

# Special Section: China & the Arctic

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## Special Section Introduction

# China Seeking Arctic Resources – The Arctic Seeking Resources in China

Ane Bislev, Ulrik Pram Gad & Jesper Willaing Zeuthen, Guest Editors

*'Resource' (noun): a useful or valuable possession or quality of a country, organization, or person (Cambridge dictionary).*

While the contributions for this special section were under review, the mutual quest for resources between China and the Arctic took a dramatic turn – at least when seen from certain vantage points. The drama began with the need for infrastructure investments in Greenland. The government of Greenland wants larger airports in Nuuk, the capital, and in Ilulissat, the main tourist destination, and has made an open tender, for which the large Chinese state-owned enterprise *China Communication and Construction Group* had been prequalified. This tender led to a heated debate in Denmark and Greenland about the desirability of a large Chinese investment in critical infrastructure. In September, Danish Prime Minister Lars Løkke Rasmussen, representing the Danish government, which has the sovereignty over foreign policy and security issues in Greenland, met with Greenlandic Prime Minister Kim Kielsen. The Danish Prime Minister offered that Denmark would finance parts of the airports and secure loans for part of the further finances. The Danish support would eventually have to be approved by the Greenlandic government. However, one of the coalition parties in the Greenlandic government saw the Danish move as an attempt to maintain Greenland's reliance on Denmark by keeping Chinese investments out of Greenland. This view was further supported a few days later when the US embassy to Denmark published a "Statement of Intent on Defense Investments in Greenland":

[the statement] lays out the principles for investment in Greenland to enhance U.S. military operational flexibility and situational awareness in order to address the changing security environment in the Arctic. In light of this development and in an effort to strengthen U.S. and NATO capabilities, the US Department of Defense intends to pursue potential strategic investments vigorously, including investment that may serve dual military and civilian purposes. For example the U.S. Department of Defense intends to analyze and, when appropriate, strategically invest in projects related to the airport infrastructure in Greenland.

The incident illustrates many of the issues studied in the contributions to this special section on the mutual quest for resources between China and the Arctic: first, it demonstrates how debates involving China and the Arctic are very often about imagining the future and guessing at hidden motivations rather than about existing and concrete facts on the ground. Second, it shows how both China and the Arctic has to be deconstructed in order to become meaningful analytical entities. Though this incident might mark a dramatic turn for Chinese-Arctic relations when seen from Nuuk, Washington, Copenhagen, and possibly Beijing - it may not mean much when seen from other towns or settlements around the pole; from a cruise ship or a bulk carrier going through the Northwest Passage or the Northern Sea Route; from regional governance fora; or from Chinese board rooms and institutions further from Beijing. Finally, it demonstrates how resources may be ascribed different values at different times and by different actors. Investments in Greenlandic infrastructure was not high on the Danish government's list of priorities until they became enmeshed with a resource that *is* highly valued – the strategic importance of Greenland in the Danish-US relationship. Likewise, Danish financing for Greenlandic airports is not an attractive resource from the perspective of pro-independence Greenlandic politicians.

The articles in this special section all deal with Chinese-Arctic cooperation from a resource quest perspective, exploring the real and imagined valorization of resources by a variety of actors both in China and in the Arctic. However, as this compilation of articles illustrates, the study of China's interests in and relations with the Arctic is challenging. The first challenge is that since China and Arctic communities until recently had hardly any direct contact with each other, Arctic images of China and Chinese images of the Arctic are even less founded in actual experiences than pre-conceptions usually are. In Greenland, like in most other parts of the Arctic, actual Chinese presence and real investments remain relatively limited, but the imaginary visions of what China might mean for the Arctic in the future already loom large. This special section discusses both the Chinese expectations towards Arctic resources (Bislev & Smed; Sørensen) and Arctic expectations towards resources from China (Gad *et al*; Taksami). The study of Arctic images of China and Chinese images of the Arctic reveal that there is a large and mutual knowledge gap among the very diverse potential Chinese and Arctic partners.

The diversity of these actors constitute the second challenge. On the Chinese side, we see many diverse state and non-state actors engaging with the Arctic, while the extremely fragmented nature of Arctic governance means that most of the Arctic region is under the sovereignty of capitals located outside the Arctic. One could press the point to say that setting out to characterize “Chinese-Arctic cooperation” is missing the point: many of the actors in the empirical material for the analyses in this special section do not engage in “Chinese-Arctic cooperation”: rather, they venture to see how their community (say, Nantortalik or Narsaq), their company (Shenghe or Greenland Minerals and Energy), their scientific project (studying a natural or social phenomenon), their economy (Greenland or Iceland) can gain access to a

specific resource by hooking up with a counterpart that happens to be based in China or somewhere in the Arctic. In that sense, neither “the Arctic” nor “China” may be the most pertinent scale to engage when studying the relation. Resources may range from raw materials and finances; via know how, leisure activities and human resources; to international recognition and a geostrategic foothold. Some of these resources may be distinctly Arctic or Chinese – whether objectively or imagined. In other instances, the resource is generic, but public imagination or conscious calculation point to the Arctic or China as the best or most convenient place to obtain it.

However, despite our reservations about discussing ‘China’ and ‘the Arctic’ as homogenous entities, we recognize that this is a quite common strategy. Some actors *do* indeed award ‘the Arctic’ or ‘China’ special attention as entities or theatres when developing strategies for their community, company, or state. Also, increased global attention to both China rising and the Arctic at once opening up and institutionalizing has become self-reinforcing: Increasingly, you need to have an ‘Arctic Strategy’ and a ‘Chinese Plan’ to be taken seriously and to be able to take yourself seriously. Iceland, e.g., has spent considerable energy re-branding itself as Arctic - including developing the Arctic Circle conference circuit, and to become a hub for China’s involvement with the Arctic. The Nordic Institute for Asian Studies has for years prioritized Asian-Arctic relations, focusing both research and networking specifically on the Nordic part of the Arctic, and on China’s Arctic relations. Accordingly, we are not just witnessing an increasing institutionalization of “the Arctic” as a region but also an increasing institutionalization of the academic field of “China-Arctic relations”.

The collection of articles published in this special section are the result of one instance of such institutionalization: a workshop held at Aalborg University, Denmark in January 2018. The workshop was entitled “Chinese Arctic Cooperation: China Seeking Arctic Resources – The Arctic Seeking Resources in China”. The contributions to this special section hence all study the link between resources and Sino-Arctic cooperation. The role of resources in Chinese-Arctic relations is diverse, covering hopes for plentiful Chinese capital and human resources destined towards the Arctic (Gad *et al.*), expectations towards the Arctic as a resource of unique travel experiences (Bislev & Smed), and the possibility of the Arctic as a source of geopolitical influence for a coming super power (Sørensen). Arctic mineral and energy resources remain underexploited and are yet to benefit both China and the Arctic. How to manage the possible exploitation of these resources is the topic of Deng, Buhmann and Andersson *et al.* The actual possible exploitation of such resources raises a number of issues, such as the establishment of shipping lines and rail lines (Deng; Taksami), the need for the Arctic being able to understand, evaluate and maybe affect Chinese codes of conducts and environmental regulations (Buhmann; Kirchner), and the need for China to understand the concerns of Arctic stakeholders (Deng). Another crosscutting theme is the possible dual interest of investment in extraction of mineral resources and China developing and tapping Arctic knowledge and influence as more elusive types of resources (Andersson *et al.*, Deng, and Sørensen).

Just as ‘China’ and ‘the Arctic’ need to be deconstructed in order to become analytically viable, the valorization of resources also demands a nuanced understanding. On the one hand, the value of any resource is a question of supply and demand. On the other hand, certain types of resources have distinct ways of generating value, depending on whether they are finite or

renewable, and whether they become more valuable when engaged by more parties or they are in effect the object of zero-sum games. The resources studied in this special section have in common that they may serve several purposes and have different values for different actors. These differences may be imagined or real. The seal sausage business venture discussed by Gad *et al* about the imagined Chinese demand for properly treated, packaged and presented seal meat, reveals how misconceptions of when and why other actors regard a resource as valuable can lead to large disinvestments. Andersson *et al* and Deng show how insecurity about what other actors want from a resource may easily make the transfer of resources a matter raising concern about possible security threats. In the case of mining in Greenland, a major obstacle to future Chinese investment appears to be fears that China does not just want the minerals, but also wants the influence that it could gain by investing an amount equivalent to Greenland's annual GDP (Andersson *et al*). In addition to fears of a changed international order resulting from Chinese investment (Sørensen), other possible prices paid by Arctic communities for the use of local resources include the willingness to accept pollution from cruise ships (Kirchner) and radically changed labour and social standards (Buhmann). However, though the contributions in this special section do point to potential challenges in Arctic-Chinese exploitation of resources, they also point to possible ways in which resources could be used to the benefit of both the Arctic and China. Buhmann, Deng and Kirchner all offer concrete suggestions for how increased understanding of Chinese legislation and codes of conduct will enable Arctic communities to make Chinese use of resources form the Arctic less damaging for the Arctic environment and less challenging to existing social structures.

In sum, this themed section reveals how the pursuance of Arctic and Chinese resources is not just a simple matter of extracting them from their source and bringing them home – whether in the form of minerals, signed contracts, or holiday photos. While the use of Arctic resources may be important for China, they will in any case remain marginal to both China's domestic development and to China's overall position in the world. Conversely, the use of Chinese resources may fundamentally change the ways some Arctic communities regard themselves and what it implies to be a citizen in these communities. This may be seen as a positive opportunity to redefine the status of the community, as in the case of the pro-independence Greenlandic party who see Chinese investments as a potential contribution to their quest for independence. However, it warrants special consideration as to how the relation should be regulated and managed, in order to facilitate success and manage negative side effects in other spheres of life and in other relations. Arctic communities have ample experience of being at the receiving end of asymmetrical relations, and therefore has an interest in diversifying relations in order to break free from these asymmetrical relationships. However, new relations will not necessarily materialize as less asymmetrical. It is therefore of vital importance for both Chinese and Arctic actors to invest time and effort in getting to know and understand their new counterparts in order to benefit from the new, potential resources becoming available through the increasing Chinese-Arctic cooperation.

# Imagining China on Greenland's Road to Independence

Ulrik Pram Gad, Naja Dyrendom Graugaard, Anders Holgersen, Marc Jacobsen, Nina Lave & Nikoline Schrøder

*For decades, Greenlandic politicians have sought independence in international politics and economy. Renewed global interest in the Arctic has given new impetus to a strategy of diversifying the existing dependency relations, as a way to put coloniality behind. This article investigates how Greenlandic foreign policy narratives have cast China in different roles that support this strategy. Some narratives are informed by Orientalist tropes imported from Denmark, while others dismiss the very same tropes. Some embrace Chinese partners as crucial on Greenland's road to independence, while others reject China as imperialist. Mainly, China has been imagined as a potent source of material resources (export revenues, investments, labour). Initially, this narrative was employed to support a business attempt to reinvigorate traditional hunting through new export channels. Later, narratives underscored Greenlandic ambitions as a mining country. Recently, they have backed a Greenlandic search for new solutions to the less-hyped fishing and tourism industries. Besides the promise of material gains, Greenlandic authorities have also imagined China as an occasion for international recognition. However, the sought for recognition has changed drastically, from the time when Greenland's national team played soccer against Tibet to current attempts to negotiate science, infrastructure and paradiplomacy with Beijing and Copenhagen. The analysis is based on media reports, government foreign policy statements and parliamentary debates 1999-2018. Theoretically, the analysis draws on a tradition of analyzing international politics and foreign policy as driven by narratives constructing nation state identities in relation to Others, focusing particularly on Orientalist tropes and anti-colonial alternatives.*

## Introduction: China Diversifying Greenland's Dependence<sup>1</sup>

Since the establishment of Home Rule in 1979, Greenland has worked towards enhancing independent agency in international politics. This has been a central part of an overall strategy to break with the dependency on Denmark, a legacy of Danish colonization. The renewed global interest in the Arctic has given new impetus to efforts to diversify the existing dependency relations as a way to put coloniality behind. Greenland has for decades pursued relations with other Inuit polities across the Circumpolar North, Nordic collaborators, the UN, the USA (Jacobsen & Gad 2018) and the EU (Gad, 2016). The increased interest in the Arctic

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has benefitted these efforts. Also, as part of this interest, much attention – domestic and international – has been given to the possible role of China in the future of Greenland. Hence, this article is concerned with the ways in which China features in Greenlandic national narratives, foreign policy strategies, and visions for the future. Particularly, we examine the different Greenlandic castings of Chinese actors (the Chinese state, Chinese consumers, Chinese companies, Chinese workers), and how these castings reflect specific ways of placing Greenland on the global scene. We detect Greenlandic discourses about China in official documents, speeches, media statements, and interventions in public debate.<sup>2</sup> Empirically, our analysis focuses on the narratives about where Greenland is heading, told by official Greenlandic representatives and representatives for interest organizations in both the domestic and the international arena. In certain instances, Danish and other voices are included to illuminate the contexts, contrasts and connections that shape Greenlandic discourses. We focus on public discourse since this is key in shaping the universe of options available to domestic and international actors.<sup>3</sup> Increasingly (and in sharp contrast to Danish narratives of China in Greenland), Greenlandic casting of China appears to be settling as that of a constructive force in the process of culminating economic and legal independence. Before turning to what these Chinese are specifically imagined to be doing, we briefly introduce the wider configuration of Greenlandic identity narratives in which Chinese actors are given roles, and the theoretical concept Orientalism which informs our analysis.<sup>4</sup>

## Analyzing Greenlandic Foreign Policy as Self/Other Narratives

Theoretically, the analysis draws on the tradition of analyzing international politics and foreign policy as driven by narratively structured discourses which construct nation state identities in relation to different Others.<sup>5</sup> Fundamental to this tradition is the notion that if there was no difference, one could not meaningfully talk about identity. On the one hand, any identity needs a radical Other to exist (Derrida, 1988: 52; Connolly, 1991: 64f; Campbell, 1998: ix-x). On the other hand, identity narratives seldom just relate the identity of the self to one other – most often a whole cast of characters is involved (Ricoeur, 1988: 248; Hansen, 2006: 40; Gad, 2010: 38, 418).

