

CHINA'S ARCTIC AMBITIONS AND WHAT THEY MEAN FOR CANADA

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Introduction

Canada's North covers 40 per cent of our territory and is home to more than 100,000 people, more than half of whom are Indigenous. For Canadians, the North captures our imagination like no other part of our country.

As the Arctic attracts increased economic activity, as its resources are increasingly sought after and as its navigation routes open and its ecosystems become increasingly fragile, what is Canada's responsibility?

We see the North as an essential part of our future and a place of extraordinary potential.

PAMELA GOLDSMITH-JONES,
Parliamentary Secretary to the
Canadian Minister of Global Affairs,
October 8, 2016¹

For China, Arctic affairs can be divided into those of a regional nature and those of global implications. It has been China's position that the former should be properly resolved through negotiation between countries of the region. China respects the sovereignty and sovereign rights of Arctic countries, and hopes that they can collaborate with each other and peacefully resolve their disputes over territory and sovereignty.

YANG JIAN,
Vice President of the Shanghai Institutes
for International Studies,
"China and Arctic Affairs," *Arctic Yearbook* (2012)²

Over the past decade, politicians around the world have been paying increasingly close attention to the Arctic. Global climate change has attracted researchers anxious to better understand the essential role the region plays in global ecosystems. Meanwhile, newly accessible resources and transportation routes have drawn the attention of state and private enterprise looking to profit from these same changes. In Canada, questions of northern sovereignty, security, and development are now central policy considerations. For politicians looking to prove their nationalist *bona fides* a strong statement on the centrality of the Arctic to the nation is a common refrain. In academia and the media, an ever-expanding number of commentators point to the complex array of regional opportunities and challenges emerging in the face of rapid environmental change but fail to reach consensus on what it means for Canada or for the world.

Whether viewed as a barometer for the global climate, a scientific or resource frontier, a transit route to elsewhere, a tourist destination, or a homeland, the Arctic has captured the attention of the world – from Baffin Island to Beijing. With the attention of the world now on the region, Canada's historic and ongoing dilemma is how to balance sovereignty, security, and stewardship in a manner that protects and projects national interests and values, promotes sustainable development and healthy communities, and facilitates circumpolar stability and cooperation.

The salience of the Arctic in Canadian political discourse has certainly grown since Stephen Harper became prime minister in 2006 and trumpeted

“use it or lose it” as the “first principle of sovereignty.” Coupled with resource development and the idea of Canada as an “Arctic superpower,” Canadians have been inundated with strong, muscular messages aimed at a domestic audience suffering from deep-seated anxiety about sovereignty loss at a time of economic uncertainty.³ The ground had been already laid by commentators conjuring various would-be challengers to that “sovereignty” in the early twenty-first century.

Along these lines, the United States was recast in its traditional role of seeking to undermine Canada’s position that the Northwest Passage constitutes internal waters, while also challenging Canadian ownership of a section of the Beaufort Sea (with all its potential resource riches). In practical terms, however, the United States – Canada’s primary trading partner, with which we share the world’s longest undefended border – remains an unlikely candidate to threaten Canada’s territorial integrity or sovereignty.⁴

In the early twenty-first century when Denmark sent naval vessels to Hans Island, a tiny rock subject to competing claims with Canada, some Canadian commentators quickly cast this quiet neighbour and NATO ally as a potential threat. Rob Huebert, a political scientist at the University of Calgary and frequent commentator on circumpolar affairs in the national news media, published a memorable description likening the Danes to Vikings who had returned to steal our Arctic.⁵ Huebert went on to say that this admittedly small issue might have significant knock-on effects, capable of creating larger doubts about Canada’s claim to the entire Arctic Archipelago. These fears grabbed headlines for a short time before reassuring diplomatic statements, and the sober realities about the extent of the Hans Island dispute (which was confined to ownership of the insignificant rock itself), silenced the alarm.⁶

In 2007, Russian explorer Artur Chilingarov’s flag-planting exploit at the North Pole brought into sharp relief his country’s military revitalization plans, its resumption of strategic bomber flights in the Arctic, and its belligerent political rhetoric. The latter was (and is) designed to reassure Russian citizens that the Putin government is strong and will defend its Arctic resources against potential foreign encroachment. While there were striking similarities between Russian and Canadian political rhetoric on Arctic sovereignty and security,⁷ Russian activism created obvious conditions for Canada to resurrect the Russian bear as a potential adversary. Following the Ilulissat Declaration in May 2008, which committed the Arctic states to peacefully resolving their disputes, anxieties about regional conflict were dampened and

have remained subdued. Voices indicating that Canada and Russia actually had common, vested interests in circumpolar stability made the Russian threat seem less acute,⁸ although the ongoing geopolitical tension sparked by Russia's 2014 invasion of Ukraine has resurrected debate about whether it portends the emergence of a "new cold war" in the Arctic.⁹

The official national policy document *Canada's Northern Strategy: Our North, Our Heritage, Our Future*, released in 2009, as well as Arctic foreign policy statements made by various officials at that time, all sent positive signals about Canada's sovereignty position and opportunities for international cooperation. Canada's dual messaging under Prime Minister Harper – emphasizing sovereignty, national security, and national interests on the one hand, and international cooperation and stewardship on the other – revealed Canada's complex perspective and position on Arctic issues.¹⁰ Nevertheless, it seems that Canadian interest in the Arctic cannot be sustained, at least in academic and media circles, without a threat narrative.

The rising interest of "new actors" in circumpolar affairs – particularly China and other East Asian states – offers new uncertainty and thus the possibility of a new threat narrative. Accordingly, Canadian commentators have been particularly suspicious of China's intentions and agenda (or hidden agenda) with respect to Canada's Arctic waters, resources, fisheries, and continental shelf claim. Indeed, as China expands its influence and investments across the circumpolar Arctic, the question of Chinese intent has become more pressing.

