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*China's New Arctic Strategem:
A Strategic Buyer's Approach to the Arctic¹*

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Global warming and climate change have dramatically altered the Arctic's landscape over the past few decades. With the region's record-breaking thaw, the Arctic and its bordering countries confront new and unique challenges rarely if ever encountered previously. For example, the opening of Canada's Northwest Passage and Russia's Northern Sea Route has recently created territorial disputes and complications with outlying nations. Also, and perhaps more importantly, the Arctic region possesses

¹ In regards to the translations I have made in this report, I take full responsibility for my work if any errors are present. I have had two Chinese language experts look over my translations and they agree with the linguistic accuracy. I have not made any attempts to correct or alter factual errors that might occur within the Chinese sources I have cited.

a wealth of untapped natural resources, especially oil, natural gas, diamonds, zinc, and rare earth minerals, making exploitation desirable for Arctic and non-Arctic states alike. Non-Arctic countries such as China may see in the Arctic a source for improving, or even solving, economic needs and energy demands. The rapid modernization of mainland China and the world's scarcity of resources have made the Arctic's wealth more intriguing. China holds approximately one-fifth of the world's population, and it is apparent that Beijing is anxious to catch up with the rest of the modernized world. As scholar David Curtis Wright points out, "The United States should be prepared for the possibility that Beijing could someday conclude that developments or situations in the Arctic threaten China's economic prosperity, and thus Chinese social stability and ultimately the political power of the Communist Party of China."²

If resources become scarce and the Arctic becomes accessible, Wright's view is certainly not inconceivable. The People's Republic of China (PRC) is aware that its size and rise to prominence provokes apprehensions, and for the time being leadership in Beijing seems to be cautious not to cause alarm among Arctic littoral states (Canada, Denmark, Russia, Norway, and the United States). Nevertheless, Chinese scholars such as Li Zhenfu, Guo Peiqing, Wang Zengzhen, and Cheng Chun-hua have made arguments to advance China's legitimate involvement in Arctic affairs. Beyond that, the People's Liberation Army's (PLA) affiliates, Chinese media reports, and an overseas diplomat have made energetic comments on what China's Arctic course of action should be.

This paper will ask these two questions: What purposes do Chinese sources have in viewing the PRC's Arctic approach, and what does China's recent course of action appear to be? Are all these Chinese sources in accordance with what China appears to be doing, and if not, what purposes do they serve? This report is not teleological, but represents my conclusions after extensive consideration and examination of sources. It will look at noise and rhetoric (along with its potential purposes) and then examine Chinese academic inputs (some of which is more grounded than others) to see if these

² David Curtis Wright, "The Dragon Eyes the Top of the World: Arctic Policy Debate and Discussion in China," *China Maritime Studies Institute U.S. Naval War College* Number 8 (September 2011): pp. 1-55. Accessed January 25, 2013. <http://www.usnwc.edu/Research---Gaming/China-Maritime-Studies-Institute/Publications/documents/China-Maritime-Study-8-The-Dragon-Eyes-the-Top-of-.pdf>, p. 38.

match with China's recent observable behaviour, which now has adopted a strategic buyer approach to gaining a foothold in the Arctic.

This article will emphasise looking at Chinese perspectives to understanding the PRC's strategy, courses of action, and approaches to the Arctic. This will be structured first by examining Chinese media, PLA-affiliates, a Beijing overseas diplomat, and China's scholarly views and writings of itself and the Arctic. This article will answer questions about what the purposes and meanings of China's Arctic moves are. The next section will summarize China's recent (since the summer of 2012) courses of action. To wrap things up, a final analysis and a series of conclusions will compare Chinese views on the Arctic with recent visible approaches of the PRC.

Analysts should not underestimate the PRC's interests in the Arctic. The northern region became a Chinese focus in 1995, when a group of Chinese scientists and journalists travelled on foot to the North Pole.³ Moreover, China's first Arctic research expedition, by sea, took place in 1999 when its *Xuelong* (Snow Dragon) icebreaker docked at Tuktoyaktuk in Canada's Northwest Territories. Since then the PRC has carried out four other expeditions and plans to launch a sixth in the summer of 2013. Further, since the summer of 2004, China has had a permanent land-based presence in the Arctic, possessing a research facility in Norway's Svalbard archipelago. Western scholars have noted that many important Chinese scholars, officials, and media commentators seem firmly convinced that in the future, and perhaps the not-too-distant future, the Arctic will eventually become an economic crossroads and geopolitical pivot of the globe.⁴

PLA, Diplomatic, and Media-related Arctic Comments

Three specific Chinese sectors have expressed some interest in China's overall involvement in Arctic affairs. First, this section will look at affiliated people of the PLA and further analyze why retired rear-admirals, army colonels, and PLA senior

³ Linda Jakobson, "China Prepares for an Ice-Free Arctic." *SIPRI Insights on Peace and Security*, (March 2010): p. 2. Accessed January 14, 2013. <http://books.sipri.org/files/PP/SIPRIIP26.pdf>

⁴ Wright, "The Dragon Eyes the Top of the World: Arctic Policy Debate and Discussion in China," p. 38.

researchers comment on China and the Arctic. Beyond that, I ask: Why are these affiliates making bold remarks that seem to be a lightning rod for Western scholarship and media coverage? Second, I will look at what an overseas Chinese diplomat has publically stated about China and the Arctic. Again, why comment on this, and what purpose might this serve? According to Western scholars such as Linda Jakobson, the Chinese Communist Party (CCP) knows that its rise to power and greater prominence evokes jitters in the rest of the world.⁵ Thus, it is perhaps a little puzzling that notable PRC-affiliates and an overseas diplomat have been quick to make strident comments.

Finally, I will look at some Chinese media-related reports to help determine the PRC's level of interest in the Arctic. This provides another neglected window for observing China's Arctic approaches and, more importantly, shows what the Chinese are interested in and how they portray these interests to their people. I will conclude this section by highlighting some common themes and giving an overall analysis of the Arctic comments from these three Chinese factions. It should not be surprising that the PLA, an overseas diplomat, and Chinese media coverage have all recently taken a more serious interest in the Arctic. After all, because of global warming, Arctic states have also only recently taken a more robust interest in Arctic affairs.

PLA Affiliates and their Statements

The PLA is an important organization to consider when dealing with most politically modern Chinese topics because, since the establishment of the PRC, China's elite leadership has been closely intertwined with the military. Leaders such as Mao Zedong, Zhou Enlai, and Deng Xiaoping were closely affiliated to, and had training under, the Chinese military. In fact, their military experiences with such events as the Long March helped galvanize their leadership abilities and roles. Mao knew better than anyone the important role the military plays in legitimizing and maintaining political power. He famously stated, "All political power comes from the barrel of a gun. The

⁵ Ibid., p. 38.

communist party must command all the guns, that way, no guns can ever be used to command the party.”⁶

Hu Jintao, the recent former president and chairman of the PRC, has defined the PLA’s mission as fourfold. These are:⁷

1. Consolidate the ruling status of the CCP;
2. Help ensure China's sovereignty, territorial integrity, and domestic security in order to continue national development;
3. Safeguard China’s expanding national interest;
4. Help maintain world peace.

