



CHINA'S ARCTIC AMBITIONS AND WHAT THEY MEAN FOR CANADA

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Situating the Arctic in China's Strategy

The global expansion of China's political and economic influences has moved China's strategic concerns from regional to global. Since the start of reform and the open-door policy, China's foreign policy has been aimed at creating peaceful international environment [sic] and favourable regional surroundings for domestic economic and social development. Over the past three decades, China has orientated itself as a regional power instead of a global power and showed more interest in East Asian affairs rather than issues in other parts of the world. In the new century, China's fast-growing economic and diplomatic strength and influence gradually can be detected in almost every corner of the world. Its global interest is growing rapidly due to the heavy dependence upon overseas supply of energy and raw materials as well as reliable maritime transportation. Although China now still orients itself as a regional power rather than a global power, more and more of its strategic concerns are moving beyond the periphery of East Asia to faraway places like Africa, Latin America, and ultimately, the Polar regions.

GANG CHEN,
"China's Emerging Arctic Strategy" (2012)¹

China's activities and interests in the Arctic are often set against the backdrop of broader trends in the global political economy, and often implicitly framed through particular assumptions about what China's growing economic might

and international assertiveness mean generally. This chapter attempts to lay these assumptions bare and give scrutiny to their foundations by holding China's purported interests in the Arctic against its observed foreign policy tradition. Although much has been made of China's Arctic interests in recent years, it is worth considering that the Arctic does not factor very highly on China's national agenda. Indeed, this chapter illustrates the disconnect between the common assumption that China's behaviour towards its own neighbours is, in any way, a bellwether for its behaviour towards Arctic countries.

In 2013, an economic survey by the Organisation for Economic Co-operation and Development (OECD) indicated that China's staggering growth will almost certainly continue.² China's GDP is \$13.39 trillion (USD) – although that represents a modest \$9,800 per capita (its population in 2013 was 1.355 billion).³ The country weathered the post-2008 global economic crisis well compared to other OECD countries. The National Intelligence Council (senior experts in the US intelligence community who provide advice to the Director of National Intelligence) noted in *Global Trends 2030* that “China's contribution to global investment growth is now one and a half times the size of the US contribution.”⁴ In the World Bank's baseline modeling of future economic multipolarity, China – despite a likely slowing of its economic growth – will contribute about one-third of global growth by 2025, far more than any other economy.⁵

On March 5, 2013, at the opening of the National People's Congress, China announced an official defence budget of \$114.3 billion – an increase of 10.7 per cent over 2012 and nearly four times its budget in 2003 (though still only 2 per cent of its GDP). This defence budget is the second-largest in the world, and China's military-spending growth is roughly consistent with its rising GDP. “Since the early 1990s, China has been surprisingly forthright about the reasons it is strengthening its military: to catch up with other powers, to construct a more capable and modern military force in order to assert its outstanding territorial and maritime claims, and to secure its development on its own terms,” American defence analysts Andrew Erickson and Adam Liff observe. “It also wants to acquire prestige as a full-fledged ‘military great power’ – a status its leaders appear to increasingly see as necessary to enhance China's international standing.” However much of a force China has become in its “Near Seas” (the Yellow, East China, and South China Seas), these analysts believe that its capabilities to engage in combat operations overseas will remain limited.⁶

Chinese grand strategy is guided by the underlying principle of maintaining external stability to promote domestic development. Recent statements indicate that China's foreign policy is designed to "safeguard the interests of sovereignty, security, and development" – core ideas that the state councillor for external relations Dai Bingguo defined in December 2010 as China's political stability ("the stability of the CCP leadership and of the socialist system"); sovereign security, territorial integrity, and national unification; and "China's sustainable economic and social development."⁷

Events in recent years reflect an emerging duality. On the one hand, Beijing maintains a rhetorical commitment to the notion that China is still a developing country, and uses this as a pretext to avoid incurring the costs of leadership on the international stage. On the other, the government is fostering a domestic nationalist narrative that celebrates the considerable achievement of lifting 300 million people out of poverty. This narrative includes the deliberate separation of Chinese civilization from that of the West and the use of Western powers (particularly Japan) as focal points for popular hostility centered around a jingoistic nationalism. Problematically, the principal targets of this narrative – Japan and, occasionally, the US – are also two of China's most important trading partners.

