

# CHINA ALSO LOOKS TOWARDS THE ARCTIC

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## 1. Introduction

The increasing defrost in Arctic ice layer has been causing great concern among environmentalists. On the other hand, the actual possibility of decreasing the amount of ice in the Arctic opens up a set of new perspectives for the region, both for countries bordering the area and for the ones elsewhere. Within the second list, a certain state deserves particular attention: China.

Which Chinese strategic interests justify the great attention this country gives to the Arctic scene? A first answer to this question states that China, as a global major player, is virtually interested in all regions and in all kinds of matters. However, two of these issues especially draw China's attention to the region: exploitation of natural resources and the opening of new commercial maritime routes.

Nevertheless, given the particularities in Arctic's geopolitical scene, China has to practice a much cautious diplomacy in the region, and it has been doing exactly that, both on a bilateral and on a multilateral basis.

## 2. The Arctic's geopolitical scenario

Different from what occurs in Antarctica – where there is an extensive landmass – the situation in the Arctic is deeply influenced by the Arctic Ocean and a few

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closer seas. In this sense, a distinct feature of this ocean is that it resembles a semi-enclosed sea, having a small gateway with the north of the Pacific Ocean (Bering Strait) and a deeper and larger one next to the North Atlantic Ocean (Fram Strait). Because of this distinctive character some scholars refer to the Arctic Ocean as a “Polar Mediterranean”. Moreover, the permanent presence of a thin ice layer over the ocean is typical in this region (Rothwell 1996, 35-36).

In comparison with the Antarctic, the Arctic is also distinct since the former is part of an existing legal framework, as exemplified by the Antarctic Treaty System (ATS) and its legal instruments, such as the Antarctic Treaty of 1959 and the Madrid Protocol of 1991. The existence of such internationally recognized legal framework in the South Pole encouraged the proposal for establishing a similar juridical structure for the Arctic. This possibility, nonetheless, displeases some main actors in the Arctic.

The set of Arctic states can be organized according two groups: the A-5 and the A-8. The former refers to those states that have their shore pointed towards the inside of the Arctic Ocean, which are: Canada, Denmark (Greenland), the United States (Alaska), the Russian Federation and Norway. The second group of states, A-8, is composed by all those five plus Finland, Iceland and Sweden, which are located within the Arctic Circle<sup>2</sup>.

Against this territorially confined and environmentally inhospitable background, two major global actors confront each other: the United States and the Russian Federation. Great enemies during the Cold War period, the U.S. and the former U.S.S.R. neighbor each other in the Arctic region. Not even the isolation and remoteness of the Arctic were enough to keep these two superpowers from building their air-strips, radar stations and acoustic devices for detection of submarines. At the time of the Cold War, the possibility that nuclear submarines could use the route underneath the ice cap in order to pass through the Arctic to the Atlantic, brought some considerable attention to the region (Byers 2009, 59-60).

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<sup>2</sup> There are different criteria that can be used to define or to limit the Arctic. According to the geographical criteria the Arctic is formed by all land sites, submerged areas and the inner waters of the Arctic Circle (66° 33'). Other usual classifications are: the limit of the permanently frozen lands (permafrost); the extent of the pack-ice; the treeline criteria; and limit set by the isothermal line (Dupuy, Vignes 1991, 529).

During the process of political openness introduced by the soviet General Secretary Mikhail Gorbachev, the Arctic experienced the easing of tensions surrounding the region. In 1987, the launching of the Murmansk Initiative called for a wide cooperation in the region, in terms of trade, environment, culture and arms control. Later on, this Initiative lead to the idea about the Arctic Environmental Protection Strategy – AEPS and to the establishment of a new system of governance, with the creation of the Arctic Council (Numminen 2010, 86).

In the following years, influenced by the end of the Cold War, cooperation among the eight countries in the region gradually started to increase. This led to the Ottawa Declaration of September 1996, establishing the Arctic Council, a high-level intergovernmental forum whose main goal is:

[t]o provide a means for promoting cooperation, coordination and interaction among the Arctic States, with the involvement of the Arctic Indigenous communities and other Arctic inhabitants on common Arctic issues, in particular issues of sustainable development and environmental protection in the Arctic.