This book represents our attempt, from a Canadian perspective, to answer some of the most critical questions surrounding Beijing's new Arctic interests, namely: is China a revisionist actor in the Arctic? What are its intentions for the region? And what does it all mean for Canada? To do so we explore China's motives and how its interests and activities in the North relate to its broader geopolitical objectives, revealing how these *actually* intersect with, and may affect, the interests of Canada and the other circumpolar states. Throughout this book we carefully analyze contemporary Chinese and Western social science literature and commentary; articles in the Chinese and Western media on Arctic issues; discussions with Chinese and North American Arctic specialists; and secondary sources on Chinese foreign and security policy. These sources are then filtered using *Canada's Northern Strategy* and *Canada's Arctic Foreign Policy Statement* – the two principle documents framing Canada's approach to the Arctic over the last decade.¹¹

Canada's Northern Strategy and Arctic Foreign Policy

The essentials of Canada's Arctic policy are encapsulated in the Department of Indian [now Indigenous] Affairs and Northern Development's *Canada's Northern Strategy*.¹² This strategy emphasizes four main priorities: exercising Canada's Arctic sovereignty, promoting social and economic development, protecting Canada's environmental heritage, and improving and devolving Northern governance. Through these mutually reinforcing pillars, the government emphasizes the importance of exerting "effective leadership both at home and abroad in order to promote a prosperous and stable region responsive to Canadian interests and values."¹³ The document reinforces a message of partnership: between the federal government and Northern Canadians, and between Canada and its circumpolar neighbours. Although the strategy trumpets the government's commitment to "putting more boots on the Arctic tundra, more ships in the icy water and a better eye-in-the-sky," it also emphasizes that Canada's disagreements with its neighbours are "well-managed and pose no sovereignty or defence challenges for Canada."¹⁴

The "use it or lose it" messaging that the Harper Government had frequently mobilized in earlier years to justify the government's agenda¹⁵ was absent from the 2009 *Northern Strategy*. Instead, the document stressed opportunities for cooperation in the circumpolar world. The strategy casts the United States as an "exceptionally valuable partner in the Arctic" with which Canada has managed its differences responsibly since the Second World War. It also emphasizes opportunities for cooperation with Russia and "common interests" with European Arctic states, as well as a shared commitment to international law. Implicitly, this document confirms that bilateral and multilateral engagement is key to stability and security in the region. "We're not going down a road toward confrontation," Foreign Affairs Minister Lawrence Cannon emphasized. "Indeed, we're going down a road toward co-operation and collaboration. That is the Canadian way. And that's the way my other colleagues around the table have chosen to go as well."¹¹ If China, or any other state, was perceived as a threat, that fear is not apparent.

In August 2010, the Department of Foreign Affairs and International Trade (now Global Affairs Canada) released its own *Statement on Canada's Arctic Foreign Policy*, articulating Canada's international efforts pursuant to the Northern Strategy.¹⁶ This document emphasizes the importance of the Arctic in Canada's national identity and its role as an "Arctic power," and

again, the overall message is one of cooperation, with the Arctic presented as “a stable, rules-based region with clearly defined boundaries, dynamic economic growth and trade, vibrant Northern communities, and healthy and productive ecosystems.”

Other dimensions of the *Statement on Canada’s Arctic Foreign Policy* reflect the interaction between domestic and international agendas in Canada’s Arctic strategy. Trade and investment in resource development – one of the primary catalysts for the surge in Arctic interest over the previous decade – are upheld as main priorities. Perhaps more than any other element, this creates the need for broader international cooperation in the region since it is unlikely that Canada can “create appropriate international conditions for sustainable development” in a region beset with intense competition and conflict. Furthermore, international events (particularly the catastrophic oil spill in the Gulf of Mexico in April 2010 and debates over oil drilling off the west coast of Greenland) have generated public concerns over the potential environmental consequences of oil and gas development in the Arctic. “On the controversial issue of hydrocarbon development, we are realistic,” Inuit spokesperson Mary Simon explains. “We need non-renewable resource development if we are to achieve economic self-sufficiency. But the terms of such development must ensure the protection of our environment and the continuation of our way of life. On that, there can be no compromise.”¹⁷ Cooperation with foreign companies, Chinese or otherwise, will therefore have to be coordinated at a federal, territorial, and even community level. This logic continues to hold, even with the shift to a Liberal government under Justin Trudeau.¹⁸

Although none of Canada’s Arctic foreign policy statements to date make specific mention of China, these documents clearly stake out a cooperative framework open to foreign investment – from both other circumpolar states as well as emerging powers in “central Asia and Eastern Europe.”¹⁹ Canada has declared its Arctic open for business and, as has been the case in decades past, is looking to foreign investors and shippers to assist in developing the region. Historically, this meant a reliance on American and (to a lesser extent) European resource companies. As we discuss in more detail in chapter four, however, Chinese state-owned enterprises (SOEs) have emerged as some of the world’s best capitalized and most risk-tolerant operators. Cooperation in the Arctic will therefore mean more than working with our traditional partners; Canada will have to manage relationships with new actors in the Arctic, and China represents one of the most important of these.

0.1 Canada's International Focus in the Arctic, *Statement on Canada's Arctic Foreign Policy*, 2010.

The Statement on Canada's Arctic Foreign Policy (2010) notes that as Canada "advance[s] the four pillars of our Northern Strategy, our international efforts will focus on the following areas:"

- engaging with neighbours to seek to resolve boundary issues;
- securing international recognition for the full extent of our extended continental shelf;
- addressing Arctic governance and related emerging issues, such as public safety;
- creating the appropriate international conditions for sustainable development;
- seeking trade and investment opportunities that benefit northerners and all Canadians;
- encouraging a greater understanding of the human dimension of the Arctic;
- promoting an ecosystem-based management approach with Arctic neighbours and others;
- contributing to and supporting international efforts to address climate change in the Arctic;
- enhancing our efforts on other pressing environmental issues;
- strengthening Arctic science and the legacy of International Polar Year;
- engaging Northerners on Canada's Arctic foreign policy;
- supporting indigenous permanent participant organizations; and
- providing Canadian youth with opportunities to participate in the circumpolar dialogue.