Beyond these relationships Chinese strategists view the world as a series of concentric circles of decreasing priority, much as their forefathers did.⁸ Therefore East and Central Asia are of primary importance, followed by Africa, Europe, and the Americas. China's emergence as the centre of the global supply chain, however, has forced Chinese leaders to adopt a more global perspective. In this context China's global strategy is still under development. Although its most important relationships are still close to home, it is increasingly called upon to involve itself in global affairs. At minimum, scholars expect China to be more assertive in its "near-abroad."⁹

China's growing importance in the global economy, and its increasing activity in the international sphere, provokes a variety of reactions among observers.¹⁰ Its rise has occurred within the context of the post-war, liberal democratic international order led by the United States, which established the rules, norms, and institutions defining the parameters of acceptable behaviour within the international system.¹¹ Some commentators worry that China may challenge this prevailing order simply by virtue of its rise; therefore some accommodation of this power's preferences is a prerequisite to avoiding the dissatisfaction that precedes great power conflict.¹² Other, more hawkish voices

see confrontation as inevitable and even necessary. A common denominator, however, is anxiety in the face of China's rise. As Ikenberry notes, the Western realist fear is that "the drama of China's rise will feature an increasingly powerful China and a declining United States locked in an epic battle over the rules and leadership of the international system ... that will end with the grand ascendance of China and the onset of an Asian-centered world order."¹³ For other commentators, a state can be described as being status quo oriented when it follows the rules of the game and it accepts the logic of those rules.¹⁴ It is thus debatable whether China can appropriately be described as a status quo rising power.¹⁵ On the one hand, evidence from its behaviour in international institutions suggests that it accepts the basic organizing principles and institutions of liberal world order.¹⁶ Indeed, China has arguably been "the biggest beneficiary of the existing system over the past three decades," and thus should have little incentive for "grand revisionist ambition," desiring simply to have a seat at the table.¹⁷ On the other hand, China does appear to seek to modify certain aspects of the international economic order, evidenced by its calls to end the reign of the US dollar as the reserve currency and by its efforts to reform the International Monetary Fund (IMF) governance structures.¹⁸ Indeed, some point to very clear limits to the degree to which China has been 'socialized' into the international system.¹⁹ For instance, although China has signed treaties underwriting the international human rights regime, its compliance has not extended to practical implementation.²⁰ What then should we make of China's behaviour and interests in the twenty-first century?

Getting to Today: Chinese Strategy in the Reform Era

Chinese strategy is rooted in the pragmatic foreign policy that marked the post-1979 reform era. This policy is characterized by the pursuit of "comprehensive national strength" through economic reform and military modernization. Peace was a prerequisite for this pursuit, which would produce an increase in wealth permitting China to modernize its military forces and rise to great power status. This "calculative strategy" was marked by market-oriented growth based on the maintenance of good relations with the major powers; military force and PLA doctrinal modernization, combined with restraints on the use of force regionally and globally; and an increased involvement in the international community, defined by a strategy of maximum gain for minimum commitment.²¹

To this end, China has sought pragmatic participation in international regimes, often aimed to maximize benefit at minimum constraint.²² Of particular relevance in the security realm are Chinese calculations and behaviour in arms control institutions, given the American concerns over Chinese proliferation. Under Mao, China denounced the Nuclear Non-Proliferation Treaty (NPT) as discriminatory and part of a great power plot to monopolize nuclear weapons.²³ With the onset of reform however, and the corresponding drive to better its international status, China became more willing to embrace those treaties that brought better international standing and enabled it to expand its capabilities. China adopts an instrumental approach to international institutions. For instance, China joined the International Atomic Energy Agency (IAEA) in 1984 in order to acquire the advanced nuclear plants needed to power its modernization drive, rather than for reasons of international prestige. Instead of joining the highly constraining NPT, Chinese leaders made public statements against nuclear proliferation, which permitted Chinese assistance to Argentina and Brazil's "peaceful" nuclear development programs, from which it gained foreign capital.

Only after the Tiananmen Square incident, when its international prestige was at its lowest since the Cultural Revolution, did China sign the NPT (1992), declare its intention to abide by the Missile Technology Control Regime (MTCR, 1991), and announce that it would work on the Comprehensive Test Ban Treaty (CTBT, 1993). This allowed China to shed some of its pariah status at low financial cost because the opening of the Chinese economy had brought other sources of foreign exchange, decreasing the need for weapons sales. Beijing's preoccupation with international status is particularly important as it indicates that Chinese behaviour is increasingly influenced by international perceptions.²⁴ This observation is consistent with scholarship that treats international institutions as social environments – in which allegedly fixed interests and identities evolve through institutional learning and norm diffusion – rather than purely instrumental ones.²⁵ In the post-Cold War period China's arms control policies have been a function of pragmatic policy objectives as well as prevailing international opinion. For example, when faced with mounting US pressure to sign the CTBT, China agreed in 1996, but only after conducting six nuclear tests in two years over the course of negotiations that were frequently stalled.

