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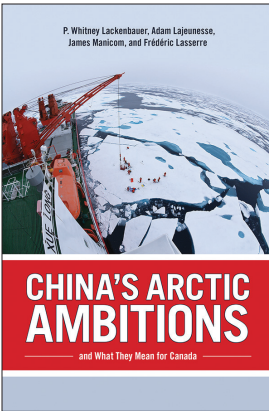
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## CHINA'S ARCTIC AMBITIONS AND WHAT THEY MEAN FOR CANADA

by P. Whitney Lackenbauer, Adam Lajeunesse, James Manicom, and Frédéric Lasserre

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## China and Arctic Governance: Uncertainty and Potential Friction

*As the Arctic bears on human survival and development, countries share common responsibilities for the Arctic. The challenges in the Arctic require joint contribution of all stakeholders, including the expertise, technology, capital and market that non-Arctic countries may offer. China proposes that all sides further strengthen communication and coordination to build a cooperation framework at the global, regional and national levels, expand channels for governmental and non-governmental cooperation and seek win-win results through cooperation.*

VICE FOREIGN MINISTER ZHANG MING,  
Third Arctic Circle Assembly (2015)<sup>1</sup>

Under the rubric of Canada's "sovereignty agenda," the Canadian *Arctic Foreign Policy Statement* addresses Arctic governance and public safety issues. It notes that:

Increasingly, the world is turning its attention northward, with many players far removed from the region itself seeking a role and in some cases calling into question the governance of the Arctic. While many of these players could have a contribution to make in the development of the North, Canada does not accept the premise that the Arctic requires a fundamentally new

governance structure or legal framework. Nor does Canada accept that the Arctic nation states are unable to appropriately manage the North as it undergoes fundamental change.<sup>2</sup>

The statement reiterates that an extensive international legal framework applies to the Arctic Ocean, but that new challenges will emerge alongside increased shipping, tourism, and economic development. Placing a clear priority on “regional solutions, supported by robust domestic legislation in Arctic states,” Canada emphasizes collaboration with “other Arctic nations through the Arctic Council (the primary forum for collaboration among the eight Arctic states), with the five Arctic Ocean coastal states (on issues of particular relevance to the Arctic Ocean), and bilaterally with key Arctic partners – particularly the United States.”<sup>3</sup>

Canada’s official position indicates that it prefers a regional governance regime dominated by the Arctic states. In response to the Arctic foreign policy statement, a *Toronto Star* editorial indicated that Ottawa “insists the Arctic Council eight are ‘best placed to exercise leadership in the management of the region,’ at a time when China and others are showing interest in the North. At root, Ottawa seems to be pushing for Arctic issues to be sorted out by as few interested players as possible, while keeping the rest of the world at a distance.”<sup>4</sup> This perspective was forcefully reiterated by Prime Minister Stephen Harper himself.<sup>5</sup> Given that Canadian commentators drew this conclusion, it is not surprising that China might perceive the same intent on Canada’s part.

Rob Huebert, for example, has told Chinese audiences that complexity and change are the hallmarks of the twenty-first century Arctic, and that climate change, natural resource development, technological development, and geopolitical dynamics are fundamentally transforming the region. Although the Arctic states have indicated their commitment to the LOSC and international law, science-based decision-making, peaceful resolution of Arctic disputes, and cooperation, he suggests that the current governance regime is nevertheless characterized by unilateral actions by Arctic states, increasing defence expenditures, and a refusal by the circumpolar states to embrace global governance options. Although the Arctic coastal states may voice their interest in cooperative initiatives, Huebert doubts that the existing governance regime can manage with the web of emerging challenges that face the circumpolar states and the international community more generally.<sup>6</sup>

A growing number of Chinese political and academic commentators have expressed their view that the international community (and China in particular) has an important interest in the Arctic region. Accordingly, the Arctic Ocean cannot be considered the private and exclusive preserve of the Arctic coastal states.<sup>7</sup> In the earliest official Chinese statement on the Arctic, Assistant Minister of Foreign Affairs Hu Zhenyue stated in June 2009 that “Arctic countries should protect the balance between the interests of states with shorelines in the Arctic Ocean and the shared interests of the international community.”<sup>8</sup> Also consistent with China’s perceptions as a maritime state, Yang Jian, the vice president of the Shanghai Institute for International Studies, suggests that China views Arctic affairs in two broad categories: (1) as regional issues that are appropriately managed by the Arctic states, given China’s respect for the sovereignty and sovereign rights of the Arctic countries; and (2) those with global implications. In the latter case, he argues:

China maintains that global Arctic affairs need to be handled through global governance and multi-party participation, because such trans-continental issues as climate change, ice melting, environmental pollution and ecological crisis all pose serious challenges to humankind as a whole and cannot be solved by any single country or region. Instead, solving them requires that all nations work together to provide the necessary public goods that Arctic governance entails. Certainly, countries of the region bear more responsibilities in Arctic affairs, yet non-Arctic countries also have their interests and responsibilities to assume. As an important international body leading the governance of Arctic issues, the Arctic Council should provide *an inclusive and open platform* that can bring in all the positive forces to facilitate good governance for the Arctic and for the planet. Such is the rationale behind China’s bid for permanent observer status in the Arctic Council.<sup>9</sup>

