Enoksen visited China back in 2005. Degeorges also mentioned the 2011 visit of Greenland's Minister for Industry and Natural Resources Ove Karl Berthelsen, who was received by then-Vice Premier Li Keqiang, who is now Premier.

He underlined that China's interests in Greenland should neither be overestimated nor underestimated. The challenge regarding Greenland, which has everything to attract everyone, is that the territory is in a state-building process. It is critical that Greenland gets a solid economy if it becomes independent, in order to avoid foreign economic assistance.

China's growing consumption of coal is a major issue for the future of the Arctic. Greenland's icecap, Degeorges explained, is an important tool to include China into further international cooperation on polar / climate research.

## **2.4 Aki Tonami**

Aki Tonami explained that China isn't the only Asian state with an interest in the Arctic region. So do a number of other Asian countries, including Japan, South Korea, and Singapore.

Tonami explained the background of the Arctic policy of Japan and Singapore based on her previously published articles, which may be accessed in full text with the below links:

Tonami, A., & Watters, S. (2012). Japan's Arctic Policy: The Sum of Many Parts. In L. Heinen (Ed.), *Arctic Yearbook 2012* (pp. 93-103). Akureyri, Iceland: Northern Research Forum. (link: [http://www.arcticyearbook.com/images/Articles\\_2012/Tonami\\_and\\_Watters.pdf](http://www.arcticyearbook.com/images/Articles_2012/Tonami_and_Watters.pdf))

Watters, S., & Tonami, A. (2012). Singapore: An Emerging Arctic Actor. In L. Heininen (Ed.), *Arctic Yearbook 2012* (pp. 105-114). Akureyri, Iceland: Northern Research Forum.

(link: [http://www.arcticyearbook.com/images/Articles\\_2012/Tonami\\_and\\_Watters\\_Singapore.pdf](http://www.arcticyearbook.com/images/Articles_2012/Tonami_and_Watters_Singapore.pdf))

## **2.5 Rasmus Gjedssø Bertelsen**

Rasmus Gjedssø Bertelsen related various aspects of China's Arctic aspirations to the main theoretical branches of international relations:

- Power transition (realism)
  - the rise of China as a global power
- Liberalism
  - the importance of sub-state actors
- Institutionalism
  - the importance of the Law of the Sea
- Constructivism
  - the importance of discourse on the Arctic
- Transnationalism
  - the importance of science
- Foreign policy analysis
  - Foreign policy making in China

Gjedssø Bertelsen emphasized the crucial importance of natural science research in China's Arctic interests. In this regard, the cryosphere, or world of ice, is central to the research: the "third pole" — the ice-covered Himalayas — connects China to the North and South Poles and to other countries in new ways.

He drew a connection between the issues confronting China and other state powers in the third pole and those at play in the Arctic: Water-issues for a large part of humanity; the connection between major powers (in the Himalayas, particularly the China-India relation); the question of indigenous peoples (both in the Arctic and the Tibetans in the Himalayas); and science and environmental diplomacy as an aspect of transnational relations.

## **2.6 Martin Breum**

Martin Breum talked about Danish perceptions of China's interests in the Arctic, particularly Greenland, and how they play into a discourse of fear, in particular due to China's non-transparent political system as a one-party authoritarian state.

## **2.7 Kasandra Behrndt-Eriksen**

Kasandra Behrndt-Eriksen related perspectives from her own research, which concerns China's pursuit of energy security and external natural resources more broadly. She contextualized China's quest for resources in regions like the Arctic in its wider energy security policy.

# **3. Panel debate**

Following the panel presentations, Linda Jakobson offered commentary on the perspectives presented, opening up for a debate between the eight presenters.

The debate, which can be listened to here <https://soundcloud.com/thinkchina-dk/conference-recording-chinas> at 59:30, will not be summarized in this report. Rather, below is an overview of some of the issues discussed:

- Authoritarian states vs. democratic states in relation to honesty and transparency
- How to deal with potential Chinese investments in Greenland from Copenhagen's point of view
- Applications to the Arctic Council, power in the Arctic Council, and the future role of the Arctic Council
- Cooperation (and non-cooperation) between China, Japan, and South Korea on Arctic matters
- The similarities and differences between a Chinese investment and a Japanese or South Korean investment
- The Greenlandic government and Greenlandic decision-making processes
- Management of fishery in the region and Iceland
- Non-state actors (indigenous organizations) and their say in the Arctic Council; indigenous peoples in the Arctic from Chinese perspectives
- The asymmetry between Greenland and China as actors