



POLITICAL AND
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Northern Crossroads

Sino-Russian Cooperation in the Arctic

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As China has sought to widen and deepen its engagement in the Arctic region, there have been numerous examples of Chinese cooperation with Russia in developing diplomatic and economic initiatives in the circumpolar north. With the United States contemplating changes to its own Arctic strategy, including building new icebreakers and expanding oil and gas drilling in Alaska, there is the question of whether the United States will be facing more overt competition from a Sino-Russian partnership to develop the Arctic and potentially take advantage of the region's resources and emerging sea routes. This essay argues that while there will likely be closer cooperation between China and Russia in Arctic affairs for the foreseeable future, this relationship will be based on mutual economic benefit as opposed to a developing “northern alliance.”

China's Expanding Arctic Interests

After many months of speculation, Beijing released a white paper entitled *China's Arctic Policy*, the first document covering this region, in January of this year.¹ Since China is the largest non-Arctic state to publish such a statement, the paper received much international scrutiny upon its release, especially given that the country had frequently referred to itself as a “near-Arctic state” (*jin beiji guojia*) in previous policy remarks. When various elements of Beijing's Arctic

¹ Information Office of the State Council of the People's Republic of China (PRC), *China's Arctic Policy* (Beijing, January 26, 2018), http://english.gov.cn/archive/white_paper/2018/01/26/content_281476026660336.htm; and Marc Lanteigne and Mingming Shi, “China Stakes Its Claim to the Arctic,” *Diplomat*, January 29, 2018, <https://thediplomat.com/2018/01/china-stakes-its-claim-to-the-arctic>.

diplomacy began to appear after China became a formal observer in the Arctic Council in 2013, there was much conjecture about the priorities of this emerging Arctic strategy, notably with respect to its economic interests.² What can now be confirmed is that, despite its lack of Arctic borders, China aspires to establish itself as an indispensable polar actor. China's strategy toward the Arctic has evolved well beyond a primary focus on scientific diplomacy to include a stronger focus on the development of economic partnerships with Arctic states.

The white paper underscored that the Arctic would become one of the many strands of China's ever-expanding Belt and Road Initiative (BRI), which was unveiled by President Xi Jinping in 2013. The connection between the Arctic and BRI was first confirmed via a June 2017 statement, released by China's State Oceanic Administration and National Development and Reform Commission, which denoted the Arctic as a "blue economic passage," along with other maritime trade routes such as the Indian Ocean.³ The white paper built on this connection, while reflecting Beijing's need to walk a fine line between, on the one hand, being negatively viewed as a spoiler in Arctic governance and, on the other, being seen as only a marginal player in the region.⁴ Faced with this dilemma, Beijing has sought to emphasize its support for legal regimes, including the Arctic Council and the United Nations Convention on the Law of the Sea (UNCLOS). At the same time, it has advanced the idea of the Arctic, to a degree, as an international space where non-Arctic states could and

should play a role in the region's emerging development, especially as more of the Arctic opens up to development as a result of climate change.

Where Does Russia Fit?

Many emerging Arctic initiatives that would require enhanced cooperation, directly or indirectly, with Russia were specified in the white paper. Engagement with Moscow will be essential for future Chinese scientific studies of the Arctic, including on the relationship between changed weather patterns in Siberia and climate conditions in China. Russian engagement is also essential as Beijing seeks to develop economic projects of various stripes in the far north, including energy and raw material extraction, infrastructure development, and expanded use of the Northern Sea Route (NSR) for maritime trade between Northeast Asia and Europe. Although the Chinese and Russian governments have publicly expressed joint support for building the "Ice Silk Road" (*bingshang sichou zhilu*) in various forms, Arctic cooperation between the two great powers is more accurately described as a marriage of convenience than as an embryonic Arctic pact.⁵ Beijing perceives Russia as holding many of the metaphorical keys to economic and political access to the far north, while Moscow regards China as a vital financial partner to enhance the economic development of Siberia and the Russian Far East, as well as build up the NSR as an emerging trade conduit.

Russian policies toward developing the Arctic as an economic and strategic resource were revived by the Putin government, after a decade of relative dormancy following the collapse of the Soviet Union in 1991. The government of Boris Yeltsin relegated the Russian Arctic to a level of minimal importance in

² Steven Lee Myers, "Arctic Council Adds 6 Nations as Observer States, Including China," *New York Times*, May 15, 2013. The Arctic Council, created in 1996, has eight members: Canada, Denmark (Faroe Islands and Greenland), Finland, Iceland, Norway, Russia, Sweden, and the United States. In addition to China, observer countries in the council are France, Germany, India, Italy, Japan, the Netherlands, Poland, Singapore, South Korea, Spain, Switzerland, and the United Kingdom.