Although many of these points are perhaps vague, they clearly state and outline a major role for the PLA in China’s overall interests. The third point is perhaps the most relevant regarding China and the Arctic because Arctic interests directly deal with the advancement of China’s recent and future expanded Arctic activities. But, if China views the Arctic as partially theirs, or more specifically “all of humankind’s,” then expect the second criterion to strongly correlate as well. It should not be too surprising that PLA affiliates have taken vested interests in advancing Chinese concerns in the Arctic.

By far the most well-known and commonly quoted official in Western media and scholarly sources is the PLA’s retired Rear Admiral Yin Zhuo of the Chinese Navy. His most common quote is: “The Arctic belongs to all the people around the world, as no nation has sovereignty over it... China must plan an indispensable role in Arctic exploration as we have one-fifth of the world’s population.”⁸ This phrase has essentially become a lightning rod and attention grabber for Western writers to include in works related to China and the Arctic. It is catchy, from a notable but former PLA member, and is perhaps a little startling for legitimate Arctic nations. It also perhaps drives and

⁶ Mao Zedong’s, *Quotations from Chairman Mao*, otherwise known as Mao’s “Little Red Book.” This certain quotation is found in chapter 9.

⁷ Cortez A. Cooper, “The PLA Navy’s New Historic Mission: Expanding Capabilities for a Re-emerging Maritime Power,” Report published by RAND Corporation, June, 2011: p. 6. Accessed March 21, 2013 http://www.rand.org/content/dam/rand/pubs/testimonies/2009/RAND_CT332.pdf

⁸ Jakobson, p. 1.

perpetuates the often misrepresented militancy of a Chinese autocratic state. Unfortunately, writers, especially Western commentators, often have a goal in drawing as much attention as possible to their articles, media reports, and online blogs, so they resort to sexy or outrageous phrases that sell or garner higher observation. Thus, this quote has been used over and over again and is well known by most Arctic enthusiasts.

The CCP has not officially stated its country's policy in Arctic-related affairs because it knows the country could contradict itself in currently more important areas such as the South China Sea and Taiwan Strait.⁹ It would perhaps be somewhat surprising if China boldly declared the Arctic as belonging to all humankind, because this type of claim could backfire and hurt its interests in more important and pressing areas. Although controversy exists about the context of his quote, Admiral Zhuo's remark may perhaps be characterized as careless or offhanded regarding China's interests. However, another reason could exist for his statement: He could be purposefully drawing the Chinese public's attention to the importance of the Arctic. Bold statements and declarations about the rightful ownership of this region may help foster popular support. Further, they may encourage citizens, especially scholars, journalists, and students, to pay more active attention to Arctic-related developments.

Another PLA affiliate noted in Western scholarly and media writings is Colonel Le Li of the PRC's Army. On speaking about China's role in the Arctic, Colonel Li told Chinese military broadcasters this:

Speaking about the North Pole, it's obvious that its significance is not limited by scientific research only. Now it is called a "global construction site." What does this mean? It means that economic activities there are not clearly described by the international agreements. So, the one who starts first will most likely ensure one's advantages for the future. As we know, the planet's resources are limited. This means it's impossible to turn a blind eye to the natural deposits in the area of the North Pole. One can say, it's the [Middle East] of the future or the second [Middle East].¹⁰

⁹ Hugh L. Stephens, "Breaking the Thaw: China's Emerging Arctic Strategy" in *iPolitics* August 27, 2012. Accessed April 19, 2012, <http://thediplomat.com/china-power/breaking-the-ice-chinas-emerging-arctic-strategy/>

¹⁰ Konstantin Garibov and Igor Denisov, "Norway May Shut China out of the Arctic Council," Accessed March 24, 2013 <http://english.ruvr.ru/2012/01/30/64956134/> January 30, 2013

Although not as high ranking as Admiral Zhuo, Li is a current member of the PLA. His comments warrant attention and have also been quoted in Western works. However, one must consider his rank and ask, what purpose could having a higher ranking mid-level affiliate have in commenting about the Arctic. Perhaps his lower rank and profile is why Li's comments have not attracted as much attention in the Western world. A mid-ranking affiliate, as well as a retired Rear Admiral, can make bolder statements without arousing too much suspicion and alarm among observers from Arctic states. Similar to Admiral Zhuo's comments, this statement's purpose could draw the attention of the Chinese populace and raise the Chinese people's interests in Arctic affairs.

PLA officials recognize and have publically commented on the Arctic's military value. As Linda Jakobson has noted, in a rare open-source dialogue about the Arctic, Senior Colonel Han Xudong warns that due to sovereignty disputes, the possibility of the use of force cannot be ruled out in the Arctic.¹¹ Similar to Zhuo and Li, Han Xudong is a notable affiliate but not too notable. The PLA could openly and readily deny their comments and easily relocate these officials if necessary. Yet the rhetoric of these people can act as a strategic spotlight and foster the populace's interest in the Arctic.

Non-military personnel of the PLA have also commented on China and the Arctic. Du Wenlong, a senior researcher of the PLA's Academy of Military Science, has publically commented favourably on China's moves and interests in the Arctic region. In a conversation related to nuclear powered maritime vessels, Du said: "Compared with ships that use conventional propulsion, nuclear-powered ships can travel farther and are more reliably, factors that make the ships a reasonable choice for polar expeditionary missions."¹² Currently China's only polar vessel, the *Xuelong*, is the world's largest non-nuclear ice-breaker. However, as journalist Mark Halper reports, the Chinese state-owned China Shipbuilding Industry Corporation has received government funding to develop nuclear powered ships, and presumably the ships

¹¹ Jakobson, p. 2.

¹² Mark Halper, "China Mulls Nuclear Ships for Polar Routes," smartplanet.com, February 22, 2013. Accessed March 22, 2013 <http://www.smartplanet.com/blog/bulletin/china-mulls-nuclear-ships-for-polar-routes/13457>

would be ice-breakers.¹³ If this were to happen, this would make China only the second country to possess nuclear powered ice-breakers (the other being Russia).

In sum, confusing noise, such as these catchy PLA affiliates' quotes regarding what China's Arctic policy and approaches might be, is perhaps inappropriate. However, these comments are very handy in drawing Chinese and Western Arctic commentator's attentions to the Arctic and may spark the interest of the PRC public in future Arctic-related events. Moreover, these catchy phrases, and notions of China having a right in the Arctic, amount to nothing more than *argument ad infinitum* or *argumentum ad nauseam*, varieties of the logical fallacy of proof by repeated assertion. The justifications in these phrases are largely left assumed and seem to be based on China, as being a major state, is thus entitled to pursue its self-interests in the Arctic. Reasoning such as this will not likely succeed against the Arctic Five's (A5) more legitimate claims to the North's region.¹⁴

An Overseas Chinese Diplomat

In advancing China's interest in the Arctic, Beijing's ambassador to Norway, Zhao Jun, has been publically vocal on two occasions. His statement about China being a "near-Arctic state" has attracted Western media attention and journalistic analysis.¹⁵ The most northeastern part of China reaches close to the 54th parallel and places China further north, and closer to the Arctic, than its neighbouring countries of Mongolia, Korea, and even Japan. Zhao has used China's Manchurian region to help justify the PRC's legitimate interest in the Arctic. However, similar to the PLA-affiliated officials' techniques of "proof by assertion," his reasoning will not likely cut it in the international community.