Some people consider that this stage of cooperation within the A-8 group was put into question when, in the 2007 North hemisphere's summer, two unmanned Russian midget submarines attached a stainless titanium flag underneath the ice cap in the North Pole, to a measured depth of 4,262 meters. This event aroused fierce political reactions, especially coming from Canada and from the United States. In the media and among scholars, the Russian action brought up renewed fears that a new “(Truly) Cold War” was about to begin. These suspicions were aggravated by the fact that, in the absence of a general international treaty on the Arctic, this region resembled an anarchic zone, subjected to the geopolitical will of the neighbor countries and other interested parts.

The lack of a comprehensive convention especially oriented to the issues of the Arctic rise two opposing statements, although they are not in conflict with each other at the moment. On the one hand, there are the non-Arctic states, which fear their interests might be jeopardized, once they are excluded from processes of negotiations and decision-making within the region. The

opening of new commercial routes, for instance, could hamper these countries' commercial benefits. On the other hand, the Arctic states do not seem very thrilled with the idea of devising a legal framework for the region. In this sense, the A-5 constitutes a subgroup within the eight countries that form the Arctic Council. Besides rejecting the necessity of a treaty, the A-5 clearly manifested its position when stating that a widely accepted legal instrument applied to the Arctic already exists, referring to the United Nations Convention on the Law of the Sea (UNCLOS).

The main reason why the A-5 group is interested in applying the UNCLOS to the Arctic is due the possibility of extending their continental shelves, which is, the seabed and the subsoil of the underwater landmasses that extend beyond the limits of the territorial sea. According to the Article 76 in the Convention, every coastal state holds the right to a continental shelf of 200 nautical miles, a limit that can be extended. In order to do so, the coastal state must provide information on the limits of the continental shelf – beyond the 200 nautical miles to a maximum of 350 nautical miles – to the Commission on the Limits of the Continental Shelf (CLCS), an organ created by UNCLOS itself. After examining the gathered information, the Commission will give “definitive and mandatory” recommendations that will serve as a basis for establishing the external limits of the continental shelf.

The Ilulissat Declaration of 2008, signed only by the countries of the A-5 group, albeit not explicitly mentioning the UNCLOS, makes clear that the international law of the sea applies satisfactorily to the Arctic Ocean. It registers that:

By virtue of their sovereignty, sovereign rights and jurisdiction in large areas of the Arctic Ocean the five coastal states are in a unique position [...] In this regard, we recall that an extensive international legal framework applies to the Arctic Ocean [...] Notably, the law of the sea provides for important rights and obligations concerning the delineation of the outer limits of the continental shelf, the protection of the marine environment, including ice-covered areas, freedom of navigation, marine scientific research, and other uses of the sea. We remain committed to this legal framework and to the orderly settlement of any possible overlapping claims. This framework provides a solid foundation for responsible

management by the five coastal states and other users of this Ocean through national implementation and application of relevant provisions. We therefore see no need to develop a new comprehensive international legal regime to govern the Arctic Ocean.

One must regard that the Russian-led event was not sufficient to create animosities among the other members of A-5. The action happened in the midst of *Arktika 2007* expedition and served the purpose of collecting more data that could be used to better support the Russian proposal for an extended continental shelf in the Arctic. The media reaction did not follow the political unfolding in the Arctic scene, which has been of great cooperation among countries of the North Pole. Another example demonstrating the positive relations among countries of the Arctic region was the signature of an agreement between the Russian Federation and Norway in September 2010 about marine limits and cooperation in the Barents Sea and in the Arctic Ocean. The agreement between these two countries brought an end to four decades of negotiations over the matter.

Yet, this cooperation and seemingly harmony among countries of the region reinforces the concerns of non-Arctic states over the creation of an “exclusive club” for the Arctic countries, which could solely decide upon the course of the region. In this regard, China's position is disadvantageous, once this country does not feature a coastline facing the Arctic Ocean, nor is located within the boundaries of the Arctic Circle, and neither could it be placed within any other criteria used to determine the region. This situation seems to have compelled the Chinese to a kind of “geographical stretching”, in which they refer China as a “near Arctic State” and assign themselves “stakeholders” in the region (SIPRI 2012).

The growing interest of the Chinese government in the North Pole is mainly justified by the necessity of researching the consequences that climate change brings to the Arctic region. The air stream coming from the Arctic seems to be one of the main causes behind the severe climate impacts China has experienced in the last few years. Thus, the climate effects with origin in the Arctic are a cause of great economic and social worry for China's development and security (Alexeeva and Lasserre 2012, 83).