Although military modernization was the last of the four reforms embarked upon, it remains an important priority. Initiated in 1985, China's

modernization program was guided by a strategic shift from Maoist notions of “people’s war” to the more pragmatic pursuit of “people’s war under modern conditions.” This highlighted a shift from defending against a large-scale Soviet invasion to planning for small-scale regional or local wars.²⁶ Rather than pursue the total annihilation of an enemy, the aim in local or limited wars would be to assert Chinese resolve and to deliver a political or psychological shock. The goal was to defend Chinese influence and interests, not expand its territory; thus Beijing must possess the capabilities to manage conflict escalation. “People’s war under modern conditions” had elements of population-based guerrilla-style “people’s war,” as well as an emphasis on superior firepower and positional warfare.²⁷ The 1991 Gulf War provided a snapshot of what future wars would be like, and had serious ramifications for the strategic thought of the People’s Liberation Army (PLA). The response was the doctrinal modification of “people’s war under modern conditions” to “local war under high-tech conditions.” This marked the end of the primacy of manpower over technology, and the PLA subsequently began investing in advanced military hardware and technology systems. For Chinese military planners, the primary lessons of the Gulf War were fourfold: electronic warfare and high-tech weaponry were decisive to a conflict’s outcome; air and naval power were critical to combat and power projection capabilities; overall capability was a function of rapid response and deployment; and logistical support continued to be vital.²⁸ These have had several strategic and operational implications for the PLA, particularly the Navy (PLAN).

The PLAN’s modernization is characterized by its quest for a “blue water navy.” The navy anticipates its most likely combat scenarios to be against Taiwan and the US Navy or in the South China Sea against the coastal states of the area that dispute its maritime claims. Thus it has focused on expanding its operational capabilities from coastal to offshore defence. To meet this goal, the PLAN purchased four diesel *Kilo* class submarines and two *Sovremenny* destroyers from Russia to bolster its indigenously developed *Jiangwei* guided missile frigate and *Luhu* guided missile destroyer. Both indigenous ships possess improved cruise missiles, radar systems, and anti-submarine warfare capabilities.²⁹ China has also pursued a submarine-launched ballistic missiles (SLBM) capability, is deploying a new generation of nuclear-powered attack submarines, advanced diesel submarines, and is now a world leader in cruise missile technology. The anticipation that it might possess an anti-ship ballistic missile capable of striking American aircraft carriers is also of concern

to American defence planners. In 2012 China began sea trials of an aircraft carrier purchased from Ukraine, and recent reports indicate that the country has now begun construction of the first of four planned domestically built carriers.³⁰ Until recently, it was widely believed that China's defence planning was oriented towards coercing the surrender of Taiwan with massive ballistic missile strikes while raising the costs of American intervention with its considerable submarine and cruise missile threat. However, recent platform deployments such as at-sea replenishment and the aforementioned aircraft carrier suggest that Beijing is also preparing to coerce regional states and to deploy farther afield to protect China's growing interests overseas.

To lessen concerns about its growing military, China embarked on a diplomatic offensive to engage East Asian states.³¹ This policy built on credit earned during the 1997 Asian Financial Crisis and exploited American distraction from East Asia during the wars in Iraq and Afghanistan. China became more willing to pursue confidence-building measures with ASEAN states, as its foreign policy behaviour became more internationalist. The primary outcome of the ASEAN-China dialogue has been the Declaration on the Conduct of the Parties (DoC) in the South China Sea, signed by all claimants except Taiwan in November 2002. According to one scholar, China's agreement was in part a function of the regional balance of power, inasmuch as the US had by then ruled out a withdrawal from the Asia-Pacific region, as well as a more general acceptance of international norms of behaviour.³² Parties pledged to resolve their border and jurisdictional disputes by peaceful means and by consultations. They are also agreed to begin developing confidence-building measures in the areas of resource exploitation and management, fisheries, and environmental management, as well as to work on a consensus basis towards the adaptation of a code of conduct.³³

Despite this diplomatic offensive and ostensibly internationalist orientation, China has asserted its maritime claims in the East, and the South China Sea in particular, with unprecedented vigour.³⁴ According to analysts who anticipate regional conflict, China has fulfilled the long-held prophecy that it would become more belligerent in the East and South China Seas once it accumulated sufficient military power.³⁵ In this view, China has employed its more capable marine survey vessels to assert its maritime jurisdiction and sovereignty claims in the South China Sea against Vietnam and the Philippines and in the East China Sea against Japan. Particularly provocative actions included cutting the cables of Vietnamese survey vessels, detaining

fishermen, operating a drilling rig in waters claimed by Vietnam, and forcing the release of Chinese fishermen detained by these countries.³⁶ A recent edict from Hainan province requires “all foreign vessels that seek to fish or conduct surveys in waters claimed by China to obtain advance approval.”³⁷ There has also been speculation about an Air Defence Identification Zone (ADIZ) in the South China Sea following China’s unilateral declaration of an ADIZ in the East China Sea.³⁸ This has resulted in a number of dangerous armed confrontations at sea and renewed support from East Asian states for the American military presence.