¹³ Ibid.

¹⁴ David Curtis Wright, "The Logic of China's Claims to 'Rights and Interests' in the Arctic." Presentation given at University of Alberta's, *Canada, US and China: Maritime Security Issues International Conference*. Video available online via *Vimeo*. Accessed April 12, 2013 <http://vimeo.com/42629747>

¹⁵ Seidler, Christoph. "The Resource Race: China Dips Toes in Arctic Waters." *Spiegel Online*, January 25, 2013. Accessed February 8, 2012. <http://www.spiegel.de/international/world/growing-chinese-interest-in-the-arctic-worries-international-community-a-879654.html>

Zhao himself even admits that "China's Arctic research is still in the starting stages."¹⁶ So, why endanger China's position by making energetic comments that the West anxiously likes to latch on to? Similar to my suggestions of the PLA's officials' catchy quotes, Zhao could also be commenting on the Arctic with the intent of encouraging the Chinese public to pay closer attention to this important region. It is unlikely that the CCP would and could use its country's geographical position as a legitimate reason for having a voice in Arctic affairs. If this were the case, countries such as Germany, Belarus, Poland, Kazakhstan, Ireland, and Ukraine would all be classified as "near-Arctic states" and have a legitimate say in the region's affairs.

On a different occasion Zhao once again highlighted his country's keen interest in Arctic waters, especially regarding the Barents Region. He said, "Cooperation between the Barents Region and non-Arctic states will grow as Arctic waterways open" and also pointed out that the Barents Sea will gradually turn into an international area in terms of its geography and economy.¹⁷ Chinese commentators, especially Zhao, understand that cooperation with Arctic nations will be necessary for China to obtain a position in Arctic affairs. Zhao stated, "It is natural for China to participate in discussions on Arctic issues, as a potential user of Arctic waterways... Cooperation is the key to dealing with Arctic issues."¹⁸ Perhaps Zhao is in line with the view that Arctic states should possess a stronger say than non-Arctic countries and that non-Arctic countries must understand the reasonable concerns of Arctic states. Nevertheless, he may feel that China should still have a notable position in the Arctic.

As with PLA affiliate's remarks, comments from Chinese diplomats must also be cautiously analyzed. It is important not to confuse noise with what China's course of action might actually be. However, this noise may inform Western observers that China's government wants its people, and Westerners, to know that the PRC has an interest in the Arctic. As Linda Jakobson points out, China is striving to position itself so

¹⁶ Ibid.

¹⁷ Atle Staalesen, "For China, Barents Region Comes Closer," Barents Observer Online, February 8, 2013. Accessed March 24, 2013. <http://barentsobserver.com/en/arctic/2013/02/china-barents-region-comes-closer-08-02>

¹⁸ Ibid.

that it will not be excluded from access to the region.¹⁹ Creating interest among its populace through this overseas diplomat's statements is perhaps another strategy for raising public awareness and preventing Chinese apathy towards a region that may experience the world's next Klondike resource rush. Also, such statements should also help to put Western and Arctic states on notice that notable Chinese officials see China as having and deserving legitimate interests in the Arctic.

Chinese Media-related Materials

Media, including Chinese state-controlled media, can be particularly useful in at least three ways. First, media coverage conveys messages to a wide audience. Through media sources such as television, newsprint, and the internet, information can be widely distributed in a short amount of time. Second, media can increase a topic's profile among the public, which means it can help garner more support and volunteers in furthering the cause or argument. Finally, it can sway and shape public opinion. If China's people view the Arctic as a part of their country's "rights" and then these "rights" are threatened, social unrest would not be inconceivable. China's public takes the protection of their sovereignty rights very seriously, as can be seen with the separate Domanski/Zhenbao and Senkaku Island/Diaoyu Dao disputes. Perhaps historical injustices during China's "Century of Humiliation" play a role in the way its people react to potential sovereignty encroachments. Nevertheless, media shapes views that could possibly threaten the social stability of the PRC and force the CCP to act boldly in protecting China's Arctic interests.

A basic internet search on one of China's most popular search engines (Baidu) indicates that two media articles seem to re-occur throughout several Chinese web sources. These are Zhang Sunjun's "China's Energy Security and Arctic Strategic Positioning" and Chen Qiuji's Chinese translation of a Russian article written by A.O. Baranikova called "Status and Prospects of China's Arctic Policy." I will examine these articles and draw out some common elements from them.²⁰ As with PLA affiliates and

¹⁹ Jakobson.

²⁰ It should be noted that I take full responsibility for translation errors, if any, and that attempts to correct factual errors have not been undertaken. I have done my best to preserve these translations in their true original forms.

Beijing's diplomat to Norway, PRC media portrays China's Arctic interests in a similar fashion, which is the constant perceived rights to the Arctic and strident comments used for perhaps drawing public interest.

Zhang Sunjun gives a peculiar reporting of UNCLOS and its role in solving international territorial disputes. His article is primarily on Arctic resources, so it must be understood in these terms. He states:

Between each country in the Arctic region there exist disputes over maritime jurisdiction issues, especially towards the shoreline's resource jurisdiction going beyond the 200 nautical mile continental shelf. In principle, all Arctic countries agree to go through (UNCLOS) in coming to resolve Arctic territorial dispute issues, and based on mutual trust and transparent principles, they further cooperate and strengthen compromises in scientific research in the Arctic Ocean's region.²¹

An interesting point about this quotation is its mention of the international area beyond the 200 nautical mile jurisdiction outlined by UNLOS. Chinese Arctic scholars such as Guo Peiqing have determined that if Arctic nations have their way in following UNCLOS only a small area, if any, would belong to all of humankind.²² Beyond that, resource extraction in this potentially international area is completely theoretical because technology is limited for deep sea drilling in such a harsh environment. Although much of the Arctic's resource potential is dependent on the continual thawing of Arctic ice, the potentially designated international seabed area would be among the last accessible Arctic areas for resource exploitation. So why comment on this? Zhang seems to adhere to the school of thought of cooperation being the key to unlocking the door to accessing the Arctic. Some Chinese scholars, PLA affiliates, and now media commentators have all focused on cooperation becoming the most prudent stepping

²¹ Zhang, Shengjun and Li Xing. "Chinese Energy Security and the Positioning of China's Arctic Strategy." "中国能源安全与中国北极战略定位." ("Zhongguo nengyuan anquan yu Zhongguo Beiji zhanlue dingwei"). In *International Observations*. 国际观察(Guoji guancha). Published April 2010. Accessed March 14, 2013 <http://www.xzbu.com/1/view-179903.htm>

²² Bill Schiller, "China Warms Up to be an Arctic Player" In *thestar.com* March 1, 2010. Accessed April 20, 2013 http://www.thestar.com/news/world/2010/03/01/china_warming_up_to_be_an_arctic_player.html

stone towards the Arctic. Furthermore, cooperation fits perfectly with China's long-held Five Principles of Peaceful Co-existence²³ approach to foreign policy.

