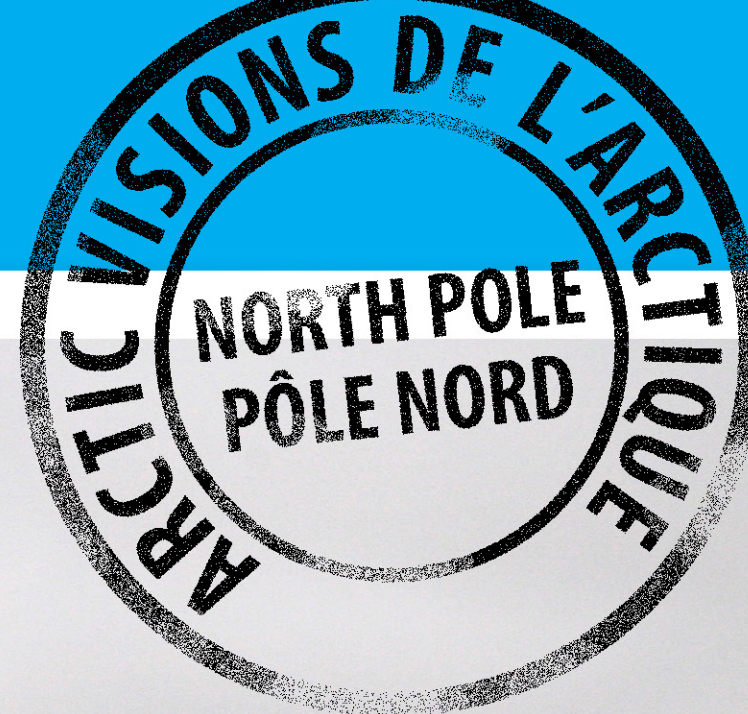


PHOTO: SERGEI LOIKO



*Retreating ice. The allure of energy riches. A swift route across the top of the world.*

From traditional northern powers to new actors in energy-challenged East Asia, countries are casting their eyes toward the Arctic. In the following pages, we examine how the Arctic looks from where they stand as they look to the Far North in a different light, wondering what it might hold for them.

*Recul des glaces. Promesse de richesses énergétiques. Une voie maritime rapide au sommet du globe.*

Qu'il s'agisse de puissances côtières de l'Arctique ou de nouveaux acteurs, notamment d'États pauvres en énergie de l'Asie de l'Est, de nombreux pays tournent leurs regards vers la région circumpolaire. Nous examinons dans ces pages comment ces protagonistes perçoivent le Grand Nord à leur manière en se demandant s'ils pourront s'y faire une place.

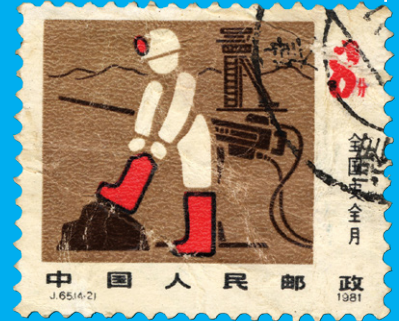


# THE CHINESE POLE

JAMES MANICOM and P. WHITNEY LACKENBAUER

Some countries see China's interest in gaining observer status on the Arctic Council as a threat. But Arctic countries should be more concerned about China opting out.

Certains pays considèrent comme une menace l'intention de la Chine d'obtenir le statut d'observateur permanent au Conseil de l'Arctique. Mais ils seraient mieux avisés de favoriser cet intérêt.



China's interest in securing permanent observer status in the Arctic Council and its growing icebreaker capabilities have spawned reactions from Arctic states ranging from warm enthusiasm to extreme caution. Many analysts assume that China is a revisionist territorial actor that is motivated by resource concerns and that could potentially dominate the Arctic Council, and Western commentators view China's Arctic ambitions with more apprehension than they view those of any other state. In Canada, this apprehension dates back to an oft-cited myth that China's research icebreaker, the *Xue Long*, arrived in Tuktoyaktuk without notice in 1999 and that Canada lacked (and lacks) the capacity to control its Arctic domain.