While most Chinese commentators and officials acknowledge that “Arctic countries, with a larger stake in Arctic-related issues, should play a more important role in Arctic affairs,”<sup>10</sup> this does not preclude China from likewise seeking a more direct role in Arctic governance. As we have seen thus far, there is considerable anxiety within China that it will be excluded from

Arctic governance discussions that it feels it, as a maritime state and as a “Polar state,” has a right to be involved in – with all the implications that such governance may have for future resource development and access.<sup>11</sup>

Despite Chinese officials’ recent identification of their country as a “near Arctic state,” China has neither an Arctic coastline (and thus no claim to a continental shelf in the Arctic Ocean) nor territory above the Arctic Circle. Yet, as Linda Jakobson and Jingchao Peng note:

China already has a stake in the general framework of Arctic governance: it is represented in numerous international organizations and is party to several international agreements that pertain directly or indirectly to Arctic governance. Most importantly, China is a veto-wielding member of the United Nations Security Council, the ultimate authority of the 1982 UN Convention on the Law of the Sea (UNCLOS). China is, along with 41 other countries, a signatory of the 1920 Svalbard Treaty, which grants all members equal rights to access Svalbard while recognizing Norway’s absolute sovereignty. It is also a member in the International Maritime Organization (IMO), a UN agency responsible for adopting measures to secure international shipping and to prevent marine pollution from ships.<sup>12</sup>

By extension, these authors observe that “China’s present Arctic policies and research agenda are based on the premise that the more the Arctic states recognize the potentially lucrative implications of a melting Arctic, leading them to adopt policies to maximize their interests in the region, the more China, as a non-Arctic state, should look after its own interests and what it perceives as its rights.”<sup>13</sup>

Chinese scholars have often depicted Arctic states – and the Arctic Council as an institution – as self-interested actors seeking to exclude “user state” perspectives from Arctic governance. David Wright points out that “the Chinese nightmare scenario for the Arctic is that the European and North American Arctic powers will more or less gang up and ‘carve up the Arctic melon’ and its natural resources among themselves, to the exclusion of everyone else;”<sup>14</sup> a concern found in Chinese academic and news pieces as well.<sup>15</sup> Based upon an extensive reading of Chinese sources from 2009–11, Wright suggests that:

Even though China is currently climbing the Arctic learning curve, it seems reluctant to acknowledge that it being a non-Arctic country, its influence in the Arctic and in Arctic affairs might be somewhat limited. This hesitance arises, however, not from pride or haughtiness but from concern over the multivalent implications of such an acknowledgement: China does not want to lose any ground in its campaign to become a major player in the world in general, and increasingly for Beijing that means being a player in the Arctic. China wants, as the term in Chinese goes, to “insert its hands” (*chashou*) into Arctic affairs but finds it inconvenient to indicate this directly, because that would be infelicitous diplomatically. So instead, China engages in unctuous and circumlocutory diplomatic language about respecting the sovereignty of Arctic countries, hoping that the Arctic countries can resolve their differences quickly and anticipating that Arctic issues can ultimately be worked out through negotiation to the satisfaction of both the Arctic and international communities. But the gentlemanly bows and matronly curtsies and bouquets of Chinese diplomatic gesturing should not be confused for acquiescence or lack of resolve on China’s part. Despite its status as a non-Arctic country, China seems bound and determined to have a voice, perhaps even a say-so, in Arctic affairs.

Some Chinese commentators, such as Li Zhenfu of Dalian Maritime University and Guo Peiqing from the School of Law and Political Science at the Ocean University of China, urge China to adopt a proactive campaign to protect its rights.<sup>16</sup> Other scholars preach restraint, suggesting that China should avoid provoking Arctic states by asserting views on topics such as resources and shipping. Indian polar expert Sanjay Chaturvedi notes that “China’s much pronounced official foreign policy stand on supporting state sovereignty in its classical-territorial sense could come in the way of articulating the vision of a more inclusive and democratic ‘regional’ (perhaps even global) governance for the circumpolar Arctic.”<sup>17</sup>

That Chinese commentators raise questions about the current Arctic governance regime and call for change should come as no surprise given that Canadian commentators have raised serious questions about the capacity of existing arrangements to ensure regional security and stability. For example,

Huebert suggests that the soft-law approach currently in place will prove ineffective in managing challenges related to climate change, resource development, and increased shipping in the region. He has advocated strong regional institutions with legal powers and even an ambitious new Arctic treaty architecture modeled on the Antarctic Treaty – in obvious opposition to the Ilulissat Declaration.<sup>18</sup> Others have avoided the treaty road while still suggesting that the current regime needs fundamental reform. The Arctic Governance Project issued a report in April 2010 declaring that the Arctic Council needed a “big makeover” because it had become outdated owing to “cascades of change” in the Arctic. Although it did not envisage an Arctic Council with regulatory powers, the project team did recommend that the Council expand its mandate and open its doors to more non-Arctic observers, including China.<sup>19</sup>

## China and the Arctic Council<sup>20</sup>

Canada considers the Arctic Council to be “the primary forum for collaboration among the eight Arctic states.”<sup>21</sup> Created through the Ottawa Declaration of 1996 (rather than a treaty), this high-level “discussional and catalytic” forum serves as “a means for promoting cooperation, coordination and interaction among the Arctic states, with the involvement of the Arctic Indigenous communities and other Arctic inhabitants on common Arctic issues, in particular issues of sustainable development and environmental protection in the Arctic.” Rooted in “soft law,” it is not a political decision-making body.<sup>22</sup> Nevertheless, the Council “does excellent technical work and informs and enables states to adopt progressive and environmentally and socially responsible policies.”<sup>23</sup> It also plays an important generative role in framing and highlighting issues on the Arctic agenda.<sup>24</sup>