³ National Development and Reform Commission and the State Oceanic Administration, "Vision for Maritime Cooperation under the Belt and Road Initiative," *Xinhua*, June 20, 2017, http://www.xinhuanet.com/english/2017-06/20/c_136380414.htm.

⁴ Marc Lanteigne, "Have You Entered the Storehouses of the Snow? China as a Norm Entrepreneur in the Arctic," *Polar Record* 53, no. 2 (2017): 117–30.

⁵ "China, Russia Agree to Jointly Build 'Ice Silk Road,'" *Xinhua*, July 4, 2017, http://www.xinhuanet.com/english/2017-07/04/c_136417241.htm.

the wake of more pressing domestic issues, including political instability and conflict in the Caucasus. When Vladimir Putin first assumed power in 2000, this trend was reversed as Moscow sought to recentralize its power and reinstate more direct oversight of Russia's Arctic territory, acknowledging the largely untapped economic potential of Siberia and the Russian Far East. Two initial challenges for Putin were restoring Cold War-era infrastructure, which had fallen into disrepair and disuse, and ensuring that Russia maintained a dominant role in developing cross-Arctic policy. As the economic possibilities in the region were becoming more apparent in the wake of the melting ice cap, Moscow worried that Canada and Denmark (via Greenland) were seeking to stake territorial claims on continental shelves in the Arctic Ocean, possibly even at Russia's expense.⁶

The focus on reviving the Russian Arctic territories took place at a time when Moscow was also planning a major foreign policy shift toward deeper engagement with China and the greater East Asian region. President Putin's "pivot to Asia" strategy, announced in mid-2013, was an acknowledgement of the growing economic power of Northeast Asia as well as a result of closer Sino-Russian economic and political relations. The relationship between the two countries had improved in the years since then president Yeltsin signed a 1997 joint declaration with then Chinese president Jiang Zemin, affirming the two governments' interest in creating a strategic partnership.⁷ However, as China began to elucidate its Arctic policies as a precursor to

achieving observer status in the Arctic Council, the Russian government initially expressed wariness about allowing Beijing any formal role within the organization. Russia was concerned that giving large non-Arctic governments, including China and the European Union, a formal role within the council would dilute the status of the member states and make future agreements more difficult to achieve.⁸

By 2013, however, Russia threw its support behind China becoming an observer country. The main reasons for this about-face, according to a 2014 study, included assurances from Beijing that it respected the distinct rights of the Arctic littoral states, new Arctic Council guidelines in regard to observer rights and responsibilities, the potential advantages of engaging non-Arctic economies in regional development, and the desire to maintain what was proving to be a lucrative Sino-Russian economic partnership.⁹ Even then, the Russian government stressed, as China and other non-Arctic states were admitted as observers in the Council, that the Arctic states would retain the singular right to develop future rules for the region.¹⁰ Thus, it is likely that even as China and Russia continue to seek joint economic partnerships in the Arctic, deeper political cooperation on regional issues will remain elusive.

Sino-Russian Economic Cooperation

The importance of President Putin's "pivot" policy, as well as of bilateral economic cooperation with China, became far more pronounced after the diplomatic fallout from Russia's annexation of Crimea

⁶ Marlene Laruelle, *Russia's Arctic Strategies and the Future of the Far North* (Armonk: M.E. Sharpe, 2014), 3–6; Geir Hønneland, *Russia and the Arctic: Environment, Identity and Foreign Policy* (New York: I.B. Tauris, 2016), 47–59; and Elizabeth Riddell-Dixon, "Canada and Arctic Politics: The Continental Shelf Extension," *Ocean Development and International Law* 39, no. 4 (2008): 343–59.

⁷ Bobo Lo and Fiona Hill, "Putin's Pivot: Why Russia Is Looking East," Brookings Institution, July 31, 2013, <https://www.brookings.edu/opinions/putins-pivot-why-russia-is-looking-east/>; Malin Østevik and Natasha Kuhrt, "The Russian Far East and Russian Security Policy in the Asia-Pacific Region," in *Russia's Turn to the East: Domestic Policymaking and Regional Cooperation*, ed. Helge Blakkisrud and Elana Wilson Rowe (Cham: Palgrave Macmillan, 2018), 75–94; and Bobo Lo, "The Long Sunset of Strategic Partnership: Russia's Evolving China Policy," *International Affairs* 80, no. 2 (2004): 295–309.

