

The Drivers of Chinese Arctic Interests:

Political Stability and Energy and Transportation Security

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China's interest in the Arctic is not usually discussed thoroughly in its context of the core interests of the Chinese Communist Party: political stability, territorial integrity and economic growth. This article discusses the role of the Arctic in light of the crucial importance of energy and transportation security for continued political stability and economic growth in China. China has a global view of pursuing this security sourcing energy globally and developing its navy to ensure strategic capabilities to protect sea-lanes against state and non-state challenges. Political stability in China is believed by the Communist Party to rest on continued economic growth. China is deeply dependent on energy imports and expected to become more dependent in the future. For its energy, China is dependent on the Persian Gulf plagued by instability and militarily dominated by the USA. Equally the Chinese economy is dependent on exports, which makes China dependent on secure and preferably short sea-lanes to major markets. The strategic competitor, the USA, controls the sea lanes and choke points as the Strait of Malacca; in the Gulf of Aden, piracy is a threat; while the Suez and Panama Canals are bottlenecks. Arctic energy and the Northern Sea Route offer some opportunities for diversification of sources and supply lines.

China has a population of 1.3 billion people and an economy that has been growing at an average of 10% per year for three decades since the 1980s. In order to maintain the current economic growth rate, China has to make access to adequate energy supplies a national priority, and to a great extent a national *security* priority. China's energy consumption has grown by leaps and bounds, and by 2006, it could be stated that China was "the world's second largest consumer and third largest producer of primary energy. From 2000 to 2005, China's energy consumption rose by 60 percent, accounting for almost half of the growth in world energy consumption" (Downs, 2006: 1). There is no sign that China's energy consumption will slow down; on the contrary, it is expected to steadily increase. Modeling and scenario building for China looking all the way to 2100 forecast more than a doubling of China's energy consumption, despite great gains in energy efficiency (Shan et al., 2012; Liu, Chen & Liu, 2011; Rout et al., 2011). What is of particular importance for discussing China and the Arctic is the much expanded role of oil in the energy mix of China in the future, where China will steadily become more and more dependent on imported oil with consequences for China's energy security. To reach its aim of a "harmonious

society” and “the Chinese dream” of President Xi Jinping of doubling the 2010 GDP per capita by 2020 (the 100th anniversary of the Communist Party) and being a fully developed country by 2049 (the centennial of the People’s Republic of China) (Kuhn, 2013), China will have to utilize every fuel source available including investment on renewable energy and expansion of nuclear power. It is expected that China’s import of oil and natural gas will increase at a steady rate. In connection with its rising energy import, especially of oil, the issue of energy security becomes very important for China (Xu, 2006; Erickson & Collins, 2007; Leung, 2011; Zhang, 2011, 2012; Cao & Bluth, 2013; Rainwater, 2013).

The objective of this article is to discuss China’s nascent Arctic interests and strategy within the context of the core interests¹ of the Chinese leadership and thus provide a framework for understanding its Arctic interests and strategy. In recent years China’s possible interests and strategy in the Arctic have received much initial media and policy interest with Jakobson (2010) as the landmark study and subsequently academic interest in the West and in China as referenced in this article. We seek to place Chinese Arctic interest and possible strategy in the broader context of Chinese leadership core interests.

It is therefore the argument of this article that China’s Arctic interests and possible strategy must be seen within the context of China’s phenomenal economic and political rise, how the Chinese leadership manages this rise as a “Peaceful Rise”, and how the existing dominant Western and other powers in the international system respond to this rise. China sees itself as a rising power with a legitimate role in the governance of regions around the world, including the Arctic, which leads China to pursue, for instance, a science agenda worthy of a great power (Jakobson, 2010; Lasserre, 2010; Blunden, 2012; Jakobson & Peng, 2012; Jakobson, & Lee 2013). Science is the first step and bridgehead for China into the Arctic to pursue interests defined by the core interests of the Chinese leadership: political stability, territorial integrity and economic growth. Therefore, China’s scientific involvement in the Arctic and other Arctic activities should be seen in the context of these core interests (Jakobson & Peng, 2012; Jakobson & Lee, 2013).