Competing Frames: The View from the Ivory Tower

Framing issues – setting the story lines or “schemata of interpretation” used to explain and provide a perspective on how to organize or sort a series of events or information – inherently involves the selection, emphasis, exclusion, interpretation, and presentation of “some aspects of reality while excluding other elements.”²⁰ Alarming news media headlines framing the Arctic as a theatre of conflict, with global players “scrambling” to secure access to the rich resources of the region, imply that competition, rivalry, and potential conflict represent the most relevant frameworks through which to view regional geopolitics.²¹ After the May 2008 Ilulissat Declaration, when the Arctic coastal states committed to the peaceful, “orderly settlement of any possible overlapping claims” in the Arctic Ocean, as well as the dismissal of any need for a “new comprehensive international legal regime to govern the Arctic Ocean,”²² the dominant narrative of conflict among Arctic states seemed less sustainable. Adapting the Arctic-in-peril frame to accommodate new non-Arctic state actors in Arctic political transportation, and economic development discussions as potential destabilizing forces, with (allegedly) little vested interest in the regional status quo, provided a revised pretext for anticipatory action by Arctic states such as a Canada to defend their rights. “Future hazardous events/conditions must somehow be made known and identifiable in the present before it makes sense to talk about various forms of mitigating strategies,” Chih Yuan Woon observes in his study of media framings of the Arctic. In the case of Canada’s leading newspaper, “the logics of preemption and preparedness saturate” framings of the “so-called ‘China threat,’” invoking Canada’s need to defend national sovereignty by “seeking recourse to law and order in order to rein in China’s growing ambitions in the Arctic.”²³

The emergence of China as a major Arctic player and partner in Arctic development has actually led to mixed reactions in the Canadian media and among the general public. In large measure these impressions have been shaped and guided by an ongoing debate among Arctic experts analyzing China’s global and regional aspirations and agenda. Gang Chen, a researcher at the East Asian Institute, National University of Singapore, observes:

As an East Asian power that has neither Arctic coast nor the Arctic Council membership, China’s open statement of not

having a strategic agenda regarding the melting Arctic has been interpreted in dichotomous ways: some take it as a genuine expression from the Chinese government while others regard it as a tactic taken by the rising power to hide its real intention there due to its limited influence in the remote Arctic region. Such a divergence over whether China is following an Arctic strategy to secure its long-term economic interest or even geopolitical influence is analogical with, and to some extent, can be perceived as part of the early debates over whether China has a calculative grand strategy.²⁴

This split in interpretation is clearly evident in Canadian commentary. On the one hand, alarmists – centred around what we will label the “Conflict School” of David Wright and Rob Huebert – suggest that Canadians should be wary of East Asian states (particularly China) as revisionist actors with interests counter to those of Canada. On the other hand, commentators like ourselves argue that Canada’s national interests in the Arctic are generally compatible with those of East Asian countries and see opportunities for collaboration and mutual benefit.

David Wright, a military historian specializing in diplomacy and warfare in imperial China and the conquest dynasties, is not an Arctic expert but his linguistic skills have made him a leading commentator on what Chinese academics are writing about Arctic issues. His overarching message is that Canadians must recognize the attention that “astute and acutely observant geostrategic thinkers” in China are paying to the region. “The Canadian Arctic has what China wants: natural resources and the possibility of a major new shipping route,” Wright argues. “China knows that Canadian control over these resources makes Canada a major international player, a country with natural resource wealth and geostrategic advantage befitting its sheer geographical size, but out of proportion with its relatively small population.”²⁵ He noted in March 2011 that “there is at present quite a bit of room for discussion and debate in China over this issue, both in the halls of power in Beijing and, to a surprisingly open and public extent, in academic journals and popular news media.” While pointing out that Beijing has yet to formulate an official Arctic policy, Wright asserts that “what non-official observers are writing should worry Canadians.” Amplifying the voices of the most aggressive Chinese analysts, Wright pointed to China’s perceived entitlement to

the resource riches of the Arctic as the world's most populous country, as well as its desire to see most of the Arctic Basin remain "international territory" and to dilute Canada's sovereignty over the Northwest Passage to the point of "meaninglessness."²⁶

Wright highlighted these concerns in a study for the US Naval War College, recommending that:

American policy makers should be aware that China's recent interest in Arctic affairs is not an evanescent fancy or a passing political fad but a serious, new, incipient policy direction. China is taking concrete diplomatic steps to ensure that it becomes a player in the Arctic game and eventually will have what it regards as its fair share of access to Arctic resources and sea routes. China has already committed substantial human, institutional, and naval resources to its Arctic interests and will continue to do so, likely at an accelerated rate, in the future.²⁷

Wright's warnings echo the work of political scientist Rob Huebert, who has sounded the alarm about East Asia's Arctic intentions for more than a decade. As part of the "sovereignty on thinning ice" narrative that he developed in the early 2000s,²⁸ Huebert frequently cited the purportedly unannounced arrival of the Chinese research vessel *Xue Long* at Tuktoyaktuk in 1999 as an example of Canada's negligible control over activities in the region, and the host of sovereignty related challenges *potentially* posed by Asian states with cutting-edge icebreaking capacity, an insatiable appetite for resources, and little vested interest in the status quo.²⁹

As a regular fixture in the Canadian media on Arctic issues, Huebert has consistently framed twenty-first century Arctic dynamics through a threat narrative. For example, in portending a "new Arctic age" in August 2008, Huebert stressed that the region was "on the verge of becoming a more complicated and crowded area" and Canadians had to know how "to meet many challenges." To control its Arctic, he asserted, Canada needs to act decisively to deal with "some of the challenges we know about: climate change, resource development, globalization (the South Koreans are entering the market to build ice-capable vessels, the Japanese are investing heavily in the study of Arctic gas hydrates off the coast of Canada, and China is going to become

an Arctic player as well), Russia is on the rise again, and laws governing the maritime Arctic are in flux.”³⁰

Huebert has continuously reiterated his concerns about East Asian interests in the region in his regular public and policy-related presentations and media statements since that time. Commenting on the “real possibility” of future tension in the Arctic in early 2012, he emphasized China’s looming impact on Arctic security. “What we’re seeing with the Chinese is that they’ve made it very clear that they want to be major players in the Arctic for reasons of transportation, natural resources, scientific research, and strategic concerns,” Huebert noted. “They will be there. They’re spending the money. Their navy is being modernized as we speak at a time when the American navy is facing huge budget cuts.”³¹