Chinese scholars such as Mei Hong and Wang Zengzhen argue that cooperation and coordination with environmental laws related to the Arctic can act as a stepping stone to future opportunities.²⁴ These views are highly idealistic and have yet to prove their significant viability for China and its Arctic-related situation. If anything, Chinese state-owned enterprises have gone contrary to this by investing in and purchasing resource and energy-related projects in close proximity to the Arctic's region. For example, in February of 2013 the China National Offshore Oil Company (CNOOC) purchased Nexen Incorporated (a company known for its environmentally controversial oil-sand extraction).²⁵ Although Nexen does not currently extract resources in the Arctic, the potential for expanding Nexen's role northward is a distinct possibility. In any case, reasoning for scientific cooperation as a solid stepping stone to future cooperation represents wishful thinking more than reality.

Zhang's report also touches on how China should closely follow the principles of UNCLOS in "territorial disputes" of the Arctic region. However, his presentation on UNCLOS either excels at proving his lack of understanding or highlights his ignorance of how the international community generally interprets and accepts the Convention. For example, Zhang states:

The Convention is clear that the international seabed area and its resources belong to "the common heritage of all mankind." Whether a country is coastal or land-locked, all are entitled to the rights of the international seabed area and its resources. Thus, China should also strengthen the rights and interests of Chinese Arctic research and participation to achieve the strategic objectives of energy security and

²³ China's Five Principles of Peaceful Co-existence were first introduced by Zhou Enlai in 1954 and are as follows: Mutual respect for each other's territorial integrity and sovereignty; Mutual non-aggression; Mutual non-interference in each other's internal affairs; Equality and mutual benefit; and Peaceful co-existence.

²⁴ Wright, "The Dragon Eyes the Top of the World: Arctic Policy Debate and Discussion in China," p. 29.

²⁵ Laura Peyton, "Government OK's Foreign Bids for Nexen, Progress Energy." CBC News, December 7, 2012. Accessed February 8, 2013 <http://www.cbc.ca/news/business/story/2012/12/07/cnooc-nexen-takeover.html>

peaceful development of the Arctic and play a role proportionate with its own status.²⁶

The international high seas in the Arctic region only consist of roughly 10 to 15 percent of the area's waters. Furthermore, that section of the high seas still possesses significant amounts of multiyear ice, again making any sort of resource extraction currently impossible and completely theoretical. Perhaps this is another attempt and useful strategy by the media at building public interest by showing the Chinese populace the value of the Arctic and arguing for the country's "rights" in the region. Similar to many energetic comments from PLA affiliates, scholars, and diplomats, China's media-related reports perhaps also act as attention grabbers.

Media-related articles follow the same trend of the two earlier analyzed Chinese factions by legitimizing China's "rights" through using the logically fallacious technique of "proof by assertion." For example, Zhang states:

The Arctic is not only connected to the [five bordering Arctic countries]; other countries will have much involvement as well. Trends predict that the world's economic needs will increase and countries will be more competitive, making shipping lines and the protection of energy resources increasingly important... All humankind looks forward to the inevitable development of the Arctic and this region is unquestionably one of the current most concerning areas of the world right now.²⁷

Although he does not explicitly say the Arctic belongs to "all humankind," he does assert that the region is not only connected to the A5. The big question becomes then, to what extent should non-Arctic bordering states (such as China) have a role in Arctic affairs?

The second media-related source is a translation of a Russian article into Chinese (unfortunately unavailable in English). I find it more of a broad view approach to China's involvement in the Arctic. Perhaps this is akin to Linda Jakobson's pioneering China and the Arctic article published in 2010 but caters to the Chinese. Russian Arctic commentator, A.O. Baranikova, notices and suggests:

²⁶ Zhang.

²⁷ Ibid.

The relationships between the Arctic's major countries have changed and the balance of power has shifted. Countries not surrounding the Arctic region desire to work with Arctic countries in order to share the region's resources. In addition, the rising temperatures and melting in the Arctic have drawn the attention of every country. Those changes are impacting many countries' climate and economies.

China has expressed strong interests in Arctic developments. China has put the development of its economy as a higher priority, but it has a problem with its lack of available energy resources. The relationships between countries in the Arctic is complicated, the Chinese will use diplomatic, economic, and other methods to apply pressure in order to obtain a share of the region's benefits.²⁸

This is one of the more grounded and sound articles circulating in the Chinese media. There are very little to no energetic and emphatic statements that catch the eyes of observers and act as a lightning rod for media and scholarly attention. Baranikova believes that China will follow its traditionally held "Five Principles of Peaceful Co-existence" in its moves towards the Arctic. She argues that China knows it does not have as a strong say in the Arctic region, but that it is also not satisfied with the restrictive limits of the continental shelf claims of UNCLOS. Thus, she argues that China will use diplomatic and economic strategies because these are the only viable options for China in approaching Arctic affairs.²⁹

Baranikova's gives her reasons for China's interest in the Arctic as thus:

The reasons for China's keen interest in Arctic cooperation are as follows: First, to follow research in the discovery of the Arctic's climate change; Second, to conduct scientific studies in the Arctic region, that includes doing studies from the ground, air, and space; and Third, to explore shipping channels and trade routes, and the development of the region's

²⁸ Chen, Qiuji trans. of A.O. Baranikova. "China's Arctic Policy: Present and Prospects." "中国北极政策的现状与前景" ("zhongguo beiji zhengdi de xianzhuang yu qiangjin") In *China Academic Journal Electronic Publishing House*. 中国学术期刊电子杂志社. (Zhōngguó xuéshù qīkān diànzǐ zázhi shè) Volume 2, Issue 8. February 2012, pp. 24-27.

²⁹ Chen trans. of Baranikova, "China's Arctic Policy"

new energy opportunities. Not surprisingly, the most important reason is the last.³⁰

Although other scholars such as David Curtis Wright view China's primary Arctic interests in shipping routes,³¹ Baranikova sees China's thirst for resources as the primary driver in wanting a piece of the Arctic pie.

These two Chinese media-related articles are from writings perhaps similar to online Western sources such as *The Diplomat* and *iPolitics*. Although not completely academic in nature, they are often quoted and read by scholars and journalists who want to develop a better picture of China's Arctic interests. They can be useful, but it is important to critically engage and delve into the potential deeper meanings of what is being reported. Both in China and the West, media is a powerful tool that can shape outcomes and help dictate public perception. Expect it to be used more in China as an attention grabber than as an explainer of how the CCP leadership actually approaches the Arctic.

Some Analysis and Conclusions

After examining China's media, Beijing's overseas diplomats, and PLA-affiliated peoples, it is important to distinguish the difference between noise and what China's course of action actually is. It is perhaps unlikely that the CCP will push its Arctic agenda by justifying its rights to the region on the basis of its population size or its relative distance to the Arctic Circle. A common theme throughout each of the section's three sub-focuses is the "proof by assertion" that many officials, diplomats, and Chinese journalists use in stating their country's claim in the Arctic. Oftentimes these commentators will say that China has a "right" in Arctic affairs without specifying how or why. Saying that the Arctic belongs to all "humankind" is not a logically legitimate reason and will likely ultimately fail in making the cut in the international community, especially in regards to the A5. Nevertheless, if China's media, PLA affiliates, and

³⁰ Chen trans. of Baranikova.