Postcolonial works have demonstrated that the orientalized Other has been central to constructing an image of superior Western identities. Strategically, binaries have been used to legitimize the exploitative relations between Euro-American imperialist states and their colonies. One classic figure is the passive Orient in need of Western vital intervention to be productive; another is the insertion in the Other of a desire to fulfil the needs of its master (Saïd, 1979). More generally, as a basic mode of Othering, Orientalism constructs identity by describing the Other as a complete contrast to the Self: if Self is light, Other is dark (Baumann, 2004: 19-21; Gad, 2010: 148). In relation to China, Western Orientalism took a specific form emphasizing Chinese intransience as China resisted outright territorial colonization. In extension, imageries of a ‘yellow wave’ rolling out of China have recirculated in Western discourses (Sejersen, 2013). In some Orientalist discourses, positive qualities may be assigned to the Other to match negative ones attached to the Self (Baumann 2004: 19-21). However, core to the imperialist function of Orientalism – even in the versions valuing the other positively – is that as a discourse, it closes itself off to input from the Other (Saïd, 1979; Gad, 2010: 158-160).

An 'Arctic Orientalism' (Fienup-Riordan, 1990) was also pivotal to the colonization of the Arctic and its Indigenous populations and it continues to define Inuit as the Eskimo Other in its (post)colonial relations to their colonizing states (Fienup-Riordan, 1990; Wenzel, 1991; Thisted, 2002; Bjørst, 2008; Graugaard, 2009). As part of this, Denmark has since the beginning of colonization forwarded essentialized images of Greenland to mirror what Denmark was not (Bjørst, 2008: 9). For example, Greenlanders have been constructed as uncivilized and primitive, lazy and ineffective, less developed and child-like, unhygienic and amoral (Trondheim, 2002). In other periods, different colonial projects serving different purposes have stereotyped Greenlanders in what appears to be positive contrast to Europeans – as peaceful, forgiving, natural people (Pedersen, 1997). However, also in this laudatory mode, the Orientalist mirroring has less to do with the Greenlanders than with projects to dominate or reform them – or to reform Europeans at home.

Meanwhile, the emergence of a collective *kalaalliit* (Greenlandic) identity was seemingly provoked through the encounter with Danish *qallunaat* [white people] (Sonne, 1996: 245). This legacy has prompted contemporary identity discourses in which representations of Greenlanders and Danes appear as antithetical (Trondheim, 2002; cf. Sørensen, 1991). Here, Greenlandic representations depict Danes as primarily power-hungry, dominant, efficient, materialistic and individualistic (Trondheim, 2002). In this identity landscape, the idea of 'authenticity' has gained a foothold. Arguably, early colonial notions of the natural Eskimo hunter, who either lived in harmony with nature or was corrupted by civilization (Pedersen, 1997), reverberate in the current Greenlandic identity discourses. To have an authentic Greenland depends on the presence of people in coastal communities who speak Greenlandic, subsist through hunting, provide *kalaalimerngit* [Greenlandic food], and sell sealskin to *qallunaat* (Gad, 2005: 66ff; 2016: 46).

However, these iconic elements of 'authenticity' co-exist with modern elements of Greenlandic everyday life and visions of what Greenland is and should become. The colonial establishment of national institutions in Greenland during the 19th century – most pertinently, a nationally circulated newspaper, local and regional advisory councils, a college educating teachers and catechists to 'elevate' the people – produced the idea that Greenland constituted a nation, which was submitted to but separate from the Danish state (Thuesen, 1988; Wilhjelm, 2008). The new Greenlandic elite instituted by these institutions historically supported a number of reforms, which were to 'modernize' Greenland (Heinrich, 2012). In effect, 100 HP outboard motors, the internet, Canadian Goose outdoor gear, democracy and welfare services are all elements which are central to talking about contemporary and future Greenland. In other words, they are indispensable elements of collective Greenlandic identity. At the same time, they also appear as signifiers of cultural 'decline', as iconic elements of traditional culture has been crowded out by elements of modernity (Gad, 2005: Ch. 3.4).

In sum, much political discourse in Greenland hinges on reconciling a narrative of a decline of tradition with a narrative of modernisation. In the combination of these two narratives, most Greenlandic politicians cast Denmark as the one preventing the resurrection of Greenlandic identity in the form of an independent nation state (Gad, 2005: 46f). As long as the constitutional link to Denmark exists, Denmark stands in the way of Greenlandic independence. The only way to legitimize this link in the eyes of the dominant mainstream of Greenlandic



politics, is if Denmark can present itself as selflessly assisting Greenland in becoming independent (Gad, 2016: Ch. 7).<sup>6</sup> When stitching these two basic narratives together – that of Denmark as a threat to Greenlandic authenticity, and that of Denmark as a model of modernity to emulate – an ever-wider cast of characters has been involved in new narrative twists.

As the following will show, the casting of China has oscillated between links to tradition and to modernity, and between the positive and the negative. At times, Greenlandic narratives of China reproduce a classic Orientalist trope known from Western discourse; the Other selflessly standing ready, desiring to fulfil the need of the Self. Conversely, recirculation of Danish fears for various forms of ‘yellow waves’ are also featured.<sup>7</sup> Sometimes, the contrast to China sometimes end up reproducing ‘Arctic Orientalist’ notions of the lazy, child-like Eskimo unfit for modernity. Even those Greenlandic narratives involving China that go beyond Orientalism, point to very different conclusions: towards severing relations in anticolonial solidarity – and towards intensifying direct relations, to get to know the Other first hand.

### **A Greenlandic Seal-Meat Business Adventure in China<sup>8</sup>**

When the Greenlandic business project, Puisi A/S, was developed in 1995, China surfaced as a lucrative market for what was envisioned to become Greenland’s first seal meat export. With intentions of innovating and producing seal sausage and seal oil capsules for keen Chinese consumers, the initiators of the Puisi project imagined China as a new prosperous asset to the Greenlandic national economy and as a cure to the struggling Greenlandic sealing economies. Inuit seal hunters – considered to constitute Greenland’s traditional, national profession (Rud, 2006) – had been challenged severely since the global sealskin market collapsed in the nineteen-eighties, in the aftermath of massive anti-sealing campaigns in Western countries (Wenzel 1996; ICC 1996). By turning the seal meat, which is usually reserved for subsistence use, into products for the Chinese market, Puisi A/S was believed to provide more favorable outcomes from seal hunting (Sermitsiaq, 1999c). Yet, the ambitions of the project extended beyond merely recovering the Greenlandic seal hunting profession. Puisi’s business plan was based on expectations of instant and large revenues from its trade with China, predicting a kilo price of 500 DKK and more than 500 million DKK in revenues during the first half decade of export (Holmsgaard, 1999a; Lichtenberg, 2000; Qvist, 2017: 261). In this sense, Puisi’s anticipated profits would – channelled to the public purse through ownership and taxes, but also by reducing the need to subsidize hunting settlements – work to ameliorate the dependency on Danish block transfers and make an example of Greenlandic-steered development.

Puisi’s visions were initially welcomed by hunters, politicians and the general public in Greenland. Greenland’s Home Rule Government, too, backed the company with approximately 20 million DKK over the following years. Furthermore, leading Greenlandic politicians Jonathan Motzfeldt (S) and Lars Emil Johansen (S) were pushing the project forward, periodically engaged as Board members. While being prime minister, Johansen was a primary initiator of the project, supported by his ministerial secretary H.P. Barlach Christensen. Later, Christensen became the director of the Puisi company. They developed the business vision in collaboration with an American, David Stevens, who claimed to have invented a method to extract the taste of seal from the meat, thus making it more attractive to international consumers (Lichtenberg 2000). Appointed as a liaison between Greenland and China, Stevens was placed

in Beijing. Here, he was to build up Puisi's Chinese daughter company, *Sino-Am-Arctic*, and a factory to process Greenlandic seal oil in DanDong in North Eastern China. Meanwhile, Motzfeldt, then head of the *Inatsisartut* (the Greenlandic Parliament), promoted Puisi A/S to potential Greenlandic voters as a good example of autonomous business development – thereby, indicating that the project was independent of Danish involvement. Home Rule officials advocated for the project in Southern Greenland, which was to be home to Puisi's Greenlandic headquarters. They encouraged private investments and urged local hunters to rebuild their boats and acquire new equipment to accommodate the new Chinese demand for seal (Lichtenberg, 2000; Sørensen & Ipsen, 2003; Netredaktionen, 2010; Holmsgaard, 1999a: 6). The Puisi project received extended local support in the town of Nanortalik, where the seal meat processing factory was being built (Sermitsiaq, 1999c: 9). In a newspaper interview, Mayor Nicolai Ludvigsen (S) flagged a vacuum-packed seal sausage and exclaimed: "I hold Greenland's future in my hand" (Sermitsiaq, 1999b: 11).

While instigating busy and growing seal hunting activity in southern Greenland, Puisi's business plan was also object to extended critique from the Greenlandic public and social media (Qvist, 2017: 257-258). Viewing Puisi's lofty ambitions as disproportionate and risky, the Greenlandic newspaper, Sermitsiaq, described the project as "dangerous gambling" (Holmsgaard, 1999a: 6). As the project developed, several problematics surfaced in the media: Puisi's liquidity appeared to be dissolving, and the required veterinary, export, and import permissions were missing. For this reason, Puisi's first and only export was rejected by Chinese authorities in the harbour of DanDong. Shortly after the company's initial trial production of seal sausages, Puisi A/S crashed in 2000 (Lichtenberg, 2000; Netredaktionen, 2010; Sørensen & Ipsen, 2003). While Puisi's board was accused of misconduct and the budget was criticized for being highly unrealistic, the Greenlandic confidence in China's desire for seal trade also turned out to be presumptuous. Economic statistics regarding the Chinese demand for seal sausages were, actually, still unknown. The only indication of consumers' willingness to buy Puisi's sausages had been a three-day 'market study' in a Chinese mall. Here, a Greenlandic representative had handed out taste samples and questionnaires, and seemingly received positive responses. As it turned out, the overall predictions of a lucrative trade partnership were based on airy imaginations. This was confirmed when a Greenlandic delegation found David Stevens in a rented office space in Beijing, no daughter company, and a non-existing factory in DanDong (Lichtenberg, 2000; Qvist, 2017: 258).

Puisi A/S was initially applauded for being a project which resolved the economic challenges to Inuit seal hunting, while supporting Greenlandic-steered business development. In this sense, Puisi A/S engaged in a new narrative in which the Indigenous hunting culture was reframed from being 'the age-old heritage' to being a considerable contributor to Greenland's national economy and, implicitly, greater national independence. In this postcolonial narrative, China gained a crucial role in Greenland's search for new partnerships that would break with the existing colonial relations and the legacy of dependence on Danish finance. Puisi's director, Barlach Christensen, stressed the extraordinary market advantages in China, stating that: "China is no longer like many would remember it from childhood. In Beijing, there are five-six million wealthy people. They are Puisi's target group, and there is lots and lots of money to earn" (Qvist, 2017: 257). In this way, China figured as a constructive economic force in Greenland's independence process. However, she arguably also became an object of Greenlandic national

desires, being portrayed as a nation easily available and accessible to fulfil Greenland's needs. In this sense, the anticipated relationship also reproduced an Orientalist trope according to which China was simply cast as ready and waiting for Pusi A/S with big capital, cheap labour, and an insatiable market. Noticeably, Pusi A/S expected to pay Chinese factory workers a wage which was far below Chinese average wages (Holmsgaard, 1999b: 7). Furthermore, the figure of 500 DKK per kilo of seal meat was seemingly not shared with Pusi's Chinese branch *Sino-Am-Arctic*; Davis Stevens apparently expected a price of 15 DKK per kilo (Lichtenberg 2000). In this light, Pusi's attempt to diversify Greenland's dependency relations also entailed reducing China in a new Orientalized image focused on profitability to suit the needs of this new Greenlandic enterprise.

Pusi A/S may also have compromised Greenland's national self-image and the Greenlandic hunting culture, at large. The future visions of industrializing seal meat for export contrasted the existing Greenlandic national narratives, which had emphasized the role of seal hunting in subsistence and as an Inuit cultural practice (Graugaard, 2019). These narratives have been central in the defence of Greenland's Indigenous hunting practices and in response to anti-sealing condemnations in Western countries (Jacobsen, 2015: 109; e.g. Lynge, 1992). Metaphorically speaking, Pusi's postcolonial strategy in China also involved removing the "taste" of Greenland. The characteristic taste of seal was practically extracted from seal meat and replaced with the more desirable flavor of "hot'n'sweet". As the manager of the factory in Nanortalik explained to Sermitsiaq: "the characteristic taste of seal meat – that we value so much in Greenland but that other countries frown upon – is slowly washed away" (Sermitsiaq, 1999c: 14).

### Playing Tibet in Anti-Colonial Solidarity<sup>9</sup>

A few years later, Greenland in 2001 played a football match against Tibet. The match was conceived as the brainchild of supporters of the Dalai Lama's Tibetan government-in-exile (Nybrandt & Mikkelsen, 2016), and sponsored by the image-conscious Buddhist CEO of the Danish *Hummel* sport clothes brand (Mortensen, 2007). The Greenlandic soccer association welcomed the match, signalling sympathy and identification with another colonized people who were denied access to official FIFA tournaments. Here, the Chinese government, alongside Denmark, were positioned as oppressors intruding on a peaceful, indigenous people. As a consequence, the Chinese government followed up by issuing threats to the Greenlandic shrimp exports. The Home Rule Government cautiously attempted to defuse the problems: While explaining the freedoms of association and assembly to the Chinese government, the Home Rule also highlighted the possible economic consequences of the match to the Greenlandic soccer association.<sup>10</sup> Eventually, the organizers managed to lease a stadium in Copenhagen, and the two teams played accompanied by much flag-waving.

Every now and then, the Tibetan issue resurfaces in Greenlandic politics – implicitly bringing along the negative casting of China. Sara Olsvig (IA), at that time the leader of the opposition, suggested that Greenland should send an official invitation to the Dalai Lama to make clear that Greenland is in favor of human rights (*Inatsisartut*, 2015, EM14, 05:45:12). Vittus Qujaukitsoq, then Minister of Foreign Affairs (S), replied that "It would be interesting if the Dalai Lama from Tibet was invited to Greenland. I think that you in the *Inatsisartut* must assess

what is most important: trade, climate or human rights. What do you find most important?” (*Inatsisartut* 2015, EM14, 05:47:57). Both Qujaukitsoq’s smug smile when delivering the retort and the fact that the Dalai Lama has still not been invited indicate that Greenland’s international relations with China is back to business. After the introduction of Self-Government in 2009, the negative casting of China in anti-colonial solidarity with Tibet has faded to the background and, instead, the role as economic partners resurfaced. Particularly, hopes have been high that Chinese investments in mining would make full Greenlandic independence possible.

