CHAPTER 16

Non-Arctic States’ Role in the High North: Participating in Arctic Governance through Cooperation

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Abstract

The new geo-political landscape of the Arctic today is a significant departure from the great power politics that existed in the region during the Cold War era. Apart from traditional Arctic States, more and more international organizations and non-Arctic states are showing an increased interest in this region. This paper explores the growing interests of the three East Asia States, China, Japan, and South Korea, among a select-ed group of non-Arctic states in the Arctic and examines the nature of their interests and motivations in maintaining their involvement and presence in the region. Promoting cooperation is a common policy of these three Asian stakeholders to participate in Arctic governance. China’s approach to Arctic cooperation is elaborated in details which will be crucial to the country’s relationship with other stakeholders in the years to come.

Keywords


1 Introduction

During the Cold War, the Arctic was a security flashpoint between the United States and the U.S.S.R. with nuclear submarines from the United States and the Soviet Union patrolling deep below the polar ice of the Arctic Ocean and bombers airborne over the region. Today, the Arctic may be disassociated from great power politics, but new geo-political realities are taking shape out of the melting Arctic. Even though the Arctic is often described as a region of
cooperation, opportunities for greater tensions may also increase as interests among the great powers in this arena continue to rise. Russia has reopened some of its abandoned military installations during the Soviet era and placed new facilities and airfields in its northern territory. It has also established a string of seaports along its northern coastline. The United States tends to frame the growing Sino-Russian partnership in hard-power terms and is making a dramatic policy shift from the previous administration which saw climate change as the clear and present danger to Arctic security.

Against the background of such developments, major powers from outside the region, such as the United Kingdom, France, Germany, China, Japan, and South Korea and India are taking special interest in many aspects of the Arctic that focus on scientific research, shipping, and resource development. This chapter explores the growing interests of China, Japan, South Korea in the Arctic and examines the nature of their interests and motivations in wanting to maintain involvement and a presence in the region. Promoting cooperation is a common policy of these three Asian stakeholders to participate in Arctic governance. China's approach to Arctic cooperation is elaborated in details which will be crucial to the country's relationship with other stakeholders in the years to come.

2 Presence of China, Japan, and South Korea in the Arctic

The interests of these states range from participating in Arctic governance and accessing potential resources to exploiting shipping opportunities and undertaking polar research.

2.1 Governance

Seeking observer status in the Arctic Council is regarded by these three East Asian countries as an important step to ensuring their involvement in determining the course of the future of the Arctic region that they perceive will have an impact on their economic interests and global environmental concerns. As a maritime State, Japan has for a long time shown interest in the developments in the Arctic region, including its participation as an observer at the Ottawa Conference in 1996 that launched the establishment of the Arctic Council from the Arctic Environmental Protection Strategy (AEPS) framework. The government of Japan has since expressed interest in gaining greater access to discussions and negotiations on the Arctic. Japan could benefit heavily from the opening of the Northwest Passage, which would establish a route circumventing the Suez Canal and shorten transit times between Asia and Europe by
40 percent. The government of Japan submitted its application in 2009 for observer status in the Arctic Council.

With a growing reputation of having an edge in shipbuilding and engineering, South Korea sees the thawing Arctic as an opportunity to have a stake on “future sea routes to ensure stable energy supplies and liven up its shipbuilding, logistics and trading industries.” A South Korean delegation visited Norway in August 2009 with an aim to garner support from Norway for South Korea’s entry as an observer to the Arctic Council. “Being an observer of the Arctic Council will help us enter the discussion among the Arctic nations over preservation and development of the area. That will also help our government brainstorm policies on development of marine transportation,” a ministry official told The Korea Times. In August and September 2012, South Korea’s then-President Lee Myung-bak’s visit to Greenland and Norway reflected the country’s anticipation of economic opportunities in the Arctic, placing emphasis on the importance “to forge a future-oriented partnership aimed at tackling climate change and environment-friendly development and preservation of the Arctic.” An economic cooperation agreement signed with Norway is viewed by South Korea as gaining support from this Arctic State to back Seoul’s bid for permanent observer status.

China views the Arctic Council as an important body for governance and cooperation. Compared with an ad hoc status, a “permanent” observer status is perceived to be more than symbolic and “better positions non-Arctic states to participate in the governance of the Arctic region.” According to Linda Jakobson and Peng Jingchao, China has an unspoken concern that it will not be a desired attendee at some point in the future and its aspiration for observers to attain more influence in the Arctic Council will be not achieved. Since 2007,
China has participated as an *ad hoc* observer at the Arctic Council meetings, which has allowed it to gain a better understanding of the Council’s work. It has also officially expressed its intentions to become a permanent observer to the Arctic Council since 2008. Compared with Japan and South Korea, China’s expression of interest in the region continues to receive most attention in political, media and academic circles. Much of this arises from the perceived concern over the impact a vast-resource hungry economy such as China will have on the Arctic where new maritime routes for trade could potentially be charted and when accessibility of potential resources such as hydrocarbons and minerals become economically viable for exploitation. Together with Japan and South Korea, China was granted observer status in the Arctic Council in May 2013.