China defines itself as a “socialist market economy” (People’ Daily, 2007) and is governed by a Communist Party, whose legitimacy is based on economic and nationalist performance. This leadership sees its survival based on delivering economic growth, which is where the Arctic comes in in a number of ways. Much of Chinese science focuses on climate change, and Arctic climate change is of importance for Chinese climate and therefore agriculture and food security, which translates into social stability and legitimacy for the Communist Party. Secondly, as pointed out, the phenomenal Chinese growth has made China into a major importer of sea-borne energy and raw materials. The sea-lanes of the world are dominated completely by the United States Navy and occasionally troubled by piracy, which both raises important energy and transportation security issues for China – perhaps in strategic competition with the USA, and certainly not allied with them. Diversifying and eventually protecting sources and supply routes of energy and raw materials therefore becomes a strategic objective for China, which brings the Arctic into the picture (Laliberté & Lanteigne, 2008; Pan & Zhou, 2010; Blunden, 2012; Hong, 2012a, 2012b; Jakobson, 2010; Jakobson & Peng, 2012; Jakobson & Lee, 2013; Rainwater, 2013; Xia 2011).

China’s Energy and Raw Material Consumption

The phenomenal growth of China has been fuelled by manufacturing for export and investment in infrastructure, which has made China into a major customer of both energy and raw materials. It is this enormous demand for energy and raw materials at the basis of economic growth (legitimizing the political order), which is the context for China's Arctic interests and possible strategy. This section will introduce the context of energy and maritime security for China.

The world has already been burdened by the high energy-consumption of the West, particularly by the United States. Today China's growing appetite for international trade drives its mounting demand for resources to sustain its economic growth and to fuel its countless development projects. China has already become the world's largest importer of a range of commodities, from copper to steel and crude oil. The phenomenal rise of commodities prices worldwide in recent year is claimed to be attributed to China's growing importation. If taking China's neighbor – India – into consideration, a country with a population of 1 billion, it will add twice as much pressure on the demand for the same resources.

In 2004 China contributed 4.4% of total world GDP, whereas China also consumed 30% of the world's iron ore, 31% of its coal, 27% of its steel and 25% of its aluminum. Between 2000 and 2003, China's share of the increase in global demand for aluminum, steel, nickel and copper was, respectively, 76%, 95%, 99% and 100%. On a global scale, an increase in the rise of personal car ownership alone could mean an extra billion cars on the road worldwide within the next 10 years. The majority of these will be in China and India. As a Chinese researcher describes the mounting worldwide impact of China's resource consumption:

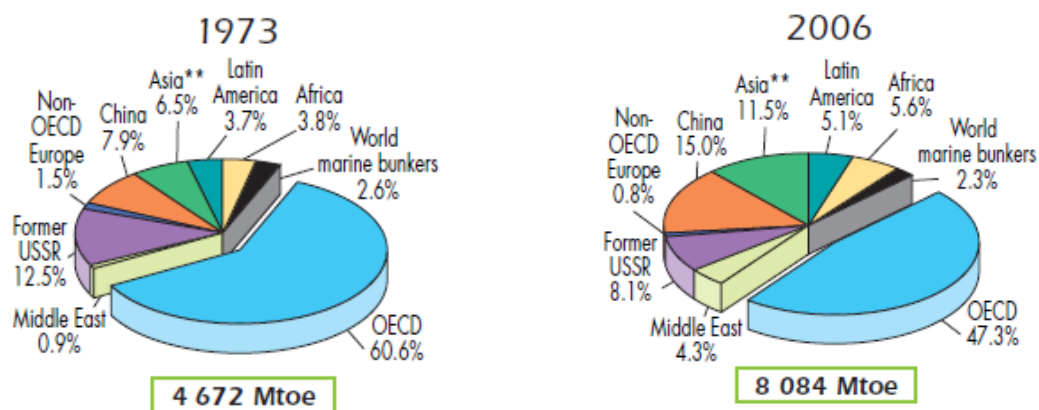
The economic prosperity of China partnered by its rising energy demands will affect global energy sectors, commodity stock exchange market, energy trading strategies and environmental policies. Availability of fossil fuels, both in the near and long term, will become also increasingly scarce as China absorbs a growing global share of demand.... Although higher prices will stimulate innovation and research on renewable and alternate energy sources, the expansion of global energy supply is still not adequate to compensate China's energy demand growth. The rest of the world will still have to manage and reduce energy demand through conservation (Zhang Jian as quoted in *Huiliq News*, 2008).