### Chinese Mining Investments Underwriting Independence<sup>11</sup>

The Self-Government Act (*Folketinget*, 2009, article 2 and 7) facilitated that the Government of Greenland gained responsibility of the administration of and revenues from minerals and oil extraction which had previously fallen under the Danish state. In continuation, the Large-Scale Projects Act (*Inatsisartut*, 2012) was meant to kick-start foreign investments in mining. The rationale was that if ever the extractive industries should make a difference for the Greenlandic economy, projects should be of an altogether different scale than hitherto seen (Rosing et al., 2014: 9). Moreover, all parties agreed that Greenland’s national economy needed a boost: Firstly, demographic prognoses predicted rising costs of the existing public services (GØR, 2012: 34; Sejersen, 2019). Secondly, the 2009 Act on Self-Government (§9) had ‘frozen’ the size of the Danish subsidies to Greenland budget in return for Greenland taking over the right to expected revenues from minerals and oil extraction. The size of the ‘block grant’ was generally taken to be an immediate sign of the degree of dependence. This was exemplified in the remarks by one of the Greenlandic MPs in the Danish parliament, Doris Jacobsen (S): “any increase in the block grant means that Greenland’s dependence on Denmark increases. And vice versa, any decrease in the block grant is a clear new step on the road to Greenland’s independence” (in *Folketinget*, 2012, December 18). Sara Olsvig (IA), then serving as the other Greenlandic MP, explained how the ambition of developing a welfare state added to the financial task ahead: “we need to find new sources of income to our economy, if we want to uphold our welfare system ... they will not fall from the sky. We have to create them ourselves, and raw materials are almost the only option” (in *Folketinget*, 2012, December 18). In this view, obtaining independence from Denmark, without compromising the level of welfare, necessitates inviting foreign mining companies and global capital investments. As summarized by the Government when presenting the ‘large scale act’: “there is no real alternative to establishing mining and large-scale if Greenland is to achieve a self-sustaining economy within a foreseeable number of years” (Naalakkersuisut, 2012).

The (relatively) small companies which are active in the initial part of the ‘food chain’ in the global mining industry (prospecting, project development) are, for the most part, Canadian or Australian. Meanwhile, both these companies and the Government of Greenland look to China for investment in and implementation of large scale projects (Zeuthen & Raftopolous, 2018). Greenlandic politicians were all up in arms to secure that foreign companies in general did not run away with Greenlandic riches (Schrøder, 2013: 64-66). Nevertheless, the idea that mining particularly meant Chinese did not bother the then Greenlandic prime minister Kuupik Kleist (IA), who retorted a question from a journalist: “Are the Chinese worse than other capitalists?... Once, the Europeans colonized the rest of the world. They have ruthlessly exploited everything. Now, the economic center is shifting to the East” (Andersen, 2013).<sup>12</sup> However, the Chinese

involvement in Greenlandic mining projects disturbed Danish politicians who began debating the prospects of large-scale mining in Greenland in the Danish media and parliament in 2012 and 2013.<sup>13</sup> Ostensibly, the reason for the Danish parliament to debate the issue was the formality that granting residence permits to foreigners was still under Danish jurisdiction. While the Danish debates partly tended to the Chinese workforce (as we will return to), it was arguably firstly and lastly framed by geopolitical imaginations. In these debates, Danish right-wing politicians repeatedly pointed out China as a threat. They did so by invoking images of three distinct ‘yellow waves’: First, a yellow wave of Chinese influence threatening the link between Greenland and Denmark; second, a yellow wave of Chinese influence overwhelming Greenland as such; and finally, a yellow wave of Chinese workers washing away individual Greenlandic workers, gains from collective bargaining, as well as Greenlandic national identity. While the first two threats constructed resonated scarcely in Greenlandic politics, the latter were taken more seriously.

At the grandest scale, Danish politicians issued warnings that China “might be interested in establishing a bastion in the Arctic area” (Frederiksen in Haslund & Burhøi, 2013) and “the consequences [for the global balance of power] of idly watching, while China expands, are ... incalculable and even more ungovernable” (Nørby & Bech, 2013). Hence, Danish politicians presented China as a threat to “the overall security political interests of the ‘Community of the Realm’” (Nørby & Bech, 2013). Constructing China as a threat to the ‘Community of the Realm’, however, did not resonate in Greenland. Here attention is focused more on the inequality of the members of the realm, formally and otherwise, than on valuing the community as such (Gad, 2016: 53). This is particularly the case within the realm of security politics, where Greenland’s role has primarily been that of a pawn of Danish dealings with the US (Rahbek-Clemmensen & Henriksen, 2017), rather than the preferred role as an agent in its own right. In short, Greenlandic political discourse has trouble identifying with the security interests of the Danish state (cf. Gad, 2016: 76-8).

Second, Danish politicians presented China as a threat to Greenland. One prominent member of parliament declared to be “worried that Greenland will not reform its economy, but just become dependent on, for example, Chinese money. ... It is a generally acknowledged fact, that those who bring the money, gradually gain more and more political influence” (Frederiksen, 2013). Ironically, in a Greenlandic perspective, this statement comes across as a rather accurate description of the present relation between Greenland and Denmark – the very relation, Greenlanders are set on breaking free from, in various degrees, directions and haste (Gad, 2016: 117). Moreover, Danish politicians sometimes followed up on the threat by casting Denmark as the adult with a separate responsibility for averting the Chinese threat, if the Greenlanders do not themselves take it seriously (cf. Sejersen, 2013): “Greenland will not stand a chance. The judgment of history on us will be stone hard if we – in the critical moment – sit still, hands in lap, when we could have acted and hindered what could become a veritable catastrophe for Greenland” (Dahl, 2013). The effect of this paternalism was to reinforce Greenlanders' sense of subjugation, and served mainly to affirm Greenlandic separatism (Gad, 2016: 36-44, 112).

In contrast to the Danish right-wing opposition, the official Danish position presented by the Social Democratic prime minister at the time downplayed the threat: “If you read the newspapers you could get the impression ... that there are already thousands of Chinese in

Greenland ... and that the Chinese are free to pull rare earths and uranium up from the Greenlandic underground, which they will then automatically be free to dispose of. Of course, none of those things are correct” (Statsministeriet, 2013). On a more principled note, the prime minister insisted on a hands-off policy: “Basically, we need to respect that the Greenlanders are the masters of their own country” (Thorning-Schmidt in Ritzau, 2013). However, even if the prime minister also rejects a third threat, this threat has more resonance in Greenland: “I have been asked, what consequences it has, if Chinese are pouring out in the streets of Greenland. We should not sit and yell at each other, how it would be terrible if the Chinese take over the Greenlandic society” (Thorning-Schmidt in Ritzau, 2013).

## Chinese Workers Undermining Welfare and Nation

The need expressed by the Government of Greenland for a special law on ‘large scale projects’ pertains primarily to the workforce needed. General Greenlandic regulations serve to ensure that local workers are employed before employers can import labor from abroad (Carlsen, 2005). However, as explicated in the introduction of the Bill in parliament, a project may be of such magnitude, that – particularly in the establishment phase – Greenland alone cannot possibly supply the workforce necessary (Schrøder, 2013: 76). Hence, the need for what was interchangeably discussed as ‘foreign labour’ or just ‘Chinese’ (cf. Berthelsen, 2012b). These foreign or Chinese workers were pointed out as threats in two distinct ways.

Most immediately, Chinese workers were presented as a threat to Greenlandic workers, as the conditions under which they would work constituted “social dumping” (Berthelsen, 2012b; Silis 2012). The leader of the main Greenlandic trade union, Jess Berthelsen, identified the threat as directed towards the labor market as such: “I strongly warn against the current government, in a reckless moment of enthusiasm, wrecking the Greenlandic labor market and bombing us all the way back to the Stone age” (2012b). As Sejersen (2013) notes, ethnic equality in the labor market was a central part of Greenlandic postcolonial visions. Drawing on memories of past injustices, he called for solidarity: “SIK has for decades been fighting to secure that natives do not get paid less than those called here to work. ... Should we now allow workers from other countries to be paid a lower salary?” (Berthelsen, 2012a). A Danish politician joined in: “I can hardly imagine that a Chinese mining company will hire as much as a single Greenlandic, if the mining company can get away with paying a Chinese worker much less.” (Nørby, 2012a). However, the Greenlandic minister for business development and extractive industries, Ove Karl Berthelsen (IA), argued that Greenlandic wages were not the relevant point of comparison; the workers would remain Chinese: “You have to look at the size of peoples’ cost of living. If they get the SIK union minimum wage, they will receive an amount which is maybe 2-3 times more than their compatriots in China.” (Dollerup-Scheibel, 2012c: 5). Moreover, the minister for finance, Maliina Abelsen (IA), explained, importing Chinese workers – and even paying them less than Greenlandic workers – was lesser evils justified by a greater good: “It is easy to demand of foreign companies that immigrant labor shall have a high salary, so that we will not be accused of social dumping. But we risk that the large scale projects will not be established, and then the future of the Greenlandic welfare society looks dark.” (Kristensen, 2012: 10; cf. Sejersen, 2013: 12). In this government narrative, Chinese workers do not amount to a yellow wave wiping away Greenlandic workers. Rather, China is back in one of the roles they were

casted in in relation to the Puisi project: passively waiting to contribute their – low pay – work to the rise of an independent Greenland.

At a more general level, the Chinese workers were presented as a threat – perhaps more diffuse, but also potentially more severe – to Greenland being *Kalaallit Nunaat*, literally 'the land of the Greenlanders'. Echoing the bad reputation of the Danish led modernization drive of the fifties, sixties and seventies, the employer's association *Grønlands Arbejdsgiverforening* – adopting a somewhat unexpected rhetoric for an organization often perceived to be dominated by Danes – warned that, "We should not risk ending up as bystanders, merely looking at the development" (Dollerup-Scheibel 2012a: 23). Their specific aim may have been, rather than local employment, to secure that "the arrangements should make it possible for local companies [sic] to be part of the project on equal terms" (Dollerup-Scheibel, 2012b: 16). But the industrialists also worried about the popular legitimacy of basing an independent economy on Chinese workers: "How will ... a massive immigration of foreign labor to a large-scale project influence a local community ...? The time is ripe for having a thorough, popular debate on the many, great challenges, this will cause." (Sørensen, 2012). Again, Danish right-wing politicians made sure to amplify the worries by comparing Greenland with Africa, conjuring up "the great economic, social and cultural consequences of thousands of Chinese people come to Greenland to work in the mines. In Africa, we have seen that Chinese workers in the establishment phase of the mines lead to Chinese workers in the operation phase of the mine and in many other positions around society. ... Let us not repeat the mistakes from Africa" (Nørby, 2012b). The Greenlandic minister for business development and extractive industries, once again, retorted by insisting that the Chinese would never really be present in Greenlandic society – arguing in relation to the most prominent mining plans at the time, that "it is a project, that is situated 150 km out in the empty at the edge of the inland ice. I do not count on temporary migrant labor just popping by downtown Nuuk after closing time" (ibid.). Nevertheless, others were eagerly waiting to engage the 'yellow wave' expected: The press reported about entrepreneurial businessmen ready to facilitate the thousands of temporary migrant workers (Oehlenschäger, 2012) as well as about people in Nuuk (including, in private capacity, the top civil servant in the Government of Greenland) attending Chinese language classes (Qvist, 2013; DR, 2013).

When newspapers finally, in 2017, reported that "Now, the first Chinese have arrived" (Sermitiaq, 2017a), the news clashed severely with the central national narratives of Greenland's past and future. Chinese workers never came in large numbers as was imagined a decade ago, much less bringing in the billions needed to allow a mining adventure to underwrite Greenlandic independence.<sup>14</sup> Rather, groups of Chinese workers were imported to work – on the standard conditions of the Greenlandic labor market – in fish factories. A separate aim of regulating fisheries in Greenland is to secure onshore jobs in towns and settlements along the coast, lest all the catch is produced on industrial trawlers and exported without ever touching shore in Greenland (Becker Jacobsen, 2019). This regulation is intended to secure that as much of the territory of Greenland as possible is inhabited by Greenlanders, engaged in 'Greenlandic' trades (Gad, 2005). On this background, importing Chinese workers to do quintessentially Greenlandic jobs came as an embarrassment. The chief human resource officer of Royal Greenland, the publicly owned fishing enterprise tasked with generating both export revenues

and decentralized jobs, explained that the reason for importing foreign workers was that “we cannot get enough stable, local labor from Greenland” (Kruse, 2018a).

In sum, the participants in the debates employed each their Orientalist tropes when casting Chinese actors into stories about mining: Some conjured up yellow waves of intransigent Chinese influence and cheap Chinese labor sweeping over Greenland. Others followed the lead from the Puisi business adventure, insisting that the Chinese only desired to fulfil Greenland's needs on its way to independence, without interfering in the constitution of society. Finally, some saw stereotypes rooted in ‘Arctic Orientalism’ confirmed; portraying Greenlanders as lazy people easily lured away from work by the prospects of a sunny day of sailing in the fjords, or too hungover from modernization to show up (Duran, 2012).

### **A Para-Diplomatic Bermuda Triangle<sup>15</sup>**

At the celebration of the introduction of self-government on 21 June 2009, representatives from China stood, along with diplomatic colleagues from Japan and Korea, out as some of the more unusual official guests in Nuuk (Naalakkersuisut, 2010: 33). Their presence was taken as a sign of the renewed global interest in the Arctic, which, sparked by climate changes and their consequences, had become “a magnet for different countries’ spheres of interest” (Naalakkersuisut, 2009: viii). Now, the ‘sphere of interest’ of a great power is – in traditional geopolitical parlance – not necessarily a place in which a minor power wants to find itself. However, for the Greenlandic diplomats who formulated this valuation of the increasing foreign interest, the most important observations were, first, the mere recognition of Greenland as an independent agent worth engaging with, and second, the wider perspective of China as crucial to Greenland’s economic development and as a central way of diversifying dependency to the outside world. The interest in Greenland’s mining potential has cooled down lately due to the lower global market prices and possibly also due to public disputes in Greenland over how to facilitate investments while still securing that Greenland benefits. Government efforts have instead been invested in promoting Greenland’s seal fur, seafood and tourist destinations to Asian economies. Simultaneously, the array of possible connections seems to widen, particularly in spheres with a more or less obvious role for the Chinese state; science, technology and communication. However, the relation between Beijing, Copenhagen and Nuuk sometimes appear as something close to a diplomatic Bermuda triangle: efforts towards hooking up China with Greenland have tended to cancel out, even if the Danish part appears to be facilitating.