### 2.2 Shipping

China, Japan, and South Korea see the melting Arctic Ocean as a unique opportunity for international trade and potential access to resources. China possesses the *Xuelong* (Snow Dragon) icebreaker which was originally built in Ukraine in 1993 and converted from an Arctic cargo ship to a polar research and re-supply vessel by Hudong-Zhonghua Shipbuilding of Shanghai by the mid-90s. It was then extensively upgraded in 2007 and 2013. Jointly designed by the Finland-based Aker Arctic Technology Inc., the Chinese Arctic and Antarctic Administration (CAA), and the Polar Research Institute of China (PRIC), a second Chinese polar icebreaker named MV *Xuelong 2*, slightly smaller but more capable than *Xuelong*, entered service in July 2019. Some Chinese shipyards such as the Shanghai Shipyard and Hudong-Zhonghua Shipbuilding Co. Ltd. are already building ice-class ships of their own.

South Korea is interested in the economic benefit of Arctic shipping, as it hosts the largest ship building yards in the world. Samsung Heavy Industries has developed a double-acting vessel that has the same open sea characteristics as other ships in its class combined with the breaking capacity of an ice-breaker, cutting through up to 1.5 metres of ice. South Korean industry (and, incidentally, its subsidiaries in Finland) thus has a vested economic interest in the development of a trans-Arctic shipping route and industry. South Korea’s

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Samsung Industries is looking into filling the technological gap to make it possible to deliver Arctic natural gas across the Pacific. It is working on making these two-headed tankers capable of carrying natural gas that has been cooled into liquid to Asian markets.\textsuperscript{11}

With the same interests of shipping as its neighbour China, Japan also calls for joining hands with the United States and other Arctic States in ongoing multilateral efforts to create a new shipping regime in the Arctic Ocean. Japan believes that as a result of receding sea ice, caused by global warming, the Arctic is expected to open up for global shipping in the future. This will present strategic options for Japan’s industry in light of shorter shipping routes from Japan to Europe via the Arctic Ocean. Yoichi Fujiwara, a spokesman for the Japanese Embassy in Ottawa said: “we are interested in environmental programs, and transportation or passage through the Arctic area, and development of resources in the Arctic Circle.”\textsuperscript{12}

\textbf{2.3 Resource Development}

The forecast by the International Energy Outlook 2011 published by the U.S. Energy Information Administration suggests that the world energy consumption will grow by 53 percent from 2008 to 2035. It points to Asia’s rapidly growing economies that will be the primary drivers of increasing global energy demand. Chinese companies, some with close government ties, are investing heavily across the Arctic. China is deepening its Arctic presence through resource-oriented investments and the development of ports. It is in the process of diversifying its energy resources by investing in both Russia’s Yamal liquid natural gas (LNG) complex and Norway’s oil and gas fields. These sources not only provide China with an alternative supply of oil and gas but also help China gain experience in developing Arctic infrastructure and technology, which will eventually allow it to control the routes through which its imports travel. For similar reasons, China is now seeking to make oil and gas investments in Alaska, Canada, and Norway, as well as investments in the mineral industries and ports of many Northern European Arctic States.\textsuperscript{13}


\textsuperscript{13} Sherri Goodman and Elisabeth Freese, “China’s Ready to Cash In on a Melting Arctic,” Foreign Policy, May 1, 2018, at https://foreignpolicy.com/2018/05/01/chinas-ready-to-cash-in-on-a-melting-arctic/.
Japan is already involved in Russian oil and gas projects in the country’s east and the Arctic. In September 2019, Japan’s Mitsui & Co. and the state-backed Japan Oil, Gas, and Metals National Corporation (jogmec) signed a protocol with Russia’s Novatek gas producer on investing in the Arctic LNG 2 project. Japan’s government and its state-owned oil group have emerged as leading contenders for a stake in Rosneft’s $157bn Arctic project. As of December 2019, Japan’s Ministry of Economy, Trade and Industry and jogmec were said to be the primary parties considered for investment into the Vostok oil development. Participating in the project will help Japan diversify its energy supply away from the Middle East, from where it currently imports almost 90 per cent of its oil.