China's escalating energy consumption is placing increasing stress on the world's energy prices. Chinese energy demand has more than doubled during the past decade. According to the study of Konan and Jian (2008), China will consume about 41% of global coal consumption and 17% of global energy supply by 2050. Liu, Chen & Liu (2011) expect that China's primary energy consumption will be 2.5 times its 2007 figure in 2050 with a greatly expanded role for oil but also natural gas, where China is already an importer. Rout et al (2011) estimate that China will need 4 Gtoe (gigatons of oil equivalent) of primary energy in 2100 of which 1.3 Gtoe will be imported.

Metal prices have increased sharply due to strong demand, particularly from China, which has contributed 50 percent to the increase in world consumption of the main metals (aluminum, copper, and steel) in recent years. Due to its rapid growth and rising share in the world economy, China is expected to retain its critical role in driving commodity market prices (*World Economic Outlook*, September 2006). China is willing to offer above world market prices for purchasing raw materials, which attributes great comparative advantages to the developing world.

China became a net importer of petroleum in 1993 and since 2003 it has been the second largest oil importer and consumer after the U.S. It is also the world's largest carbon emitter. China's energy profile used to be heavily weighted towards fossil fuel technologies (especially coal in light of China's abundant resources, but increasingly oil) at a time when reductions are urgently needed to stabilize global climate change. According to *The Brookings Institution*, “[f]rom 2000 to 2005, China's energy consumption rose by 60 percent, accounting for almost half of the growth in world energy consumption” (Downs, 2006: 1). Based on the 2008 statistics from the International Energy Agency, the growth rate of China's energy consumption and its share of the global total final consumption are comparably much higher than the rest of the world.

Figure 1. Shares of total final consumption 1973 and 2006



Source: International Energy Agency (2008), *Key World Energy Statistics*, 30.

What is particularly noteworthy are the opportunities and challenges to the international energy regime brought about by the rise of China as an emerging key actor in global energy politics. According to Xu, the international energy regime is:

the institutional arrangement governing the relationship among the international energy powers, including a set of rules and mechanisms of several international organs for energy activities. The current international energy regime displays a balance between the forces and interests of key actors of international energy activities, and this is the outcome of the long-term competition between energy exporters and importers and different kinds of international energy organizations... (Xu, 2007: 5).

Forecasts and modeling of China's future energy demand foresees greatly expanded energy consumption in general and a shift from domestic coal resources to imported oil and natural gas, although the energy intensity of the Chinese economy will improve markedly (Shan et al., 2012; Liu, Chen, Liu, 2011; Rout et al., 2011). This growing Chinese dependency on imported oil and gas will have significant effects on Chinese energy security and strategy, including energy investments and naval strategy (Xu, 2006; Erickson & Collins, 2007; Leung, 2011; Zhang, 2011, 2012; Cao & Bluth, 2013; Rainwater, 2013). The international energy regime will be affected, since it “is influenced not only by economic, political, and social factors of resource-rich countries but also by international political factors, particularly change in the international

balance of power, adjustment of relationships among countries and changes to international rules” (Xu, 2007: 6).