Decisions at all levels in the Arctic Council are the exclusive right and responsibility of the eight Arctic states with the involvement of the permanent participants. The member states – Canada, the Kingdom of Denmark (including Greenland and the Faroe Islands), Finland, Iceland, Norway, Russia, Sweden, and the United States – are the only voting parties. Six international organizations representing Arctic indigenous peoples have permanent participant status, giving them full consultation rights in connection with the Council’s negotiations and decisions (but not votes). This indigenous involvement is a unique feature in international organizations.



As a forum for discussion and information sharing based on a non-binding declaration, the Council has established a series of working groups that undertake non-regulatory initiatives (such as assessments, projects, action plans, and programs) on a broad range of environmental and sustainable development issues. In addition to publication of scientific reports, this work has contributed to international scientific negotiations and initiatives concerning environmental impacts in the Arctic region.<sup>25</sup> There are currently six working groups:

- Arctic Contaminants Action Program (ACAP)
- Arctic Monitoring and Assessment Programme (AMAP)
- Conservation of Arctic Flora and Fauna (CAFF)
- Emergency Prevention, Preparedness and Response (EPPR)
- Protection of the Arctic Marine Environment (PAME)
- Sustainable Development Working Group (SDWG)

Each working group operates under a specific mandate, and is overseen by a chair and a management board or steering committee typically comprised of representatives of governmental agencies from the Arctic states as well as representatives from the permanent participants. In operation, these working groups execute the programs and projects mandated by Arctic Council Ministerial Declarations and the official documents produced from Ministerial meetings. They involve expert representatives from sectoral ministries of the Arctic states, government agencies, and researchers. Furthermore, observer states and observer organizations attend working group meetings and participate in specific projects.<sup>26</sup>

Questions surrounding observer status became contentious and politically sensitive in recent years. This status, set out in the Declaration on the Establishment of the Arctic Council and governed by the Arctic Council Rules of Procedure, is open to non-Arctic states, global and regional inter-governmental and inter-parliamentary organizations, and non-governmental organizations that the Council determines can contribute to its work. Twelve non-Arctic states, nine intergovernmental and inter-parliamentary organizations, and eleven non-government organizations are currently observers (popularly referred to as “permanent observers”) to the Council – a status that allows these states and organizations to attend most Council meetings

without obtaining permission on a meeting-by-meeting basis. In the initial years after its establishment, the Council seemed eager to accept states and organizations that showed an interest in its activities and applied as observers. With growing international interest in the Arctic, however, applicants attracted more critical scrutiny. For Canada, the most contentious application for observer status came from the European Union (EU), given its decision to ban the import of seal products in 2009. This sparked a major disagreement between the EU and Canada (with Canada being supported by other Arctic states and indigenous peoples), and led the Arctic Council to defer consideration of the EU request.<sup>27</sup> This in turn affected other applicants, including China.

Despite the admission of new observers, Prime Minister Harper stated in a January 2014 interview:

There's been a lot of observer countries admitted. Our concern with that, and unfortunately, to be blunt about it, I think frankly this had already gone way too far before we became government. But given that that is the precedent that has been established, we're prepared to have a significant number of observers as long as they understand and respect the sovereignty of the permanent members. And as long as their presence doesn't override or impede upon the deliberations of the permanent members. So I think it's a matter of balance."<sup>28</sup>

Chinese scholars and government spokespersons stress that changes in the Arctic do not just bring challenges and opportunities to the Arctic states. "According to mainstream thinking among Chinese Arctic specialists," Jakobson and Peng observe, "China has a legitimate right to participate in Arctic governance because environmental changes in the Arctic have a major impact on China's ecological system and subsequently its agriculture and economic development." By extension, China envisages the Arctic Council as an important body for regional governance and cooperation. It has regularly attended Council sessions since 2007 as an ad hoc observer. Although the Council has never rejected China's request to attend a Council meeting, "permanent" observer status is perceived to be more than symbolic and "better positions non-Arctic states to participate in the governance of the Arctic region."<sup>29</sup> Jakobson and Peng indicate that "China's desire to become

a permanent observer is linked both to an unspoken concern that at some point in the future it will not be a desired attendee and to China's aspiration that observers could over time attain more influence in the Arctic Council."<sup>30</sup>

China first requested "permanent" observer status in 2009, but its application was deferred – alongside applications from the European Union, Italy, and South Korea – when the Council member states could not reach consensus. The principle impediment to China's joining was Russia, which obstructed the process for years.<sup>31</sup> Nevertheless, foreign ministry representatives from Denmark, Finland, Iceland, Norway, and Sweden publicly supported China's application. In the case of Denmark, this position is consistent with its broader support for more observers, which recommends that "the Arctic Council should look for ways to further involve those that are ready to cooperate under the premise that the primary role of the Arctic Council is to promote sustainable development for the Peoples of the Arctic and the Arctic states."<sup>32</sup> Norway's Foreign Minister Jonas Gahr Støre officially endorsed China's application during a speech in Beijing in August 2010, and indicated his hope that the Council would reach a similar consensus.<sup>33</sup>