³¹ Wright, "The Logic of China's Claims to 'Rights and Interests' in the Arctic."

overseas diplomats somehow strongly convince the PRC public that they do have sovereign right in the Arctic, expect China to act more boldly.

Interestingly, within much of China's media reports and energetic comments by PLA members, the A5's concepts of "Arctic sovereignty" or "jurisdictions" are placed in quotation marks. These people likely view Arctic sovereignty and jurisdiction in a different light than how UNCLOS and the general international community view these concepts. Nevertheless, it would be surprising for Beijing to publically take a stance contrary to the generally accepted principles of UNCLOS because its principles protect China's interests in the currently more important issues of the South China Sea and Taiwan Strait. Using quotation marks in this manner perhaps suggests to the Chinese people that the A5's conception of the Arctic is debatable and that China needs to have its position heard. As will be discussed later, China's visible actions have not followed in the fashion that many of its energetic and bold statements might seem to suggest. Aggressive and bold comments from PLA officials, diplomats, and media journalists have served more as rhetoric than anything else. Each of these three Chinese areas examined, all believe, to different extents, that China has a right in the Arctic and that China needs to have a role in Arctic affairs. It seems that these commentators have a grave concern of being excluded from this futuristically important area.

Chinese Scholars and Academia

Chinese universities, think tanks, and research institutions contribute significantly to an assessment of China's Arctic interests. Scholars such as Silvia Menegazzi argue that "in order to achieve a full picture of Chinese foreign policy and its normative underpinnings, it is necessary to explore the debate within non-state actors beyond the government apparatus, such as think tanks and research institutions."³² These think tanks and research institutions influence, provide information for, and contribute to the shaping and understanding of the PRC's foreign policy. Menegazzi argues that the PRC's leadership values scholarly analysis and advice when determining and shaping foreign policies. This provides us with valuable

³² Silvia Menegazzi, "China Reinterprets the Liberal Peace." In *Istituto Affari Internazionali IAI Working Papers* Volume 12, Issue 30 (2012): p. 1.

information and makes it possible to observe Chinese policy formulation through a clearer lens. Further, it perhaps places the importance of scholarly work at the forefront and is more reliable than media-related reports and officials' statements.

Evidence of the PRC valuing what its Arctic scholars think is seen with its decision to assign an Arctic Issues Research Project in September 2007.³³ This report was a government project assigned for Chinese scholars to contribute suggestions on how China should approach important Arctic issues. However, when this report was completed in 2009, it was not made available to the public. Nevertheless, several of China's leading Arctic scholars such as Li Zhenfu, Guo Peiqing, and Mei Hong published articles discussing many of the project's topics. Again, just as with media reports and notable officials' comments, this provides Western scholars with a window for examining and analyzing China's potential Arctic interests, thought processes, approaches, policy suggestions, and even perhaps some of its intentions.

Many scholars and officials have been quick to give recommendations on various Arctic issues. Chinese scholar Li Zhenfu seems to have possessed one of the more assertive voices in suggesting what China should do about Arctic controversies. In several of his articles, Li criticized his government for not taking a harder stance on certain issues.³⁴ The critiquing of a government's policies may not seem abnormal to citizens of Western democratic nations, but for China and its scholars, it is different. For Li to do this in a country where public criticisms of the CCP have not been treated lightly is a significant matter. However, since 2010 Li has not written anything else on the Arctic, which might perhaps speak to his government's or Chinese peers' reaction to his ideas as being too abrasive.

Li gave several recommendations for the way in which China should approach its Arctic affairs. For example, in the context of the Arctic's resources he said this:

[Natural] resources are of the utmost importance to any major power, and our country should also exert itself in striving for the gigantic resources of the Arctic. For us, staying aloof from [Arctic] affairs would, without a doubt, be automatic relinquishment [of our interests in them]. Research

³³ Jakobson, p. 2.

³⁴ Jakobson, p. 7.

has shown that we can punch through obstacles and actively participate in the solutions to Arctic sea route issues. Further, as a signatory state to UNCLOS, we have the right to share in rights to the [natural] resources of the region and to freely enter into the Arctic and other regions of the high seas. The government of China should take active interest in the state of Arctic developments and make our own reactions with specific regard [to them] so that we are not marginalized in this new world hot spot region [and in this way] make our rightful contributions to the protection of world security and the sustainable development of humankind.³⁵

As Wright notes, “not everyone in China concerned with Arctic affairs has been persuaded by Li Zhenfu’s energetic recommendations and his seeming methodological and analytical rigor.”³⁶ Li’s other suggestions were to increase China’s ability to protect and develop China’s sea power, formulate a contingency plan for dealing with crises in geopolitical issues, and diligently structure Chinese geopolitical theory systems for the Arctic.³⁷ Li wanted China to have a piece of the Arctic’s resources and proper rights to its navigational sea routes, but perhaps approached it too assertively. However, not every scholar in China is as concerned about Arctic issues as Li was. For example, Mei Hong and Wang Zengzhen find hope in building ground on certain issues and then desire to use that as a basis for cooperation and broaden the country’s participation in Arctic affairs.

As Wright points out, Mei and Wang make three recommendations to their government. First, China should strive to elevate its efforts in the Arctic’s environmental protection by cooperating on an international level. Second, Mei and Wang imply that China should get started on building more icebreakers and continue launching Arctic expeditions (something to be further discussed in the last section of this paper). Their reasoning is that if China wants to have a voice or legitimate claim to the Arctic, it should possess the ability to extend itself to that region of the world. They argue that the best way to achieve this is for the PRC and its people to work together effectively. The third recommendation is that China should not press for an Arctic treaty because for the time being negotiations are too difficult and filled with obstacles.

³⁵ As quoted in Wright’s, “The Dragon Eyes the Top of the World: Arctic Policy Debate and Discussion in China,” p. 22.

³⁶ Ibid., pp. 23-24.

³⁷ Ibid., pp. 22-23.

More or less, it would be a waste of time. They conclude that China should stick to where cooperation is most possible, which is in the Arctic's environmental treaties and issues.³⁸

Although Mei and Wang seem less abrasive in their approach than Li, the two scholars still argue that the Arctic does not belong to one, or a select few, state(s). In one of their articles they say thus:

The Arctic sea areas constitute a region for the common and shared enjoyment of humankind. The entire series of activities in Arctic sea areas such as ecological protection, environmental pollution prevention, and the development of natural resources does not depend on the strength of one or more circum-Arctic states to be up to the task. In consideration of the future of humankind, strengthened cooperation by every country in Arctic sea area issues is very important. The strategy for sustainable development demands that rational people carefully deliberate on how to open up the Arctic sea areas, and also that they establish good legal order in the Arctic. It can be imagined that an Arctic sea area which embodies the civilization of humankind and yet does not lose its natural characteristics will provide important development space for all humankind.³⁹

They hope that agreements can be made on environmental issues for the good of humankind and hope this approach will transcend into other agreements on Arctic issues. Like others, Mei and Wang continually bring up the word "humankind" when describing who the Arctic belongs to. In the context of navigable waterways, China has a more realistic hope in asserting its rights. However, in terms of resource development and extraction, the PRC will certainly need to take a different approach in obtaining a significant piece of the Arctic pie by other arguments than the Arctic belonging to "all humankind."