The Obama administration responded by “rebalancing” its military forces from counter-insurgency operations in the Middle East to the deployment of sea power to the Asia-Pacific region. In his address to the Australian Parliament in November 2011, President Obama stated unequivocally that “reductions in US defense spending will not – I repeat, will not – come at the expense of the Asia Pacific.”³⁹ The Obama administration subsequently outlined a “rebalance” of its military forces towards the Asia-Pacific region, including the deployment of 60 per cent of the Navy and Air Force to the region.⁴⁰ These dynamics set the stage for the most important bilateral relationship in world and, in the view of many analysts, serve as a barometer for China’s intentions and conduct in other parts of the world.

Newly appointed Chinese President Xi Jinping outlined his key foreign policy strategy one year after he rose to power at the 18th Party Congress. At a conference attended by high-level party elites and influential state-owned companies in October 2013, Xi called for an effort to improve ties with China’s neighbours, in an apparent return to the “Smile Offensive” that China followed between 2002 and 2009.⁴¹ Despite bilateral antagonism with the United States over Washington’s rebalance, Xi has strengthened the relationship by adopting a harder line on North Korea following Pyongyang’s third nuclear test in early 2013. Finally, like all Chinese leaders before him, Xi will remain preoccupied with domestic concerns, particularly strengthening the Communist Party. To do so, Xi needs to be seen acting on the endemic corruption that runs through China’s system and implementing the considerable economic reforms the country needs to rebalance its economy to a more sustainable growth pattern. Unlike previous leaders however, there is a new confidence about China embodied in Xi’s vision of the “Chinese Dream.” China believes it is entitled to greater prestige and early indications,

embodied by the bilateral Sunnylands Summit with President Obama, suggest that world leaders are prepared to accommodate this Chinese request.

China's Regional Diplomacy as Bellwether for Arctic Policy

Arctic scholars often look to China's posture on maritime boundary disputes in its own backyard as an indication of its expectations for the circumpolar world. China's decision to use its influence in regional institutions like the East Asian Summit and the ASEAN Regional Forum to bully rival claimants does not sit well with commentators concerned about the current state of Arctic governance. This connects with deeply engrained suspicions of Chinese intentions by virtue of its size, political orientation, and the pace of its emergence – and consequently the power and influence China can bring to bear on regional politics. This perspective seems informed by a view of China that accepts the more hawkish assumptions on one side of the “China debate” in Western academic literature. In this view China is a strategic animal, playing the long game of international politics with aplomb, seeking to capitalize on windows of opportunity to pursue its interests, which are informed by its great power ambitions. When it comes to the Arctic, two commentators conclude, “it appears that China has identified the Arctic as a strategically and geopolitically valuable region and aims at projecting its influence through regional political and economic partnerships,” using “China aid ... to gain a foothold.”⁴² This perspective is based on an inherent mistrust of Chinese intentions that is distinct from what the behaviour of the nation might dictate. As historian David Wright predicts, “reticence and restraint on China's part will not likely last indefinitely.” “Beijing will likely become much more assertive.”⁴³ This position also has traction in policy and business communities. Roger W. Robinson of the MacDonald-Laurier Institute recently suggested that China is playing a “long con” in the Arctic, “lulling target states into a sense of security, commercial benefit, and complacency.”⁴⁴ And, in a much-debated new book entitled *Merger of the Century*, *National Post* business reporter Diane Francis raises the spectre of China as a “wolf at the door,” in the Arctic, with Canada as its prey.⁴⁵

The key driver for those who anticipate heightened Chinese assertiveness is resources. In a recent article, Singapore-based political scientist Gang Chen summarizes:

As the world's second largest economy, China today has insatiable appetite [sic] for energy, minerals and other resources, which helps explain the significant increase in its diplomatic, commercial and civic activities in Africa, Latin America and the Middle East. Having emerged from an inward-looking weak economy to the largest exporter in the world, China's global interest is growing rapidly due to its heavy dependence upon overseas supply [sic] of energy and raw materials. For the last two decades, relations between China and other resourceful continents have reached unprecedented levels of economic and political significance, propelled by China's increasing involvement in these regions and the economic complementarity based on China's engorgement of raw materials and a flood of cheap Chinese products. Despite its constant effort to expand and diversify commodity supply [sic] from various parts of the world, in the long run, energy and natural resource scarcity could become a formidable bottleneck for China's sustainable development due to its astronomical economic scale, lower than world average per capita resource reserves and inefficiency in using these raw materials. Meanwhile as a mercantile state that is increasingly dependent upon foreign trade, China needs reliable and convenient sea lanes to secure its maritime transportation based on affordable cost.⁴⁶