Other commentators have carried this line of argument to its logical conclusion. In 2006, Canadian writer and historian Victor Suthren (the director general of the Canadian War Museum from 1986–97) justified the need for naval investments by linking China, terrorism, and the Arctic in a curious fashion:

Canada’s Arctic is melting into an ice-free major-ocean coastline that will provide the government of the day with the challenge of policing three busy ocean coasts; the extraordinary economic expansion of China is now being followed by heavy defence expenditures on developing a large and capable Chinese blue-water navy; and the vital seaborne trade that lies at the heart of Canadian economic well-being will see the flow of thousands of containers into our ports increase fivefold within our lifetimes. A seaborne terrorist attack on North America is increasingly a possibility.³²

The following year, Rear Admiral Tyrone Pile, the commander of Canada’s Maritime Forces Pacific, told the *Calgary Herald* editorial board that the Chinese Navy would soon have twice as many submarines as the US Navy, leading the newspaper to speculate that China might project its power “as Great Britain and the US once did.” Indicating that China was aware that the Northwest Passage could soon be navigable and would “trim thousands of kilometres from Asia to Europe by bypassing the Panama Canal,” the paper raised troubling questions: “how prepared is Canada to enforce its

sovereignty claims in the region, if foreign ships, Chinese or otherwise, try to take advantage of this Arctic melting – without the formality of Ottawa’s approval? What if those vessels are supported by their country’s warships?” The editorial concluded that Canada had to achieve regional dominance in its northern waters to “deter a future Arctic sovereignty challenge.”³³

These threat narratives continue to emerge and, in many cases, dominate the Canadian popular media. A *Winnipeg Free Press* editorial on “China’s Arctic Ambition” from 2014 is a case in point, beginning with the straightforward assertion that “China has become increasingly vocal in asserting its right to a leadership role in how the Arctic is developed, challenging the very idea [that] the resources of the high north belong exclusively to those with sovereign claims on the territory.” This apparent challenge to the sovereign rights of Arctic states such as Canada is predicated on China’s alleged desire to have “the polar region internationalized, similar to the Antarctic, with its resources shared by anyone with the means and ability to develop and extract them for a profit.” Although the editorial is silent on *who* in China has made these claims, the message is clearly designed to provoke public anxiety. After all, it asserts, “China also claims non-Arctic nations have a legitimate stake in northern development for reasons other than resource extraction or free navigation of the seas. These include concerns about climate change and environmental monitoring, protection of marine and land-based wildlife, and the welfare of indigenous peoples.” While legitimate issues, the paper concedes, they are “merely an attempt [by China] to disguise its goal of easy access to the enormous potential wealth in the Arctic.” After listing a series of benign Chinese activities in the Arctic, including bilateral research and trade initiatives with European Arctic states and Russia and the construction of a new Chinese icebreaker, the editor jumps to the conclusion that “by words and deeds, then, China has made it clear it will not be an idle observer. It wants a direct role in Arctic development and it is challenging the very idea of sovereignty, a proposition that is supported by countries around the world.” For the *Free Press* editorial board, this requires a call to action. “For some countries, the future of the Arctic is up for debate and interpretation,” it suggests. For Canada, however, the alleged threat posed by China to Canada’s Arctic sovereignty requires “a speedier resolution” of the longstanding issues about Northern development “rather than allowing the outliers an opportunity to control and manipulate the dialogue.”³⁴

This belief in a Chinese drive to secure Canadian resources for itself, or to challenge Canadian control over the Northwest Passage, is a common theme in Canadian media. Diane Francis, a regular commentator for the *National Post*, asserted (falsely) that China has called the Northwest Passage an international strait and is building an icebreaker fleet to use it.³⁵ Robert Sibley, writing in the *Ottawa Citizen*, suggested in 2015 that Beijing is “eyeing the region with military strategies in mind,” while Michael Byers and Scott Borgerson suggest that Russian naval vessels, or those of “other unfriendly nations,” may barge through the passage.³⁶ Reports of Chinese interest in building a research station in the Canadian High Arctic are also met with skepticism in some circles, with Huebert acknowledging benefits of international scientific cooperation but asking: “Do you necessarily want to give a state that is that authoritarian a set of abilities to observe within the North?”³⁷ In 2016, the Chinese publication of an *Arctic Navigation Guide (Northwest Passage)*, indicating Chinese interest in planning voyages through Canadian waters, also generated suspicion in some media outlets, with Huebert warning that China’s encouragement of commercial shipping through the North American polar route could pose “the biggest direct challenge to Canadian sovereignty in the Northwest Passage” if Chinese-flagged vessels sailed without Canadian consent, threatening to undermine Canada’s legal position on “internal waters.”³⁸ Commentators also suggest that Chinese behaviour elsewhere in the world might impinge upon Canada’s Arctic sovereignty. “China has – so far – respected the fishing and continental shelf rights of the five coastal states” in the Arctic Ocean, Michael Byers noted in July 2016. “But if China rejects the application of the UN Convention on the Law of the Sea in Asia,” as it seemed to do by rejecting the judgment of the Permanent Court of Arbitration when it ruled against China’s claim in the South China Sea, “can any country rely on it respecting those same promises in the Arctic?”³⁹