China’s Concern in Energy Security and Maritime Transportation Routes

To understand China’s growing interest in outside regions, particularly those that are potentially rich in energy sources like the Arctic region, it is imperative to understand the importance China attaches to energy security. How will the increasing demand for energy, raw materials, and other natural resources shape Chinese policies towards its international relations especially with resource-rich countries? Can China afford depending on global energy markets, either via exclusive bilateral deals, or direct investment in resource exploration in order to sustain its economic growth? What strategies will China use to secure its share of the global resource market? To find the answers to these questions it is necessary to take an energy security approach to explore the geopolitical, economic, energy, and environmental implications of China’s growing energy challenges and to understand the Chinese concern with energy security in attempting to search for new energy sources and supply routes.

Energy Security Concerns

China faces particular challenges concerning energy security. China is one of the most important global buyers of energy and raw materials, and China will be increasingly dependent on foreign energy and raw materials for its continued economic growth. China is not alone in being a major global buyer of energy. For instance Japan or South Korea come to mind, if only thinking about major Asian economies. All these three major Northeast Asian economies see by far the majority of their energy imports pass through the Strait of Malacca, which is a choke point (which we return to below). However, a crucial difference between China, Japan and South Korea is that the global sea-lanes are dominated by the US Navy, and while Japan and South Korea are close allies of the USA, China is not. China lives under a condition of being completely dependent on sea transport of its energy and raw material supplies and for exporting its manufacture on sea lanes dominated by – what can probably be called its strategic competitor – the USA (Leung, 2011; Zhang, 2011; Blunden, 2012; Cao & Bluth, 2013; Rainwater, 2013).

Energy security has become an essential premise for China to achieve its national goal of a “harmonious society” and the “Chinese dream” which is based on continuous growth. There has for some time been a genuine consensus among Chinese leaders and scholars that energy has become a key strategic issue for China’s economic development, social stability, and national security and that the realization of China’s core interests² is highly dependent on its access to sufficient energy resources (Liu, 2006, Zhang, 2006). China’s socialist market economy has locked itself in a “tiger-riding dilemma”, i.e. any slow-down in economic growth would put the country in a risky situation, which might lead to social unrest and popular resentment. China’s government fears that domestic energy shortage and rising energy cost could undermine the country’s economic growth and thus seriously jeopardize job creation. Beijing increasingly stakes its political legitimacy on economic performance and rising standards of living for its people. Consequently, the threat of economic stagnation due to energy shortage represents real risks of social instability, which could in turn threaten the continued political authority of the state and

the Communist Party. One Chinese scholar of strategic studies clearly explains the reason why energy security has become a core component of China's core interests:

With external trade accounting for almost 50 percent of China's economy, China is now highly interdependent with a globalized market. This shift also includes hard social, political and geopolitical choices that deeply impact matters of national security. The more developed China becomes the greater its dependence grows not only on foreign trade but also on the resources to fuel the economy. With these complex and expanding interests, risks to China's well-being has not lessened but has actually increased, making China's national security at once both stronger and more vulnerable (Zhang, 2006).

China's sensitivity on the confluence of geopolitics and resources politics is also derived from the fact that historically China has been a continental power, but a weak sea power (Stratfor, 2012). Historically, one of China's key weaknesses is the lack of a strong navy to safeguard its interests and this is perhaps one of the major factors leading to China's massive investment on raising and modernizing its naval capabilities (Li, 2009; Ross, 2009). One element in China's movement towards a blue-water navy capability to operate on the "far seas" is the recent acquisition of an aircraft carrier for training and development purposes. It takes a long time to develop the required battle groups around carriers, but the perspective is also long-term as are the energy forecasts (Cole, 2006; Nødskov, 2008).

China has territorial disputes in the East China Sea with Japan and in the South China Sea with neighboring countries and is concerned about the security of the major maritime transportation routes through which China transports the majority of its foreign trade, as well as its oil imports upon which it is highly dependent (Xu, 2006; Erickson & Collins, 2007; Leung, 2011; Zhang, 2011, 2012; Cao & Bluth, 2013; Rainwater, 2013). Based on the historical lessons, China has a clear understanding on the linkage between its energy security and international geopolitics, which is spelt out clearly by one scholar:

The history of capitalism and its spread globally have shown that it is often accompanied by cruel competition between nation states. Those countries that lose out are not necessarily economically or technologically underdeveloped or those with a low level of culture. Rather, they are most often those nations who forgo the need to apply their national strength to national defense and therefore do not possess sufficient strategic capability (Zhang, 2006: 17).