Besides these factors there are, at least, two other reasons that justify a careful look from China over the Arctic: exploitation of natural resources and the opening of new commercial maritime routes.

### 3. Exploitation of natural resources

Scientists might disagree over the causes of global warming, but it is undeniable that the rising temperatures have accelerated the defrosting process on the Arctic. Some people guess that during the summer of 2040 there will be virtually no ice in the North Pole, and that the warming up of the Arctic has already past crossed the point of no return. This way, exploitation of oil, natural gas and other reserves in the region starts to become technically and economically viable, shifting from simple work of fiction to become a close reality (Rajabov 2009, 420-428).

According to estimates of the U.S. Geological Survey (2008) the amount of uncovered oil and natural gas in the Arctic could reach the level of 90 billion barrels of oil, 1,669 trillion cubic feet of natural gas and 44 billion liquid barrels of natural gas, wherein 84% are found in oceanic zones. The totality of this supply could account for up to 30% of the world unknown natural gas reserves, or even 13% in the case of oil. Besides oil and gas, another important economic feature present in the Arctic is the extraction of ores, such as nickel, copper, tungsten, zinc, gold, silver, manganese and titanium.

For China, which is a major importer of oil, the opening of a new and promising energy scenario in the Arctic is very attractive. Since 1993, when China became a net importer of oil, its dependency on foreign market suppliers highly increased. It is estimated that Chinese consumption of oil nears ten million barrels a day, half of it being imported, while future projections outline an even sharper scenario. According to the latest report from the International Energy Agency (IEA), by 2020 China will have become the premier oil importer in the entire world, surpassing the United States and becoming the main consumer of this natural resource in 2030 (IEA 2013, 1-5; Rainwater 2013, 64).

In order to join the exploitation of natural resources in the Arctic, China will need to establish partnerships with foreign companies, especially Russian ones (i.e.: Gazprom, Rosneft) that already control several areas for exploitation within the Exclusive Economic Zone belonging to the Russian

Federation. However, Russian companies will need more technology and capital to fully retain these resources, which creates new possibilities of joint ventures between Russians, Chinese and Western companies— like BP, Shell and even Brazilian Petrobras (Jakobson 2010, 8-9).

Thereby, exploitation of these natural resources in the Arctic will depend upon a major flow of investments and technology. In this sense, China's position for occupying an important position in the regional scene is quite positive, once this country has a fair amount of capital reserve and is apt for investing abroad. An example that rests closer to the Brazilian reality and demonstrates the great Chinese necessity for oil in the future was the partaking of Chinese state-owned CNPC and CNOOC – next to Petrobras, Shell and Total –in the consortium that won the bid in the auction of Libra pre-salt oil field. Thus, the Chinese involvement in this consortium must be understood not only in reason of its interest in the pledged pre-salt oil reserves, but also because of the acquisition of deep-water drilling technology.

#### **4. Opening of new maritime routes**

The phenomenon of defrost in the Arctic will lead to other effects, besides those related to the utilization of the natural resources in the region. The melting of the ice will cause, initially, the opening of two new economic maritime routes: the Northwest Passage and the Northern Sea Route. There is, still, the possibility of a third alternative, called the Transpolar Route.

The Northwest Passage consists of at least four possible routes through the “Canadian Arctic Archipelago”, a group of more than 19,000 islands and rocks connecting the north of the Pacific Ocean, throughout the Bering Strait – with its 52 nautical miles of maximum aperture and depth varying between 30 and 50 meters – along 1,500 kilometers until reaching the Baffin Bay and the Davis Strait, located between Canada and Greenland. The Northwest Passage shortens the distance between East Asia and the North Atlantic in approximately 7,000 kilometers (Roston 2009, 451; Spears 2009, 11).