One of China's most important global priorities is the procurement of affordable commodities to support its growing consumption (although this does not necessarily need to lead to assertive foreign policy behaviour, as evidenced by the case of Japan).⁴⁷ Likewise, Chinese energy security has been characterized by the attempts to respond to the challenge brought on by its 1993 shift to net oil importer status. As such, its strategy has several elements. Chiefly, Beijing has endeavoured to develop its indigenous energy sources efficiently and has aimed to diversify both primary and imported supplies. This has required investment in overseas oil and gas resources through its major petroleum corporations, the construction of infrastructure to bring domestic resources to market, and the opening of the Chinese energy industry to foreign corporations. The goal is to minimize the vulnerability of the Chinese economy to fluctuations in the global energy market, helped in part by the

establishment of a strategic oil reserve (which is being quickly topped up in the wake of oil's 2014 collapse). According to the IEA, China's response to its energy concerns has been consistent with other nations in similar situations, such as Japan.⁴⁸

China has access to domestic energy resources but its oil fields are mature and its gas reserves are far from the markets on the eastern seaboard. China's energy links with Central Asia also have a strategic element. The region has traditionally been free of US interest and control, aside from the period during combat operations in Afghanistan. By importing oil overland via pipeline, China can avoid the major seaways, which are policed by the US Navy. Oil transported by seas would be vulnerable to embargo if relations with the US soured over other issues (such as Taiwan) or in the unlikely event that the Indian Navy tried to close the Strait of Malacca over a border dispute. Given its preference for self-sufficiency, this vulnerability is a concern. While it is not a serious problem in peace time, access to secure, land-based reserves reassures Beijing that it would not be cut off in times of conflict.

Nevertheless, a growing percentage of Chinese natural gas and oil comes via sea lanes, a situation that has created a pretext for greater Chinese interest in global maritime security. China thus contributes to the security of the Malacca Strait, through which 80 per cent of its imported oil and much of its trade passes, as well as to counter-piracy operations in the Gulf of Aden. Access to affordable energy resources is required for economic growth, which in turn is intimately tied to the legitimacy of the Chinese Communist Party. Chapters three and four take up the issue of China's resource and shipping interests in the Arctic more generally. Suffice to say however, there is little evidence that resources are a primary driver of Chinese assertiveness towards its neighbours. Moreover, there is little prospect that the resource value of the South China Sea is sufficient to dramatically affect China's growing consumption or force a confrontation.⁴⁹

The Arctic in China's Grand Strategy

While China has clearly demonstrated belligerent behaviour in its own coastal seas, and the pursuit of natural resource is undoubtedly a critical dimension of China's overall orientation, these facts alone imply neither a revisionist nor even an aggressive stance in Arctic affairs. Indeed, official statements and scholarship close to the establishment highlight just the opposite. Wang

Jisi, dean of Peking University's School of International Studies and former President Hu Jintao's "chief brains trust" for foreign policy, notes that "a peaceful international environment, an enhanced position for China in the global arena, and China's steady integration into the existing economic order" helps to consolidate the Communist Party's (CCP) power in China. Outlining the various considerations at play in "China's search for a Grand Strategy" (which addresses the three core and often competing interests of sovereignty, security, and development), Wang noted an internal debate over Deng Xiaoping's teaching of *tao guang yang hui*, or "keeping a low profile in international affairs." According to this logic, China should focus on economic development and "hide its capabilities and bide its time." Critics, however, perceive this as too soft in periods of rising nationalism or acute security challenges. Furthermore, keeping a low profile makes sense for China in its relations with the US, but "it might not apply to China's relations with many other countries or to economic issues and those non-traditional security issues that have become essential in recent years, such as climate change, public health, and energy security."⁵⁰

Of particular relevance to this study on China's Arctic interests, Wang outlines four ongoing changes in China's strategic thinking that might indicate the foundations of a new grand strategy. First, he notes "the Chinese government's adoption of a comprehensive understanding of security, which incorporates economic and nontraditional concerns with traditional military and political interests."⁵¹ China's principal interests in the Arctic (scientific research, climate change, resources, and shipping)⁵² fit within this expanded concept of security, which also acknowledges that China's integration into the global economic system makes it hard to separate friends from foes. In addition, China's interests have become far more diffuse; it is now interacting with a wider array of countries on a more diverse set of issues than ever before.