Maritime Transportation Security

As iterated above, China's economic growth depends not only on active participation in international markets and trade, but on access to global energy and raw materials (Xu, 2006; Erickson & Collins, 2007; Leung, 2011; Hong, 2012b; Zhang, 2011, 2012; Blunden, 2012; Cao & Bluth, 2013; Rainwater, 2013). Despite post-Mao leader Deng Xiaoping's advice "Tao Guang Yang Hui" (hide one's capacities and bide one's time), it is becoming difficult for China to avoid involving itself in the world's most conflict-ridden regions where the United States has historically been the key player and where the world's oil and gas resources and maritime routes are located:

Consequently, China will become heavily dependent upon the Persian Gulf to supply a large share of its future oil needs, and an increasing share of China's oil

imports will have to transit vulnerable maritime choke points. The IEA predicts that, as of 2015, 70% of China's oil imports will come from the Middle East, with other significant shares coming by tanker from Africa, by pipeline and rail from Russia, and by pipeline from Central Asia. More than 50% of China's oil will have to transit the Malacca Straits (Lieberthal and Herberg, 2006: 12).

Today, on the global scale, more than 90% of intercontinental trade is transported by sea, mainly by ocean shipping and its related services, such as freight forwarding and cargo handling. Most of the global merchandise is carried in sea containers. China has an ambitious plan aiming to become the world's largest shipbuilding nation by 2015, with a capacity of 24 mil. DWT (deadweight tonnage) or 35% of global capacity (Mackey, 2006). China's coastal line areas are the heart of its economic growth and the frontier of its international trade. Maritime transport has been the lifeline of China's economic development. The nation already boasts the world's fourth largest merchant fleet, contributing 6.8% to global tonnage (UNCTAD, 2005).

Maritime transport, with its close connection with international trade, has become a matter of China's national interest as evidenced by the priority given by the Chinese government to develop its ports under its 11th Five-Year Development Plan to support the country's spectacular trade and economic growth. One of the concrete outcomes is the impressive growth of China's port sector, such as the spectacular rise of the Shanghai port. In 2010, Shanghai port overtook Singapore as the busiest container port in the world, handling 29.05 mil. TEUs (twenty-foot equivalent unit)(Straits Times, 2011).

However, Chinese maritime transportation security is not only challenged by strategic rivalry with the USA and the global hegemony of the US Navy, it is also challenged by non-state actors. Piracy in the Gulf of Aden, the South China Sea, the Strait of Malacca are all threats to international shipping, which are all on the sea-lanes connecting China to energy suppliers in the Middle East and consumer markets in Europe. According to the statistics of the Kenya-based Seafarers Assistance Program, about 40 ships and more than 600 crews were hijacked by Somalia pirates off the Somali coast in the first 11 months in 2008. In a recent event, an international anti-piracy force thwarted the attempted takeover of a Chinese cargo ship off the Somali coast by sending in attack helicopters that fired on the pirates and forced them to abandon the ship they had boarded.

In December 2008 the UN Security Council unanimously adopted a resolution for the first time authorizing international land operations against pirates sheltering in Somalia. According to China's official media, the Chinese government decided to send three warships to the waters off Somalia late December 2008 to protect Chinese vessels and crews from pirate attacks. The Chinese fleet would join warships from the U.S., Denmark, Italy, Russia and other countries in patrolling the Gulf of Aden, which leads to the Suez Canal. Currently this is the quickest route from Asia to Europe.

Chinese Energy and Maritime Transportation Security and the Arctic

To recap, China is facing energy and maritime transportation security challenges from state and non-state actors; and will be increasingly dependent on oil and natural gas imports to continue its path of growth, which is the basis for the core interests of the Chinese leadership and perceived

to be the basis of its political survival. These security challenges and their effect on core interests are the context of China's interests and possible strategy in the Arctic.