For decades, Greenlandic diplomats and bureaucrats have found the EU accessible; an organization, that is used to playing games with formal sovereignty in the first place (Mac Amhlaigh, 2014), and that counts Denmark as a member state. Since the 2004 amendment of the agreement between Denmark and the US concerning the defence of Greenland, the Government of Greenland has been regularly engaged in formal consultations about the use of the Thule Air Base just as other possible fields of cooperation have been discussed (Gad, 2017; Olesen, 2018). In contrast, Chinese officials seem – perhaps with Tibet in the back of their minds, perhaps with Greenland’s resident superpower, the US – to have had more difficulties finding out how and whether to talk to Greenland with or without Danish diplomats acting as chaperones (Sørensen, 2018a). Lately, however, Chinese officials appear more self-confident in the Arctic in general, and in relation to Greenland particularly (Sørensen, 2018b).



One example of this increased Chinese self-confidence concerns the presentation of an ambition to establish a research hub in Greenland in the immediate aftermath of the publication of a comprehensive Chinese Arctic policy document. Following up on a memorandum of understanding on scientific cooperation signed in 2016 with the Government of Greenland, the Polar Research Institute of China announced plans to establish a research station of 2000 m<sup>2</sup>, occupying 15-20 researchers all year round. The hub was to be located either in the Northeastern national park or near Nuuk on the west coast (Jacobsen 2019b). The first place is close to the Danish military base *Station Nord*, the Danish *Villum* Research Station and a proposed zinc mine in which a Chinese company has invested (cf. Jacobsen, 2019a). The latter is near the capital Nuuk (and, hence, Greenland's own main research institutions), the suggested location for a possible new Danish/Greenlandic international research hub and close to a dormant iron mine project owned by another Chinese company (Jacobsen, 2018). The Government of Greenland has not revealed whether it had been briefed prior to the Chinese presentation which took place during the 2017 Arctic Circle assembly, where the large Danish delegation attentively noted every word in silence. However, with the responsibility over its own science policy, Nuuk holds the cards to negotiate directly with Beijing.

Another recent example concerns the installation of a satellite ground station in Nuuk in cooperation between Beijing Normal University, Greenland Institute of Natural Resources and *TeleGreenland*. The Greenlandic parties are both public institutions. Nevertheless, they failed to inform the formal authorities in Greenland (Lulu, 2017). Aaja Chemnitz Larsen, who then was chair of Greenland's parliament's foreign affairs and security committee, described the fail as "a bit worrying", but warned against getting "scared every time there is a Chinese project" (ibid.).<sup>16</sup>

Finally, the recent expansion of China's *One Belt, One Road Initiative* to include a 'Silk Road on Ice' (SCIO, 2018; Anderson et al., this issue) has raised hopes in Greenland that infrastructure and extractive projects might get easier access to Chinese state investments. Related or not, following meetings with Greenlandic prime minister Kim Kielsen in Beijing – during an official visit facilitated by Danish diplomacy – publically owned *Kalaallit Airports* development company shortlisted the state-owned *China Communications Construction Company* for expanding airports in the two major destinations in Greenland, capital Nuuk and Ilulissat with its Icefiord (Matzen & Daly, 2018; Jensen, 2018). On the one hand, the SIK union once again warned against the impact of tax exemption of foreign labor on Greenlandic welfare (Sermitsiaq, 2017b). On the other hand, Greenlandic reactions to Danish geopolitical worries were once again dismissive. As explained by a prominent Greenlandic historian, Daniel Thorleifsen: "Here in Greenland this is understood as a conflict between Europeans and Chinese; not something which concerns us. Many think that Denmark just wants to keep Greenland for itself and therefore does not want China inside." (Breum, 2018). This Greenlandic interpretation of Danish intentions was supported, when Denmark first tried to sell a small, militarily outdated naval base – but decided to take it off the market, when a Chinese mining company expressed interest in buying (Brøndum 2016; Turnowsky, 2016). And once again when the Danish prime minister Lars Løkke Rasmussen suddenly showed up in Nuuk to sign an agreement offering Danish investments in the contentious airport project, followed by an even more surprising statement of intent from the US Department of Defense contemplating investments in Greenlandic military/civilian dual use airports (World Politics Review, 2018).

Highly publicized Danish facilitation of Greenlandic-Chinese diplomatic relations are undermined by Danish political rhetoric and by more or less subtle efforts to deflect Chinese inclinations when they appear critical. So in this process towards independence, a demand for more Greenlandic control with external relations is frequently articulated. To escape from this Greenlandic/Danish/Chinese diplomatic Bermuda Triangle, Naalakkersuisut has claimed that Greenland getting in the driver's seat will "reduce any possible signal confusion considerably" (Naalakkersuisut, 2014: 26). Hence, a recent coalition government programme envisions a Greenlandic representation in Beijing (Siumut et al., 2018: 22).

Nevertheless, right after taking up her position in the new government, the minister for foreign affairs, Vivian Motzfeldt (S), 'liked' a Facebook-campaign supporting a Tibetan political prisoner – but soon deleted the post, possibly to 'reduce signal confusion' (Christiansen, 2018). However, even if the politicians manage to avoid their own lapses into postcolonial solidarity, civil society voices might insist on this casting. When the Chinese ambassador to Denmark took part in the opening reception of a Chinese film festival in the *Katuaq* cultural house in Nuuk, the Greenlandic deputy minister for foreign affairs and the head of protocol found themselves busy trying to persuade a protester wearing a Tibetan flag to leave the premises (Ritzau, 2018).

In sum, the Government of Greenland presents direct relations to Beijing as a way of setting Danish Orientalist fears of yellow waves of Chinese influence aside. Dominant Greenlandic narratives insist that if China is selflessly willing to fulfil our desires and support us on our way towards independence, Danish foot-dragging and outright sabotage should not hold us back. However, to Greenlandic politicians, it seems, direct relations will also make it possible for Greenlanders to decide for themselves – without the filter of Danish prejudice – *if* China's motives are credibly selfless or at least compatible with Greenlandic interests or, if contrary, then still manageable. However, the more relations between Beijing and Nuuk are direct, the more ever-resurfacing anti-colonial narratives identifying Greenland with Tibet will be a challenge to the nascent Greenlandic diplomatic corps.

## Conclusion

For a couple of decades, Greenlandic actors have been imagining China and Chinese actors to take up a number of distinct roles in relation to the two basic narratives of Greenlandic identity discourse; the decline of tradition and the resurrection of the Greenlandic nation in the form of a modern welfare state. Most of the Chinese casting in relation to Greenland have, however, been shaped by tropes known from classic Orientalism, 'Arctic Orientalism' or Western prejudice about China of similar imperialist origin. The Puisi business adventure of the late 1990ies promised – by way of Chinese consumer markets and cheap labour – to be a panacea: putting an end to the decline of hunting as a way of living and as an income generating trade, while simultaneously securing public revenue; however, at the price of removing the 'Greenlandic' taste from the product. Later castings of China have been related more exclusively to a version of the modernization narrative according to which diversifying dependency relations (beyond Copenhagen) is one way of moving Greenlandic identity beyond coloniality. In this, China is casted to play central roles as recogniser of independent Greenlandic subjectivity and driver of its economy, crucial for the process towards a more autonomous Greenland. Orientalist concerns with yellow waves seem systematically to be side-tracked by

equally Orientalist visions of Chinese passively waiting to provide for Greenland's needs in terms of investments, markets, and cheap labour. Increasingly, Greenlandic politicians envision direct relations – diplomatic and commercial – not just as a way to side-track Danish prejudice towards China, but also as a way to independently adjudicate Chinese intentions; to see if any of the Orientalist tropes holds true: Do Chinese labour, capital and consumers really selflessly wait to fulfil Greenlandic desires? Does China equal a tide that Greenland can only stem with Danish support? Or do 'Chinese relations' involve a lot of things in between; nuances that can only be known, manoeuvred and exploited, first hand?!

Meanwhile, first-hand experience is starting to pile up, complicating both Orientalist fantasies and visions of unmediated relations. The dreams of cheap labour have taken an unforeseen twist since Chinese workers are now employed to work in fishing factories – rather than with establishing mines – in effect recirculating 'Arctic Orientalist' notions of the lazy, child-like Eskimo unfit for modernity. With direct relations comes the responsibility for prioritizing anti-colonial solidarity – e.g., with Tibet – against one's own ambitions, and for protecting the right to civil society dissent from the official position. Moreover, it seems that the closer Chinese direct investment and physical presence in Greenland appears to be materializing, the more intent Denmark and the U.S. is to give Greenland offers so favourable, that they can hardly be resisted. With three foreign powers willing to chip in, what keeps Greenland from expanding its range of airports is primarily internal disagreement over location and priorities. Actually, conducting diversified dependence might be a lot more challenging than striving for it.

## Notes

1. The authors are grateful for comments on earlier versions of this paper from two anonymous reviewers for *Arctic Yearbook*, participants in an *Arctic Politics* WIP-seminar co-convened by University of Copenhagen and Aalborg University, as well as on oral presentations of partial analyses at the workshop on 'China-Arctic resources transfers' at Aalborg University, 25-26 January 2018. Axel Erikson assisted in polishing the manuscript.
2. If there is a pattern to what Greenlandic politicians prefer what ways to cast China, it seems to be whether his or her party is currently in or out of government, rather than party affiliation as such. However, it happens that all the politicians quoted represent one of the two main contenders, Social Democratic *Siumut* (S) and Socialist *Inuit Ataqatigiit* (IA). Most of the quotes referenced in this chapter are originally in Danish or Greenlandic. The authors are responsible for the translations from Danish to English.
3. Hence, this article does not attempt to gauge what neither 'regular people' nor decision makers *really* think about China. Private opinions – polled or held by key persons – may, of course, matter to political decision making and strategies. However, decisions and strategies need to be legitimized domestically, and the yardsticks applied are those available in discourse (Wæver, 2002; Hansen, 2006). Moreover, public discourses are what is available to outside actors, when they have to judge the conditions for intervention and interaction (unless they have intelligence to supplement).

4. Of course, nothing in this article should be taken to bear witness on what China or Chinese actors actually do, could do or want to do in Greenland. Until recently, only very few Chinese people or projects have materialized in Greenland. Indeed, a recurring media trope is how ‘Now, the first Chinese has arrived’. (Enkineserinuuk, 2014; Nyvold, 2012; 2017; DR, 2013).
5. For more detailed presentations of (varieties of) the analytical strategy employed and its theoretical bases, cf. Jacobsen (2015); Gad (2005; 2010; 2016).
6. In the spectrum of political parties, marginal voices have separate castings for Denmark: On the one hand, a few insist that Greenland can only progress with Denmark, and a few more suggest that as long as Denmark supports Greenland, Denmark should also be allowed to benefit from the relation. On the other hand, some interpret all Danish intervention as part of a scheme to keep Greenland under control. However, both the mainstream and these marginal voices combine – in each their way – the two basic narratives of decline and modernization.
7. Sejersen (2013) discusses how a Danish ‘double orientalism’ – involving Greenlandic and Chinese Others – opens a transformative space for Greenlandic representatives to reinterpret Greenlandic identity and its relations to Denmark.
8. This section builds on an analysis, first published in Graugaard (2019).
9. This section is an expanded and updated version of a discussion in Jacobsen & Gad (2018).
10. Full disclosure: One of the authors of this article (Gad) briefly handled the case as head of office in the Government of Greenland Department of Foreign Affairs.
11. This section and the following draws on the analyses in Lave & Holgersen (2014, Chapters 5.1, 5.2 & 6.a) and Schriver (2013, Chapter 5.3).
12. Sejersen (2013) finds, analyzing the interview in total, that the Greenlandic prime minister by making a mockery of Danish Orientalist prejudices about China in effect repositions Greenland in a less colonial relation to Denmark. One aspect of this mockery is his tongue-in-cheek racial or cultural identification between Greenlanders and Asians – a tendency which seems to be catching on more seriously with some radical proponents for independence, however, hardly making it to print (cf. Gad, 2018).
13. Foley, in a parallel analysis, concludes that much of the Danish debates should be read as Danish domestic politics (2018: 106-8).
14. Even if projects are still alive (cf., i.e., Jacobsen (2019a) on the zinc project in Citronen Fjord; Bjørst (2016) on the Kuannersuit RRE/uranium project in Narsaq) shifting positions from frontrunner to fallback depending on global raw material prices and – less understood – Chinese priorities (Anderson et al., this issue).
15. The discussion part of this section updates and expands on observations and points first made in Jacobsen & Gad (2018); Jacobsen (2019a) and (2019b).

16. Among the Chinese guests attending the official opening, visiting Greenland as part of a tourist group, a China-critical blogger identified senior military officials involved in tech companies spun off military projects (Lulu, 2017). On the general expansion of the number of thoroughly legit Chinese tourists, cf. Bislev et al. in this volume. The printed material, to which we limit our analysis, does not include castings specifically of Chinese tourists.

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# When Will the Iceberg Melt? Narrating the Arctic Among Chinese and Danish Tourists Aboard a Cruise Ship in Greenland

Ane Bislev & Karina Smed

*The exponential growth in Chinese outbound tourism and the increased sophistication and diversification of Chinese tourist preferences have meant that Chinese tourists have become an interesting resource for destinations around the globe including of course Arctic destinations. The pristine Arctic nature is likewise seen as a valuable resource by the experienced Chinese tourists. This growth has led to an ever-increasing interest in the Chinese market from actors in the tourism industry, policy-makers and the media around the world. Even though the number of studies on Chinese tourism is growing, there is still a lack of in-depth, qualitative research on Chinese tourism especially in destinations like the Arctic. This paper will provide a cultural analysis of a nine-day cruise in Greenland aboard a Scandinavian cruise ship with a mixed passenger group consisting of primarily Danish and Chinese tourists. The focus will be on the co-construction of Greenland as an Arctic destination through different narratives by both the travel agency, the tourists and the tour guides. The narratives will be explored in order to provide a nuanced understanding of the Arctic experiences of these Danish and Chinese tourists, thereby adding a perspective on the Arctic that will give insight into the unexplored potential of the Arctic as a resource to Chinese tourists and Chinese tourists as a resource to Arctic communities.*

## Introduction: Welcome to Greenland

Late one evening in August 2017, we<sup>1</sup> landed in Kangerlussuaq Airport accompanied by 200 Chinese and Danish tourists. We were headed for a cruise ship waiting for our group just off the coast about ten kilometers from the airport. On leaving the terminal, we were met by guides from our Scandinavia-based travel agency<sup>2</sup> guiding us towards the waiting coaches. Most of the group had been on a whirlwind tour of Iceland earlier the same day; everyone was tired and looked forward to reaching the cruise ship. However, several ordeals awaited us – some planned, some unplanned – all of them adding to the construction of Greenland as a remote, exotic and challenging destination. All the busses were rather old, looking nothing like the regular tourist coaches you would meet at other destinations. We chose one, trying to find one of the less dilapidated looking, and after every seat was filled, the slow ride on bumpy roads towards the

fjord started. The Danish guide boarded the bus with us and began telling us of the mandatory safety briefings on Arctic cruising we had to go through. The first briefing would be on the jetty before boarding the zodiacs taking us to the cruise ship. The second would take place aboard the cruise ship, before we would finally be allowed to eat a late dinner and go to bed. It would be past midnight by then, but still relatively light due to the high latitude. A few kilometers out of the airport, the bus had to climb a steep hill – and stalled. The driver could not get the bus started again. After a few futile attempts, the guide again took the microphone and said: ‘Welcome to Greenland!’