Canadian ambivalence to Chinese participation in the Arctic Council was evident right up until the final decision was made. Up to 2013, Canadian and American officials had neither opposed nor supported China's application, though American Secretary of State John Kerry ultimately helped to pave the way for the successful accession of China and other non-Arctic states to the Council that May.<sup>34</sup> This long deliberation reflects internal debates between the member states and permanent participants about the level of activity that observers should be able to play in various Arctic Council activities – as well as the absence of clear criteria to assess new applicants. Matthew Willis and Duncan Depledge have made a convincing case that the Arctic Council's consideration of China's application was always more of a question of the Council's growth and institutional direction more generally, and that China's application was never looked upon any differently than those of the other Asian and European applicants.<sup>35</sup>

At the Nuuk Ministerial in May 2011, the Council settled upon a formula, set explicit criteria for considering applications for observer status, and clarified the Council's expectations of observer states (see figure 5.1).<sup>36</sup> Later that year, China submitted a formal application for observer status in accordance with the new criteria and procedures. Although these applications were not public, official statements by Chinese officials indicate the basic elements of

the country's case for admission. On November 6, 2012, Lan Lijun, China's ambassador to Sweden, explained on behalf of the vice foreign minister of China that he believed the participation of more non-Arctic states as observers would have a "positive significance to the work of the Council." Furthermore, he recognized that much of the region fell under national jurisdiction of the Arctic states. This recognition of the primacy of Arctic states' sovereignty, sovereign rights, and jurisdiction was also the principle factor in removing Russian objections.<sup>37</sup> His message was reassuring. "The participation of observers does not prejudice the dominant role of Arctic states in the Council," the ambassador suggested. "The participation of observers in the work of the Council is based on the recognition of Arctic states' sovereignty, sovereign rights and jurisdiction in the Arctic as well as their decision-making power in the Council."<sup>38</sup>

The process of China achieving accredited observer status elicited a great deal of comment and concern from the media - the rationale being, of course, that China was a powerful and even expansionist country (unlike Italy or South Korea for instance) whose presence on the Council might be destabilizing, or even a threat to Arctic state sovereignty. It is telling to note, however, that these views never held much authority within the halls of the Council itself. Through a series of interviews with Senior Arctic Officials (SAO), Willis and Depledge have shown that few, if any, diplomats had any real concerns about China's specific interests in the Arctic - in fact there had not been a single formal discussion specifically about China within the Council between 2006 and Kiruna (though there were, of course, informal conversations). During these interviews, the SAOs consistently emphasized that China's presence at the Council should not be feared. Some officials, particularly from the Nordic countries and the United States, said either that they welcomed and had always supported China's engagement or, at the very least, that they had no concerns whatsoever about its admission. Frequently, officials pointed out that the mass media's portrayal of China was heavily skewed and that Chinese diplomats had always behaved very well, both towards the Council states and the permanent participants.<sup>39</sup>

Transnational issues such as climate change and international shipping extend beyond the region. Arctic and non-Arctic states, therefore, have common interests in addressing these global issues, ambassador Lan suggested, and could do so through improved communication and cooperation. "By

## 5.1 Criteria and Role for Observers at the Arctic Council

### **Criteria for Admitting Observers:**

As set out in the Declaration on the Establishment of the Arctic Council and governed by the Arctic Council Rules of Procedure, observer status in the Arctic Council is open to non-Arctic states; inter-governmental and inter-parliamentary organizations, global and regional; and non-governmental organizations that the Council determines can contribute to its work. In the determination by the Council of the general suitability of an applicant for observer status the Council will, inter alia, take into account the extent to which observers:

- Accept and support the objectives of the Arctic Council defined in the Ottawa declaration.
- Recognize Arctic states' sovereignty, sovereign rights, and jurisdiction in the Arctic.
- Recognize that an extensive legal framework applies to the Arctic Ocean including, notably, the Law of the Sea, and that this framework provides a solid foundation for responsible management of this ocean.
- Respect the values, interests, culture, and traditions of Arctic indigenous peoples and other Arctic inhabitants.
- Have demonstrated a political willingness as well as financial ability to contribute to the work of the permanent participants and other Arctic indigenous peoples.
- Have demonstrated their Arctic interests and expertise relevant to the work of the Arctic Council.
- Have demonstrated a concrete interest and ability to support the work of the Arctic Council, including through partnerships with member states and permanent participants bringing Arctic concerns to global decision making bodies.

## 5.1 Continued

### **Role of Observers:**

Decisions at all levels in the Arctic Council are the exclusive right and responsibility of the eight Arctic states with the involvement of the permanent participants.