China has participated as an ad hoc observer in the Arctic Council since 2007, and applied for permanent observer status in 2009 and 2011. It still awaits the verdict. The permanent participants (the northern indigenous representatives on the Arctic Council) are suspicious of new observers — particularly in cases where states or international organizations are not sensitive to their concerns and interests — and polls suggest that residents of the Arctic coastal states are apprehensive about China's interests in Arctic governance more generally.

Emerging Chinese attitudes toward the Arctic Council, China's track record of behaviour in international institutions and the role of observers more generally warrant a second look. After all, the Arctic does not factor highly on China's national agenda relative to other domestic, region-

al and global priorities, including its bilateral relations with some Arctic states.

Rather than asking China, "Why should we let you in?" Arctic states may consider asking, "Why should China join us?"

Viewed through the lens of Chinese official statements, China's top two Arctic priorities are climate change and the scientific research efforts associated with it. Speaking to Norway's High North Study Tour in 2010, China's assistant foreign minister, Liu Zhenmin, explained that China's geographic location exposes it to Arctic weather patterns and that the Arctic region is an ideal place to conduct scientific research on the global climate. To this end, China established a research station at Svalbard in 2004, and it has been conducting polar research trips — using the *Xue Long* icebreaker — at an increasing tempo since 1999.

From a research standpoint, China is a polar state, rather than an Arctic state. Its interests in Antarctic research predate its initiatives in the Arctic, and its China Arctic and Antarctic administration budget reflects an 80-20 percent split in favour of Antarctic research.

Liu classified economic interests like Arctic shipping and energy issues as third-order priorities. Roughly 46 percent of China's GDP comes from international trade, making the Northern Sea Route (NSR) north of Russia — which shortens the distance from Shanghai to Hamburg by 3,455 nautical miles, compared with the Suez Canal and Malacca Strait routes — particularly appealing.

Furthermore, 80 percent of China's imported oil travels through the Malacca Strait, and the prospect of route disruption worries Chinese leaders. Routine use of the NSR could allow China to diversify the direction of its resource imports as well as the geographic source of its oil imports. Although trans-Arctic shipping may not be useful for just-in-time delivery of manufactured products, shorter distances are appealing for bulk cargo vessels carrying commodities to China.

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China's priorities are clearly those of a maritime state rather than a coastal state. China is aware of potential global shifts that could be brought by year-round shipping through the NSR, as well as the effects of trans-Arctic shipping on local waters and regional logistics patterns. It also perceives energy supply through a security lens and has proven that it is prepared to pay a premium for secure energy supplies.

Transnational issues like climate change and international shipping transcend the Arctic region, and China — as a maritime state — insists that Arctic and non-Arctic states have common interests in addressing these global concerns. Last November, Lan Lijun, China's ambassador to Sweden, explained on behalf of his vice foreign minister that he believed the participation of more non-Arctic states as observers would have a "positive significance to the work of the Council." The ambassador reaffirmed the importance of "communication and dialogue with Arctic states on Arctic issues to enhance mutual understanding and trust," as well as China's willingness and ability "to contribute to the work of the Council and to strengthen cooperation with states in the Council for the peace, stability and sustainable development in the Arctic region."

Reassuring as these comments are, they obscure a more critical Chinese perspective on Arctic governance. Arctic states may wish to keep Arctic matters regionally focused, but Lan's comments are a reminder that much of the world now sees an interest in the circumpolar region.

"By accepting observers and therefore enhancing its openness and inclusiveness, the Council will help the international community to better appreciate its work, thus expanding its international influence," Ambassador Lan argued. "Its exchanges and cooperation with the observers will help it review trans-regional issues from a broader perspective, which will facilitate effective settlement of relevant issues through international cooperation. This model of cooperation has been effective in addressing

issues such as climate change and international shipping, and deserves further promotion. The Council should well respond to the desire expressed by relevant parties to participate in the work of the Council as observers."

Concerns about Chinese intentions on the Arctic Council do not acknowledge China's track record in international institutions, as well as with the power wielded by official observers. China's interactions in other multilateral forums reveal a pattern of cautious engagement that slowly becomes more active over time, but China still punches well below its weight in international

## China's priorities are those of a maritime state.

affairs. It is not willing to incur costs associated with leading institutions in which it does not have a vital stake or that are marginal to its primary national interests. These are not the characteristics of a country that seeks to dominate the Arctic Council, given that the member states include the world's superpower, its NATO allies and Russia (China's erstwhile nuclear-armed rival).