In contrast to these China-as-threat narratives, other experts offer a more optimistic appraisal of China’s Arctic interests. Responding to scenarios positing China as a challenger to Canada’s Arctic sovereignty, Frédéric Lasserre rebutted “prevailing assumptions in the general literature [in 2010] ... that the Chinese government and Chinese shipping companies are merely waiting for the Northwest Passage to open up a bit more before launching full-scale service across Arctic Canadian waters between Asia and Europe.” He found no evidence that shipping companies’ strategies seriously contemplated the passage as an attractive deep-water transit route, or that China

sought to claim territorial rights in the region. Consequently, Lasserre saw China's growing interest in Arctic affairs as "a good opportunity for Canada to voice its desire to foster cooperation in the region" and to advance its interests through enhanced polar shipping regulations, scientific collaboration, and adherence to international law.⁴⁰ His subsequent publications, often co-authored with colleagues and graduate students, have reaffirmed these themes.⁴¹ Similarly, Whitney Lackenbauer has been sceptical of the China-as-threat narrative, noting emerging opportunities in Canada and the other Arctic states to realize their national goals, maintain their leadership role in regional governance, and accommodate growing international interests in the circumpolar North by constructively engaging with China and other Asian states.⁴² His work with James Manicom suggests that non-Arctic states have legitimate interests in (and can make substantive contributions to) the region, as long as they respect the Arctic states' sovereignty and sovereign rights to exclusive economic zones (EEZs) and extended continental shelves as scripted in international law.⁴³ Several other Canadian authors also suggest that China's Arctic interests do not inherently pose a threat to Canada or to circumpolar stability – and might even serve as a basis for improved Sino-Canadian relations.⁴⁴

This more optimistic messaging fits with the European scholarly literature, which tends to avoid alarmist rhetoric. Linda Jakobson and Jingchao Peng of the Stockholm International Peace Research Institute observed in 2012 that, while non-Chinese observers refer to Beijing's "more assertive" Arctic actions, "China's Arctic policies are still in a nascent stage of formulation." They emphasize that "China has not published an Arctic strategy and is not expected to do so in the near to medium-term." Nevertheless, in a low-key, measured, and pragmatic way Chinese officials have taken steps to investigate and "protect" China's regional interests, emphasizing the global impacts of the melting sea ice. Jakobson and Jingchao place the Chinese Government's key interests in three broad categories:

1. to strengthen its capacity to respond appropriately to the effects that climate change in the Arctic will have on food production and extreme weather in China;
2. to secure access, at reasonable cost, to Arctic shipping routes; and

3. to strengthen China's ability as a non-Arctic state to access Arctic resources and fishing waters.⁴⁵

The growing literature on China's Arctic interests tends to focus on these themes through prisms of geopolitics, international relations (particularly in seeking to discern China's orientation as a status quo or revisionist actor), and political economy. Given the absence of an official Chinese Arctic strategy, scholars tend to describe, and in many cases rank, what they see as the relative priorities that China does or should place on science, climate change, resource development, polar shipping lanes, regional governance, socio-cultural issues, and other geostrategic considerations.⁴⁶ In general, most Asian and Nordic scholars place less emphasis on traditional security and more on economic considerations, particularly related to energy and mineral resources, as well as prospective contributions that Chinese inclusion in regional affairs can offer to multilateral regimes and bodies such as the Arctic Council.⁴⁷ Other scholars focus on China's interpretations of the law of sea and international law more generally, discerning potential implications for Arctic governance or, conversely, how Arctic cooperation may offer models for ocean governance and peaceful conflict resolution in the South China Sea.⁴⁸

The deluge of recent scholarship suggests that China's growing Arctic interests over the last decade, even if they represent a tiny part of the global power's foreign policy more generally, are a source of tremendous interest for Arctic states and other stakeholders. During his July 2010 High North study tour in Norway, Chinese Assistant Foreign Minister Liu Zhenmin explained his country's focus on Arctic cooperation:

The first reason is China's geographical location. China is separated from Arctic by only one country, Russia. The most northern part of China is around 50 degree of north latitude. As a country located in north hemisphere, China is seriously affected by climate and weather in Arctic.

The second reason is scientific research requirement. Arctic is a unique place for global climate research and environment assessment. Airspace and outer space observation in Arctic is important for over Arctic flight and satellite.

Third, potential impacts on China. In case the Arctic shipping routes open someday, global shipping, energy activities and trade will be affected. We feel we are part of the world, changes in the Arctic will affect China.⁴⁹

The reaction of the Arctic states to this growing Chinese interest have ranged from caution to full-blown hostility. This book argues, however, that the basis for this China-in-the-Arctic alarmism is speculative and imprecise, originating from (and largely reflective of) generalized discourses associated with the “rise of Asia” and Arctic change and sovereignty. Despite substantial allusions in academic and popular commentaries to China’s potential as a revisionist actor in the region, there is a striking lack of substantive discussion about how or why China constitutes an alleged threat to Canada’s Arctic interests.

Canadian Public Opinion of China

At the grassroots level, polling data shows that Canadian public opinion tends to sync more with the alarmist school of thought regarding China’s presence in the Arctic. Essentially, most Canadians seem to be conditioned to conflate external interests in the Arctic with threats – a conflation that is continually reinforced, albeit with scant evidence, by certain elements of the media, themselves fed fresh analysis by the “Conflict School” and other academic circles.

A 2011 survey, conducted by Ekos Research for the Munk-Gordon Arctic Security Programme, clearly indicated popular antipathy towards Chinese involvement in the circumpolar world. The pollster provided respondents in each of the eight member states of the Arctic Council with a list of countries and asked which one they would be most and least comfortable dealing with on Arctic issues. Respondents in every nation except Russia identified China as the least desired partner (see figure 0.2). Furthermore, Canadians expressed the lowest levels of support for including non-Arctic states in the Arctic Council and granting them “a say in Arctic affairs” (see figure 0.3).⁵⁰

The foundation undertook a second survey in 2015, though this version did not specifically reference China. It showed that support within Canada has grown for “countries that do not have an Arctic territory” to gain a say in “Arctic affairs” (26 per cent in southern Canada and 32 per cent in Northern Canada). Although this may indicate a modest swing from the data collected

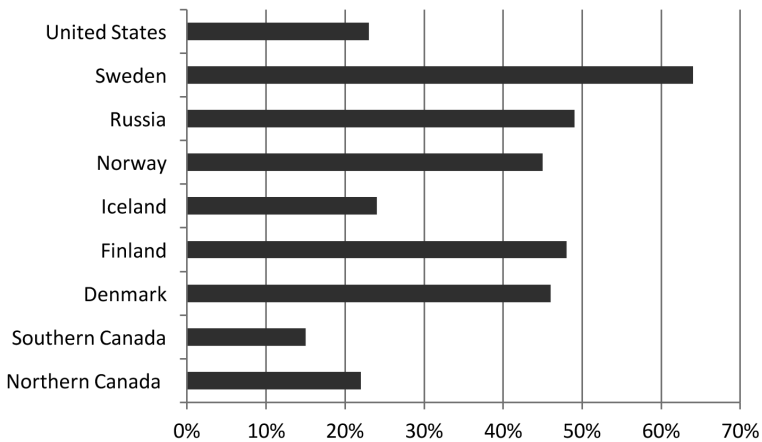
0.2 Least Preferred Partner in Dealing with Arctic Issues, *Rethinking the Top of the World*, WDGf survey, 2011.