- Observers shall be invited to the meetings of the Arctic Council once observer status has been granted.
- While the primary role of observers is to observe the work of the Arctic Council, observers should continue to make relevant contributions through their engagement in the Arctic Council primarily at the level of working groups.
- Observers may propose projects through an Arctic State or a permanent participant but financial contributions from observers to any given project may not exceed the financing from Arctic states, unless otherwise decided by the SAOs.
- In meetings of the Council's subsidiary bodies to which observers have been invited to participate, observers may, at the discretion of the Chair, make statements after Arctic states and permanent participants, present written statements, submit relevant documents and provide views on the issues under discussion. Observers may also submit written statements at Ministerial meetings.

accepting observers, and therefore enhancing its openness and inclusiveness, the Council will help the international community to better appreciate its work, thus expanding its international influence,” he argued. “Its exchanges and cooperation with the observers will help it review trans-regional issues from a broader perspective, which will facilitate effective settlement of relevant issues through international cooperation. This model of cooperation has been effective in addressing issues such as climate change and international shipping, and deserves further promotion. The Council should well respond to the desire expressed by relevant parties to participate in the work of the Council as observers.”<sup>40</sup>

Casting China as a “near Arctic state,” the ambassador also emphasized the significant impact that climate change and resource development in the Arctic had “on China’s climate, ecological environment, agricultural production as well as social and economic development.” Accordingly, China continues to invest in scientific research in the region – something best

accomplished through cooperation with other states. The message sought to reassure the Member States that China's participation would not destabilize the Council or the region. In reaffirming the importance of "communication and dialogue with Arctic states on Arctic issues to enhance mutual understanding and trust," as well as China's willingness and ability "to contribute to the work of the Council and to strengthen cooperation with states in the Council for the peace, stability and sustainable development in the Arctic region,"<sup>41</sup> the ambassador's remarks also corroborate the findings of Jakobson and others that China fears being excluded from Arctic institutions.

Although Chinese officials have not publicly criticized the Nuuk criteria, Chinese scholars accused the Arctic Council member states of raising the political threshold for non-Arctic states to join at a time when "it is unimaginable that non-Arctic states will remain users of Arctic shipping lanes and consumers of Arctic energy without playing a role in the decision-making process."<sup>42</sup> On this subject, Guo Peiqing has mounted a sustained critique of the new criteria, alleging that "Observer status will bring more obligations but fewer rights" and thus is "not the best option for non-Arctic states to participate in Arctic governance." First, he considers the new criteria "as a rigorous and harsh requirement that is unprecedented in this history of international organizations." For example, one criterion stipulates that an applicant's suitability will be measured by the extent to which they "recognize Arctic states' sovereignty, sovereign rights and jurisdiction in the Arctic."<sup>43</sup> Rather than simply assuming that this is a blanket statement indicating that Arctic states have sovereignty, sovereign rights, and jurisdiction in the region, Peiqing reads it literally. He asserts that "the 'three recognitions' principle also calls on POs [permanent observers] to recognize sovereignty and jurisdiction that is not yet settled. The principle does not specify what aspects of disputed sovereignty or jurisdiction POs are recognizing or whether this implies recognition of settled boundaries in the future." In cases of conflicting member states' claims to Arctic lands or waters, applicants are placed in an irrational position where they must implicitly recognize "the legitimacy of both parties' claims to a contested area."<sup>44</sup> This unreasonable demand, as Guo sees it, imposed on non-Arctic states, obviously does not apply to Arctic states themselves.

In weighing the net benefit of observer status in light of the new admission criteria and practical aspects of actual involvement in the Council, Guo concludes that it "will bring non-Arctic states more obligations than rights

and benefits.” Observers are seldom allowed to speak at Ministerial or Senior Arctic Official meetings, and (citing Oran Young) the activities at the working-group level are not a conduit to “real dialogue regarding issues on the new Arctic policy agenda.” In exchange, non-Arctic states “will likely lose the initiative and flexibility of diplomacy in the future because they have recognized Arctic states’ ‘sovereignty, sovereign rights and jurisdiction’ in advance as a package deal,” and thus will have given up any “potential residual rights in the Arctic Ocean by virtue of the new criteria.” He also alleges specific discrimination by Arctic states against China in most international organizations, where they “work hard to control China’s influence on rulemaking and implementation,” insisting that China take on more responsibility but preventing China from rising to a level that can challenge Western dominance. “The new criteria place a high cost on China’s entry into the Arctic club,” Guo concludes. “China gains few practical benefits and gains little prestige by joining the Arctic Council.” Instead, he urges China to exploit other multilateral institutions and bilateral diplomacy to influence Arctic governance.<sup>45</sup>

The logical extension of this argument could be that, rather than asking why the member states should let China in to the Council, they might consider asking “Why should China join us?”<sup>46</sup> Engaging China and other Asian countries as observers at the Arctic Council could prove useful for Canada in keeping its own agenda prominent in cooperative discussions.<sup>47</sup>

As Lackenbauer and Manicom have argued, the perception of China as a threat that may come to dominate the Arctic Council is flawed on three counts. First, such an assessment is inconsistent with China’s track record of behaviour in international institutions – and with the nature of the Arctic Council and observer status itself. Second, and on the contrary, Chinese attitudes are characterized by a deep-seated mistrust of the Arctic Council as an effort by Arctic states to monopolize Arctic governance. Third, and on a related note, Chinese scholars point out that China does not *need* the Arctic Council to pursue its Arctic interests.