The Northern Sea Route, in turn, crosses the Russian arctic seas – Barents, Kara, Laptev, Eastern Siberian and Chukchi –in the West/Eastdirection. As it occurs in the Northwest Passage, in the Northern Sea

Routes several different pathways are available, depending on the ice conditions. The most common route is located next to the Russian coast. Supported by the Russian ports, this route is mainly used for coastal shipping. The farther away from the Russian coast, the most appropriate the routes should be for the traffic of shipments, since the distances get shorter. However, ice conditions are also more severe, and the maritime routes remain blocked most of the time. Accordingly, ships would have to be escorted by icebreakers, a situation in which the speed of the transport is drastically reduced becoming, thus, economically unviable. Taking into account the shrinkage of Arctic ice, the potential use of the Northern Sea Route is unlocked. Then, a trip from Shanghai to Hamburg throughout this route is around 6,400 kilometers shorter than through the Strait of Malacca and the Suez Canal (Xu et al 2011, 543-549).

Between August and September 2009, two German ferries for heavy loads carried a load of steel pipes from Arkhangelsk (Russian Federation) to Nigeria going through the Northern Sea Route, cutting the distance in some 5,500 kilometers and reducing the use of fuel in 200 tons per ship, which saved approximately US\$ 600,000. In the following year, a ship with a flag from Hong Kong transported iron ore from Kirkenes (Norway) to Shanghai making use of the same route and reducing the costs in around US\$180,000. In 2012, forty-six ships carried more than 1.2 million tons of cargos through the Northern Sea Route, an increase in 53% when compared to the previous year. Some analysts estimate that until 2020 around 30 million tons of shipments will go through this route (Guschin 2013).

The Transpolar Route would cross the Atlantic Ocean “through its middle”, outside the jurisdiction of any state in the region, which means, on the high seas. Accordingly to the UNCLOS, there is no restriction imposed on high seas navigation and the vessel is subject only to the laws of its flag. There never was any considerable commercial interest in the Transpolar Route, mainly due the great barrier of permanent ice in the Arctic Ocean. The lack of salt in these frozen layers produces an even thicker layer of ice. Even so, most commercial navigation companies do not disregard future plans for making use of this route. The International Maritime Organization (IMO) – a specialized United Nations agency that establishes the standards for international maritime navigation – has been working on the adoption of a Polar Code with the main goal of

standardizing the minimum requirements for building commercial ships that intend to navigate on the Arctic waters (Spears 2009, 11-12).

In the future, the opening of these new commercial maritime routes would bring additional advantages, besides considerably shortening the distance and saving fuel. First, it opens the possibility of navigation for all those *Post-Panamax* vessels, which means the ones that, due its large size, cannot make use of the Panama Canal. The second additional factor is the considerable reduction in the insurance costs. Because of piracy in the horn of Africa, insurance costs for ships that go through the Gulf of Aden towards the Suez Canal have increased ten times since September 2008 and March 2009 (Jakobson 2010, 5; Xu et al 2010, 559).

Even though the opening of these new maritime routes brings a series of advantages, especially the Northern Sea Route – from Eastern China to Western Europe – some disadvantages shall be considered. The lack of infrastructure and the adverse conditions might impede the commercial usage of the routes, at least in the short term. Single ice blocks will remain a serious problem, even during the periods in which the passage is considered free of ice. There will be a tendency for increasing the number of icebergs, especially resulting from the ice melting in Greenland, which shall force the ships to decrease even more their speed and to take detours. Moreover, the shallow depth in some parts of the routes, especially in the Bering Strait, might impose a problem for large freighters. At last, there remains the distrust in front of the possibility that the Russian might charge exorbitant service taxes in the Northern Sea Route (Jakobson 2010, 8).

For a nation the size of China, which is a great importer and exporter and that has a large amount of its commerce going through maritime routes (at least 50% of this country's GDP relies on maritime navigation), new alternatives for maritime traffic arouse great interest. In reason of this dependency on international navigation for its economic development, any change in these routes has a direct impact for Chinese economy. Thus, opening the Arctic Ocean presents a unique opportunity for China and also for international trade in general, since almost 90% of it happens through the sea (Spears 2009, 10).

## 5. The main Chinese actions: bilateral and multilateral strategies

Chinese interest in the Polar Regions started in the beginning of the 1980s. In 1981 was created the Chinese Arctic and Antarctic Administration (CAA) and two years later the country became part of the Antarctic Treaty, turning into an advisory member of the Treaty in 1985. The first Chinese base in Antarctica (“The Great Wall Station”) was installed this same year, and a second base (*Zhongshan*) was built in 1989 (CAA 2014).