“Which of the following countries would you be least comfortable with (your country) dealing with on Arctic Issues?”

	FIRST CHOICE	SECOND CHOICE	THIRD CHOICE
Northern Canada	China	United States	Russia
Southern Canada	China	Russia	United States
Denmark	China	United States	Other
Finland	China	Other Europe	United States
Iceland	China	United States	Russia
Norway	China	United States	Other Europe
Russia	United States	Scandinavia	China
Sweden	China	United States	Other Europe
United States	China	Russia	Other Europe

0.3 Support for Inclusion of Non-Arctic States, *Rethinking the Top of the World*, WGDF Survey, 2010.

“Do you think non-Arctic states, like China or organizations like the European Union, should be invited to join the Arctic Council and have a say in Arctic affairs?”



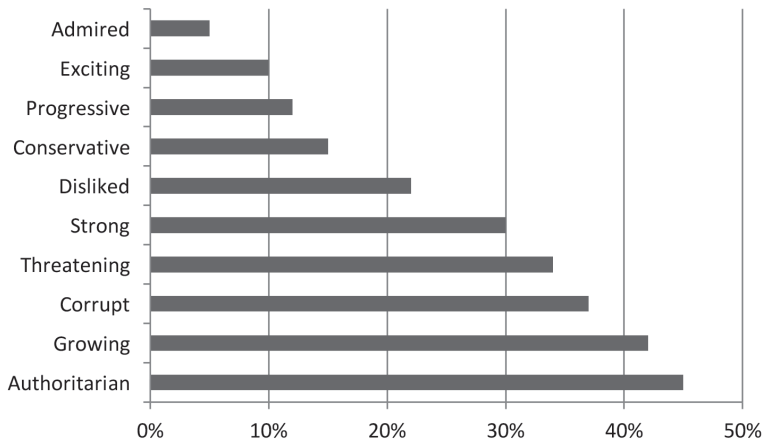
four years earlier, the more general question posed in this survey makes it impossible to gauge Canadian feelings about China in particular.⁵¹

Around the time of the Munk-Gordon Foundation's initial 2011 survey, Canadian popular opinion regarding China more generally seems to have deteriorated. The *2012 National Opinion Poll: Canadian Views on Asia*, commissioned by the Asia Pacific Foundation of Canada and conducted by Angus Reid, confirmed that "Canadians across the country are increasingly attuned to Asia and to Canada's place in the Asia Pacific region." This was particularly true of Northern Canada, where 57 per cent of respondents reported that they paid more attention to Canada's relations with Asia over the previous year than they had in the past.⁵² In addition, 12 per cent of Canadians polled expressing "warm" (favourable) feelings towards China, while 29 per cent of Canadians indicated "cold" (unfavourable) ratings of China. This fit with a general trend of favourable or "warm" feelings to Western countries and unfavourable "cool" feelings to Asian countries, except Japan. Since 2012, Canadian attitudes towards China, and Asia more generally, have warmed.

In part, these feelings were due to Canadian perceptions of a shift in the international order that placed China in an increasingly powerful position. Two-thirds of Canadians polled believed that China's global influence would surpass that of the United States over the next decade. While more than a third of Canadians described the US as "in decline," 42 per cent perceived China as "growing" (tied with India atop the list) and 30 per cent described it as "strong." Nonetheless, Canadians ranked China the "least favourable" overall. The leading factor contributing to this outlook was the perception of Chinese governance. Here, 45 per cent of respondents described China as authoritarian, 37 per cent as "corrupt," and 34 per cent as "threatening." Only 4 per cent described China as "friendly." While 5 per cent expressed a general feeling of admiration towards China, 22 per cent said that they "disliked" the country.⁵³

The *2012 National Opinion Poll* also found that Canadians tended to focus on economic relationships. In particular, Canadians consider China to be important to Canada's prosperity (second only to the United States in perceived importance). Accordingly, more than half of Canadians polled saw China's increasing economic power as more of an opportunity than a threat, perceiving opportunities for trade and investment, and for diversification of global economic and political relationships. A majority of Canadians (and 63 per cent of northerners) believed that "Canada must act now to take advantage

0.4 Canadian Opinion on China, Asia Pacific Foundation of Canada, 2012.



of Asia’s need for energy resources,” but this did not extend to receptiveness for foreign ownership of Canadian resources by state-controlled companies. Most Canadians remained “unconvinced that the economic benefits of Asia’s investment in Canada’s energy sector outweigh concerns about foreign ownership of our natural resources.”⁵⁴

Accordingly, the Asia Pacific Foundation concluded that Canadians retain “a lingering hesitation and concern about Asia, particularly China.” Although aware of the benefits of Asian foreign investment in Canada, the poll found that “fewer than one-in-five Canadians would be in favour of state-controlled companies from China ... buying a controlling stake in a major Canadian company.” It also noted a six point increase in the proportion of Canadians worried about China’s military power in the Asia Pacific region.⁵⁵ As with leading pundits and scholars, China’s behaviour in its region colours perceptions of China intentions elsewhere.