³⁸ Ibid., pp. 23-24.

³⁹ As quoted in Wright's, "The Dragon Eyes the Top of the World: Arctic Policy Debate and Discussion in China," p. 24.

A section of Cheng Chun-hua's article that was published in April of 2012 perhaps best correlates with what China's Arctic approach has been since the summer of 2012. He argues:

[China must] establish a role for participating in Arctic energy development by cooperating with Canada, the United States, and Russia as a strategic buyer of Arctic energy. In order to dispel the exclusion and hostility of certain countries and groups with vested interests towards China's participation in Arctic affairs, [China] can also negotiate the matters of purchasing Arctic energy with Canadian, Russian, and American governments and companies. To open Arctic energy transport routes, [China can also] prepare to expand energy trade. Under certain conditions [China] can provide capital in support of Arctic projects, petroleum engineering technical services, labour export, and other expenses.⁴⁰

Cheng's proposed "strategic buyer" approach best describes China's recent Arctic course of action in accessing the region's resources. Further, the offering of capital and technical expertise has been especially seen in relation to China's interests in Iceland and Greenland.

Robert Huebert has also noted the strategic buyer approach to China and its resource interests in the Arctic. He says:

They have begun to purchase shares in various resource development companies throughout the circumpolar north including Canada, focusing on midlevel corporations and offering premiums on their stock purchases. This is clearly a long-term strategy designed to give them an important foothold while at the same time allowing for the corporate world to get used to their increasing participation.⁴¹

⁴⁰ Cheng Chenhua, "Arctic Energy Development Trends." "北极能源开发新动向" (Beiji nengyuan kaifa xin dongxiang). In the International Relations Academy of Beijing University. 北京大学国际关系学院 (Beijing daxue guoji guanxi xueyuan), May 2012.

⁴¹ Robert Huebert, "Canada and China in the Arctic: A Work in Progress," In Canadian Polar Commission, summer of 2012. Accessed April 17, 2013.

<http://www.polarcom.gc.ca/index.php?page=canada-and-china-in-the-arctic>

This strategy has been the best way for China to gain a resource foothold in the Arctic while maintaining the PRC's foreign policy stances of peaceful co-existence and not challenging others' sovereignty rights.

Western scholars such as Linda Jakobson and David Curtis Wright have noted that Chinese scholarly work has calmed recently. Jakobson has said that "Chinese Arctic scholars have become more subdued in public. The concern that overly proactive statements run the risk of offending Arctic states and consequently undermining China's position in the Arctic today shapes the public face of Chinese analysis."⁴² And it seems that Wright agrees and further feels that "Given these [calming] trends, one can only assume that Chinese academics interested in the Arctic in general, along with the more strident commentators among their number in particular, have been instructed to reduce their Arctic-related scholarship or at least to cool their rhetoric."⁴³ Scholarly writings, debates, and even rhetoric served their purpose and had their time within the PRC. In short, China's scholarly works can be understood as the country thinking-out-loud and an avenue of thought processes that helped in the development and shaping of China's Arctic policy, strategy, and courses of action.

Recent Arctic Moves

China's Arctic moves since the beginning of 2012 are perhaps best seen in the four Arctic countries of Greenland, Iceland, Russia, and Canada. In each of these examples, China has become (or in some cases has at least explored being) a strategic buyer and take an investor approach in the exploitation of energy and mineral resources. To date, this approach has been the most successful way for the PRC to gain a foothold in Arctic-related affairs and events. This report will summarize Chinese related energy and resource events in each of the four mentioned countries and show how the PRC has already penetrated and gained a foothold in the Arctic region. Also, I

⁴² Linda Jakobson and Jingchao Peng, *China's Arctic Aspirations*, SIRI Policy Paper No. 34 (Stockholm: Stockholm International Peace Research Institute, November 2012) 2012, p. 5.

⁴³ David Curtis Wright, "China's Growing Interest in the Arctic," unpublished manuscript used with Wright's permission, Department of History University of Calgary. January 2013.

will give a brief final analysis and conclusion to assess the potential meanings and significance of allowing China access to this importantly new region.

Greenland

Greenland is an autonomous self-governing territory within the Kingdom of Denmark and its territory is located within much of the Arctic Circle. Currently, the Danish government spends \$600 million annually towards the sustainability of the 57,000 Greenlanders who reside there.⁴⁴ That is approximately \$10,500 dollars per person. This has been a financial burden on the Danish government, and both Denmark and Greenland have looked for ways to alleviate the problem. Most of Greenland's current economy revolves around fishing and shrimp exports, mixed with aboriginal hunting and gathering. However, these industries have not been adequate in sustaining the country's economic needs. Thus, alternate means have been explored in hope of generating a more stable economy so that Greenland can become independent and better capable of providing for itself. This is where the exploration and exploitation of the region's resources has come into play.

Because of the effects of global warming, many areas throughout Greenland that had been previously covered in ice have now been discovered to hold significant deposits of iron ore, lead, zinc, and rare earth minerals. An almost natural relationship between Greenland and China has developed because the Chinese have the financial backing and technical knowhow that Greenland lacks. Meanwhile, Greenland is home to many natural resources valuable in China's modernization efforts. Either actor is in a position to help each other in a way that would provide a win-win situation for both sides. However, the cost-benefit ratio is less favourable for Greenland because its autonomy would come at the price of allowing its most valuable economic asset to be under foreign control.

The government of Greenland has debated whether or not to allow foreign investors, such as the Chinese, to take part in resource exploitation. In fact, the country

⁴⁴ Palash Ghosh, "Greenland Election: Autonomy Comes at What Price?" *International Business Times*, March 13, 2013. Accessed April 12, 2013 <http://www.ibtimes.com/greenland-election-autonomy-comes-what-price-1123789>

recently held elections in March of 2013, and a core issue was the mining and exploitation of resources. The social democratic party called Siumut won the election on the platform of exercising caution towards foreign investors. The party's stance was to slow down foreign penetration and implement tariffs to gain control over its economic sector and to protect the country's interests.⁴⁵ However, according to a Chinese source in Copenhagen, China already have five companies in Greenland working towards the exploitation of resources.⁴⁶ Beyond that, the UK-based London Mining Company, a firm backed by Chinese steelmakers, is currently planning a \$2.3 billion dollar deal to mine iron ore near Nuuk, Greenland's capital.⁴⁷ The former Kleist government of Greenland issued approximately 150 licenses, which to the current ruling Siumut Party was far too many. Now the Siumut are attempting to slow down foreign penetration in hopes that they can regain more control.