Second, Wang explains that China is becoming less country-oriented and more multilateral and issue-oriented. "This shift toward functional focuses – counterterrorism, nuclear nonproliferation, environmental protection, energy security, food safety, post-disaster reconstruction – has complicated China's bilateral relationships, regardless of how friendly other states are toward it." China's Arctic interests connect to several of these issue areas, including environmental protection, food safety/security, and energy security.⁵³

Third, Wang notes changes in the mode of China's economic development, with "Beijing's preoccupation with GDP growth ... slowly giving way

to concerns about economic efficiency, product quality, environmental protection, the creation of a social safety net, and technological innovation.” This may indicate growing support for environmental stewardship, a key prong in most Arctic states’ development strategies.⁵⁴

Fourth, Wang suggests that “soft power influence requires China to seek common values in the global arena such as good governance and transparency.” China’s growing interest in participating in Arctic governance, particularly through the Arctic Council, and its desire to uphold rights to the “common heritage of mankind,” fit with this logic.⁵⁵ In short, despite substantial fears among the public, pundits, and policymakers, there seems to be little that China can achieve in the Arctic by adopting a coercive or revisionist policy posture. Indeed, an assertive push in the Arctic may undermine China’s bilateral relations with Arctic states, countries that can facilitate China’s rise in a number of ways including cooperative resource development and support at international institutions.⁵⁶

A final consideration that Wang outlines is also relevant to the Arctic. In order to form and implement its own grand strategy, China will need to overcome internal challenges related to decision-making. “Almost all institutions in the central leadership and local governments are involved in foreign relations to varying degrees,” he notes, “and it is virtually impossible for them to see China’s national interest the same way or to speak with one voice. These differences confuse outsiders as well as the Chinese people.” Furthermore, arriving at a coherent strategy requires careful management of “the diversity of views among China’s political elite and the general public, at a time when the value system in China is changing rapidly.”⁵⁷ Indeed, the International Crisis Group outlined how competing bureaucratic interests and domestic political considerations led to a more heavy-handed Chinese posture towards the South China Sea in 2010–11.⁵⁸ In this context it is important to consider the organizations that make China’s Arctic policy.

Major Chinese Government Actors Interested in Arctic Affairs⁵⁹

While there is a tendency to treat China’s Arctic ambitions as monolithic and coherent, particularly among those who assign nefarious motives to its Arctic activities, China’s Arctic decision-making framework, within its broader grand strategic considerations, is not straightforward. Chen observes that:

Whereas past Chinese debates were principally internal deliberations among a narrow elite, current research increasingly highlights a more public dimension with multiple inputs from actors not commonly involved in these traditionally insular processes. It is true that China's foreign policy-making process to a large extent is still vertically organised, with the core figure of each division of CCP leadership having the last word on all vital issues. However, as final arbiters of foreign policy-making, the paramount leaders tend to become more consultative and consensual than their predecessors due to their decreasing authority within the Politburo in the post-Mao era. Meanwhile, facing a much more complicated external and internal context, the core leader today has many other responsibilities and depends on others to help plan and implement Chinese foreign policy, which further reduces personal influence while magnifying institutional and pluralistic impacts upon the whole process.⁶⁰

Although final decision-making power rests with the Politburo Standing Committee (PSC), led by President Xi Jinping, the pluralization, decentralization, and fragmentation of Chinese foreign policy-making means that influence over the policymaking process is no longer exclusive to the Ministry of Foreign Affairs, the Ministry of Commerce, and the PLA. It now involves "universities, research organisations and military academies, chief executives of oil companies and other enterprises, bank directors, local government officials and leading media representatives [who] operate on the margins outside the traditional centralised confines of the party state."⁶¹

Nevertheless, policy makers and policy shapers in China must be situated within the government machinery with specific competency in Arctic affairs (which is usually clustered with the Antarctic into Polar affairs more generally). The Ministry of Foreign Affairs (MFA) is the lead organization in managing China's international relations with the Arctic states, including Canada. The Department of Law and Treaty in particular prepares China's official statements in the Arctic and coordinates Chinese representation at Arctic Council meetings.⁶² This is usually led by an assistant foreign minister who oversees Arctic affairs. As Chen notes, the MFA will remain "a significant player in the Arctic policy-making, as the strategic priority at the current stage is to dispel suspicion and burnish its credentials as a non-threatening,