By 2016, however, the Asia Pacific Foundation surveys indicated that Canadians tended to “feel more connected and positive toward Asia than they did two years ago, and are more optimistic about future relations with the region,” with increasing numbers supporting trans-Pacific cooperation. Indeed, 48 per cent of those polled believed that “economic and political

relations with Asia should be Canada's top foreign policy priority." Looking specifically to China, "Canadians have warmed to the country since 2014" with nearly half of Canadians polled (49 per cent) perceiving the "growing importance of China as more of an opportunity than a threat," and with one-quarter of respondents suggesting that the Canada-China relationship is improving and another 46 per cent suggesting that it is stable. Furthermore, 20 per cent of Canadians polled supported a closer economic relationship with China, with another 50 per cent indicating that they "could probably be persuaded to support a closer economic relationship with China if more information was available." While almost half (46 per cent) of Canadians support a free trade agreement (FTA) with China (up from 36 per cent in 2014), an equal number opposed this potential relationship. Among northern Canadians, 51 per cent considered that Asia was important for their territory's economic prosperity (down from 61 per cent in 2014), while 46 per cent believed that it was not.⁵⁶

According to the 2016 poll, Canadians continued to find various aspects of engagement with China to be disconcerting. Nearly half of those polled anticipated "a significant military conflict in the Asia Pacific" in the next decade, suggesting a persistent wariness about China's growing military power (which 65 per cent of Canadians polled cited as a threat to regional stability with direct implications for Canada). Although Canadians remained "relatively positive on private investment from Asia," the APFC found that the vast majority of Canadians remained "distrustful of foreign state-owned enterprises (SOEs) investing in Canada," with only 11 per cent of those polled supporting investment by Chinese SOEs in Canada. Furthermore, fewer Canadians believed that China's human rights record was improving, and about half indicated that they would be willing to sacrifice economic opportunities to promote political rights such as freedom of speech, expression, and political association. In summary, the APFC concluded that its "2016 poll results reflect a public that wants a government that can multi-task across a range of core policy issues, and is open to the development of a mature relationship with Asia: one that is nuanced and takes into account Canadian values and national interests."⁵⁷

The Chinese Threat

How Canada should conceive of and approach China – whether as a friend, strategic partner, revisionist actor, competitor, potential adversary, or a mix of these frames – is a topic of ongoing academic discussion and debate. “China’s resumption of power and influence is one of the transformative developments of this century,” Asia-Pacific expert Paul Evans noted in his study on Canada’s engagement strategies with China since the 1970s. “Its political power is that it is becoming a rule maker, and occasional rule breaker, with a major hand in defining the rules, norms, and institutions of global order in ways that only decades ago seemed unimaginable.”⁵⁸ The rise – or global spread – of Chinese power and influence has catapulted the country from a secondary or tertiary place in Canadian diplomacy to a “top-tier policy priority for Ottawa,” with questions abounding about whether China’s participation in international institutions will conform with “a Western-led liberal order” or whether it will instead “try to create an alternative set of institutions, norms, and rules.” In any case, Evans observes, “it is certain that Chinese views, interests, and priorities will be increasingly visible and influential. Canada and the West are no longer dealing with just an important country and trading partner; they are dealing with a great power with global weight.”⁵⁹

In his important book *Middle Power, Middle Kingdom: What Canadians Need to Know about China in the 21st Century*, former Canadian diplomat David Mulroney notes that by the time Prime Minister Harper finally visited Beijing in December 2009 Canadians were already “well into a Chinese discovery of Canada as a destination for investment in resources.” Mulroney notes that “this was the latest step in an ambitious effort that saw China’s major state-owned enterprises expanding their global reach, deploying vast and growing reserves of cash to secure footholds in key markets.” Whether in the mining, petroleum, shipping, banking, or manufacturing sectors, this “rush to go global” and concomitant activities in Canada said “much about what China was, what it is now and what it is becoming.” Chinese investment also generates significant debate, Mulroney observes, with SOEs either representing “admirable free-market offspring born of Deng Xiaoping’s reforms, or Trojan horses, vehicles for bringing the very worst of the Chinese Communist system into the Canadian economy.” Both views have merit, the former ambassador in Beijing suggests: the tethers connecting SOEs to “the center of power in Beijing” may be longer now, but they still bind these

companies to state priorities.⁶⁰ As Evans observed in 2014, a significant number of Conservative politicians in Canada “continue to see China as godless, totalitarian, a security threat, and ruled by an illegitimate and morally unacceptable government.”⁶¹ Ongoing concerns about China’s human rights record, commitment to global environmental health and the mitigation of climate change, and challenges to the liberal international order will continue to complicate our bilateral relationship – but, as Mulrone acknowledges, “not engaging China just isn’t an option.”⁶²

Although polls suggest that most Canadians seem to view China’s engagement in Arctic affairs with skepticism and even distaste, there is a striking lack of substantive discussion in academic and popular commentaries about how or why China constitutes a perceived threat to Canada’s Arctic interests. While China’s dictatorial form of government and poor human rights record suggest that its actions should be monitored with greater scrutiny than those of other Asian states, its growing interest in the Arctic does not necessarily imply malevolent intent, nor do its economic investments mean that Beijing is surreptitiously gaining control over sparsely populated regions of Canada and/or other circumpolar nations.⁶³ Rather, China’s interests should be viewed through a more global lens that takes into consideration the country’s continuously evolving economic, political, and security requirements and aspirations. These are often not Arctic-centric but rather hinge on trans-regional issues such as climate change, maritime shipping, environmental protection, regional inter-governmental cooperation, and scientific research exchange and cooperation.⁶⁴

Since the 2008 Ilulissat Declaration, wherein the Arctic coastal states pledged to respect international law and downplayed the idea of conflict among themselves, China has emerged as a kind of threat du jour. Its sheer size and wealth, coupled with the fact that it is not actually an Arctic state, make its Arctic ambitions suspect. Yet, our closer examination of its investment patterns, political statements, and activities in the North paint a different picture. Rather than a threat to Canadian sovereignty or security, Chinese involvement in the Arctic should be seen as an opportunity that, if managed well, can facilitate northern development and strengthen Canada’s legal position vis-à-vis the Northwest Passage, all the while improving international cooperation in the fields of science, fisheries preservation, and environmental protection.