2.4 Polar Research

China maintains an active polar research program, in which it is intensifying research in both the Arctic and Antarctic regions. In 2004, China opened its first Arctic scientific research station, Huang He Zhan (Yellow River Station) at Ny-Ålesund in Svalbard, Norway. Furthermore, with Xuelong, the world’s largest non-nuclear icebreaker, China has embarked on several Arctic research expeditions. These activities are part of China’s larger polar scientific research efforts, which have resulted in more than twenty expeditions being sent to the Arctic and Antarctic since 1984. Viewing itself as a “near Arctic state,” China perceives the environmental changes and economic development happening in the Arctic to have “a significant impact on [its] climate, ecological environment, agricultural production as well as social and economic development.”

The Chinese Arctic and Antarctic Administration (CAA) is the national authority that organizes, coordinates, and supervises Chinese Arctic and Antarctic expeditions. The Polar Research Institute of China (PRIC) was founded in 1989 and coordinates national polar research. PRIC provides logistics for Chinese National Arctic/Antarctic Research Expeditions (CHINARE). PRIC is also in charge of running and managing the M/V Xuelong, the Great Wall and Zhongshan Antarctic stations.

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In Japan, scientists have been involved in Arctic research since the 1950s, but it was not until 1990 that Arctic research became institutionalized under the aegis of the Arctic Environment Research Center (AERC). AERC was established within the National Institute of Polar Research (NIPR) in June 1990 and reorganized in April 2004. The center aims to cooperate with researchers at universities and other research institutes as a central aspect of the organization of Japanese Arctic and Antarctic research. The center is responsible for the management and the administration of the Japanese research station at Ny-Ålesund, and in charge of the collection of Arctic information and data and publishes the Arctic Research Directory. Other institutions engaged in Arctic research in Japan include the Japan Agency for Marine-Earth Science and Technology (JAMSTEC), the Japan Aerospace Exploration Agency (JAXA), and universities such as Hokkaido University, Tokyo University of Marine Science, and Kitami Institute of Technology. Japan’s Arctic research focuses on understanding the mechanism of warming amplification in the Arctic, understanding the Arctic system for global climate and future change, evaluation of the effects of Arctic change on weather in Japan, marine ecosystems and fisheries, prediction of sea ice distribution and effects upon Arctic sea routes.

South Korea’s polar research history began in 1987 with the Polar Research Center of the Ocean Research Institute which was set up as part of an Antarctic station construction program. Since then, it has expanded from a mere Polar Research Laboratory to a Polar Research Institute, a subsidiary research unit of the Korea Ocean Research Institute. The Korea Polar Research Institute is now an international polar research institute operating the King Sejong Station in Antarctica and the Dasan Station in the Arctic. South Korea actively participates in several relevant international organizations such as the Antarctic Treaty Consultative Parties (ATCP), the Scientific Committee on Antarctic Research (SCAR) and the International Arctic Science Committee (IASC), and became recognized internationally by publishing research achievements in prominent international journals. Since 2002, South Korea has run the Arctic research station Dasan at Ny-Ålesund, conducting research on climate and marine species ecology.

17 http://www-arctic.nipr.ac.jp/
3 Relationship among the Three East Asia States in the Arctic

China, Japan, and South Korea were granted observer status in the Arctic Council at the same time in May 2013. Most literatures relevant to these three countries focus substantially on why they are interested in the Arctic, with less attention on the important role that Asian states play in Arctic affairs. Major drivers of Arctic environmental problems originate from outside of the region, which means that the most important Arctic environmental institutions are not regional but global. “Asian states are among the definite stakeholders in these institutions, combining high scores on power, legitimacy and urgency.”

Asian stakeholders, through raising their participation and ownership in knowledge-building and recommendation work, may contribute much to the Arctic Council for better governance of the activities affecting the Arctic.

Such involvement in knowledge-building might promote the regulatory dynamics within broader international institutions crucial to Arctic governance, as well as encouraging collaboration in mutually beneficial capacity enhancement.

China, Japan, and South Korea, as non-Arctic countries, advocate their interests by actively participating in international and regional cooperation mechanisms and taking advantage of the speaking rights within the various organizations. Internationally, the three countries participate at the globalized international systems level applicable to the Arctic region, such as the United Nations Convention on the Law of the Sea (UNCLOS), the United Nations Framework Convention on Climate Change (UNFCCC), and international legal documents developed by the IMO, such as the Guidelines for Ships Operating in Arctic Ice-covered Waters. On the regional level, they participate in multilateral and bilateral agreements and institutional arrangements between countries, such as the Arctic Council. They are able to understand the latest developments in Arctic affairs and gain insights regarding topics of their concern

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20 Ibid., 780.
21 W. Li, “Research on the Cooperative Approaches of China, Japan and South Korea in the Arctic,” Polar Strategies, 6 (June 2012), in Chinese, 28.
through the Arctic Council. In addition, they could share the latest technologies and learn how to deal with related issues through participation in the various working groups and project meetings within the Arctic Council. On the discussion about reforming Arctic governance, “China, Japan, and South Korea can strengthen exchanges and cooperation with member states, observers and relevant international organizations within the organizational framework of the Arctic Council.”