⁸ "Rossiya priotkryla Arktiku" [Russia Opened the Arctic], *Kommersant*, May 16, 2013, <https://www.kommersant.ru/doc/2188538>; and Torbjørn Pedersen, "Debates over the Role of the Arctic Council," *Ocean Development and International Law* 43, no. 2 (2012): 146–56.

⁹ Tom Roseth, "Russia's China Policy in the Arctic," *Strategic Analysis* 38, no. 6 (2014): 844–47.

¹⁰ "Russia Has Peaceful, Pragmatic Goals in Euro-Arctic Region—Medvedev," Radio Voice of Russia, June 4, 2013.

from Ukraine in 2014 and the ongoing civil conflict in eastern Ukraine.¹¹ Western condemnation, and the accompanying international sanctions, resulted in China being elevated as the de facto main partner in Russian ambitions to develop the Arctic and Russia's far eastern regions, including in the areas of fossil fuels, infrastructure, and shipping. The U.S.- and EU-led trade bans were most acutely felt in the Russian energy sector, where political pressure forced Western companies partnering with Russia's oil and gas firms on Arctic projects to withdraw.

This presented a window of opportunity for China to develop its own deals despite the fall in global fossil fuel prices.¹² A landmark 30-year natural gas deal, worth approximately \$400 billion, was struck in May 2014 between the Russian energy firm Gazprom and the China National Petroleum Corporation (CNPC), which would result in regularized gas shipments to China via the Russian Far East. This was the first major sign that Russia's northern regions were about to play an expanded role in China's energy strategies. A subsequent Sino-Russian natural gas project on the Yamal Peninsula in Siberia, valued at \$27 billion, officially came online in December 2017, financially supported by CNPC and China's Silk Road Fund. The Yamal project, an endeavor referred to as an "energy pearl" in the Arctic region, has become a centerpiece in the emerging Ice Silk Road across Siberia, which Beijing envisions as a series of corridors stretching from China to northern Europe.¹³

¹¹ Wan Wang, "Impact of Western Sanctions on Russia in the Ukraine Crisis," *Journal of Politics and Law* 8, no. 2 (2015): 1–6.

¹² Camilla T.N. Sørensen and Ekaterina Klimenko, *Emerging Chinese-Russian Cooperation in the Arctic: Possibilities and Constraints*, SIPRI Policy Paper, no. 46 (Solna: Stockholm International Peace Research Institute, 2017), <https://www.sipri.org/sites/default/files/2017-06/emerging-chinese-russian-cooperation-arctic.pdf>; and Andreas Kuersten, "Russian Sanctions, China, and the Arctic," *Diplomat*, January 3, 2015, <https://thediplomat.com/2015/01/russian-sanctions-china-and-the-arctic>.

¹³ Lucy Hornby and Jamil Anderlini, "China and Russia Sign \$400bn Gas Deal," *Financial Times*, May 22, 2014; "China, Russia Jointly Launch Yamal LNG Project in the Arctic," *People's Daily*, December 11, 2017, <http://en.people.cn/n3/2017/1211/c90000-9302698.html>; and Takeshi Kumon, "China Thinks Big in Backing Russia's Ambitious Arctic LNG Project," *Nikkei Asian Review*, December 21, 2017, <https://asia.nikkei.com/magazine/20171221/Politics-Economy/China-thinks-big-in-backing-Russia-s-ambitious-Arctic-LNG-project>.

Communications and transportation are also emerging areas of Arctic cooperation between the two great powers, involving infrastructure that could further buttress the northernmost components of BRI. One important example has been a series of negotiations to build a deepwater port in the Russian Arctic city of Arkhangelsk, as well as the Belkomur railway link project connecting the White Sea with the Ural region. China's commitment to the development of Siberian infrastructure projects was further confirmed by Vice Premier Wang Yang when he led a Chinese government delegation to an Arctic policy gathering in Arkhangelsk in March 2017. Wang stressed his country's emerging role as a leading Arctic stakeholder. At a conference in St. Petersburg in May 2014, another senior Chinese government official, then vice president Li Yuanchao, specifically cited the Russian Far East as a potential zone of increased economic cooperation, including in the areas of resources and joint technology development.¹⁴ It has been widely acknowledged in Russian policy circles that, in light of the current geopolitical situation, Beijing would continue to be an essential partner for the Russian Far East and Siberian development projects, at least for the near term, and potentially represent a major growth area for the development of Arctic infrastructure as well as shipping.