unobtrusive ‘joiner’ in the Arctic politics, which is synchronous with the axioms of ‘avoiding confrontation’ and ‘advancing incrementally’ that guide its national grand strategy before it has fully risen as a global power.”⁶³ Indeed, despite its role as China’s face in the Arctic region, the MFA remains a weak institution. For instance, neither the foreign minister – currently Wang Yi but also his predecessor Yang Jiechi – sit on the Politburo. Indeed, the Chinese foreign minister is not the country’s leading foreign affairs official. Rather, this falls to the State Councillor that directs the Central Foreign Affairs Office, currently Yang Jiechi and formerly Dai Bingguo. Even this influence is not formalized. For instance, President Xi Jinping has reportedly tasked Vice-President Li Yuanchao with some responsibility for foreign affairs and Li, unlike Yang, Wang, or Dai, is a member of the Politburo and therefore has considerably more say over the numerous organs that influence foreign policy.⁶⁴

Chen notes that other entities within the Chinese state – or state-owned enterprises connected to it – are more aggressive in pursuing their interests:

With China’s Ministry of Foreign Affairs still hoping to keep low profile [sic] and follow the principle of sovereignty so as not to provoke other Arctic powers, other institutional players, like the State Oceanic Administration (SOA), the Ministry of Commerce and state-owned behemoths like the three national oil companies and China Ocean Shipping (Group) Company (COSCO), are expected to take more pushy stands in the making and implementation of China’s Arctic strategy. CAA’s [Chinese Arctic and Antarctic Administration] budgetary requirement will demand more research and development activities there, and also a considerable deviation from the previous docile diplomatic positions. As part of the SOA, which is working on China’s maritime strategy (*haiyang zhanlue*), the CAA plans to put the Arctic strategy as a component of this marine strategy to be included in the national grand strategy.⁶⁵

The SOA, which reports to the Ministry of Land and Resources, is the main government institution that manages all polar issues. Its mandate is to regulate marine activities including patrols in disputed waters in the Yellow Sea, the East China Sea, and the South China Sea using the newly unified

China Coast Guard, draft China's maritime-related laws and regulations, and facilitate China's participation in international maritime treaties.⁶⁶ The SOA also sponsors annual seminars and invites government personnel to conduct studies on polar issues, geopolitics, political science, economics, and the Arctic legal regime.⁶⁷ In addition, it oversees the China Arctic and Antarctic Administration, which organizes Chinese Arctic and Antarctic expeditions and administers related polar affairs, and heads the Chinese Advisory Committee for Polar Research (CACPR, *Zhongguo jidi kaocha gongzuo zixun weiyuanhui*), which serves as a government coordinating body on polar issues.⁶⁸

The China Institute for Marine Affairs (CIMA) is currently drafting China's maritime strategy, which "will be an important component of China's grand strategy that aims to preserve long-term global interests through the integration of its overall political, economic, military, and technological capabilities." In turn, this strategy will frame the country's future activities in the Arctic.⁶⁹ Indeed, it was in the context of China's broader maritime strategy that some analysts misinterpreted a remark by retired Chinese Admiral Yin Zhou, who noted that the Arctic Ocean was the common heritage of all mankind.⁷⁰ Most likely, the admiral was speaking of the waters and seabed beyond the jurisdiction of the Arctic states, an area understood by all parties to be international. In this regard, his choice of words clearly reflected existing law in that the UN Convention on the Law of the Sea (1982) states that "the sea-bed and ocean floor, and the subsoil thereof, beyond the limits of national jurisdiction ... as well as the resources of the area, are the common heritage of mankind."⁷¹

Maritime issues, particularly economic, have grown in prominence in China in recent years. Growing China's maritime economy was addressed in both the 11th and the 12th Five Year Plans, with the latter calling for the rational use of maritime resources and greater resource development.⁷² According to the 2011 *China National Offshore Development Report*, the country's marine economy grew at 13.5 per cent in 2010 and amounted to 9.6 per cent of China's total gross domestic product.⁷³ It is thus unsurprising that the working report for the 18th Party Congress called for China to become a maritime power.⁷⁴ However, there are considerable limits to China's ability to adopt a strategy in the Arctic similar to that in its "near seas."⁷⁵

Conclusion

Much as is the case for Western commentators on China, the manner in which Chinese commentators view Arctic affairs is also coloured by their general perceptions of Western interests. Li Zhenfu of Dalian Maritime University, for example, decries China's position in multilateral institutions, "guided and established by a minority of great Western powers and reflect[ing] the imperatives of their own self-interests." His recommendations that China must assert its interests and rights in the Arctic more forcefully is a clear reflection of his desire for China to perform "as a responsible major power in the international arena, and [hasten] the rationalization and democratization of international relations." He explains at length that:

The theories of the international mechanisms the world now has were all formulated under the guidance of developed Western countries. The theoretical bases for these formulations are freedom, equality, democracy, and other such Western rational concepts [*linian*]. Because of this, in their fundamental nature all international mechanisms currently in effect are, along with their theories, heavily colored by liberalism. There are obvious discrepancies between the theories of international mechanisms formulated in accordance with freedom, equality, democracy, and other Western rational concepts on the one hand and the basic social system and mainstream ideology of China on the other. As a result, China's participation in international mechanisms is restrained, and this in turn has led to China's shortcomings in international mechanism theory and has created China's current failure at formulating an international mechanism theoretical system which has rigorous logic and strong interpretive capabilities.