China, South Korea, and Japan believe that the development of the Arctic should be orchestrated between the efforts of all interested countries that have an urgent need for relevant financial, economic and technological opportunities. From a sectoral perspective, China, South Korea, and Japan are actively pursuing scientific, economic, and political activities for the development of the Arctic, seeking to increase their roles in the Arctic Council. They are aiming to ensure an increasing presence in the Arctic in the form of scientific expeditions, cargo transportation, fisheries, mining, and education, among others. They are similarly interested in information about the deposits of strategic natural resources in the Arctic and their development, as well as prospects of operation of the sea routes, ice-breaker construction, and the situation in the areas inhabited by indigenous peoples of the North.

South Korea is generally welcomed by Arctic States, as the country can offer necessary equipment for developing northern economies, investments for resource extraction, and a growing market for exports. It is the trust that the member States of the Arctic Council place in South Korea on a bilateral level that is driving the rising profile of the country in Arctic affairs, with the hope of receiving help in research and development in their northern regions. South Korea has also demonstrated its sincerity as an Arctic stakeholder by becoming the first Asian country to develop an integrated “master plan” for its regional activities that lays out political, commercial and scientific goals. The plan spans from 2013 to 2017 and aims to increase international cooperation to explore and promote Arctic business (shipping, fishing, and

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23 Ibid.
26 Ibid.
shipbuilding), and expand Arctic research. South Korea sees involvement in the Arctic as an opportunity to strengthen its shipbuilding industry, promote new trade routes, and find new sources of energy imports. South Korea has had a central research agency called the Korean Polar Research Institute since 1987, which focuses on Arctic governance, policy, research, and industry. South Korea also has a lot to gain from shorter shipping routes. Furthermore, it has also been ramping up its Arctic research and diplomatic activities in recent years.

Japan has a long history of Antarctic research: its National Institute of Polar Research launched its first Antarctic mission in 1956, and Japan launched a new icebreaker in 2008. It was not until recently that Japan shifted focus towards the Arctic, when its resource dependency reignited industry interest in Arctic shipping lanes. Though a bit slower than its Asian counterparts in showing interest in the Arctic, Tokyo has been steadily increasing its Arctic programs in an effort to catch up. Japan published its interim Arctic policy in 2008, and adopted the final version in 2015, seeking to increase research and to explore strategic opportunities, specifically the Northern Sea Route. Given Japan’s proximity to the Bering Strait, it aims to gain from increased traffic at its ports and from the potential to become a central hub in Asia.

China’s Arctic policy is more upbeat on Arctic shipping options, subsuming them under the larger Belt and Road Initiative as a “Polar Silk Road.” However, the Chinese shipping industry’s actual advancements into the region have been increasingly cautious over time. Heavily reliant on trade, China is home to 7 out of the 10 busiest ports in the world. When the Arctic routes are passable, they are on average 40 percent quicker than traditional routes such as the Panama or Suez Canals, representing a reduction of a week in sailing time, or an estimated savings of US$ 600,000 per vessel per trip. China has reportedly planned to have 5 to 15 percent of its container traffic on Arctic routes by

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29 Ibid.


2020. Given that Arctic States have direct control of the Arctic trade routes, China wants to be able to observe talks that affect these routes.

Some argue that shipping and shipbuilding are not the most powerful drivers of the Arctic aspirations pursued by these East Asian countries as many hold. “Arctic maritime transport is viewed with rising caution at governmental as well as industry levels in these countries.”

Reflected particularly in Japanese and Korean policy documents and industry statements, the evaluation on maritime business opportunities is prudent. The significance of shipping and shipbuilding for Asian engagement in the Arctic has also been conditioned by bureaucratic structures in each country and their proximity to industry associations and fluctuations in the relevant markets. Each nation’s ministry of foreign affairs, the Cabinet Office in Japan’s case, have played important roles in the aggregation of comprehensive Arctic policies. The Ministry for Oceans and Fisheries has been the main driver in South Korea which also has responsibility for shipping and polar research. Deep involvement of the government offices closest to shipping and shipbuilding (characteristic of policy development in Korea and Japan) implies that elaboration of goals, priorities, and specific projects build on sector expertise is sensitive to not only opportunities, but also political or economic constraints.

In China and South Korea, where Arctic policies convey the clearest emphasis on economic use, the shipping industries have been financially overstretched in recent years, and thus are less prepared to commit themselves to heavy investments where the expected returns are potentially high, but uncertain and still far in the future. For all three countries, rising attention to Arctic developments as well as broader aspirations of playing visible roles in global governance mean that maritime transport projects involving this region are assessed with considerable interest, but we find nothing to indicate that they will be pursued unless the expected returns equal or exceed those of other options.