In addition to the Belkomur project, there has been nascent discussion of an even more ambitious Beijing-supported rail network that would connect the northern regions of Finland and Norway with China via the Siberian coast, making use of existing rail lines in northern Russia and potentially connecting to

¹⁴ "Igor Orlov rasskazal zhurnalistam o gonke v bor'be za Arktiku i razvitiu Sevморputi" [Igor Orlov Tells Journalists about the Race for the Arctic and the Development of the Northern Sea Route], *DVINANEWS*, December 22 2017, <http://dvinanews.ru/-wwbb11or>; "Arkhangelsk Governor Names China as Key Partner in Arctic Projects," TASS, December 19, 2017, <http://tass.com/economy/981893>; Ministry of Foreign Affairs (PRC), "Wang Yang Attends the 4th International Arctic Forum," March 30, 2017, http://www.fmprc.gov.cn/mfa_eng/zxxx_662805/t1451907.shtml; and Rensselaer Lee and Artyom Lukin, *Russia's Far East: New Dynamics in Asia Pacific & Beyond* (Boulder: Lynne Rienner, 2016): 179–80.

other European rail lines.¹⁵ These links would be used not only for commercial travel but also to transport Chinese and Russian goods across Eurasia. However, in light of previous logistical problems in developing Sino-Russian railway ties, when these new linkages will be economically viable is uncertain.¹⁶ Siberia might also become the platform for a fiber-optic cable system connecting China with northern Europe. Such a link had been under discussion for several years, but negotiations between Finnish and Chinese interests to construct the cable were formalized in 2017 with the involvement of Russia along with Norway and Japan.¹⁷ The potential inclusion of Japan in Arctic development projects is significant given that country's own emerging diplomacy in the region, as outlined in the Japanese white paper released in October 2015, as well as growing concerns in Tokyo about China's long-term strategic interests in the Arctic.¹⁸ Each of these endeavors would add weight to China's economic presence in the Russian Arctic and will require still-closer economic cooperation between the Putin and Xi governments.

Sea Lanes of Cooperation?

China's Arctic white paper also described the country's growing interest in developing the NSR as an alternative maritime trade route between Asia and Europe. The document stated that China wished to play a role in the development of Arctic sea lanes, including the greater Northeast Passage along Siberia, and that the country supported peaceful and safe Arctic shipping in accordance with maritime law. In mid-2013, a modified Chinese container vessel, the *Yong Sheng*, owned by China's COSCO shipping group, traversed the Arctic Ocean from Dalian to Rotterdam in 33 days. This was the first such voyage by a Chinese cargo ship, a trip that underscored the potential of the NSR as a faster route to Europe in comparison with the Indian Ocean.¹⁹

Since that voyage, Chinese ships have completed experimental one-way and roundtrip journeys through the region, and in September 2014 China's Ministry of Transport released an official guide to maritime shipping through the NSR in anticipation of an eventual increase in vessel traffic.²⁰ It remains an open question as to when the NSR will become viable for mass cargo transit (only 29 vessels traversed the route in 2017).²¹ Nonetheless, Chinese firms are optimistic about the future potential of the waterway. Because the bulk of the NSR lies well within Russian waters and includes the chokepoint of the narrow Bering Strait between Alaska and Russia, Chinese aspirations for expanded shipping through this route will continue to require goodwill from Moscow.

¹⁵ Arne Egil Tønset, Erlend Hykkerud, Geir Samuelson, and Eskil Wie Furunes, "Arktisk jernbane vekker internasjonal oppsikt" [Arctic Rail Prompts International Attention.] NRK, March 12, 2018, <https://www.nrk.no/finnmark/arktisk-jernbane-vekker-internasjonal-oppsikt-1.13953942>; and Liang Youchang and Zhang Shuhui, "Norway's Arctic Town Envisions Gateway on Polar Silk Road with Link to China," *Xinhua*, March 9, 2018, http://www.xinhuanet.com/english/2018-03/10/c_137029125.htm.

¹⁶ Yu Bin, "Between the Past and the Future," *Comparative Connections* 19, no. 3 (2018): 111–24, <http://cc.csis.org/2018/01/between-the-past-and-the-future>.

¹⁷ "Japan's Arctic Policy," Arctic Portal, October 21, 2015, <http://library.arcticportal.org/1883>; "Chugoku no Hokkyoku hakusho ken'eki kakudai no ugoki o keikai shitai" [Be Wary of China's Move to Secure Greater Interests in Arctic Circle], *Yomiuri Shimbun*, February 13, 2018; and Julian Ryall, "Japan Concerned by China's Plan to Build 'Polar Silk Road' in Arctic," *South China Morning Post*, February 14, 2018.