The Arctic Region as a Potential Energy Supplier

Recent geological surveys show that as much as a fifth of the world's unexplored but exploitable gas and oil reserves may be in the Arctic (U.S. Geological Survey, 2008). This opens up possibilities to diversify global energy supply, where the political stability of the Arctic is a noteworthy quality. Climate change is an important driver in these processes together with technological innovation, since climate change both makes new resources accessible and opens up new transport possibility especially between the Norwegian and Russian Arctic and Asian markets.

The Arctic coastal states, the Arctic five (Russia, Norway, Kingdom of Denmark, Canada and USA) refer to the United Nations Convention of the Law of the Sea (UNCLOS) and its provisions on economic exclusion zones and extended continental shelves to extend sovereignty as far as possible over the Arctic Ocean and its seabed (Hong, 2012a). Equally, Russia and Canada claim the Northern Sea Route and the Northwest Passage as internal waters. The Asian emerging powers are starting to challenge these Arctic legal positions, also referring to UNCLOS, but with the aim of maximizing the international space. Here, voices in these Asian states are seeking to build a discourse around the Arctic as the "common heritage of humanity". It is quite clear that there is a zero-sum game of sovereignty versus international jurisdiction between Arctic coastal states and Asian powers. The Arctic coastal states are seeking to use preconditions for Arctic Council permanent observership as a tool to guarantee their legal recognition, while the Asian powers are trying to build a discourse strengthening their access to resources, sea lanes and access to decision-making (Jakobson, 2010; Jakobson & Peng, 2012; Jakobson & Lee, 2013; Lasserre, 2010; Wright, 2011a, 2011b, 2012; Alexeeva & Lasserre, 2012a, 2012b; Blunden, 2012; Han & Wang, 2012; Sun & Guo, 2012; Rainwater, 2013; Stokke, 2013).

The geopolitical and geo-economic importance of the Arctic region is emerging rapidly, and the level of the region's strategic importance is mainly due to the existence of rich untapped stocks of natural resources such as fish, minerals and oil and natural gas. These resources are of interest not only to the Arctic states themselves, but also to emerging Asian states, in particular China, which require energy, raw materials and food sources to power economic growth and feed wealthier populations (Jakobson, 2010; Jakobson & Peng, 2012; Jakobson & Lee, 2013; Pan & Zheng, 2013; Rainwater, 2013). As mentioned above, the USGS estimates that the coastal and continental shelves of the Arctic Ocean will hold large deposits of oil, natural gas, and methane hydrate (natural gas) clusters along with large quantities of valuable minerals. By applying a geology-based probabilistic methodology, the USGS specifically estimated that:

[T]he occurrence of undiscovered oil and gas in 33 geologic provinces thought to be prospective for petroleum. The sum of the mean estimates for each province indicates that 90 billion barrels of oil, 1,669 trillion cubic feet of natural gas, and 44 billion barrels of natural gas liquids may remain to be found in the Arctic, of which approximately 84 percent is expected to occur in offshore areas (U.S. *Geological Survey Fact Sheet* 2008-3049).

Global warming and ice melting has given birth to a new ‘scramble’ for seabeds and resources among the five coastal Arctic states, but also outside powers as the emerging Asian ones are trying to influence the discourse on Arctic Ocean sovereignty (Jakobson, 2010; Jakobson & Peng, 2012; Jakobson & Lee, 2013; Hong, 2012a, 2012b; Wright, 2011a, 2011b, 2012). In August 2007 Russian scientists sent a submarine to the Arctic Ocean seabed at 90° North to gather data in support of Russia’s claim that the North Pole is part of the Russian continental shelf. During the expedition a Russian flag was planted on the seabed 4,200m (14,000ft) below the North Pole, which provoked an angry reaction from other Arctic states and prompted global speculation that Russia’s aggressive action might trigger a “new Cold War” over the resources in the region. It could be imaged that “had the flag event taken place during the days of the Cold War, it would have been an act of mostly political and military interest” (Iglebaek, 2007:3). But it was this flag planting in particular that sparked Chinese strategic interest in the Arctic Ocean (Jakobson & Lee, 2013).