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32 Hugh Stephens, “The Opening of the Northern Sea Routes: The Implications for Global Shipping and for Canada’s Relations with Asia,” SPP Research Papers, The School of Public Policy, University of Calgary, Canadian Global Affairs Institute, Vol. 9, No. 19 (May 2016), 4.


35 Ibid.

36 Ibid., pp. 24–52.

37 Ibid.
China, Japan, and Korea also emphasize both their contributions to scientific investigations in the Arctic and the relevance of their capital and technology for regional economic development.\(^{38}\) China’s Arctic Policy White Paper, for instance, reinforces the scientific factor by referencing its own prominence in global governance and international affairs. The three states underscore that they fully respect the sovereignty and sovereign rights of coastal States. None of them has explicitly challenged the controversial unilateral shipping regulations that Canada and Russia have established for ice-covered waters adjacent to their coasts. At regional and global levels too, the Asian states have maintained relatively low profiles, specifically in shipping-oriented activities under the Arctic Council and in the negotiations of a legally binding Polar Code under the International Maritime Organization.\(^{39}\)

Recently, there has been increasing collaboration among these three East Asian states on their polar goals. The first South Korean scientist to go to the Arctic was on board a Chinese research vessel, and a Japanese scientist traveled with the South Korean icebreaker Araon.\(^{40}\) South Korea and China signed a Memorandum of Agreement in 2008 to collaborate on polar research. Japan did not enter into formal agreements with China at that time, but in April 2016, Japan, China, and South Korea held their first high-level collaboration talks on the Arctic in Seoul.\(^{41}\) The three states agreed to work together to increase scientific research on the Arctic and help each other further their Arctic interests, which marks the first time these three countries have officially collaborated on the Arctic.\(^{42}\)

China, Japan, and South Korea jointly initiated and play an important role in the Asian Forum for Polar Sciences, which has become the only regional scientific cooperative organization in Asia. The three countries play an important role in this organization. China actively advocated for the Pacific Arctic Group to be set up at the Arctic Science Summit Week. The working group has become a significant channel for the three countries to make an impact in the field of Arctic research. Starting in 2011, the Korea Maritime Institute\(^{43}\)

\(^{38}\) Ibid.

\(^{39}\) Ibid.


\(^{42}\) Diana Edwards, “A View from the West: China, Japan, South Korea Look North,” above note 40, 38.

\(^{43}\) More information about Korea Maritime Institute can be found at www.kmi.re.kr (accessed on September 19, 2014).
has been the main financier and host of the ‘North Pacific Arctic Conference’ in Hawaii, discussing Arctic governance matters in an attempt to become an advocate for Arctic affairs among countries outside the region.44

During high-level talks at the Foreign Ministry in Tokyo in 2017, Japan, China, and South Korea agreed to conduct a joint study to assess pollution and climate impacts in the Arctic, wrapping up their latest talks on how to develop the region. The agreement on joint scientific research and exploration comes amid increased global attention on navigation and resource development in the Arctic Ocean.45 Under the agreement, the three countries will collect basic data, including on the levels of marine pollution in the Arctic Ocean, to ensure the environment is protected during development work and can predict the best timing for navigation in the Arctic Ocean. “It is indispensable for the international community to ensure the protection and preservation of the fragile marine environment of the Arctic Ocean, and to maintain peace, stability and constructive cooperation based on a rule-based maritime order,” according to the joint statement issued after the talks.46

4 Arctic States’ Approach to Cooperation in the Arctic

The gradual disappearance of Arctic sea ice raises challenges to sovereignty and security issues, some of which are increasingly evident in the evolving relationships between the eight Arctic States and non-Arctic states, such as China, Japan, South Korea, and India. In the same vein, there is a strong and practical need to strengthen international cooperation on Arctic matters, especially in the face of growing global attention on melting Arctic sea ice. Cooperation between Arctic and non-Arctic states have continued to develop on a number of levels, either bilaterally or within the existing frameworks of regional forums and international organizations, and on issues of scientific research, environmental protection, and sustainable development.

At the third Arctic Circle Assembly in Reykjavik, Iceland in 2015, Zhang Ming, China’s vice minister of foreign affairs, delivered a keynote speech titled


46 Ibid.
“China in the Arctic: Practices and Policies.” The following year, Gao Feng, China’s chief negotiator for climate change, gave another speech about China’s view on Arctic cooperation at the fourth Arctic Circle Assembly. Furthermore, Xu Hong, head of the Department of Legal Affairs in China’s Ministry of Foreign Affairs, talked about China’s view on Arctic economic development at the sixth International Meeting of Representatives of Arctic Council Member States, Observer States, and Foreign Scientific Community, which was hosted by the Russian Federation between August 29 and September 2 of 2016. These speeches, which often focus on “cooperation,” display an emerging Chinese Arctic policy that is well reflected in the China Arctic Policy White Paper.