¹⁸ Atle Staalesen, "Barents Town Envisions Arctic Hub with Link to China," *Independent Barents Observer*, February 6, 2018, <https://thebarentsobserver.com/en/arctic/2018/02/barents-town-envisions-arctic-hub-link-china>; Martin Breum, "Finland Plans 'Arctic Corridor' Linking China to Europe," *EU Observer*, February 28, 2018, <https://euobserver.com/nordic/141142>; and Ting Shi, "10,000 Kilometers of Fiber-Optic Cable Show China's Interest in Warming Arctic," *Bloomberg*, December 14, 2017, <https://www.bloomberg.com/news/articles/2017-12-13/undersea-cable-project-shows-china-s-interest-in-warming-arctic>.

¹⁹ "An Arctic First: Chinese Cargo Ship Reaches Europe via the Northeast Sea Route," *Numatsiaq News*, September 12, 2013, http://nunatsiaq.com/stories/article/65674a_first_chinese_cargo_ship_reaches_europe_via_the_northeast_sea_route/.

²⁰ Ministry of Transport (PRC), "Beiji dongbei hangdao hangxing zhinan chuban faxing" [Northeast Arctic Navigation Guide], September 18, 2014, http://zizhan.mot.gov.cn/zizhan/zhishuJG/haishiju/tupianxinwen/201409/t20140918_1693526.html.

²¹ "Cargo Traffic through NSR in 2017 Grew by 36% Y-o-Y to 9.9 Mln T," *PortNews*, February 16, 2018, <http://en.portnews.ru/news/253732/>.

Security Implications for the United States and Northeast Asia

There have been recent instances of Chinese military vessels operating near the Arctic Ocean, with two examples being the transit of People's Liberation Army (PLA) Navy ships near Alaska in September 2015 and the July 2017 joint maneuvers between PLA Navy and Russian Navy vessels in the Barents Sea.²² In light of still-difficult relations between the United States and China and Russia, it is tempting to frame the growing Sino-Russian partnership in hard-power terms. However, U.S. policymakers would be better served by taking a comprehensive approach to addressing Sino-Russian interests in the Arctic, as well as understanding that both great powers may have different long-term goals in the far north. Japan has gone this route. While it is concerned about Arctic security, given its dependence on maritime trade, Japan along with South Korea began a dialogue with China last year on developing joint Arctic scientific cooperation.²³ Making use of bilateral and multilateral outlets, including the Arctic Council, would help Washington better understand what China is seeking in the Arctic and how Russia may or may not assist with these goals.

²² Phil Stewart, "Five Chinese Ships in Bering Sea as Obama Visits Alaska," Reuters, September 3, 2015; and Andrew Higgins, "China and Russia Hold First Joint Naval Drill in the Baltic Sea," *New York Times*, July 25, 2017.

²³ "Japan, China and South Korea OK Joint Study on Arctic Development," *Japan Times*, June 9, 2017, <https://www.japantimes.co.jp/news/2017/06/09/national/science-health/japan-china-south-korea-plan-joint-study-arctic-development/#.Wq7pbWZ7GuU>.

China remains wary of any sort of military buildup in the Arctic that may hamper its future economic interests. Primarily, Beijing worries about the securitization of the Arctic leading to a "blueberry pie" scenario whereby the region is cut up between the eight Arctic states, with all other countries, including China, having more limited access. China's white paper did note the security challenges in the region, but only in regard to the protection of trade and the safety of maritime transit.

Thus, the Sino-Russian relationship in the Arctic will continue to be based on a pragmatic approach, stressing mutual economic goods as opposed to a strategic pact. Moscow will continue to be cautious about Chinese ambitions in the Arctic, given its ongoing concerns about protecting the sovereignty of Russia's Arctic territories and their resources—a major talking point in the run-up to the presidential election in March.²⁴ Beijing will remain watchful of any movement toward the closing of access to the Arctic Ocean to non-Arctic states, especially should the region's economic development result in more overt competition. Nonetheless, as the United States contemplates an upgrade of its own Arctic strategy, U.S. policymakers will need to take into account the growing links between a veteran Arctic player and an ambitious newcomer. ♦

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²⁴ "Putin: Russia Won't Threaten Anyone in Arctic, but Will Ensure National Safety," RT, March 11, 2018, <https://www.rt.com/news/420987-russia-arctic-development-putin>.

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