Chinese presence in the North Pole, however, relies upon a considerable diplomatic effort. Since China is a non-Arctic state, its presence in the region has to be conducted together with other states in the region. This need, thus, leads the Chinese to conduct their policy for the Arctic with a double strategic-diplomatic bias: bilateral and multilateral.

### 5.1. Chinese bilateral strategy for the Arctic

In bilateral terms, Chinese interest in the Arctic issues involves a closer relationship with two countries in the region: Iceland and Denmark.

As a consequence of the economic collapse that happened in Iceland in 2008, China has focused considerable attention on this country. In 2010, it made available to Iceland the amount of US\$500 million, through a current swap operation, for helping in the reconstruction of Iceland's crashed bank system. Besides that, analysts of the Arctic region share the belief that because of global warming, Iceland will become the most important logistic axis in the region. In April 2012, Chinese Prime Minister Mr. Wen Jibao, in a visit to Reykjavik, signed several bilateral agreements, including a free trade agreement between the two countries – the first of this kind with a European country – as well as a framework treaty for Arctic cooperation. Another important feature of this relation is that China possesses in the Icelandic capital the biggest foreign embassy of the country. In retribution, Prime Minister Johanna Sigurdardotir, showed her support for giving China the status of Permanent Observer member in the Arctic Council (Rainwater 2013, 72).

Chinese presence in the region is not restricted solely to the role of the government. For instance, magnate Huang Nubo recently announced an investment in the range of US\$100 million in order to build a resort and a golf field in Grimsstadir, Northern Iceland. His announcement engendered certain

suspicious, given the climate conditions in the region, which are adverse to the practice of this sport (NYT 2013).

The Danish also started to openly support the Chinese application as a Permanent Observer in the Arctic Council. It happened mainly after the signature of several agreements between Denmark and China that together sum up to US\$740 million in the fields of “green economy”, agriculture and food security. The Danish support overlaps with the Chinese interest for investing in the region of Greenland – still a province of Denmark – that controls important deposits of rare earth metals, uranium, iron ore, lead ore, zinc, gemstones and oil (Alexeeva and Lasserre 2012, 85).

In January 2013, also Sweden and Norway started to support the Chinese application as a permanent observer member in the Arctic Council – even with the disagreements raised after the awarding of the 2010 Nobel Peace Prize to Chinese dissident Liu Xiaobo. Other factor that guides Chinese financial help to small countries in the region is its particular interest in developing large infrastructure works, such as construction of harbors, ships repair stations, transportation hubs and rescuing centers. These are necessary in order to make possible the use of the Arctic routes throughout most time of the year (Guschin 2013).

The relations with the larger countries in the Arctic –Canada, the United States and the Russian Federation – are also considered positive, even though arousing more suspicions. For Canada, for example, it would be well received if China recognized the full sovereignty of the former over the “Canadian Arctic Archipelago”, the broad group of islands located in the Northwest Passage. The Chinese, together with the United States, are reluctant to accept the Northwest Passage as a historical Canadian possession, understanding this route is an international strait, thus subject to the regime of transit passage, as stated in the terms of the UNCLOS (Wright 2011b, 2).

## **5.2. Chinese multilateral strategy for the Arctic**

Chinese strategy for approaching matters of the Arctic has prioritized scientific diplomacy by means of cooperation with the eight countries in the region. Since the 1990s, China has developed an intense project for the Polar Regions, with the creation of the *Polar Research Institute of China*, coordinated by CAA. In

1997, this country bought the Ukrainian icebreaker vessel *Xuelong* (“Snow Dragon”), which already took part in four scientific expeditions in the Arctic region since 1999. Besides, in 2004, China established its first permanent Arctic base called *Huanghe* (“Yellow River”) in Ny-Ålesund, in the archipelago of Svalbard, Norway<sup>3</sup>. One of the purposes of the scientific station is to monitor climate change in the Arctic and its effects over the terrestrial and marine Chinese environment. More recently, in 2011, the Chinese government decided to invest US\$300 million to build a second icebreaker ship to increase the support in the research projects in the Polar Regions. With two icebreakers the expectation is that polar expeditions could last more than 200 days a year (Alexeeva and Lasserre 2012, 81-82).

Moreover, since 1996 China has participated as a member of the *International Arctic Science Committee*, which promotes interdisciplinary researches over the Arctic and its global impacts. Chinese scientists have made its presence at international forums on the Arctic environment, such as the Arctic Science Summit Week and the International Polar Year Program (Rainwater 2013, 71).