Recognizing and respecting each other’s rights constitutes the legal basis for cooperation between Arctic and non-Arctic states. In accordance with the UNCLOS and other relevant international legal frameworks, Arctic States have sovereign rights and jurisdiction in their respective areas in the Arctic region, while non-Arctic states also enjoy rights of scientific research and navigation. To develop a partnership of cooperation, Arctic and non-Arctic states should, first and foremost, proceed from the basis of recognizing and respecting each other’s rights under international law.

Second, mutual understanding and trust provide a political guarantee for cooperation between Arctic and non-Arctic states. Arctic States, with a larger stake in Arctic-related issues, argue that they should play a more important role in Arctic affairs than non-Arctic countries. In the meantime, given the trans-regional implications of certain Arctic issues, non-Arctic states that fall under such influence also argue that they have legitimate interests in Arctic-related issues. With their interests intertwined, there is no doubt that both Arctic and non-Arctic states will play increasingly significant roles in Arctic affairs. To enhance cooperation, Arctic and non-Arctic states should, on the basis of respecting each other’s rights, strengthen their communication, improve mutual understanding, foster trust, and seek areas of converging interests.

Third, addressing trans-regional issues through joint research endeavors represents a major field of cooperation between Arctic and non-Arctic states.

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Enhanced cooperation in scientific research will enable Arctic and non-Arctic states to view trans-regional issues from a wider perspective, send a more comprehensive message to the international scientific community, and facilitate the settlement of relevant issues. This model of cooperation has already yielded sound results in addressing issues such as climate change and Arctic shipping. The issue for Arctic Council members now is how to involve non-Arctic states at the early stages of relevant research endeavors and in-depth discussions.

Arctic and non-Arctic states have different rights, interests and specific concerns with regards to Arctic-related issues. However, peace, stability and sustainable development in the Arctic serves the common interests of both Arctic and non-Arctic states. It is crucial for the Arctic and non-Arctic States to intersect and share these different rights, interests and concerns. Mutually beneficial cooperative partnerships which promote and enhance these interests will surely be the most appropriate way forward in a region of growing global importance. For instance, Arctic resources require enormous foreign investment to develop; China, which is flush with capital, is well positioned to facilitate this investment. In turn, Chinese leaders hope that Arctic States will be inclined to back Chinese interests in the region. China’s strategy of scientific diplomacy, participation in Arctic institutions, and resource diplomacy has proved fairly successful, enabling China to acquire peacefully a (limited) say in Arctic affairs.50 China is acquiring various technologies that are essential for building upon new economic opportunities in the Arctic. China is building ice-strengthened bulk carriers and tankers capable of commercial Arctic navigation as well as planes that can fly in harsh polar weather conditions. Arctic shipping will not only benefit such countries whose economies heavily depend on international trade and shipping (e.g., China, Japan, South Korea), but also serves the interests of Arctic States as well. Martin Breum points out that, spurred by climate change and hopes of funding from China’s Belt and Road Initiative, “the governments of Norway and Finland are breathing new life into a vision of an Arctic Corridor from Asia to the European mainland.”51

5 China's Approach to Cooperation in the Arctic

“Cooperation” is an effective means for China’s participation in Arctic affairs, and “respect” is the key basis for China’s participation. A “win-win result” is the value pursuit of China’s participation in Arctic affairs, which carries on the message that all stakeholders should pursue mutual benefits and common progress in all fields of activities. “Such cooperation should ensure that the benefits are shared by both Arctic and non-Arctic states as well as by non-state entities and should accommodate the interests of local residents including the indigenous people.”

5.1 “Cooperation” with Arctic States

In 2012, China and Iceland signed the Framework Agreement on Arctic Cooperation, which was the first intergovernmental agreement on Arctic issues between China and an Arctic State. The China-Iceland Joint Aurora Observatory formally opened on October 18, 2018, in the northern part of Iceland. The observatory and the land of Karholl are owned by the Icelandic non-profit organization “Arctic Observatory.” The Polar Research Institute of China (PRIC) leases the land for the operations of the observatory. On April 8, 2018, China and Finland signed an agreement to establish a joint research center for Arctic space observation and data sharing service in Sodankyla, which is located in north Finland’s Lapland. The center will enhance cooperation on cryosphere research with the use of satellites, which will provide information from the Arctic region for use in climate research, environmental monitoring, and operational activities (such as navigation in the Arctic Ocean). The cooperation between Norway and China on climate monitoring and predictions in the Arctic will be increased and carried out on the platform of the Nansen-Zhu International Research Center (NSC), jointly established by China and Norway in 2003. A climate research seminar was attended by Chinese and Norwegian scientists in Beijing April 16–17, 2018. At that seminar, they decided that they will conduct more research on how Arctic climate change influences the


53 See https://karholl.is/en/.


climates of Europe and Asia. They will also develop a prediction system for extreme weather and secondary disasters. China’s Ministry of Natural Resources held the Arctic Circle China Forum in Shanghai from May 10 to 11, 2019. The forum discussed the importance of developing broader international cooperation in areas such as climate change.