The literature on China and international institutions has also arrived at three general observations about Chinese behaviour.<sup>48</sup> First, Chinese interaction with institutions begins slowly and is characterized by merely observing the workings of the organization. Chinese participants say little and make few proposals. Second, China typically avoids taking on binding commitments in international institutions that would constrain its freedom of action. Third, China punches well below its weight in international affairs. Collectively, this



5.2 The Arctic Council, Changes at the Kiruna Meeting, May 2013.

Status	Party
Member States	Canada; Kingdom of Denmark (including Greenland and the Faroe Islands); Finland; Iceland; Norway; Russian Federation; Sweden; United States
Permanent Participants	Arctic Athabaskan Council; Aleut International Association; Gwich'in Council International; Inuit Circumpolar Council; Russian Association of Indigenous Peoples of the North (RAIPON); Saami Council
Observer States	Great Britain; Germany; The Netherlands; Poland; France; Spain
Non-state Observers	<p><i>Intergovernmental and Inter-Parliamentary Organizations (9):</i>            International Union for the Conservation of Nature; Nordic Council of Ministers; Nordic Environment Finance Corporation; North Atlantic Marine Mammal Commission; International Federation of Red Cross and Red Crescent Societies; Standing Committee of the Parliamentarians of the Arctic Region; United Nations Development Program; United Nations Economic Commission for Europe; United Nations Environment Program</p> <p><i>Non-government Organizations (11):</i>            Advisory Committee on Protection of the Seas; Arctic Cultural Gateway; Association of World Reindeer Herders; Circumpolar Conservation Union; International Arctic Science Committee; International Arctic Social Sciences Association; International Union for Circumpolar Health; International Work Group for Indigenous Affairs; Northern Forum; University of the Arctic; World Wildlife Fund for Nature – Global Arctic Program</p>
State Applicants for Observer status	China; India; Italy; Japan; Mongolia; Singapore; South Korea
Non-State Applicants for Observer status	Association of Oil and Gas Producers (OGP); Association of Polar Early Career Scientists (APECS); European Union*; Greenpeace; International Chamber of Shipping; International Hydrographic Organisation (IHO); Norwegian Scientific Academy for Polar Research; Oceana; OSPAR Commission; World Meteorological Organization (WMO)
	<p>(*The Council website states that “The Arctic Council receives the application of the EU for Observer status affirmatively, but defers a final decision on implementation until the Council members are agreed by consensus that the concerns of the Council members, addressed by the President of the European Commission in his letter of 8 May are resolved, with the understanding that the EU may observe Council proceedings until such time as the Council acts on the letter’s proposal.”)</p>

suggests that China does not wish to incur the costs of leadership for organizations in which it does not have a vital stake, or that are marginal to its primary national interests.<sup>49</sup> Chinese leadership and confidence in East Asian institutions, for example, emerged after China became well versed in regional protocols and as its confidence and power relative to the other members grew. These are not the characteristics of a country that seeks to dominate the Arctic Council – an organization controlled by the world’s superpower, its NATO allies, and Russia.

Moreover, the role of observers in the Arctic Council does not allow for such dominance. In addition to outlining the criteria for observer status, the Nuuk Declaration placed constraints on the capacity of the observers to operate in the Council. Observers are there to observe. They are expected to contribute to the working groups and may, at the discretion of the chair, make statements and submit documents. Observers can only make written statements at Ministerial meetings, but they may propose projects through an Arctic state or permanent participant. In any event, the level of financial contribution from observers may not exceed that provided by the Arctic states, unless explicitly permitted by the Senior Arctic Officials. Furthermore, observer status is subject to review every four years, at which time observer states are expected to reiterate their interest in the status and share information about their activities in the Arctic Council. Although China could assert more influence at the working-group level than parties with more limited financial resources, the Nuuk criteria limits the amount an observer can commit to an initiative, reducing the odds that the working groups will become reliant on a single contributor. It could be argued that participation in Council meetings may afford China the informal opportunity to create mischief and exercise its influence, though where and how this could unfold is speculative. As argued throughout this book, inclusion and consultation are the ways to gain Chinese compliance. China will operate in the Arctic regardless of its status within Arctic Council. Though this does not obviate the need for vigilance and unity by Arctic Council member states, it is not sufficient grounds for keeping China out.

Second, Chinese attitudes to exclusion from Arctic Council are characterized by apathy (at best) and hostility (at worst). Zhang Xia, director of Strategic Studies at the Polar Research Institute of China, has asserted that “if many countries were to be excluded from the Arctic Council, the power of the council would be weakened and it would be difficult for it to remain the

primary institution to negotiate Arctic affairs.”<sup>50</sup> Rather than being concerned about Chinese domination, Arctic states should be concerned that China may seek to pursue its Arctic interests outside of the Arctic Council – thus diluting the Council’s position as the premier forum for dialogue on Arctic issues – if Chinese officials do not believe that the forum is receptive to its involvement.

Third, given China’s traditional wariness regarding both joining international institutions and assuming international obligations, some Chinese commentators have argued that it should stay out of the Arctic Council entirely and instead pursue its resource, shipping, and scientific interests by other means. Given that offshore resource development will likely take place in highly prospective areas closer to shore, China need only engage bilaterally with select Arctic states like Canada, Greenland, and Russia to pursue resource development. As a state with an abiding interest in deep-sea mining, Chinese activities in the Area in the central Arctic Ocean beyond coastal state jurisdiction need only involve the International Seabed Authority based in Kingston, Jamaica. Chinese fisheries interests can be pursued through the Fisheries and Agriculture Organization, and China, as a leading distant-water fishing state, can choose to remain outside efforts to construct a regional fisheries management organization (RFMO) in Arctic waters. China can pursue its shipping interests via the IMO and through coordinated efforts with other maritime states to resist Arctic state efforts to limit, police, or raise the costs of shipping in the Arctic.