The strategy of multilateral scientific cooperation showed important advances in December 2013, when it was launched in Shanghai the China-Nordic Arctic Research Center (CNARC), a partnership between the Polar Research Institute of China (PRIC) and other six Nordic institutions. CNARC establishes an academic platform of cooperation to increase awareness, understanding and knowledge over the Arctic and its global impacts, promoting cooperation for sustainable development in the Nordic Arctic and a harmonious development for China in the global context. Also, the country carried out five scientific expeditions in the Arctic (in 1999, 2003, 2008, 2010 and 2012), covering areas like the ocean, snow and ice, atmosphere, biology and geology. It is common the presence of scientists from other countries of the region during Chinese scientific missions in the Arctic (Arctic Center 2013).

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<sup>3</sup> The Svalbard Treaty (or Spitsbergen Treaty) was signed in February 1920 during the Versailles peace process. Because of this Treaty, the signatory countries recognized the sovereignty of Norway over the archipelago, even though certain limitations still remain, especially related to the fair use of fishing and hunting resources, as stated in the original text that “shall enjoy equally the rights of fishing and hunting in the territories”. China is part on this treaty since July 1925.

However, the main action defined by Beijing in order to increase its presence in the North Pole is to become an observer member in the Arctic Council. As seen, the Arctic Council is a high-level intergovernmental board, founded in 1996, that consolidated the efforts of cooperation among countries in the region after the end of the Cold War. The Arctic Council defines three categories of membership: i) the members – only the eight countries in the Arctic Region (A-8); ii) the permanent members – entities representing the native people of the region, currently numbering six<sup>4</sup>; and, iii) the observers – non-Arctic states, regional, global, intergovernmental and inter-parliamentary organizations, as well as non-governmental organizations.

The forum held its first meeting in September 1998, in Canada. The presidency rotates among its members every two years and the biannual meetings happen in the country that is holding the presidency at each time. The last meeting was in Kiruna, Sweden, in May 2013, closing up the first round in which every country has already presided the Arctic Council and starting a second round with the Canadian presidency for the 2013-2015 years.

According to what is established in the Ottawa Declaration of 1996, establishing and regulating the Arctic Council, the status of observer is given to those states and entities that as understood by the Council “are able to contribute with its work”. The membership as observer requires the consensus among all eight members (A-8). Therefore, the candidates to observer membership shall meet certain criteria: i) accept and support the objectives of the Arctic Council as defined in the Ottawa Declaration; ii) recognize that the Arctic states hold the sovereignty, rights of sovereignty and jurisdiction over the Arctic; iii) recognize the existence of a wide legal framework that applies to the Arctic including, especially, the international law of the seas, and that this framework provides a solid basis for the responsible management of the Arctic Ocean.

China's search for a seat as permanent observer member in the Arctic Council is based upon the argument that climate change had impacts over the

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<sup>4</sup>The current permanent members are the following: Arctic Athabaskan Council (AAC), Aleut International Association (AIA), Gwich'in Council International (GCI), Inuit Circumpolar Council (ICC), Russian Association of Indigenous People of the North (RAIPON) and Saami Council.

environment, both at the regional and global level, thus justifying its participation in the governance of the region.

In 2007, China was admitted as an *ad hoc* observer in the Arctic Council, a vulnerable position that was renewed in the meetings of 2009 and 2011. Since decisions in the scope of the Arctic Council must be taken by consensus among state members, any of them could veto Chinese participation. Aware of its condition, China's pledge has demanded great bilateral and multilateral diplomatic effort.

In January 2013, a few months before the biannual meeting of the Arctic Council, Chinese ambassador Zhao Jun was invited to speak during the conference named Arctic Frontiers, annually held in the city of Tromsø, Norway. In his speech Ambassador Zhao emphasized the preeminent role that the Arctic Council has, besides acknowledging the sovereignty and the sovereign rights of the Arctic states:

China considers the Arctic Council as the most important regional inter-governmental forum to discuss issues of environmental protection and sustainable development in the Arctic. [...] China respects the sovereignty, sovereign rights and jurisdiction of the Arctic states, attaches importance to the Arctic scientific research and environmental protection, and supports the principles and objectives of the Arctic Council.