This narrative of Greenland as an exotic, challenging place and consequently of us, the cruise passengers, as intrepid explorers rather than common tourists, was one of the many narratives of Greenland and the Arctic emerging from the interplay between the guides, the tourists, and the local communities on this 9-day trip along the west coast of Greenland. This article will explore such narratives in order to understand the construction of Greenland as an Arctic destination. The linkage between tourist imaginaries and itinerary was of special interest on this cruise as the passengers mainly consisted of two distinct groups: Danish and Chinese tourists. This meant that the pre-trip imaginaries and the knowledge of Greenland was widely different in the two groups, which complicated the process of constructing our shared Arctic experience in the ‘short-lived society’ (Foster, 1998) aboard the cruise ship. However, understanding this experience is extremely valuable in interpreting Arctic tourism from a resource perspective, as the narratives emerging aboard the cruise ship materializes in the intersection between tourist expectations, industry preferences and finally the actual destination: Greenland. Identifying and analyzing these narratives therefore allows us to understand how the Arctic is perceived as a resource for the Chinese and Danish tourists and how challenging it can be to tap into the potential new and expanding resource for the Arctic tourism industry: The boom in Chinese tourism. Chinese outbound tourism doubled between 2011 and 2016, with more than 128 million travelling abroad for private purposes in 2016 (National Bureau of Statistics, 2017). While Greenland as yet receives a very minor share of this growth and the yearly number of Chinese tourists is counted in hundreds, not thousands<sup>3</sup>, Iceland has seen a growth of 660 percent in visitors from China between 2011 and 2016, receiving almost 67 thousand Chinese visitors in 2016 (China Daily, 2016).

This paper therefore explores the following research questions: Which narratives of the Arctic can be identified among Danish and Chinese cruise tourists to Greenland? What are the underlying structures of these narratives? And how can they contribute to new insights and understandings of the Arctic in the minds of these particular tourists? The article will begin by a short introduction to our research setting and methods followed by a discussion of cruise tourism and Arctic tourism as a backdrop to the narrative analysis. This analysis will be organized around two nodes: *Natural places and spaces* and *Cultural spaces and places*. We do, however, emphasize that especially in the case of Arctic tourism, nature and culture are impossible to separate, and that the narratives are therefore often intertwined. In order to speak of a narrative, it also needs to be emphasized that in this paper we work with what one might call grand narratives or master narratives (Lyotard, 1984), which is also a metanarrative that directs attention to the story behind or about a story - the narrative (Stephens & McCallum, 1998). In this context, this means that the knowledge and experience of the Arctic that the tourists onboard this cruise ship already carries with them is the foundation that we, the

researchers, are aiming to reveal and understand. The aim is then to understand how this pre-knowledge and pre-experience play into new experiences and understandings, and how these shape and re-shape the varying constructions of the Arctic in the minds of the tourists. Addressing the research questions above allows the researchers to explore narratives that points towards pre-understandings as well as the modifications the narratives undergo during the cruise, thereby providing new insights into the co-construction of narratives and the context in which they are created.

## Method – On Conversations and Seasickness

### *The Setting*

The cruise was arranged by a Scandinavia-based travel agency specializing in guided group tours, often in relatively exotic destinations, for the mid to upscale market segments. This was not stated as such in sales materials, but based on price-level, conversations with the travel agent, tour guides and passengers themselves, it is safe to say that this was the target audience which also constituted the majority of the passengers. The cruise ship was relatively small. It was a converted freight ship, equipped to deal with ice and harsh Arctic weather conditions. The maximum number of passengers was just above 200. While the expedition leader and the tour guides (nine in total) were all Danes, except for one Greenlandic and one Chinese tour leader, the rest of the staff was international. The Captain was Finnish; the chef was French, the hotel manager German, the service staff a mixture of Filipino and eastern European, while the majority of the crew was Filipino. The staff would sometimes switch tasks, the crew doubling as waiters, the Latin American doctor operating the reception, the tour guides staffing the small onboard store and the captain piloting one of the zodiacs.

While the staff was international, the cruise guests were quite homogenous. The passengers consisted of around 150 Danish and 50 Chinese guests. On the basis of our conversations with passengers, confirmation from tour guides and expedition leaders, as well as general observation on-board, the majority of the Danish tourists belonged to the so-called ‘grey gold’ segment, and were well into their sixties and seventies. The Chinese group was significantly younger, as most of them were in their forties and fifties, and several of them brought kids. The youngest Chinese boy celebrated his ninth birthday on the ship, while there were no Danish children at all. We had been informed by the travel agency before the trip that the Chinese tourists all had a common connection to a Chinese travel writer, who had collected the group and was supposed to act as their tour leader. Some of them had travelled together before and were connected to a hiking club at one of the major universities in Beijing while others were friends or acquaintances of the Chinese travel writer. They all belonged to the upper middle class<sup>4</sup> segment and were professionals: academics, dentists, lawyers and the like. They had even brought a ‘teacher’ to activate the children on board the ship, which had no facilities for children and where the Wi-Fi-connection was expensive and unreliable. The Danes were also middle class, but spanned from lower to upper middle class, including nurses, farmers, elementary school teachers, tradespersons, business people, and a surprisingly large number of doctors, which became clear during our conversations and interviews.

## The Research

We had been allowed aboard this cruise by the Scandinavian travel agency, broadly speaking to explore cultural encounters between the two different groups of passengers as well as between the cruise passengers and the local communities. Our trip was funded by our home university. Whereas the Chinese group leader had been asked for permission to let us join her group, the Danish tourists did not know beforehand that we would be on board the ship. For the first few days we simply introduced ourselves to the people we talked to, and described the purpose of our research, but after a couple of days, we introduced our research project and ourselves formally during one of the many information meetings.

Besides information meetings, there were also several lectures on topics related to Greenland and the Arctic. These lectures were given by the tour leaders, who all had years of experience in Greenland. Identical lectures were often given to both Danish and Chinese tourists, with a Chinese translation of the Danish lecture. This meant that the Chinese tourists had to sit in on long expositions on the presence of the Norsemen in Greenland a thousand years ago, designed to interest the Danish tourists as this spoke to Denmark's historical relationship with Greenland. However, the lectures never included an introduction to the current relationship between Denmark and Greenland, since this is already understood by the Danish tourists and was never addressed explicitly to the Chinese audience. We participated in as many lectures as possible, trying to catch both the Chinese and the Danish version of each individual lecture.

Meals were also partly separate. Breakfast and lunch was served in the main restaurant, and was shared by all passengers, while dinner was served in two locations so that the Chinese guests had the option of dining in a separate dining room. About half of them preferred to dine in the main restaurant with the rest of the passengers. During daytime activities, we alternately followed the Danish or the Chinese groups, sometimes together and sometimes splitting up. We had all our meals with the Danish guests to allow the Chinese group some privacy.

We were conscious of the delicate balance between our role as researchers and the consequent need to gain an in-depth understanding of the dynamics aboard the ship and the concurrent need to avoid making the rest of the guests feel uncomfortable through constant scrutiny. Our method can therefore best be described as 'conversational fieldwork' combined with participant observation. We took copious handwritten notes during briefings and during the semiformal interviews that we did with the guides, the expedition leader and a few of the tourists who themselves expressed a wish to participate in formal interviews. We did not use a recording device, and we did not take notes during the many informal conversations that form the main body of our 'data'. Our written records of these conversations were created in the evening or in stolen breaks during the day. Being two researchers helped in this very informal and unstructured setting, since we could compare impressions and interpretations of what went on during the day. Our cautious and qualitative approach also means that we have few verbatim quotes from the tourists, as our notes would always be written down based on our recollection in the breaks between activities and not transcribed from recordings. This also leads to an ideographic approach, focusing on unique cases rather than attempting to quantify our data or analyze the frequency with which certain concepts and ideas occur in the material.



Apart from these notes from conversations and written records of observations, our material consists of the written material collected before and during the trip and huge numbers of photographs. Many of them of icebergs and of stretches of the ocean where a whale had just disappeared, but most of them of tourists engaging in touristic pursuits: sightseeing, hiking, photographing, dining, and being briefed during information meetings. We were after all tourists ourselves, so we experienced much of what they did, being just as fascinated by the Arctic scenery as our co-passengers aboard the ship, feeling seasick after a rough sail during the night and listening to the call for the ship's doctor over the speaker system when other passengers were also trying to recover in the morning and at the same time realizing that neither of us were up to interviewing anybody that day. In addition, we took photos of the daily program written on a whiteboard in the central lobby of the ship, which served as a fix-point for all the tourists.

### **Cruise Tourism – Shared Liminal Spaces**

Both cruise tourism and Chinese tourism are growing industries. Cruise tourism has long been popular as the ultimate self-indulgence, the place where you can leave your humdrum everyday life behind and re-invent a holiday version of yourself. Wang (2000a) argues that this re-invention is the major reason for the popularity of tourism spaces; what tourists seek is not just enjoyment and new experiences but a contrast to everyday life. Foster (1988) points out that the difference does not have to be immediately apparent as over-indulgence, but can also simply consist of leaving behind status markers and daily responsibilities. Thus, going on a cruise becomes a liminal experience, leaving normalcy behind and expanding the boundaries of your existence, not only in terms of onboard behavior which may be radically different from everyday life, and includes a large degree of self-indulgence, but also in terms of expanding your physical horizon, especially in the case of cruising in the Arctic, where the open and dramatic Arctic seascapes are radically different from the physical reality of the home countries of most cruise passengers. The cruise ship in itself becomes an important shared space where a small-scale short-lived society emerges among the cruisers under the competent and deliberate guidance of the cruise staff (Yarnal & Kersetter, 2005; Foster, 1988). While cruising has been a popular holiday form in the West for many years, cruise lines are now trying to enter the potentially lucrative Chinese market by adapting the ships and itineraries to Chinese preferences. This entails targeting cruises to families not retirees, providing shorter cruises matching the very limited vacation time in China, and stressing shopping and shows over spas and fitness onboard the ships (Mondou & Taunay, 2012).

Small cruise ships provide a very different setting from the mega ships carrying several thousand passengers and limit-less offerings in terms of entertainment and food. Smaller cruises tend to be branded as 'adventure cruising' or 'expeditions' or in the case of our concrete cruise as a 'luxury cruise' thereby indicating that the very smallness of the ship in fact signals exclusivity and quality thus distinguishing this cruise from 'normal' cruises. In a study of typical American cruise passengers' motivations for joining a cruise, R. V. Jones found that mental and physical relaxation was the primary motivation for cruising, whereas experiencing new places and encountering new cultures was not a priority (Jones, 2011). His study describes the typical cruise, where the ship itself and the onboard activities turn into the main attraction. In our case, where the destination was very remote and therefore rather expensive, the situation was quite different.

For the cruise passengers on this particular cruise, the primary motive was indeed experiencing the Arctic destination rather than cruising as an end in itself.

## **Arctic Tourism – Co-Constructed Places**

The Arctic has become the object of increasing attention for tourism within the last couple of decades, which has increased academic as well as industry interests in the Arctic. This means that different perceptions of the Arctic are coming into play, both in terms of the perceptions being brought into the Arctic, e.g. when tourists are visiting, but also when bringing perceptions ‘out’ of the Arctic to live and breathe in the rest of the world. It has therefore become a focal point for this article to understand how narratives within Arctic tourism are constructed and brought to life. It will be useful to address existing knowledge of Arctic tourism and tourists to the Arctic as a platform for understanding existing narratives and in order to expand scholarly knowledge of fluctuating narratives that directly affect visiting tourists and the destinations they visit, and may indirectly inform larger debates about for instance China’s engagement in the Arctic or the consequences of climate change.

The Arctic as a tourist destination represents quite a distinct understanding in existing studies. Not surprisingly, the Arctic is primarily defined by its natural landscape, which is often narrated as untamed, remote and isolated wilderness (Hall & Johnston, 1995; Hall & Saarinen, 2010; Lemelin et al., 2012; Maher et al., 2011; Müller et al., 2013; Olwig & Lowenthal, 2006; Snyder & Stonehouse, 2007). It is also well-established that tourists come to Arctic destinations to experience this unique natural landscape, often conceptualized as a last frontier (Müller & Jansson, 2007), because the Arctic is one of the last places on earth where you can hope to experience what appears and has been narrated as untouched and unreachable nature (Lee et al., 2017; Saarinen, 2005).

This draws lines back to Arctic explorers and the idea of Arctic tourism as an expedition-like experience that has become possible for contemporary tourists (Lee et al., 2017). It seems that today’s Arctic travelers may be looking for contrasts to balance out the hectic, modern lives at home, and they are expecting Arctic destinations to provide such simplicity. Tourists seek contrasts to their everyday lives and try to establish an understanding of their authentic selves through the other (e.g., MacCannell, 1976; Wang, 2000), places as well as people. Hence, the Arctic is perceived as a chance to obtain such motivational goals, particularly because many popular destinations suffer from over-tourism and wealthier and more adventurous tourists therefore look for new places to visit.

While the primary motivation and attraction for tourism to the Arctic may appear to be nature, it entails a clear linkage to perceptions of a lifestyle very different to hectic, modern city life. This also means that a preunderstanding of what Arctic communities are becomes part of the narrative that is constructed and constantly negotiated by tourists while visiting the Arctic, but also upon return to their everyday lives. This understanding of the Arctic is constructed through the eyes of tourists relying largely on their preunderstandings and operators trying to facilitate the best possible experience for their visitors, which entails matching the actual experience to preexisting notions of what the Arctic has to offer. These narratives of the Arctic might originate in Arctic tourism, but can generate ideas that may supersede a tourism context. Subsequently, this could have wider consequences for development in Arctic communities.

These narratives may foster ideas of a community in need of development and modernization based on the strong, popular narratives of the Arctic rather than understandings of independent, modern, global communities in their own right.