On June 5, 2019, China and Russia signed a joint statement vowing to strengthen contemporary global strategic stability and promote the cooperation between the two countries in the Arctic area, mainly by expanding shipping routes and cooperating in the development of infrastructure construction, resource exploitation, tourism, environmental protection, and scientific expeditions. In 2019, China and Russia launched a scientific cooperation program in the Arctic through an agreement that documents the development of bilateral cooperation between the Pilot National Laboratory for Marine Science and Technology (QNMLM) and the P.P. Shirshov Institute of Oceanology of the Russian Academy of Sciences (IO RAS); the agreement is targeted at Arctic research and the preservation of its indigenous natural resources.

5.2 Cooperation with International Institutions

On October 3, 2018, ten parties (including Canada, China, Denmark, Iceland, Japan, Norway, Russia, Korea, the United States, and EU) signed an agreement to prevent unregulated fishing in the central Arctic Ocean. This agreement is the first to use a legally binding, precautionary approach to protect an area from commercial fishing before fishing has begun in the area. Under the agreement, the Parties commit to not initiate commercial fishing in the central Arctic Ocean until there is more knowledge about the fish stocks in the area. As part of the agreement, the Parties will establish a joint scientific research and

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monitoring program to improve understanding of the area’s ecosystems and determine if fish stocks can be sustainably harvested.

The China-Nordic Research Center (CNARC) was established in Shanghai on December 10, 2013 by ten member institutes (four Chinese and six Nordic).60 CNARC’s research themes include Arctic climate change and its impacts, resources, shipping and economic cooperation, and Arctic policymaking and legislation. Since 2013, CNARC has held an annual Symposium which covers topics on: Human Activity and Environmental Change, North meets East, Arctic Synergies: Policies and Best Practices, the Sustainable Arctic, Trans-regional cooperation in the Arctic Development and Protection, Integrated Ocean Management in the Arctic, Arctic Fisheries, the Polar Silk Road, and Sustainable Development Practices.

5.3 Cooperation with Non-Arctic States
China is having trilateral High-Level Dialogue on the Cold Affairs with Japan and South Korea.61 The dialogue initiated in 2011 during the Japan-China-South Korea Summit by South Korea’s motion. The dialogue seeks to build mutual understanding through consistent communication among the three countries regarding the Arctic region. As the observers of the Arctic Council, the three countries also communicate the outcomes of their dialogue to the Arctic Council. The first dialogue took place in Seoul in 2016; the second took place in Tokyo in 2017; and the third took place in Shanghai in 2018. During the latest trilateral dialogue, which took place on June 26, 2019 in Pusan, the three countries agreed to further negotiate for and promote a “free and open rule of the sea” in the Arctic in regard to the rule of law, freedom of navigation, openness, and transparency.6263 The three countries also agreed to further discuss data sharing and collaboration in scientific research on the Arctic region. Finally, the three countries also seek to further discuss creating a rule-based

economic environment in the Arctic region. China has also engaged separately with the United Kingdom and France regarding bilateral dialogues on the law of the sea and polar issues.

6 Other Actors' Perception about China

The United States is worried about China's increasing cooperation with the Arctic countries in regard to economic development and scientific research. Triggered by China's involvement in Greenland, U.S. President Donald Trump has, with varying degrees of seriousness, repeatedly expressed interest in buying the autonomous Danish territory. China Communications Construction Company's (CCCC) bid for Greenland's airport construction projects in 2018 triggered a huge reaction from the United States, since Greenland is strategically important for the U.S. military and its ballistic missile early warning system. Under U.S. pressure, Greenland decided to pick Denmark over Beijing for financing the planned projects. U.S. Secretary of State Mike Pompeo expressed concerns over China's participation in Arctic affairs and suggested that China's participation could transform the Arctic Ocean into a new South China Sea, fraught with militarization and competing territorial claims.