China's developed interest in Greenland has only occurred recently, and the relationship between the two will likely only strengthen throughout the near future. As Canada's closest eastern neighbour, the Sino-Greenlandic relationship can provide an interesting case study in showing what can be expected when China's state-owned enterprises significantly penetrate foreign resource industries. Greenland has a small population (thus effects can perhaps be noticed more rapidly), and it will be intriguing to see what happens if large influxes of Chinese capital and workers start to pour into the economy. However, it is likely that the Chinese will do all they can to lessen concerns and cooperate with others because it is in their best interest to do so.

⁴⁵ Unknown Author. "Below the Ice" *The Economist* March 16, 2013. Accessed March 28 2013

<http://www.economist.com/news/europe/21573597-how-islands-politics-could-change-world-economy-below-ice>

⁴⁶ Jun Pu, "Greenland Lures China's Miners with Cold Gold" *Caixin Online* April 11, 2013. Accessed April 12, 2013. <http://english.caixin.com/2011-12-07/100335609.html>

⁴⁷ Unknown Author, "New Greenland Government Vows Changes for Raw Materials Industry" *euractive.com* April 2, 2013. Accessed April 12, 2013. <http://www.euractiv.com/specialreport-rawmaterials/new-greenlandic-government-vows-news-518837>

Iceland

Over the past two years, Chinese real estate tycoon Huang Nubo has attempted to purchase hundreds of millions of dollars, worth of land in Iceland's territory.⁴⁸ Huang has claimed that this land would be used for the purposes of creating tourism and golf resorts in the region. However, commentators point out that Iceland is not an ideal place to construct golf courses, making this Chinese man's intentions blurry and suspicious. The Icelandic government has not allowed these transactions to take place, and this is perhaps out of prudence or fear of not knowing China's intentions.

Similarly to Greenland, an Icelandic-Chinese relationship is almost as natural because Iceland lacks the ability to develop its economy independently, and China has the capital and willingness to support investment in the island's geographical advantages. Iceland is seen by the Chinese as geo-strategically important for the use of Arctic waterways and shipping routes, especially in regards to the Northern Sea Route.⁴⁹ As the Arctic's ice thaws, shipping through the region has become more feasible and means that China's distance for shipping goods to Europe would be shortened and thus more efficient. In fact, a report states that China is going to attempt its first commercial shipping endeavour through the Northern Sea Route in the summer of 2013.⁵⁰ If this happens, look towards an even stronger Chinese-Icelandic relationship to take place.

Perhaps the most notable event to take place in the Sino-Icelandic relationship is the free trade agreement between the two countries. This agreement makes Iceland the first European country to have a free trade partnership with China. Iceland ships a considerable amount of seafood to Chinese markets, and the Icelandic government feels

⁴⁸ Andrew Higgins, "Teeing Off at the Edge of the Arctic? A Climate Plan Baffles Iceland" *The New York Times* March 22, 2013. Accessed April 12, 2013.

<http://www.nytimes.com/2013/03/23/world/europe/iceland-baffled-by-chinese-plan-for-golf-resort.html?pagewanted=all& r=0>

⁴⁹ A map is provided in this essay's appendix for reference to where Iceland is located in regards to the Norwegian Sea and North Atlantic entrance to the Arctic and North Sea Route.

⁵⁰ Trude Pettersen, "China Starts Commercial use of Northern Sea Route" *Barents Observer* March 25, 2013. Accessed April 12, 2013. <http://barentsobserver.com/en/arctic/2013/03/china-starts-commercial-use-northern-sea-route-14-03>

that this agreement will help the island's battered economy.⁵¹ Obviously, this positive step in the relationship strengthens ties between the two countries and further opens the potential for consistent shipping via the Arctic's Northern Sea Route, a reality that only strengthens China's foothold in the Arctic.

Russia

The most significant Chinese-related Arctic event has perhaps occurred within the Russian context: the reported agreements signed by Chinese President Xi Jinping during his trip to Russia in March of 2013. China may double oil imports from Russia's state-owned enterprise OAO Rosneft to more than 620,000 barrels a day and challenge Germany as the biggest buyer of Russian crude.⁵² In return, China National Petroleum Corporation (CNPC) will endeavour in a joint-venture project with Rosneft to explore three offshore Arctic areas for oil.⁵³ This transaction illuminates China's approach to the Arctic as a "strategic buyer" in energy and mineral resources. The Rosneft deal has meant that China has become a prominent trader with the Russians and has perhaps even diverted oil exports from reaching European markets.

Beyond this deal, China and Russia are expected to complete more agreements that would involve constructing oil and gas pipelines between the two countries.⁵⁴ This would allow for easier trade and access to the northern region's resources. Russia is perhaps the most sensible trading partner for the Chinese. Both countries share a vast border with each other and both can gain much from cooperation. This energy agreement will assuredly strengthen the relationship between the two countries, and China will likely become Russia's best customer in the near future. This makes Chinese

⁵¹ Unknown Author, "Iceland becomes first European country to sign free trade agreement with China" *CTV news* April 17, 2013. Accessed April 17, 2013.

<http://www.ctvnews.ca/business/iceland-becomes-first-european-country-to-sign-free-trade-agreement-with-china-1.1238177>

⁵² Rakteem Katakey and Will Kennedy, "Russia Give China Arctic Access as Energy Giants Embrace" *Bloomberg News* March 25, 2013. Accessed April 12, 2013.

<http://business.financialpost.com/2013/03/25/russia-give-china-arctic-access-as-energy-giants-embrace/>

⁵³ *Ibid.*

⁵⁴ *Ibid.*

hostility in the Arctic less likely because, as Russia's best customer, China's interests will likely be supported by the Arctic's largest bordering country.

Like Greenland and Iceland, but perhaps not to the same extreme, Russia has recently endured economic hardships and is in need of capital. The Chinese are willing to pay a premium for resources and are anxious to work with the Russians in developing more resources. Beyond the Rosneft deal, China and Russia are working towards the construction of an oil and gas pipeline that would increase trade efficiency between the two countries. Akin to Iceland and Greenland, a Sino-Russian relationship is almost natural because Russia is in need of revenue while China is in need of energy resources. It is reasonable to conclude that in the future, and perhaps the not-too-distant future, Russia will be to China what Canada has been to the United States in terms of providing energy resources.

Canada

China's desire to have a stronger role in the Arctic may be built on Canada's north. Although China Offshore Oil Corporation's (CNOOC) \$15.1 billion purchase of Nexen Inc. in February of 2013 is not a clear example of Arctic resource penetration, this event drew attention on China as a notable "strategic buyer" of Canadian resources. Since then, however, Canadian media has provided a spotlight that has helped garner more attention to China's state owned enterprises investing in Canada's Arctic. For example, James Munson's article in *iPolitics* does a particularly sound job on illuminating many of China's moves.⁵⁵ Perhaps somewhat unknowingly, Chinese state owned enterprises have already penetrated parts of Canada's Arctic resource sector.

As reported, Chinese firms have invested over \$400 million in the north through multiple mineral and petroleum projects.⁵⁶ While many of these deals are small, they show the wide range and influence China has had on a vital sector of Canada's economy. Munson lists five specific examples:

⁵⁵ James Munson, "China North: Canada's Resources and China's Arctic Long Game." *iPolitics*, December 31, 2012. Accessed March 24, 2013 <http://www.ipolitics.ca/2012/12/31/china-north-canadas-resources-and-chinas-arctic-long-game/>

⁵⁶ Ibid.