In May 2013, during the meeting in Kiruna, Sweden, the Chinese request to become a full observer was accepted. China's admittance in this position does not reduce the power held by the A-8 group, since observer members<sup>5</sup> do not vote, being able only to join the discussion and exercising the right of speech during the sessions. However, it was not a trivial diplomatic victory, especially when one considers that another important candidate had its application denied, namely the European Union.

The lack of a voting power for China in the Arctic Council was deemed unimportant by Qu Xing, director of the China Institute of International

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<sup>5</sup>The other permanent observer states in the Arctic Council are Germany, Singapore, South Korea, Spain, France, Italy, India, Japan, the Netherlands, Poland and the United Kingdom.

Studies, who believes that China can direct its influence throughout bilateral actions and increase the transparency and equity in the themes related to the Arctic region. Besides, Qu understands that the Chinese admission as a permanent observer member demonstrates that the Chinese activities were acknowledged by all members of A-8 (Xinhua Insight 2013).

Many scholars point out that the current institutional structure to deal with the issues surrounding the Arctic is insufficient in order to face the severe challenges on sustainable development in the region. However, the great majority of scholars believe that changes in this structure in the short- or even medium-range future seem unlikely, given the complexity and the relatively recent nature of the broad Arctic cooperation (Vanderzwaag, Huebert and Ferrara 2002, 166-171).

Thereby, the possibility of taking part in the Arctic Council, even if just as a permanent observer member, ensures to the Chinese a stable position in the most important intergovernmental forum on the region. The Arctic Council has gained undeniable importance in the last few years. Evidence of this was the presence, for the first time, of a North-American Secretary of State in this forum – Hillary Clinton in 2011 during the meeting held in Nuuk – an action that was repeated in 2013 by her substitute John Kerry at the meeting in Kiruna<sup>6</sup>.

## 6. A Chinese policy for the Arctic?

Officially, China denies having an Arctic policy. This was the case, for example, when then Deputy Foreign Minister Hu Zhengyue, during the forum organized by the Norwegian government in Svalbard, in June 2009, categorically stated that, “China does not have an Arctic strategy” (*apud* Jakobson 2010, 9).

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<sup>6</sup>Two North-American actions directed to the Arctic deserve to be highlighted: the first was the launching of the “National Strategy for the Arctic Region”, in May 2013, signed by President Barack Obama. The second was the explicit desire of the Department of State of creating a position of high-level representative for the Arctic, given the growing importance of this region for the United States.

However, Chinese actions in the region hint the contrary. Three important statements over the last years (2010, 2012 and 2013) about the Arctic can give an interesting Chinese political perspective for the region (Joensen 2013, 29).

On July 30, 2010, then representative of the Ministry of Foreign Affairs –now Vice Foreign Minister Liu Zhenmin – made a brief speech presenting Chinese interests in the Arctic region during the *High North Study Tour* event, held in Norway. Liu Zhenmin began his speech justifying the reasons that have led China to express interest in the Arctic cooperation, which were essentially three: the geographical location of China, scientific research and possible climate impacts on the country. In the words of Liu himself (2010):

The most northern part of China is around 50 degrees of north latitude. As a country located in north hemisphere, China is seriously affected by climate and weather in Arctic. [...] Arctic is a unique place for global climate research and environment assessment. [...] In case the Arctic shipping routes open someday, global shipping energy activities and trade will be affected. We feel we are part of the world, changes in the Arctic will affect China.

In a cautious speech and always preaching cooperation between Arctic and non-Arctic states, Liu (2010) ended his brief manifestation stating that:

The parties have different rights, interests and specific concerns with regard to Arctic-related issues. However, peace, stability and sustainable development in the Arctic serve the common interests of both Arctic and non-Arctic states. Arctic and non-Arctic states are partners, not competitors. We should continue to enhance mutually beneficial and win-win cooperation, and jointly uphold and promote peace, stability and sustainable development in the Arctic region.

The three official Chinese objectives in the Arctic cooperation were subsequently ratified by Ambassador Lan Lijun during the meeting between the Swedish Presidency of the Arctic Council and the observers – China was not yet a permanent observer member – held in November 2012. In line with the

previous Chinese manifestation on the Arctic, Lan used the expression that China is “a near Arctic state” and reinforced the conciliatory tone by stating that “The participation of observers does not prejudice the dominant role of Arctic states in the Council”. On the other hand,

[s]ome of the Arctic issues are trans-regional, such as climate change and international shipping, which involve the interests of non-Arctic states. Arctic states and non-Arctic states share common interests in addressing trans-regional issues and should further their communication and cooperation. (*apud* Lijiang and Chenyuan 2013, 378-380).