## Narrating the Arctic

The opening narrative welcoming cruise passengers to Greenland carries undertones of the places and spaces that these tourists are about to experience. This narrative was one out of several identified during the cruise, which were shared and constructed onboard and ashore. Conversations with different actors and observations gave insights into Greenland as a physical and narrated space and place. Greenland is thus situated, mediated and constructed not only as a tourist destination for a growing influx of tourists to the Arctic, but also at a general level as a place of interest and political attention in an increasingly global discussion of resources in the Arctic.

We have chosen two core themes to represent the prevalent narratives emerging from our data: 1) Natural places and spaces 2) Cultural spaces and places. These themes reflect the spectrum of ways in which Greenland was narrated in the context of this study. We understand *space* as a physical reality explored and understood through the tourists' own interaction with the destination, while *place* is understood as "physical spaces that people naturalize through patterns, behaviour and communications" (Campbell, 2018: 23). Accordingly, space and place are closely intertwined and therefore treated as correlated terms in this analysis. Similarly, the close relationship between culture and nature is acknowledged. For analytical purposes, culture is understood in the broadest possible sense as a perceived contrast to nature, i.e. encompassing history, society and everyday life, which plays a role in the narratives at hand. In the following, the identification of these two core themes will be explained and each narrative theme will be elaborated and exemplified. The two themes are considered supportive strategies for constructing Greenland as place and space, not as narrow or limiting categories that are opposed or contradictory. They each zoom in on a particular thematic perspective on Greenland.

## Natural Places and Spaces

Literature on Arctic tourism confirms that nature is the predominant factor in tourists' understanding of the Arctic and their primary motivation to go there (Hall & Johnston, 1995; Hall & Saarinen, 2010; Lemelin et al., 2012; Maher et al. 2011; Müller et al. 2013; Snyder & Stonehouse, 2007). It is important to emphasize that although 'nature' is often treated as a particular category in a tourism context, it is here viewed as a narrative category covering a vast variety of connotations and narrated in many different ways. For example, nature is a collective term relating to other subcategories such as landscape, geography, isolation or physicality. Therefore, nature has to be understood in conjunction with place, linking physical nature to the mediated and narrated space that tourists are immersed in, because of their desire to visit Arctic or Greenlandic nature.

'Nature' is present in many shapes and forms in the narratives surrounding Greenland, and more widely, the Arctic. The Greenlandic nature that the cruise tourists experience is of course in itself a narrated version of Arctic nature pre-selected by the travel agency in constructing the

itinerary. The ship stopped at different sights every day, and the tourists were then taken on guided tours – again a preselected narration of the spaces and places visited. Most tours focused on the cultural sights. We would typically visit a church, a community center or a school, and sometimes museums or a local producer of qiviut, the luxurious wool from the musk ox. Nature would be ever present in the scenery, the weather (which was unexpectedly rainy and cold), and the many questions from the tourists related to the basic challenge of survival in remote areas, but the tours were constructed around such traditional tourist attractions.

The **weather** was a major topic of conversation, as is of course common in unfamiliar, culturally sensitive settings where you need neutral conversation openers. The first two days were blessed by blue skies and sunshine. However, when the weather changed a couple of days later, the mood changed as well. The Danes would sigh, saying “*if only the weather was better*”, especially when the promised barbecue in front of the Equip Glacier was cancelled due to rain and fog. Contrarily, the mood turned nearly triumphant when the sun finally came out on the very evening when we reached the Ilulissat Ice Fjord, one of the promised highlights of the trip. The weather was addressed daily in nautical terms by the expedition leader in his morning greeting, giving wind speeds, atmospheric pressure, wave height and temperatures. A few days into the trip, the staff began posting printed weather forecasts in the reception. Not just any weather forecast: the Danish guests had requested that they post the forecast produced by DMI (the Danish Meteorological Institute). The Chinese guests were much more stoic and had come equipped for the Arctic weather. When we raised the drizzle as a potential conversation opener, the reaction was that, well, this is the Arctic: Of course, it is cold! [北极, 天气当然会很冷].

This plays into the narrative of the Arctic as a remote and challenging place – both through the pre-understandings of the tourists and the technical details given in the daily briefing. While the weather was thus a constant presence, **climate change** was not really a topic of much conversation. Although Greenland has hosted political meetings and events on climate change, this was not a central part of our data. The title of this article carries connotations of climate change, but is really a reference to a question asked by a Chinese tourist glancing at a big iceberg that had run aground just outside a settlement. The context of this question was a desire to understand practical, tangible issues about life in a Greenlandic settlement rather than a political curiosity about climate change, and there were no other signs of this particular topic being at the forefront. This may have been partly due to the expedition leader, who stated explicitly that he ‘did not believe in climate change’ during a lecture and later elaborated on this during an interview, saying that the climate was constantly changing and that as we were headed towards a new ice age, a little global warming might actually be a good thing!

Whereas trips ashore were largely organized around human settlements and cultural themes, nature was a constant presence aboard the ship – represented especially by **whales and icebergs** – two iconic representations of the Arctic. For the first few days of the trip, the captain would announce any sighting of whales over the ship’s loudspeaker system, and tourists and staff alike would flock to the windows trying to get a glimpse of the animals. We had been told during one of the first meetings that we would almost certainly get to see whales, but that they could of course guarantee nothing. A few days into the trip, it was clear that we would see whales to our hearts content. All expectations were fulfilled, even to the extent that we overheard a group of tourists cancelling a whale safari they had booked in Iceland on the trip

back from Greenland. They had seen enough whales! However, the initial cautious half-promise of whale sightings had the double effect of creating an added appreciation of the whales we saw and of strengthening the narrative of the exclusivity and elusiveness of Arctic nature.

Another example of 'nature' being used narratively in quite a literal way is found in the way that icebergs were often the object of conversation, whether used to reinforce a positive experience of something very unique to this part of the world, or as a less fulfilling part of the promised experience. For example, a Danish tourist explained in a conversation over coffee that she had imagined the icebergs to be much more impressive, and she was disappointed that they were not as big as imagined. Nonetheless, the space created here is one in which nature is a frame of reference that is shared in the initiated group of people having encountered icebergs. The disappointed tourist had been warned by her daughter before coming on the trip, that the icebergs might not be as enormous as she expected, as the daughter had actually seen icebergs before and been unimpressed. However, a few days after expressing her disappointment in the icebergs, we had a chance to talk to her again after our visit to the Ice Fjord in Ilulissat. She was now entirely satisfied with the icebergs, which had completely matched her expectations, and she was looking forward to going back home and sharing this with her daughter!

Experiencing nature was often done through the lens of a camera. When the captain announced whale sightings during the first few days; when he sailed daringly close to an Iceberg (creating slightly alarming associations with *Titanic*); when we were anchored just off the Equip glacier, people would flock on deck in silence with their cameras, vying for the best spots. There was a clear hierarchy in the size of the cameras for both the Danish and Chinese tourists. The husbands would normally sport huge cameras with potent lenses, wives more often resorting to mobile phones. Some of the Philippine sailors would join the tourists on deck with small digital cameras, trying to get a picture of the elusive mammals as well. The cruise staff also included a professional photographer. He would take pictures of the sights every day, creating a presentation that would be shown on a small screen in the reception every evening. His pictures were mainly of sights and landscapes, with tourists present primarily as incidental bystanders. These pictures were available for sale on the last day of the cruise, complemented by small videos from a drone he carried and footage from the previous week when the weather had been better. In this way, his narration of an authentic Arctic experience became a combination of the actual experience of the concrete cruise we were on, and then a better, sunnier and more picture-perfect version from the previous cruise.

Arctic nature was thus a major presence on the cruise, as a challenge necessitating flexible schedules and security precautions, but also as the main event of the show. Nature caused awed silences and deep appreciation as well as disappointments over small icebergs, elusive fin whales who would not perform for us like the humpbacks and the rain and drizzle, which made hiking unpleasant, and photography challenging. However, the interpretation and appreciation of nature was very much guided by the tourists' pre-trip imaginaries and reference frameworks. The cold weather was not a problem for the Chinese tourists, who were touring the Arctic, while the Danes who were touring Greenland, a familiar, unfamiliar place found it annoying and disappointing. These different references were also very apparent in the spontaneous reaction of one the Chinese tourists in catching her first glimpse of the amazing Ilulissat Ice Fjord. Walking on the wooden pathway leading from the town of Ilulissat towards the fjord,

deep in conversation about something entirely unrelated, she suddenly looked up and saw the icebergs in the distance and said ‘Oh’ followed by a long silence and then asked: ‘*Have you ever been to Xinjiang?*’ [你去过新疆吗?]. She then showed me pictures from a previous trip to Xinjiang on her phone; to show me how similar the beautiful snow-clad mountains in Xinjiang were to the icebergs in Ilulissat. Xinjiang is a remote Chinese province, which was familiar to this tourist and therefore becomes a point of reference in making sense of the Ilulissat ice fjord in a way that reminiscence familiarity and some level of normalcy, i.e. a reference to home away from home (Wang, 2007). This demonstrates how each tourist has his/her own sense-making schemes, which affect the way the narratives of Greenland and/or the Arctic is constructed and subsequently retold.

## Cultural Spaces and Places

As we have shown above, the narration of Arctic nature was guided by the tourists’ preconceptions. This was doubly so in the case of another grand narrative identified, *cultural spaces and places*. We use culture in a broad sense as a narratively constructed contrast to nature, where culture encompasses history, society and everyday life in Greenland. Many of the ideas revealed through the conversational fieldwork relates directly to Greenland’s colonial past, which was very present among the Danish group of tourists, and became a topic of differentiation to the Chinese group of tourists, whose frames of reference were very different. For the Danes, Greenland was a familiar, unfamiliar space and place. Most of the tourists we talked to, either had been to Greenland before or knew somebody who had lived and worked in Greenland, where Danish teachers, nurses and doctors have historically been a large part of the workforce. They therefore had second hand stories about what life is like in Greenland, as well as Danish media discussions of potential Greenlandic independence, and social problems in Greenland as their frame of reference. The expedition leader, who had worked in Greenland for many years, would always use the old, colonial, Danish names when referring to locations in Greenland. For the elderly Danes aboard the ship, this made perfect sense, as these would have been the names they were familiar with from schoolbooks, but for the younger Danish and Greenlandic tour guides, this was a constant source of annoyance and somewhat of an embarrassment. It sometimes created amusing misunderstandings, as when the Chinese tour leader compared the written program (using the Greenlandic names) with the expedition leader’s presentation (using the colonial names) and announced that we would apparently be visiting two towns today: Both Ilulissat and Jacob’s Harbor (the old Danish name for Ilulissat)!

This misunderstanding illustrates the wide gap between Chinese and Danish references for making sense of Greenland in the light of **history** and varying levels of knowledge and understanding. The Chinese tourists knew relatively little about Greenland before the cruise and therefore used other frameworks to interpret Greenland’s colonial past. For instance, when discussing the current relationship between Denmark and Greenland and the separatist movement in Greenland with us, the researchers, the Chinese guests would sometimes refer to the current relationship between China and Tibet, and the perceived ingratitude of Tibetans, who did not appreciate the development and civilization that China brings to Tibet! On another occasion, while discussing Greenland’s colonial past, some of the Chinese tourists afterwards referred to China’s own past as a semi-colonial nation, and expressed their understanding of

the painful position of contemporary Greenland in relation to the former colonial power, Denmark.

Similarly, **society and everyday life** is often addressed through somewhat simplistic views of Greenlandic ways of life. For example, a visit to an orphanage arranged by the travel agency was somewhat troubling to us as researchers, because of the seeming intrusion into the lives of children that had most likely suffered from various types of hardships in their lives. The silence among the tourists at large in the subsequent conversations gave us a cue that either it was too taboo-ridden and sensitive to talk about what may have happened to these children, or there were underlying assumptions at play, which could indicate that this was self-explanatory and that there was no reason to address this sensitive matter. The latter would mean that explanations would most likely be different for each tourist due to the different frames of reference already mentioned, and thereby not at all self-explanatory. This would also be a harsh contrast to the neutrality of weather as a conversational topic, but nonetheless, the activities of these children – playing music and singing to uphold their Greenlandic roots – were somewhat less intimidating, and the fact that these children were performing for tourists was seen as a more positive encounter, promising a better future for these children.

The Chinese tourists were often much more direct in asking questions about **daily life** in remote settlements, probably because their understanding of Greenlandic society was not troubled by colonial reminiscence and pre-understandings of harsh social conditions. For example, Chinese tourists visiting a settlement were very eager to know how a local man had found a wife – considering that this was an isolated settlement of around 20 people. This contributes to the idea of a space and place with significant social challenges to overcome, if what is considered normal life in most civilized societies is to be upheld. Thus culture as space and place is very much attached to ideas of living in a Greenlandic social space constrained by nature, while contributing to a construction of what type of place Greenland is, and how its characteristics as a space puts a heavy stamp on the place that is accessed and understood.

## Conclusion

The question in the title of this article "*When will the iceberg melt?*" was chosen as representative of the encounters between the fact-seeking, knowledge hungry tourists and local Greenlandic communities. The stranded iceberg provided a nice backdrop for the many photographs taken on the beach where the inhabitants served coffee and cake and attempted to sell their locally produced goods. The question was never answered, and although the tourist probably viewed the iceberg as something unique and spectacular, worthy of attention, it was a mundane object to our guide who of course also knew that the melting of an iceberg is not a process easily defined, as icebergs will break apart and drift away rather than melt slowly in the same place like a giant ice cube.

Similarly, we found that the narratives used to make sense of the touristic experiences of the trip was constructed based on the different pre-trip imaginaries of the tourists. Basically, the Danish tourists were visiting Greenland, a familiar, unfamiliar space and place, while the Chinese tourists were touring the Arctic. Understanding these different narratives and their sources are extremely important in discussing Chinese tourism as a resource to Greenland and in understanding why Arctic nature is perceived as a resource to the busy Chinese tourists

escaping from polluted and crowded mega-cities in China. If the tourism industry as well as tourism scholars are to understand the attraction value as well as motivational factors of these tourists, it becomes crucial to explore underlying perceptions, which surface through narratives like these.

The exploration of the narrative themes has shown that there are various dimensions playing central roles in the construction of Greenland, namely related to natural places and spaces as well as cultural spaces and places. The different narratives encountered on this cruise were interconnected and covered many different aspects of the construction of an understanding of Greenland/The Arctic. The narratives we have chosen to highlight in this article are quite literally only the tip of the iceberg, but still provide an important insight into how Greenland is understood by tourists from widely different backgrounds. Although the context of tourism puts a particular frame around the experience for these tourists as well as our research, the wider consequences of these impressions may reach beyond the scope of tourism. The narratives that are negotiated and constructed through these touristic experiences are not simply constructed as tourism narratives and separated from a general understanding of what Greenland and the Arctic is, but may very well spill over into other more general discussions. Therefore, these narratives are not just innocent stories of tourist perceptions, but can become quite significant in a wider context of global understanding of Arctic places and spaces.