Furthermore, China is aware that observer status in the Arctic Council does not allow for such dominance. Observers are there to observe and are expected to contribute to the working groups. At ministerial meetings (the most politically important Council gatherings), observers may make only written statements and must propose projects through an Arctic state or permanent participant. Furthermore, an observer state's status will be reviewed every four years, and it will be expected to reiterate its interest and disclose its contributions to the Arctic Council.

Under these new rules, China could assert significant influence at the

working group level. Nonetheless, the role and criteria for observers adopted at the Arctic Council ministerial in Nuuk, Greenland, in May 2011 limit the amount of money an observer can commit to a Council initiative, reducing the odds of groups relying disproportionately on a contributor like China. Member states may find these restrictions politically expedient. From the Chinese standpoint, they beg the question whether the Arctic Council is worth joining at all.

Some Chinese scholars see the Arctic Council as an effort by Arctic states to monopolize regional governance. This concern is reinforced by perceptions that the Arctic Council seeks to exclude non-Arctic maritime state perspectives. In the earliest official Chinese statement on the Arctic, Assistant Minister of Foreign Affairs Hu Zhenyue stated that Arctic coastal states "should protect the balance" between their national interests and "the shared interests of the international community."

Chinese scholars also criticize the Nuuk criteria for new observers because the Council has raised the political threshold for non-Arctic states to join, particularly at a time when (as Cheng Baozhi noted in the *Beijing Review* in August 2011), "it is unimaginable that non-Arctic states will remain users of Arctic shipping lanes and consumers of Arctic energy without playing a role in the decision-making process." Various Chinese scholars worry that developments in the Council could impede their country's interests, leading some to conclude that China does not need the Arctic Council to pursue an Arctic agenda.

Chinese scholars and practitioners expect their country to attract suspicion from the Western powers, given China's meteoric rise and distinctly non-Western development model, as well as its style of government. The prospect of exclusion from the Arctic Council is consistent with more general Chinese perceptions that international institutions are Western constructs that operate according to rules and procedures developed without Chinese input. Despite its growing activism on the world's stage, China still perceives itself as an outsider, looking in.



To address fears on both sides, China could decide to stay out of the Arctic Council entirely and pursue its resource, shipping and scientific interests by other means. Given that resource development will likely take place either onshore or within the exclusive economic zones of the Arctic states, China need only engage bilaterally with certain countries, such as Canada, Denmark/Greenland and Russia, to pursue its resource ambitions. The March 2013 deal between the Chinese National Petroleum Corporation and Rosneft to explore three fields in the Barents and Pechora seas, signed during President Xi Jinping's visit to Russia, is a case in point.

China has a growing interest in deep-sea mining; its activities in the international area beyond coastal state jurisdiction in the central Arctic Ocean need only involve the International Seabed Authority. Chinese fishing interests can be pur-

sued through the Food and Agriculture Organization, and as a leading distant water fishing state, China can choose to remain aloof from efforts to construct a regional fisheries management organization in Arctic waters. China can pursue its shipping interests through the International Maritime Organization and through coordinated efforts with other maritime states to resist efforts by the Arctic coastal states to limit, police or raise the costs of Arctic shipping through environmental regulation.

Scholars in like-minded states, like Japan, are quick to point out that there are global and regional organizations (including the International Maritime Organization, the International Arctic Science Committee, the International Association of Classification Societies, the Conference of Arctic Parliamentarians, the Barents Euro-Arctic Council and the United Nations) that have compe-

tencies not covered by the Arctic Council mandate. According to some Chinese scholars, this diverse array of institutions indicates that the Arctic Council is not the central pillar of a robust Arctic governance system that some Western commentators envisage.

Rather than being concerned about China joining the Arctic Council, Arctic states should be concerned about China opting out. Their primary goal should be to enmesh China into their way of thinking about Arctic issues, if only to avoid the possibility of maritime states like China pursuing unilateral policies that could undermine the interests of Arctic states. This is a compelling reason to invite China into the Arctic tent. ■

China is seeking to cooperate with Arctic states: an iceberg floats near Ammassalik, Greenland.

PHOTO: SHUTTERSTOCK