Chinese scholars are quick to point out that other global and regional organizations have competencies not covered by the Arctic Council mandate (or which closely support the Council’s work), including the International Maritime Organization, the International Arctic Science Committee, the International Association of Classification Societies, the Conference of Arctic Parliamentarians, the Barents Euro-Arctic Council, and the United Nations.<sup>51</sup> According to some Chinese scholars, this diverse array of institutions suggests that “a politically valid and legally binding Arctic governance system has yet to be established.”<sup>52</sup> With China’s accession to the Arctic Council as an accredited observer, China appears to have made a commitment to working within the Council for the time being and, according to Frédéric Lasserre and Linyan Huang, to have reached the immediate goal of making itself heard in the Arctic’s premier regional governance forum.<sup>53</sup> Still, this neither gives China as much influence as some commentators suggest, nor does it preclude future forum-shopping.

Chinese officials and scholars have also begun to speak of Arctic governance as a question of “common destiny” or “a community of common destiny.” This phrase was first officially adopted in Premier Hu Jintao’s 17<sup>th</sup> National Party Congress report in 2007, in reference to the special relationship between China and Taiwan. Since then it has become a guiding principle of Chinese foreign policy, essentially implying the existence of common interests between China and its neighbours that will support peace and stability – with China playing a leading role.<sup>54</sup> This concept has since been applied in Chinese statements about the Arctic, always implying that China’s presence will be constructive and helpful – but also central and indispensable.<sup>55</sup> Beijing has yet to clarify what exactly this may mean in practice, though it does succinctly encapsulate how China feels about its role in the Arctic. It is part of a community with common interests in an international region – and an important part at that.

## The “Human Dimension” and Indigenous Governance

Geographer Sanjay Chaturvedi, in one of the most profound “think pieces” on Asia and the Arctic, concludes:

On the note that as the rising Asian powers prepare and push their cases for observer status in the Arctic Council, it is vitally important that they give due space and attention to the “human dimension” of Arctic governance. In most reasoning advanced so far, what is missing by and large is the engagement with indigenous peoples of the circumpolar north; their knowledge systems, world-views and aspirations. It is useful to be reminded that “Arctic” (both on land and at sea) is not a “strategic void” and it is the *lived in* geographies of the Circumpolar North that are in the front line of adverse climate change consequences. What might appear as “opportunities” offered by climate change may in some cases pose serious “threats” to the livelihoods of Arctic communities; especially the indigenous peoples. It is vital in other words that the Asian efforts at confidence-building and alliance-making go beyond the state actors in the Arctic Council.<sup>56</sup>

This message echoes that of the permanent indigenous participants to the Council, who identify “a pressing need for enhanced international exchange and cooperation in relation to the Arctic, particularly in relation to the dynamics and impacts of climate change and sustainable economic and social development.”<sup>57</sup>

Canada is committed to “encourag[ing] a greater understanding of the human dimension of the Arctic to improve the lives of Northerners, particularly through the Arctic Council” and the Sustainable Development Working Group.<sup>58</sup> Senior officials, including the Hon. Leona Aglukkaq, Canada’s minister for the Arctic Council during its 2013-15 chairmanship, insist that this is the government’s foremost priority. Accordingly, some Canadian commentators have expressed concern that Asian decision-makers do not have a well-developed understanding of the Arctic as a homeland – as opposed to a resource, or a scientific frontier. Some cited this lack of knowledge as a justification to deny the applications of China and other Asian states for observer status to the Arctic Council.

In 2009, Arctic scholar Peter Kikkert noted concern among the permanent participants that “if more actors continue to gain access to the Council, the organization will begin to lose its specialized status and regional identity to the harm of the indigenous peoples and circumpolar states.”<sup>59</sup> Although some Inuit representatives have downplayed the prevalence of this fear, Canada’s 2010 Arctic foreign policy statement insisted that “as interest by non-Arctic players in the work of the Council grows, [it] will work to ensure that the central role of the permanent participants is not diminished or diluted.”<sup>60</sup> Aglukkaq also emphasized a “people-first” approach, indicating that the criteria for evaluating new observers must incorporate “the respect and support of indigenous peoples in the Arctic region.”<sup>61</sup>

Chinese officials insist that their countries have this respect, and wish to learn more about how to support indigenous peoples’ development efforts. For example, Ambassador Zhao Jun insisted in January 2013 that China “respects the values, interests, culture and traditions of Arctic indigenous peoples and other Arctic inhabitants,” and is open to exploring avenues for cooperation with northern peoples.<sup>62</sup> Some Canadian indigenous leaders, however, seem unconvinced that this is more than lip service. At an Ottawa conference later that month, Terry Audla, the president of Inuit Tapiriit Kanatami (ITK), warned that the Arctic Council should be cautious about opening up observer status to applicants (such as China) that did not have a strong track record of

respecting indigenous rights. This posed a dilemma to Inuit, Audla explained. Although their culture embraced dialogue and negotiation, “the council runs the risk of seeing its agenda being diluted or sidetracked by special interests.” He urged the Council to look “closely” at the applications of China and the European Union in particular.<sup>63</sup>