While Russia turned to China for potential investments and technology partnerships, the pivot to Asia was seen as a potential boost for development of the Russian Far East and Urals region. Against a background of strained relations with the West, China is viewed as Russia's primary source for capital to develop the Arctic. Although both China and Russia have strong interests in strengthening cooperation over energy resources and minerals—and more broadly over trade and investment flows—in general, there has been much skepticism as to the extent to which Russia welcomes the non-Arctic states,

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and China in particular, in the Arctic region. Pervasive mistrust is rooted in historical grievances and strategic cultural differences. There are growing concerns, particularly on the Russian side, about the long-term implications of the ongoing shift in relative power.\footnote{Ibid.}

In the midst of a bruising dispute with China, Canada has sided with Beijing over Washington on the Arctic, dispatching a senior parliamentarian to Shanghai to express support for co-operation in the high latitudes. Liberal MP Andrew Leslie told a forum on May 10, 2019, that “Canada welcomes opportunity for further productive cooperation with China” and suggested that “the whole idea is to engage in dialogue ... we can work cooperatively.”\footnote{Nathan Vanderklippe, “Agreeing on the Arctic: Amid dispute, Canada sides with China over the U.S. and how to manage the North,” The Globe and Mail, May 10, 2019, https://www.theglobeandmail.com/world/article-agreeing-on-the-arctic-why-canada-sides-with-china-over-the-us-on/} The former president of Iceland, Olafur Ragnar Grimsson, who is also the current chairman of the Arctic Circle, suggested that it is worth remembering that China, along with South Korea and Japan, are surpassing even the Arctic States in Arctic science and research, and that Asia is now playing a greater economic and diplomatic role in Arctic affairs “than any of us could have predicted five years ago. That is the new model of the Arctic reality—that not only China, but Asia has arrived in the Arctic, big time.”\footnote{Ibid.} The Swedish government seeks to develop an innovative, multidisciplinary, and globally coordinated polar research process.\footnote{Lundin, “Arctic, climate change.”} One of its ambitions is to introduce this research process into its international cooperation with new partners, including China. Sweden is also very positive about Iceland’s cooperation with China. The Swedish government described the introduction of geothermal energy into China’s clean energy transformation as a “standard setter” for geothermal energy development in China’s future energy system.

Given its geographic proximity to the two countries, Japan is concerned, from a security perspective, with China’s energy cooperation with Russia. Japan has been seeking to cooperate with Russia in order to balance the potential threat posed by the Sino-Russian cooperation in the Arctic region.\footnote{“Roshia no seiiki ‘Hokkyoku- kai’ ni Chūgoku ga shokushu nichiro bōei kyōryoku ni katsuro [China’s reach in Russian sanctuary Arctic Ocean],” The Sankei News, November 15, 2018, https://www.sankei.com/politics/news/181115/plt1811150001-m.html.} Moreover, Japan is also concerned with China’s approach to the other Arctic nations. Analysis from the Japn Marime Self-Defence Force (JMSDF) expressed concern over the
China-Iceland Joint Aurora Observatory and its potential implications for China’s scientific cooperation with the Arctic countries in 2018. On economic cooperation, however, Japan is joining with China’s initiatives to participate in the development of the Arctic. Together with Finland, Russia, and Norway, Japan joined China’s polar fiber link project, which will see a 10,000-kilometer fiber-optic cable network that connects Europe and Asia. The Japanese government keeps a close watch on China’s cooperation with the Nordic countries (e.g., Iceland) and believes that China’s main interests in the Arctic include the exploration and exploitation of Arctic resources, development of a commercial shipping route in the Arctic region, and enhanced global security. Yet, the Japanese government still holds positive views on China’s participation in international cooperation in the Arctic and, in its Arctic report, puts more emphasis on China’s principles of mutual respect, cooperation, win-win, and sustainability.

Future of Arctic Cooperation

A basic question has been raised: with the shift in the international security architecture, will the Arctic in the future continue to be a region generally characterized by cooperation and low tensions, as it was during the post-Cold War era, or instead become a region characterized by competition and increased tensions, as it was during the Cold War? Some hold the view that this shift poses a potential challenge to the tradition of cooperation, low tensions, peaceful resolution of disputes, and respect for international law that has characterized the approach used by the Arctic States, particularly since the founding of

the Arctic Council in 1996, for managing Arctic issues. In this regard, some observers argue that “the Arctic states and other Arctic stakeholders should attempt to maintain the region’s tradition of cooperation and low tensions, and work to prevent the competition and tensions that have emerged in Europe, Asia, and elsewhere in recent years from crossing over into the Arctic.”

They point to the experience of Arctic States and other Arctic stakeholders that have achieved success in promoting cooperation on a range of issues, which have served as a useful model for other parts of the world to follow. Nevertheless, the Arctic has no way to staying fully isolated from the competition and tensions that have arisen in other parts of the world.


78 Ibid., “Changes in the Arctic,” 53.