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## Notes

1. 'We' are two Danish researchers from Aalborg University. A tourism researcher with an interest in Arctic tourism and previous experience in Greenland and China scholar with Chinese language skills but no previous experience of Greenland.
2. In order to protect the anonymity of our respondents, the travel agency will remain anonymous in this paper.
3. According to Visit Greenland there was a growth of 43% in the number of Chinese passengers leaving Greenland by air between 2016 and 2017. With 1426 Chinese visitors



in 2017, Greenland now receives more travelers from China than from Norway or Sweden. (*Visit Greenland*, private communication).

4. The definition of the middle class in China remains elusive as it is largely based on self-identification and life-style rather than objective indicators of income etc., which are difficult to use in a society with a very high degree of inequality in terms of both income and cost of living (see for instance Goodman (2014) or Zhang (2017)). We base our identification of this particular group as upper middle class on their affiliation with one of the major universities in China placing them in the intellectual elite, as well as their ability to afford not only this particular rather expensive cruise, but also previous tours to remote and expensive destinations.

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# **China is in the Arctic to Stay as a Great Power: How China's Increasingly Confident, Proactive and Sophisticated Arctic Diplomacy Plays into Kingdom of Denmark Tensions**

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*As demonstrated by China's first and long-awaited Arctic Policy White Paper released in January 2018, the Arctic is assigned increasing strategic importance in Beijing. The central priority behind China's intensified diplomatic and economic activities in the region is to establish strong and comprehensive relationships with all the Arctic states and stakeholders and gradually increase China's presence and influence in Arctic multilateral institutions. This is the context in which to analyze recent developments in the Chinese approach to the Kingdom of Denmark constellation and, more specifically, in the Chinese engagement in Greenland. The article contextualizes and examines the increasingly confident, proactive and sophisticated Chinese diplomacy in the Arctic with a focus on exploring how Greenland fits into this. The main argument is that there is more to China's growing interests and activities in Greenland than ensuring Chinese access to potential Greenlandic resources. Rather, the main driving force is Beijing's long-term aim to ensure great power influence in the Arctic. The article further explores the complex triangular relations between Beijing, Nuuk, and Copenhagen with Washington on the side underlining how further developments in relations between Nuuk and Copenhagen, on the one hand, will be influenced by "the China factor" but also, on the other hand, will set the parameters for how China's role in Greenland further develops.*

## **Introduction: China Enters the Kingdom of Denmark**

The opening up of the Arctic and the growing presence and involvement of non-Arctic states as well as the evolving role and ambition of Greenland itself as a foreign policy actor is challenging and gradually changing the internal dynamics of the Kingdom of Denmark. Nowhere are these complex and interlinked developments more clearly in play than in relation to the question of China's interests and activities in Greenland. There are different, and increasingly conflicting, assessments developing in Greenland and Denmark of promises and

risks associated with large Chinese investments – and a growing Chinese presence – in Greenland. While Greenlandic politicians are keen to attract Chinese investments and companies, especially within the sectors of resource and energy as well as infrastructure, there is growing skepticism in Copenhagen (Sørensen, 2017). This has only come more to the forefront with the intensified Chinese efforts since 2017 to establish a research station and a satellite receiver station in Greenland as well as with the potential involvement of the Chinese state-owned construction company, China Communication Construction Company Ltd., in the construction of airports in Greenland (e.g. Breum, 2018b; Sørensen, 2018). Washington is closely following how China – increasingly assessed in the U.S. as its biggest great power rival – seeks to intensify its presence in Greenland. This was underlined in May 2018, when the Danish Minister of Defense, Claus Hjort Frederiksen, following a meeting with the U.S. Secretary of Defense, Jim Mattis, stressed that Washington would rather not see Chinese involvement in the construction of airports in Greenland, because it could be the first step in establishing a Chinese military presence on the island (e.g. JP, 2018). The U.S. is Denmark's closest strategic ally with longstanding security interests and military presence in Greenland, e.g. at the Thule Air Base (*Pituffik*) in Northwestern Greenland (Olesen, 2017: 70-73).

China's advancement in the Arctic, including in Greenland, will continue in the years to come. In order to counter misunderstandings and overreactions in both Copenhagen and Washington and to promote a more united Kingdom of Denmark response, a thorough analysis of the development in how China assesses and approaches the Arctic is required. This article therefore sets out to contextualize and examine the increasingly confident, proactive and sophisticated Chinese diplomacy in the Arctic with a focus on exploring how Greenland fits into this. The main argument is that there is more to China's growing interests and activities in Greenland than ensuring Chinese access to potential Greenlandic resources. Rather, the main driving force is Beijing's long-term aim to ensure great power influence in the Arctic, where the central Chinese priority is to establish strong and comprehensive relationships with *all* the Arctic states and stakeholders.

This article presents its analysis in three steps. The first section situates China's recently released Arctic Policy White Paper in the wider context of an increasingly assertive and ambitious Chinese great power diplomacy further discussing how to expect Chinese interests and activities in the Arctic, specifically in Greenland, to evolve. The second section takes a closer look at how "the China factor" plays into ongoing developments and negotiations between Nuuk and Copenhagen. This section further scrutinizes the Danish and Greenlandic assessments of – and reactions to – the increasingly confident, proactive and sophisticated Chinese diplomacy in the Arctic and specifically to the growing Chinese interests and activities in Greenland. The third and last section puts the parts together and concludes with some reflections on how to approach the complex triangular relations underlining how further developments in relations between Nuuk and Copenhagen, on the one hand, will be influenced by "the China factor" but also, on the other hand, will set the parameters for how China's role in Greenland further develop.

In terms of theory and analytical approach, the analysis draws on realist foreign policy analysis, so-called "neoclassical realism" (Rose, 1998). It combines the neorealist emphasis on how the structure of the international system, i.e. the distribution of relative power capabilities among the great powers, sets the overall room of manoeuvre for states' foreign policy, with the classical

realist emphasis on the importance of specific domestic circumstances and considerations, e.g. individual state leaders, certain domestic power constellations, economic priorities and needs. The key point is that states confront different systemic opportunities and constraints depending on their relative power capabilities and geostrategic position, which goes a long way in explaining differences and developments in their foreign policies. However, in order to further specify *how* and *why* states deal and react as they do within the systemically derived overall rooms of manoeuvre, the “black box” of the state is opened and domestic drivers and constraints are included.

## China’s Great Power Ambitions Extending to the Arctic

In late January 2018, China released its first and long-awaited *Arctic Policy White Paper* (State Council, 2018). It represents the culmination thus far of the development of an increasingly confident, proactive and sophisticated Chinese diplomacy in the region in line with how China on the international scene appears as a more and more assertive and ambitious great power.

### *The Development of and Drivers behind an Assertive Chinese Foreign Policy*

President Xi Jinping has recently put forward the concept of a “new era” for China as a great power (Xi, 2017). This clearly marks the official end of Deng Xiaoping’s “keeping a low profile” guideline (e.g., Sørensen, 2015). The “new era” is primarily the result of the impressive growth in China’s relative economic and military capabilities since the start of the economic reform process in the late 1970s. China today is quickly narrowing the gap to the U.S., which makes it impossible for Beijing to protect and promote its national interests conducting a “low profile” and predominantly reactive foreign policy.

However, the development of an assertive Chinese foreign policy is also driven by strong domestic concerns and considerations. Especially China’s increasing dependence on imports of energy and resources to keep a high economic growth has been a main factor causing Beijing to enter into economic agreements and strategic partnerships to an unprecedented degree with countries in e.g. Africa. The ongoing restructuring of the Chinese economy, where Chinese-driven innovation and technological development are at the top of the agenda, also drives the expansion of Chinese investments in and acquisition of foreign companies.

Another driver relates to President Xi Jinping himself, who, as an unusually visionary and risk-taking Chinese leader, is more willing than his predecessors to use economic and military tools to demonstrate and secure what Beijing considers legitimate Chinese spheres of interest. With President Xi Jinping, China has begun to present Chinese ideas and solutions on the international stage and to launch new comprehensive foreign policy initiatives. The most ambitious of these is the so-called “Belt and Road Initiative” (BRI), which seeks to position China in the lead of intensified efforts to generate regional and global economic growth and development by funding and establishing large-scale infrastructure projects. In the BRI-context, infrastructure is defined broadly. It is not only high-speed railways, modern roads and ports but also oil and gas pipes, communication networks and cables, scientific and industrial zones as well as cultural and financial links and coordination. Beijing’s overall aim is to enhance overall connectivity, so people, goods, services, information and ideas move faster and better, especially

between China and Europe, and in the process improve and export Chinese industrial base, designs and standards, e.g. within high-speed railways and telecommunication (e.g., Cai, 2017).

### ***The Arctic is of Growing Strategic Importance to Beijing***

The “assertive turn” in Chinese foreign policy is also reflected in the development in China’s Arctic diplomacy, and Beijing increasingly presents itself as an Arctic great power. The Arctic Policy White Paper thus starts out by underlining that China, due to its status, size and proximity to the Arctic, has legitimate interests in the region and therefore should be respected and included as an important stakeholder. Furthermore, it emphasises that the Arctic should not be regarded as a demarcated region. The Chinese main argument is that climate changes in the Arctic have global implications and international impacts, and therefore it is not up to the Arctic states solely to establish the rules and norms for the future development of and access to the region and its resources. Non-Arctic states like China have a role to play and legal rights to engage in Arctic research, navigation, overflight and a series of economic activities such as resource extraction, fishery, cabling and piping. Making this argument, it refers specifically to China’s legal rights as a signatory to the Spitsbergen Treaty and the United Nations Convention on Law of the Sea (UNCLOS) (State Council, 2018).

These are new tones. Previous Chinese official speeches and documents on the Arctic have taken a more modest and reluctant stance and underplayed China’s ambitions in the region. This has played an important role in reducing concerns among the Arctic states leading up to China’s membership of the Arctic Council as an observer state in 2013 (e.g. Brady, 2017: 57). With the Arctic Policy White Paper, it seems that Chinese worries about causing “China threat” fears are no longer so pronounced, which also underlines the growing Chinese confidence and points to how the Arctic has moved up the Chinese leaders’ foreign policy agenda and is assigned increasing strategic importance.

### ***Evolving Chinese Interests and Activities in the Arctic***

What does the Arctic Policy White Paper indicate about the further development in Chinese interests and activities in the Arctic and in particular when it comes to Greenland? In the white paper, Beijing provides assurances to the Arctic states stressing that China will respect their territorial sovereignty and rights as well as international law and regulations. Similarly, the paper contains a series of promises of Chinese contributions to the Arctic in a number of areas, from strengthening scientific research into climate changes over sustainable extraction of resources to the establishment of regulations and institutions to ensure continued stability and security in the region. Throughout, the paper stresses that China guarantees “win-win” cooperation that will benefit all those involved. Especially scientific research is highlighted with strong emphasis on the fact that China will continue to increase its research collaborations, presence and activities in the Arctic, which entails the establishment of additional Chinese research stations and the launch of new Chinese ice-breaking vessels (State Council, 2018).

### ***The Arctic Sea Routes as Part of the “Belt and Road Initiative”***

Scientific research has long been the core element of China’s Arctic diplomacy, and the Arctic Policy White Paper does not add significantly. However, in one related area, Beijing clearly has increased its priority and activities. This concerns the Arctic sea routes and China’s contribution

in the development of these reflecting that Beijing expects the Arctic sea routes to be ready for commercial use sooner than what seems to be the general expectation (Hong, 2018: 7-10). For China, the Arctic sea routes represent an attractive alternative to the longer and strategically vulnerable routes through the Strait of Malacca and the Suez Canal, which the country is dependent on today (Brady, 2017: 62). In June 2017, Beijing officially declared the Arctic sea routes part of the “Belt and Road Initiative” (BRI) and has since then prioritised establishing BRI-cooperation with the Arctic states and stakeholders (NDRC/SOA, 2017). This has now been formalised and further elaborated on in the Arctic Policy White Paper under the heading of “Polar Silk Road”.

#### *Intensified Chinese “Polar Silk Road” Activities*

As mentioned above, the BRI is President Xi Jinping’s most ambitious initiative and therefore it is given high strategic priority in the whole Chinese system to make progress on the realisation of the BRI with new projects and activities. This is also the case in relation to the Arctic after the Arctic sea routes have become part of the BRI. That is, the BRI will in the years to come continue to make its entry in the Arctic led by Chinese state-owned companies and banks accompanied by Chinese high-level diplomatic and scientific delegations. China’s Arctic Policy White Paper has made that clear as it directly encourages Chinese companies to assign priority to the construction of infrastructure linked to the Arctic sea routes and emphasises that China is ready to cooperate with anyone interested in the development of the “Polar Silk Road” (State Council, 2018).

There are several proposals for large-scale Chinese investments and projects in the Arctic. The fact that these are tied to the realisation of the “Polar Silk Road” means that the involved Chinese companies, banks etc. have better chances of obtaining financing, e.g. from the Chinese state-owned investment fund, the Silk Road Fund, and furthermore can largely count on political support. The Chinese have in recent years especially strengthened their dialogue and cooperation with Russia on developing infrastructure related to the Northern Sea Route (NSR), which is central to the large Russian-Chinese natural gas project on the Yamal Peninsula (Sørensen and Klimenko, 2017: 33-35). Furthermore, in relation to Iceland and Finland, China has intensified its dialogue and cooperation within the area of infrastructure, and especially Iceland is trying to promote itself as a logistical hub on the “Polar Silk Road” (Conley, 2018: 8-9). In Finland, preliminary negotiations are currently taking place on the establishment of a 10,500-kilometre cable through the Arctic, which according to plan will be able to secure the fastest data connection between Europe and China as early as in 2020 (SCMP, 2017). Finland and Norway have initiated cooperation on the so-called “Arctic Corridor” – a railway line from Rovaniemi in Finland to Kirkenes in Norway – which is positioned as the possible end station of the “Polar Silk Road” (BT, 2018; Tsuruoka, 2017). Sweden is also experiencing growing Chinese interest e.g. in Lysekil on the west coast, north of Gothenburg, where Chinese companies seek to invest in the expansion of the port as well as in the necessary surrounding infrastructure with roads, railroads and bridges (Olsson, 2017).