In short, he fears that through apathy or inaction in Arctic affairs China may lose its "right to speak up" (*huayu quan*) on behalf of humanity and miss an opportunity to enhance its stature in global affairs through "theoretical prestige."⁷⁶ As an emerging global power, China clearly feels it must assert itself into emerging areas of global importance, like the Arctic. It does so not only

for the practical gains (either real or theoretical) to be had, but on the principled belief that its interests must be taken into account.⁷⁷

This chapter has shown, however, that “Chinese interests” in the Arctic must be disaggregated to reflect the plurality and diversity of relevant interested actors, as well as the absence of a formal or coherent foreign policy position on Arctic affairs. We have noted that the MFA, for example, has placed its emphasis on burnishing China’s credentials as an unobtrusive, non-confrontational, and incremental joiner, and dispelling suspicion about Chinese intentions – precisely the type of suspicion that Zhenfu’s call could presumably arise. Indeed, this push for a more activist agenda is but one side of the coin. Linda Jakobson observed in 2010 that:

To date China has adopted a wait-and-see approach to Arctic developments, wary that active overtures would cause alarm in other countries due to China’s size and status as a rising global power. Chinese officials are therefore very cautious when formulating their views on China’s interests in the Arctic. They stress that China’s Arctic research activities remain primarily focused on the climatic and environmental consequences of the ice melting in the Arctic. However, in recent years Chinese officials and researchers have started to also assess the commercial, political and security implications for China of a seasonally ice-free Arctic region.⁷⁸

Her analysis is equally applicable today. China’s declared policy objectives are to promote and maintain peace, stability, cooperation, and sustainable development in the Arctic region.⁷⁹ Its official activities to date reflect the traditional Five Principles of Peaceful Coexistence: mutual respect for sovereignty and territorial integrity, mutual non-aggression, non-interference in each other’s internal affairs, equality and mutual benefit, and peaceful coexistence.⁸⁰

Whether this will hold beyond the next decade is open to debate. In 2008, the National Intelligence Council published “Global Trends: A Transformed World” which concluded that, by 2025, the current US-dominated global system will yield to a multipolar world in which China and India exercise decisive influence on global economics and geopolitics. In the Arctic, it suggested, “the greatest strategic consequence over the next couple of decades may be that relatively large, resource-deficient trading states such as China, Japan,

and Korea will benefit from increased energy resources provided by any Arctic opening and shorter shipping distances.⁸¹ To ensure access to these resources and shipping routes, China has already begun to forge economic and diplomatic relations with Arctic countries (particularly in northern Europe). Still, it remains unclear how much relative emphasis it places on the Arctic compared to the rest of the world, and how much it will over the coming decades. Xi Jinping's policy agenda is crowded and is overwhelmingly focused on domestic issues.

Reflecting on the Arctic's place in China's emerging global ambitions, Chen summarizes that:

Besides its massive presence that has been growing tremendously in Asia, Africa and Latin America, the continental power's growing interest in the remote Arctic region embodied by intense diplomatic, economic and research manoeuvres in the core and surrounding area presents another evidence for the existence of a global grand strategy employed by China. In fact, if the Middle Kingdom's ultimate strategic goal is to win a smokeless war without fighting for supremacy in the world, then the melting Arctic region that will provide abundant natural resources and shorter navigable sea routes may emerge as one of the battlefields that demand tactics and sub-strategies.⁸²

Whether or how China's Arctic strategy will reflect the general axioms summarized by Aaron Friedberg – avoid confrontation, build comprehensive national power, and advance incrementally – remains to be seen.⁸³ Nevertheless, analysts should beware of many Western alarmist narratives about China's Arctic interests, intentions, and capabilities that oversimplify the issues, reinforce outdated perspectives on China's rise and, in some cases, even obscure more pressing challenges that stem from the growing outsider interest in Arctic affairs. By exploring China's Arctic interests, intentions, and capabilities in more detail, the chapters that follow cast these largely unspecified narratives in further doubt.