This Book

Chapter one sets China's Arctic ambitions in the context of debates over Chinese foreign policy, and suggests a disconnect between the reaction to China's purported interests in the Arctic and its foreign policy tradition. It also questions the assumption that China is a revisionist territorial actor, motivated by resource concerns that could potentially dominate the Arctic Council and circumpolar affairs more generally. These notions contrast starkly with China's behaviour towards territorial and maritime disputes around the world, its resource procurement strategy, its track record in international institutions, and its emerging perspective on Arctic governance. Although many commentators have raised alarms over China's Arctic interests in recent years, we observe that the Arctic does not factor highly on China's national agenda relative to domestic, regional, and global priorities – including bilateral relations with some Arctic states.

Chapter two critically examines Chinese scientific interests in the Arctic and shows that China perceives its northern interests in global terms. China established a research station at Svalbard in 2004 and has been conducting research trips to the Arctic (using the *Xue Long* icebreaker) since 1999.⁶⁵ From a research standpoint, however, China is best considered as a polar state rather than an Arctic one. Analysis reveals that China's Antarctic interests predate its Arctic interests, and that the Chinese polar research budget still reflects a 4:1 ratio in favour of Antarctic research.⁶⁶ Furthermore, its interests intersect with extensive multilateral scientific cooperation that already exists in the Arctic, reflecting the coordination work of the Arctic Council as well as the recent International Polar Year.

Chapter three explores questions of shipping and sovereignty. With the world's largest export economy, China is aware of the global shifts that could be brought by year-round trans-Arctic shipping (particularly through the Northern Sea Route) and the effects this would have on global trading patterns. China has a direct interest in the prospect of a new international maritime trade route in the region and has already benefited from pioneering commercial transits through the NSR that have carried iron ore and condensates from Norwegian and Russian ports to Shanghai.⁶⁷ Accordingly, this chapter examines the international legal regime that applies to the Arctic waters, with particular emphasis on substantive issues related to maritime zones and jurisdictions, principles for the delimitation of maritime boundaries, the

regime for the high seas, and the need to balance coastal state rights with the traditional freedom of the seas.

Chapter four looks specifically at the question of Arctic resources and Chinese interest therein. As a major mineral and hydrocarbon importer, China perceives resource supply through a security lens as well as an economic one. In the wake of the Ukrainian crisis, China has acted to secure long-term energy contracts in exchange for financing development in the Russian Arctic and sub-Arctic. Furthermore, China's demand for both strategic and base minerals from around the world will mean that, as Arctic deposits become increasingly feasible for extraction, its interests will increase accordingly. China recognizes that the vast majority of Arctic resources fall under Arctic states' control but, given the capital-intensive nature of Arctic development, it is likely that China's financial resources will play a significant role in the form and pace of Arctic resource development over the next decade.

Chapter five looks specifically at China's interests in the Arctic Council and the range of Chinese perspectives on Arctic governance more generally. Rather than perceiving Chinese state and scholarly ideas as a threat to Canada's interests, the decision to accept China as an observer to the Council does not risk opening the door to Chinese dominance in Arctic affairs. Arctic states would have run a greater risk trying to exclude China from the Council, thus forcing Beijing to pursue its interests through other multilateral or bilateral fora. Instead, Canada should embrace China's participation as an Arctic Council observer as an opportunity to involve it in matters of genuinely global importance, from shipping to trans-boundary pollutants.

Readers may be surprised that we have not included a chapter on defence or "hard" security issues. After all, the extent to which the Arctic is becoming "militarized" and whether we should expect international conflict or cooperation in the region has been hotly debated in the twenty-first century. Although most experts now downplay the probability of Arctic armed conflict,⁶⁸ a few prominent commentators continue to pose questions and frame popular debates that get picked up in non-Arctic states.⁶⁹ Thus, when Chinese commentators suggest the Arctic's potential military value,⁷⁰ they tend to simply echo Russian and Western statements.⁷¹ Indeed, it is remarkable how few Chinese officials have made public statements on Arctic defence issues. In a presentation to the Second Sino-Canadian Exchange on Arctic Issues, a Chinese delegate explained that China is committed to pursuing a policy

which is defensive in nature. Accordingly, the presenter laid out China's policy concerns over the Arctic:

- Concerns over the Arms Race and territorial wrangling in the Arctic, which may undermine the peaceful and stable environment of the Arctic.
- Concerns [that] Non Arctic countries are unjustifiably impeded from playing a certain role in the Arctic, especially in affairs of a trans-regional nature such as climate change and maritime shipping.
- Concerns over discriminatory laws, regulations or high standards [that] may be adopted by Arctic Coastal States, which may impair the rights of other states under the Convention, or restrict the developing states to conduct relevant activities in the arctic, especially marine scientific research.
- Concerns that excess claims for extension of the outer continental shelf may encroach the area in the Arctic Ocean, which is the common heritage of mankind.⁷²

We do not anticipate that these concerns are likely to provoke Chinese military action in the Arctic in the foreseeable future.⁷³ In any case, China has no naval or air force capability to project power in or over the Arctic Ocean, and – simply put – its defence priorities lie elsewhere.

In the end, this study generally concurs with the main findings of Jakobson and Jingchao, who anticipate that “pragmatic considerations will be the main drivers of China's Arctic policies” and that the Arctic is not likely to become a main priority in Chinese foreign policy over the next decade.” While access to Arctic resources is leading to more Chinese investments in co-development projects with Arctic states, we agree that – all things considered – it is “hard to envision China being genuinely assertive in the Arctic.”⁷⁴ While drawing heavily upon the invaluable translations of Chinese studies and documents by David Wright up to 2011, this study differs substantively in its overall analysis of what the myriad of Chinese statements about the North actually mean when placed into a broader context. Our own assessment of Chinese academic and media articles on the Arctic suggests a growing awareness of

potential opportunities associated with emerging shipping routes, resources, and polar science, as well as perceived roles for China in regional affairs as a “responsible actor” that respects the sovereignty of Arctic states and will abide by applicable international rules.⁷⁵ Accordingly, we arrive at a different assessment than that of the “Conflict School,” which anticipates Chinese activism and even aggression to pursue its Arctic interests. Rather, we feel that, if managed properly, the relationship between China and the circumpolar states can be a productive and cordial one, with benefits for every partner over the longer term.