The Arctic Region as Alternative Maritime Transportation Routes

China is facing the dilemma that energy from Africa and the Persian Gulf is passing through waters dominated by strategic competitors, the USA and India, threatened by piracy, or chokepointed at the Strait of Malacca. Equally, exports to the European market pass the same waterways. Diversification of sea lines of communication for energy and trade is therefore of interest to China. Energy supplies from the Norwegian and Russian Arctic via the Northern Sea Route offer both a diversification of energy source and supply route, although it will still pass the Bering Strait and Northern Pacific where continued US naval domination must be expected. Environmental transformations following climate changes are affecting the Arctic region and are opening up new economic opportunities, which could generate economic revenue across the region. For example, global warming, not denying its disastrous effects on other parts of the world, may create many new possibilities in the North and may turn the Arctic Ocean into a new economic frontier. New shipping transportation routes may open in a few years. Writing to the *Financial Times* on January 16, 2008, Professor Robert Wade said “[o]pening the northern route is attractive for reasons of both distance and security. Shanghai to Rotterdam via the north-east sea route across the top of Russia is almost 1000 miles shorter than via Suez” (Wade, 2008). Wade also noted that China has lately displayed special interest in keeping good relations with Iceland, a tiny island country in the north Atlantic. The strategic location of Iceland is believed to play a key role in future maritime transportation in the region. China is prepared to start shipping containers in the north, and the deep-sea ports of Iceland are seen as potential port bases (Wade, 2008). Wade’s writing is illustrative of the attention attracted to the possibilities of new Arctic shipping routes, especially in the wake of Scott Borgerson’s widely-read 2008 *Foreign Affairs* article. And much Asian interest in the Arctic is about possible new shipping routes for destination shipping for energy and raw materials, but also transit shipping for exports (Blunden, 2012; Hong, 2012b). However, important challenges to this kind of shipping must be kept in mind. There is uncertainty over Russian policy, there is a great lack of infrastructure, the navigational season will remain short, the transit times are unpredictable, and – what is usually overlooked – the shallow depth of the Bering Strait and some of the other straits of both the Northern Sea Route and the Northwest Passage exclude very large ships. However, the subtle pressure from Asian powers over the international status of new Arctic shipping routes indicates a long-term interest in

developing capacity for those passages (Jakobson, 2010; Jakobson & Peng, 2012; Jakobson & Lee, 2013; Lasserre, 2010; Alexeeva & Lasserre, 2012a, 2012b; Hong, 2012a, 2012b; Stokke, 2013; Wright, 2011a, 2011b, 2012; Carmel, 2013).

China Moving Towards the Arctic

For the reasons articulated above, Arctic energy resources and new Arctic shipping routes are of potential strategic importance to China (Jakobson, 2010; Jakobson & Peng, 2012; Jakobson & Lee, 2013). These new routes, in the view of some China-watchers, could imply “a seismic shift in world trade patterns and the nature and form of commercial shipping” because of significant distance and fuel savings, and the polar routes could particularly bring China many imminent benefits:

China is 4000 nautical miles closer to the European Union and the East coast of North America sailing through the Arctic Ocean, and currently there are no vessel size restrictions and other regulations unlike in the Suez or Panama Canal. There are presently no fees for Arctic routes (Spears, 2009:10).

As a late-comer, China has not been a key actor in global and regional initiatives and institutions that facilitate cooperation among resource importers. Beijing’s energy diplomacy did not receive much emphasis in the country’s overall diplomacy. However, this picture is increasingly becoming outdated. China is deeply aware of the fact that its domestic energy security for sustaining economic growth is linked to international energy security. Today, China’s energy diplomacy has gradually changed the traditional concept and practice of energy security at the global level, and “the objective of greatly expanding the channels for supply of imported energy has become an important task for China’s energy strategy” (Xu, 2007: 3).