Inuit and other northern indigenous peoples insist that they have rights rooted in indigenous use and occupancy, international law, land claims, and self-government processes.<sup>64</sup> Accordingly, Inuit and other northerners place a high policy priority on “recognition that an effective Arctic strategy requires a high and sustained level of inter-governmental and government-aboriginal cooperation.”<sup>65</sup> For example, the Inuit Circumpolar Council adopted *A Circumpolar Inuit Declaration on Sovereignty in the Arctic* in 2009, which emphasized that “the inextricable linkages between issues of sovereignty and sovereign rights in the Arctic and Inuit self-determination and other rights require states to accept the presence and role of Inuit as partners in the conduct of international relations in the Arctic.” The declaration envisions Inuit playing an active role in all deliberations on environmental security, sustainable development, militarization, commercial fishing, shipping, health, and socio-economic development. In asserting that “the foundation, projection and enjoyment of Arctic sovereignty and sovereign rights all require healthy and sustainable communities in the Arctic,” the declaration stipulates that: “In the pursuit of economic opportunities in a warming Arctic, states must act so as to: (1) put economic activity on a sustainable footing; (2) avoid harmful resource exploitation; (3) achieve standards of living for Inuit that meet national and international norms and minimums; and (4) deflect sudden and far-reaching demographic shifts that would overwhelm and marginalize indigenous peoples where we are rooted and have endured.”<sup>66</sup>

How Chinese scholars or officials perceive this declaration is unknown. Nearly all Chinese social science commentary on Arctic is from a state-based perspective. Given recent indications that Canadian indigenous groups will use the legal rights recognized in land claims to disrupt resource exploration activities that they believe are prejudicial to their interests, and will sue the federal government for not implementing land claim provisions,<sup>67</sup> it is likely that they will hold the Canadian government responsible for protecting their interests.

## Conclusions

In their 2012 report, Jakobson and Peng observed that the “vigorous public debate among Chinese scholars” since 2008 revealed an evolution in thinking about Arctic governance. Early “assertive and even hawkish stances” gave way to more subdued public proclamations after the Arctic Council’s second deferral of China’s observer application, when Chinese officials became “well aware of the suspicions that China’s interest in the Arctic evokes and of the sensitivities of Arctic politics, especially in the realm of resources and sovereignty.”<sup>68</sup> Although international legal scholar Donat Pharand suggests that “the limits of national sovereignties in the Arctic must be clarified before there can be any meaningful circumpolar stewardship,”<sup>69</sup> debates about appropriate forms of regional governance (and the role of non-Arctic states therein) will continue before all of the lines are drawn between Arctic states and “the area” in the central Arctic Ocean. Although a few Chinese commentators have articulated viewpoints demonstrating a lack of faith in the present system of Arctic governance,<sup>70</sup> or an abject disregard for international law, or a radically different interpretation of it, much of the debate among Chinese commentators on governance issues, documented by scholars like David Wright and Linda Jakobson, mirrors aspects of Western debates over the last decade.

Indeed, the complexities of transnational governance in the Arctic certainly invite debate. Oran Young has noted that the region

features a mosaic of issue-specific arrangements rather than a single comprehensive and integrated regime covering an array of issues that constitute the region’s policy agenda ... The continued success of region building in the Far North is by no means assured. The emerging mosaic of cooperative arrangements remains fragile ... What is more, the tides of global environmental change and globalization have triggered cascades of events that threaten to overwhelm efforts to carve out coherent agendas at the regional level and to pursue them without undue concern for the linkages between regional activities and planetary processes. Nowhere is this more apparent than in the Arctic, where externally driven environmental forces (for example, the impacts of climate change) together with the impacts of globalization (for

example, the consequences for Arctic communities of political pressures relating to marine mammals) threaten to swamp cooperative initiatives at the regional level.<sup>71</sup>

Nevertheless, the Arctic Council has enjoyed recent successes in developing guidelines for offshore oil and gas activity (2009), best practices in ecosystem-based oceans management (2009), and task forces that produced the Council's first legally binding multilateral instruments – a regional search and rescue agreement (2011), and an agreement on cooperation on marine oil pollution preparedness and response in the Arctic (2013).<sup>72</sup> Ongoing discussions about strengthening the Arctic Council, however, raise key questions about its structure and its future. Should the Council adopt more normative/prescriptive decisions in the future? What responsibilities should observers assume? What is the appropriate level of regional engagement for non-Arctic states? Should the Council address hard security issues?<sup>73</sup>

As Lackenbauer and Manicom have argued, rather than being concerned about China joining the Arctic Council as an accredited observer, member states should embrace this opportunity to enmesh China into their way of thinking about Arctic issues, if only to avoid the emergence of governance challenges that it (and other non-Arctic states) could design to undermine Arctic states' interests in the region. Although China seeks a more prominent role in Arctic affairs, there is no evidence that its observer status in the Arctic Council will allow it to pursue an agenda that is inconsistent with the spirit of the Nuuk Declaration. Rather, as a function of the global nature of many Arctic challenges, there is increasing scope for China to pursue its Arctic interests outside the Arctic Council through other multilateral bodies and assemblies.<sup>74</sup> These interests could certainly challenge Arctic state interests if China perceives itself as excluded from the key mechanisms of Arctic governance and chooses to sidestep the Council – and the Arctic states – in pursuit of its interests.<sup>75</sup> In many ways exclusion of China on the pretext that it is hostile to Arctic states' interests will become a self-fulfilling prophecy.<sup>76</sup>