1. Selwyn Resources with Yunnan Chihong Zinc and Germanium Company launched a \$100 million joint venture project
2. CNOOC spending \$20 million in resource exploration through Northern Cross
3. Baosteel Group investing through the Noront Resources Eagle's Nest Project
4. Jilin Jien Nickle Industry Co. acquiring the Nunavik Nickel project and the Goldbrooks project in the northern Quebec region of Nunavik
5. Jinduicheng Molybdenum Group Company's purchase of the Wolverine zinc and silver mine located in the southern Yukon

This evidence shows that China is already in Canada (albeit on a smaller scale) and has been willing to pay a premium to enter in Canada's north. If not cautious, and if trends continue, Canada could one day lose control of a vital sector of its economy and be faced with complications. For example, if relations between China and the United States sour and the Americans ask Canada to stop trading with the Chinese, Canada would be placed in an economic catch-22 situation and its economy would be affected.⁵⁷

Currently, the Harper government is considering a proposal from the Chinese-controlled Minerals and Metals Group Mining Corporation (MMG). In the fall of 2012, MMG proposed an enormous mining project for the Izok Corridor in the northernmost region of Nunavut.⁵⁸ This could bring billions of dollars in investment and entail huge infrastructure spending in that region. If approved and implemented, this project is expected to yield an estimated 180,000 tonnes of zinc and 50,000 tonnes of copper per annum.⁵⁹ As Arctic scholar Rob Huebert points out, "What we are noticing in the Arctic is that there seems to be an actual comprehensive plan to engage."⁶⁰ China has made some notable moves towards tapping into Canada's resource wealth, and those moves

⁵⁷ Ibid.

⁵⁸ Bob Weber, "Harper's Cabinet Mulls Massive Chinese Resource Project in Arctic." *The Canadian Press*, December 27, 2013. Accessed March 24, 2013 <http://www.theglobeandmail.com/report-on-business/industry-news/energy-and-resources/harpers-cabinet-mulls-massive-chinese-resource-project-in-arctic/article6752413/>

⁵⁹ Marc Howe, "Canada Mulls Allowing China to Pursue Gargantuan Metals Project in the Arctic." *Mining.com*, January 1, 2013. Accessed February 8, 2013. <http://www.mining.com/canada-mulls-allowing-china-to-pursue-immense-metals-project-in-the-arctic-56742/>

⁶⁰ Munson.

have given the PRC a place in the Arctic. Canada, as well as other nations, needs to start recognizing that there is a new actor in the Arctic, and one that has and will continue to increase its power and influence in the region.⁶¹

Final Analysis and Conclusions

China's Arctic approach can be summarized into two phases: the rhetoric and culmination of ideas phase and the strategic buyer phase. Media reports, diplomatic rhetoric, and PLA affiliates' comments have served purposes in providing a spotlight on and creating awareness to China's interests in the Arctic. These factions energetically asserted China's "rights" to the Arctic and voiced its desire to have a piece of the Arctic pie, causing Arctic nations to pay closer attention to the PRC's northern movements. Beyond that, Chinese scholarship provided notable Chinese ideas and fostered debate on how China should approach Arctic issues. Thus far, it seems that Cheng Chun-hua's "strategic buyer" approach has been the recent method China has used.

Since Cheng's article emerged in April of 2012, China has made Arctic purchases, investments, and joint-ventures with Russia, Canada, and Iceland, while appearing to be on the verge of obtaining something more concrete with Greenland in the not-to-distant future. This has made China's strategy more apparent, and has helped differentiate noise (Chinese rhetoric) from true courses of action. With the current moves and approaches China has undertaken throughout the past several months, the PRC's Arctic strategy has become much less opaque and increasingly more visible and coherent.

The discussed issue of whether or not China should be allowed in the Arctic should now perhaps be re-phrased. Thus, it is perhaps more appropriate to ask: What level should Arctic countries allow the PRC's state owned enterprises to control vital resource sectors of its economies? Liberal critics, especially many members of Canada's New Democratic Party, pieces in Canada's *National Post*, and *The New York Times* seem quite wary of Chinese state owned corporations. *The NY Times* has argued that China's state owned enterprises are agents of corruption and the United States should be wary

⁶¹ Huebert.

in dealing with them,⁶² while the *National Post* has stated things like, “Strategically and economically, China and the United States are already deeply antagonistic... Regardless of China-US looming conflicts, Canada is wise to avoid taking sides over minor issues such as [the] CNOOC-Nexen [deal].”⁶³

The actual role of China’s state-owned enterprises and the security implications associated with them are highly contested. Many concerns over China’s state owned corporations seem to be more mythical than based on fact. Perhaps Western democracies are still influenced by Cold War paranoia. This is not to say that caution should not be exercised when allowing these kinds of foreign takeovers and investments. Conversely, the lack of transparency is an issue, as well as the danger of corruption and inefficiency. Beyond that, reports of the Chinese army hacking American oil and gas pipeline companies have circulated in Western media, which purposes can only be guessed at.⁶⁴ This invokes jitters in the West and makes China’s intentions seem deceptive and opaque. On the other hand, Australia has allowed Chinese state owned takeovers to penetrate much of their resource sector and it has worked out well thus far.⁶⁵

The recent strategic buyer approach has worked well for China and has given it a stronger foothold in the Arctic region. As Rob Huebert argues, “China’s strategy of investing in resource industries that include Arctic developments will pay dividends over the long term.”⁶⁶ China is looking out for its country’s best future interests and feels that the Arctic is a potential future geopolitical pivot of the globe. It only seems

⁶² Keith Bradsher, “China’s Grip on Economy wil Test New Leaders,” *New York Times* November 9, 2012. Accessed April 15, 2012 http://www.nytimes.com/2012/11/10/world/asia/state-enterprises-pose-test-for-chinas-new-leaders.html?_r=0

⁶³ Terence Corcoran, “CNOOC-Nexen deal not worth taking a foreign-investment stand on,” *Financialpost.com* September 29, 2012. Accessed April 16, 2013. <http://opinion.financialpost.com/2012/09/29/terence-corcoran-cnooc-nexen-deal-not-worth-taking-a-foreign-investment-stand-on/>

⁶⁴ David E. Sanger, David Barboza, and Nicole Perlroth, “Chinese Army Unit is Seen as Tied to Hacking Against U.S.” In *The New York Times* February 18, 2013. Accessed April 15, 2013. <http://www.nytimes.com/2013/02/19/technology/chinas-army-is-seen-as-tied-to-hacking-against-us.html?pagewanted=all>

⁶⁵ The Australian government’s White Paper, “Australia in the Asian Century,” Accessed April 20, 2013 <http://asiancentury.dpmc.gov.au/>

⁶⁶ Huebert.

reasonable that China will act in its best interests to protect its future and ensure that its economic growth, modernization, and social stability will continue. As the old Chinese idiom states: “One generation plants the trees, and another gets the shade” (*Xianren zhongshu, houren xiangfu*).

Appendix:



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