China’s interest in the Arctic is clear from its scientific investments and its diplomatic investments to become a permanent observer in the Arctic Council to gain as much access to information and (future) influence as a non-Arctic rising power can aspire to. However, it must also be kept in mind that China is a power with a very demanding domestic agenda for its leadership and global interests. The Arctic is a peripheral region in these concerns, which is clearly illustrated by the Chinese punishment of Norway for the Nobel committee awarding the Nobel Peace Prize to Liu Xiaobo despite China’s close Arctic partnership with Norway previously. A Chinese Arctic strategy is therefore not to be expected for years to come (Dhanapala 2008; Lasserre 2010; Alexeeva & Lasserre 2012a, 2012b; Jakobson 2010; Jakobson & Peng 2012; Jakobsen & Lee 2013; Stensdal 2013; Stokke 2013; Tang 2013).

Conclusion

China has experienced phenomenal growth since the open door policy of Deng Xiaoping in the late 1970s. This growth has made China into an emerging super power and strategic competitor of the USA. It has also made China into one of the world’s major importers of energy (especially oil) and raw materials. China’s growth has been based on manufacturing for export, real-estate and infrastructure, which has been highly energy and raw material intensive, while energy, raw materials and exports overwhelmingly travel by sea. China describes itself as a socialist market economy and is governed by a Communist Party, which bases its legitimacy on economic and nationalist performance. The interlinked core interests of the national leadership are, therefore,

political stability, territorial integrity and economic growth. The international systemic framework for China's development is US hegemony and global naval domination, while China is a rising continental power but a historically weak sea power. This complex raises a number of energy and maritime transportation security issues for China. For energy, China is much dependent on the Persian Gulf, which is unstable and militarily dominated by the USA. The energy, raw materials and exports which are crucial for the core interests of the Chinese leadership travel on sea lanes dominated by strategic competitors such as the USA or India or are threatened by piracy. These energy and maritime transport security challenges are the framework for China's nascent Arctic interests and possible strategy.

China's soaring demand for energy in connection with its export-oriented economy poses a variety of new challenges for its foreign policy: the country will become more and more dependent on the purchase of natural resources abroad for sustaining its economic development. Any crisis to its access to overseas resource and maritime shipping routes will have a negative impact on China's growth and trade-dependent economy. China will endeavor to protect the strategic areas concerning its national interest. In recent years China's energy diplomacy in the context of the political economy of global energy developments has drawn the attention of the West especially in connection with the sensitive regions, such as the Middle East and Africa. As one Chinese scholar bluntly states, "[t]he determining factor shaping the rise and fall of a country ultimately is not just the size of its total economic volume but also the strategic ability of the country; that is, the ability to use national forces to achieve political goals" (Zhang, 2006: 22).

Perhaps the greatest change to the international system of the 21st century will be the rise of China. As a rising power on a global scale, China sees itself as a legitimate stakeholder and participant in the governance of regions around the world, including the Arctic. China is therefore availing itself of Arctic science commensurate with its global role and pursuing a role in Arctic governance both through permanent observership in the Arctic Council and diplomatic engagement of smaller Arctic nations. However, China is a global power with global interests, and the Arctic is one of many regions of importance to energy and shipping (Lasserre 2010; Alexeeva & Lasserre 2012a, 2012b; Blunden 2012; Jakobson & Lee 2013; Stensdal 2013; Stokke 2013).

Notes

1. China's core interests are defined by the government as including sustained economic growth, the prevention of Taiwanese independence, China's return to as a global power status, and the continuous leadership of the Chinese Communist Party (CCP). The explicit official expression of China's core interests (the three key components) can be seen from China's former deputy minister of Foreign Affairs, Dai Bingguo, who gave a speech in the China-US Economic and Trade Cooperation Forum in 2009 (Huang Hua, *Gang Magazine*, No. 30.) Available from <http://www.huanghuagang.org/hhgMagazine/issue30/page112.html>.
2. See footnote 1.

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