The third major Chinese demonstration regarding its attention towards the Arctic was the aforementioned speech by Ambassador Zhao Jun, in January 2013. In addition to highlighting the importance of the Arctic Council for the governance of the region, Zhao emphasized the dramatic changes in the region in recent decades that will influence the overall scene of navigation, trade and energy. Following the line of previous Chinese positions on the Arctic, the ambassador stressed that international standards, in particular the Treaty of Svalbard and the UNCLOS, created a fundamental legal framework for all parties participating in Arctic issues. But Zhao (2013) underscored the Chinese position of actively participating in the Arctic cooperation, asserting that:

China holds that this partnership of cooperation should be established on the legal basis of recognition and respect of each other’s rights, so as to commit ourselves to peace, stability and sustainable development of the Arctic. To this end, we must understand and trust each other at the political level, and carry out joint research activities to address the transregional issues. China will make its own efforts to achieve this goal.

Finally, Ambassador Zhao stated, as did his colleagues previously, the Chinese geographical position of about 50 degrees of north latitude and placed China as “near Arctic state”.

As mentioned before, the cautious but persistent effort, to seek a seat as a permanent observer member of the Arctic Council, had a positive outcome in May 2013. Over a year later, China has essentially followed the same

“unwritten Arctic policy”, seeking closer approximation with smaller countries in the region, especially Iceland and the Danish province of Greenland, and a positive relationship, but perhaps not as close, with larger Arctic states. But, either with the former or with the latter, it keeps reinforcing the discourse of scientific cooperation, given the unique conditions of the North Pole.

Having its seat secured in the Arctic Council, a fluent relationship with regional states and a constant presence in the North Pole, through its scientific research, the Arctic policy of China can move to a more proactive stance within Arctic’s international legal and political mechanisms. This is the view of Li Zhenfu:

[A]ctive participation in the formulations, revisions, and improvements of international mechanisms dealing with Arctic affairs is an effective avenue and the best choice for realizing China’s Arctic sea route rights and interests imperatives, accelerating its economic and social development, bringing into play China’s functions as a responsible major power in the international arena, and hastening the rationalization and democratization of international relations. (*apud* Wright 2011a, 18)

The outlook is that China will strengthen its position in the region, from a cautious diplomatic behavior to a more active attitude, now that the country gained its own space to present its views. Therefore, the expectation is that Beijing will, in the coming years, consolidate its Arctic position, bilaterally and multilaterally.

## 7. Conclusion

The first stage of China’s “unwritten Arctic policy” seems to have achieved its goals: permanent access to the Arctic Council, dialogue with the A-8 and consolidation of its presence in the region. The cautious diplomatic strategy of finding its own place in the discussions on the Arctic proved positive.

As shown above, the Chinese interest in the region stems from a scientific perspective of monitoring the effects of climate change and the melting of the ice sheet in its regional and global impact. However, it is undeniable the great economic appeal that the North Pole also has on China, be

it in the exploitation of mineral wealth or with the opening of new maritime trade routes.

Although Beijing has not explicated an Arctic policy, the commitment and consistent manifestation of some of its officials indicate a path of consolidation and strengthening of its new position as a full observer member of the Arctic Council, in addition to deepening bilateral ties with certain Arctic states. It is reasonable to imagine that China's political position will become more active in the coming years, though hardly "aggressive", particularly in light of the need to cooperate with all stakeholders in the Arctic: Arctic and non-Arctic states, indigenous peoples, and international and non-governmental organizations.

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**ABSTRACT**

This article analyzes the current political and strategic situation in the Arctic, giving special attention to Chinese interests on the region. First, it introduces the geopolitical background in the North Pole considering the current international framework. Second, the work investigates the two main components that draw Chinese attention to the region: exploitation of mineral resources and opening of new commercial maritime routes. Later, this work describes the main actions that China is taking in order to become an important player in the Arctic, both with bilateral and multilateral strategies. At last, it introduces the general guidelines of the Chinese policy for the Arctic.

**KEYWORDS**

China; Arctic; Diplomacy; Strategy.

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