#### *Change of Chinese Interests and Activities in Greenland?*

The increasingly confident, proactive and sophisticated Chinese Arctic diplomacy and the growing strategic significance assigned by China to the Arctic region constitute an important context for the analysis of developments in China’s approach to Greenland (Sørensen, 2018). Central to realising China’s ambitions in the Arctic is that China establishes substantial and

extensive relations with *all* the Arctic states and stakeholders including Greenland. The underlying Chinese rational is that if all Arctic stakeholders are tied to China through “win-win” agreements on scientific research, resource extraction, infrastructure development etc., China is better positioned to manage unforeseen developments and future attempts to marginalise China in the region. Such reasoning is behind recent developments in the Chinese approach to the Kingdom of Denmark constellation and, more specifically, in the Chinese engagement in Greenland. It has undoubtedly also been central to China’s decision to restore the frozen diplomatic relations with Norway in December 2016 after six years following the 2010 Nobel Peace Prize awarded to the Chinese political activist Liu Xiaobo (Sverdrup-Thygeson, 2016). The strong potential for cooperation between China and Norway on polar issues is stressed in the four-point joint statement normalising diplomatic relations (China-Norway Joint Statement, 2016).

A careful Chinese diplomatic offensive in Greenland has been undergoing in recent years simultaneous with intensified Chinese efforts to launch various activities on the island, e.g., the establishment of a Chinese research station, a Chinese satellite receiver station and most recently the potential involvement of the Chinese state-owned construction company, China Communication Construction Company Ltd., in the construction of airports in Greenland (e.g. Breum, 2018b; Sørensen, 2018). The Chinese involvement in the Greenlandic mineral sector has also gained new momentum recently with both the Citronen Fjord zinc project in Northern Greenland and the Kvanefjeld (*Kuannersuit*) Rare Earth Element (REE)-uranium project in Southern Greenland moving ahead. It is in both projects large Chinese state-owned companies that are committed (e.g. Andersson, Zeuthen & Kalvig, 2018). Furthermore, when China in the summer of 2017 carried out its eighth research expedition to the Arctic, the Chinese icebreaker, the “Snow Dragon” (*Xue Long*), sailed through the Northwest Passage (NWP) and anchored outside Nuuk en route (Turnowsky, 2017).

China is still cautious and wary of being dragged into the complex relationship between Greenland and Denmark and therefore continues to seek out support in Copenhagen for Chinese activities in Greenland. Nevertheless, there are indications that China assigns establishment of direct relations with the Greenlandic government and Chinese presence in Greenland an increasingly important role and is willing to take more risks in order to achieve this. This is supported e.g. by the recent agreement – a so-called “Memorandum of Understanding” (MoU) – between the Chinese State Oceanic Administration (SOA), which is part of the Chinese Ministry for Land and Resources, and the Greenlandic Ministry of Education, Culture, Research and Church. The agreement, which became effective in May 2016, aims to increase research networks and exchange between China and Greenland (Petersen, 2016; Sørensen, 2017: 86). In addition, the visit by the then Greenlandic Minister for Independence, Foreign Affairs and Agriculture, Suka K. Frederiksen, to the Chinese Ambassador in Copenhagen in the beginning of January 2018 is also noteworthy. According to the subsequent press release from the Chinese Embassy, the Ambassador first stressed that the meeting concerned “local exchanges” and then encouraged the two parties – China and Greenland – to increase their exchanges and cooperation within areas such as culture, tourism and the unspecified “Arctic affairs”, which seems to complicate limiting the meeting to “local exchanges” (Chinese Embassy, 2018; Sørensen, 2018).



In China, as in many other countries, there is uncertainty and confusion in relation to how the Kingdom of Denmark constellation works and how best to approach it (e.g., Zhang, 2018). This especially because the distribution of responsibilities on various policy areas between Nuuk and Copenhagen is under constant development and negotiation these years. It is therefore understandable that Chinese diplomats, companies, scholars etc. have difficulties determining with whom – Nuuk or Copenhagen – to enter into agreements and apply for permission concerning Arctic collaborations and projects. However, even if this creates some frustration on the Chinese side, they will carry on tirelessly and undoubtedly show more willingness to take risks in the future. The message from Beijing is that the Arctic takes high priority.

Recently, several Chinese Arctic scholars have argued for prioritizing Greenland in Chinese Arctic diplomacy as an independent Greenland could come to serve as a foothold for China in the region (e.g., Xiao, 2017). There are so far no indications of such prioritization. That is, there are no indications that Greenland is given an extra strong or special importance in China's Arctic strategy compared to China's interests and activities in relation to other Arctic states and stakeholders. The point is that Greenland is in the Arctic and Beijing's central priority is to establish strong and comprehensive relationships with *all* the Arctic states and stakeholders. It does not want to leave Greenland out especially because of the uncertainties about the future status of the island. Therefore – rather than because of potential Greenlandic resources – China has intensified its diplomatic and economic activities in relation to Greenland as in relation to other Arctic states and stakeholders. The core of the matter is that Greenland is different due to the Kingdom of Denmark constellation that even without China is under pressure and due to the U.S. security interests and military presence in Greenland and the close strategic alliance between Denmark and the U.S.

### **How “The China Factor” Plays into Ongoing Developments and Negotiations between Nuuk and Copenhagen**

The relationship between Denmark and China is comprehensive and wide-ranging with many high-level visits and dialogues on a broad range of political and strategic issues. Denmark has since 2008, as one of the few European countries and the only Nordic country, had a “comprehensive strategic partnership” with China (Sørensen & Delman, 2016). However, the Arctic has played a limited role in Danish China-policy. The word “Arctic” is not mentioned in the extensive *China-Denmark Joint Work Programme* signed in May 2017 even though the programme has as its stated objective to chart the course for stronger cooperation between Danish and Chinese authorities towards 2020 and touches on no less than 58 different areas of cooperation and involves 80 (35 Danish and 45 Chinese) authorities (MFA DK, 2017). Various explanations and factors play into this with the complex relationship between Denmark and Greenland being one of the most important ones. It is no longer possible, however, for Copenhagen to keep Arctic issues out of Danish China-policy, and the pressure comes from both China and Greenland. That is, over the next few years, the Arctic will be higher on the Chinese agenda, when Danish ministers and diplomats meet with their Chinese counterparts. Similarly, there will be more outreach initiatives and proposals from various Chinese state and non-state actors to both Danish and Greenlandic authorities, e.g., on scientific exchanges, potential “Polar Silk Road” projects and investments in Greenlandic infrastructure. As mentioned above, Greenlandic politicians look to China for economic commitment and

investments and therefore will likely welcome such a development and will seek to play a more independent role reflecting also a high level of mistrust in Greenland about whether Copenhagen takes enough care of Greenlandic interests in meetings and negotiations with the Chinese. As the Greenlandic politician and former Premier, Aleqa Hammond, recently stated

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Greenland has no trouble including Chinese companies in the development of our infrastructure. If it results in high quality, delivery on time and price and perhaps even more Chinese tourists in the future, it is only to be welcome (Hammond, 2018).

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### ***Growing Danish Concerns about China's Interests and Activities in Greenland***

Copenhagen has been rather supportive of Greenland's outreach activities and commercial diplomacy in China and has encouraged China's engagement with Greenland even to the point of giving reassurances to the Chinese side that it is fine to deal with Greenland directly – that does not offend Denmark in any way (Sørensen, 2017: 91). This follows from a narrow Danish focus on China as an emerging market that Danish economic and commercial interests could benefit from. The broader foreign and security policy implications of China as a great power have not played a strong role in Danish China-policy (Sørensen, 2016). However, this is gradually changing. China's Arctic ambitions and its growing interests and activities in the region, in particular in Greenland, go a long way in explaining this.

Copenhagen acknowledges the potential benefits for Denmark – and Danish relations with China in general – in supporting that China has a role in Arctic multilateral institutions and in engaging China on Arctic issues. Furthermore, the Danish overall position favors inclusiveness regarding the participation of non-Arctic states in the region (MFA DK, 2011: 55). However, there is also a fear in Copenhagen of China getting too much influence and too large a foothold in the Arctic and especially in Greenland. Such growing Danish concerns about the political and security implications of prioritizing and promoting a Chinese role and Chinese investments in Greenland have been clearly reflected in the annual risk assessment reports from the Danish Defense Intelligence Service in recent years. The reports have increasingly come to stress in more and more direct language how large Chinese investments in Greenland could bring certain dependencies and vulnerabilities, e.g. the 2017-report warns

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As a result of close connections between Chinese companies and China's political system, there are certain risks related to large-scale Chinese investments in Greenland due to the effect that these investments would have on an economy of Greenland's size (FE, 2017: 45)

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The recently released report from the Danish Ministry of Defense on the developments in the security situation in the Arctic also specifically mentions how Chinese commercial and strategic interests traditionally are closely linked and China's growing economic engagement in the Arctic is therefore likely to be accompanied by growing political attention and influence (MD DK, 2016: 54).

Consequently, "the China factor" plays into ongoing developments and negotiations between Nuuk and Copenhagen in complex ways. There are different – and increasingly conflicting – expectations, assessments and concerns evolving both internally in Greenland and Denmark and in relations between them regarding the increasingly confident, proactive and sophisticated Chinese diplomacy in the Arctic and specifically the growing Chinese interests and activities in Greenland (e.g., Sørensen, 2017; Gad et al., 2018). As evident in the lead up to the most recent

election in Greenland in April 2018, there are strong desires and calls from Greenlandic politicians for a more independent Greenlandic foreign policy (e.g., Krog, 2018). Overall, it is not the question about Greenlandic independence or not that divides the different Greenlandic political parties and politicians – they more or less all agree that Greenlandic independence is the end goal. Rather it is questions of how fast and at what price as well as future international political and security affiliations of an independent Greenland that take up space (e.g., Gad & Jacobsen, 2017). This clashes with Denmark's emphasis on Copenhagen representing the Kingdom of Denmark as one unitary foreign policy actor (Kristensen & Rahbek-Clemmensen, 2017; KNR, 2016). The result is increasing tension and awkward episodes as Nuuk and Copenhagen struggle. The key point here is that questions related to China's involvement in Greenland have played a central role in such Greenlandic-Danish arm-wrestling in recent years and likely will continue to do so.

One example of how “the China factor” plays into ongoing developments and negotiations between Nuuk and Copenhagen is the process following the suddenly announced decision by the Danish government in December 2016 that it no longer wanted to sell the former Danish naval base “Grønnedal” in Southern Greenland (e.g., Sørensen, 2017: 92-93). The reason given was that the base – which had not been in use for years and did not figure in the comprehensive analysis from the Danish Ministry of Defense of the future tasks and activities of the Danish Defense in and around Greenland that came out earlier that year – would still be of use in Denmark's Arctic defense. Such re-assessment was also the official explanation given to the Greenlandic government. However, there were soon convincing leaks indicating that the main reason for why the Danish government no longer wanted to sell “Grønnedal” was that the large Chinese business conglomerate, General Nice Group, already active in relation to the iron mine project at Isua, had shown an interest in buying it. The Greenlandic government was informed by the Danish government that there had been a Chinese offer, but it was not presented as an important factor playing into Copenhagen's decision. Nuuk got very upset when information reaching them through leaks in the Danish media indicated that it was mainly in order to prevent a Chinese take-over that the Danish government decided against selling the base. It only further strengthened the Greenlandic mistrust towards Copenhagen and the Greenlandic suspicion that the Danish government does not trust Greenlandic politicians and takes decisions regarding Greenland without involving the Greenlandic government. Aleqa Hammond – the Greenlandic politician and former Premier – specifically points to the Danish government's handling of “Grønnedal” as a case of Danish efforts to prevent China from getting a foothold in Greenland in order to stall Greenlandic moves towards independence (Hammond, 2018).

The ongoing case regarding the potential involvement of the Chinese state-owned construction company, China Communication Construction Company Ltd., in the construction and expansion of the airports in Nuuk, Ilulissat and Southern Greenland – the most expensive infrastructure project in Greenland's history – have given cause to similar Danish and Greenlandic reactions and hence mistrust and tension between the two sides (Hammond, 2018; Breum, 2018a). It seems, however, to be a high priority for the Danish Prime Minister, Lars Løkke Rasmussen, to turn such a development around. In mid-June 2018, Løkke Rasmussen and the Greenlandic Premier, Kim Kielsen, after a meeting jointly announced

The current airport project is such size that it – depending on funding and choice of external partners – can have foreign and security policy perspectives (STM, 2018)

This is a carefully chosen formulation reflecting a new understanding and compromise between the two sides. Kielsen – while stressing that legally the Greenlandic government holds the authority – has acknowledged that there potentially is a role for Copenhagen to play as well. In return, he has received Løkke Rasmussen's promise that the Danish side is ready to look into whether Denmark can contribute to the financing of the airport project and more generally the possibilities of establishing a joint Greenland-Denmark development fund (STM, 2018). In mid-September 2018, Løkke Rasmussen during a visit to Nuuk presented a more detailed plan for how Denmark will invest 700 million Danish kroner in the airport project and provide credit worth 450 million Danish kroner as well as state guarantee for another 450 million Danish kroner from the Nordic Investment Bank (Breum, 2018c). The importance of this agreement remains to be seen. It will be put to a tough test as the airport project moves forward. It has already caused the pro-independence party Partii Naleraq to quit Kielsen's coalition government arguing that they will not support an agreement that increases Danish influence in Greenland (Breum, 2018c). To complicate matters further, the U.S. Embassy in Copenhagen a few days after Løkke Rasmussen's visit to Nuuk, released a statement notifying that the U.S. Department of Defense "intends to analyse and, where appropriate, strategically invest in projects related to the airport infrastructure in Greenland" (e.g., Turnowsky, 2018).

### ***The Changing Greenlandic Room of Manoeuvre and the Danish Balancing Act***

As the melting ice in the Arctic increases the geostrategic importance of the region, several non-Arctic states are interested in increasing their role and influence. This, in many ways, increases the Greenlandic room of manoeuvre – there are more opportunities for Nuuk to forge new relationships and pursue its own independent foreign policy causing growing Greenlandic confidence and ambition. On the other hand, the increasing geostrategic importance of the Arctic causes Copenhagen to pay more attention to the region and pursue a foreign policy line that gives less room for Nuuk, which then results in Greenlandic frustration and protests directed towards Copenhagen.

Specifically in relation to "the China factor," the Danish government has to deal with at least four considerations – avoid that China gains political influence in Greenland; not disturb Denmark's successful relationship with – and especially Danish economic and commercial interests in – China; avoid offending and pushing Greenland further away; and finally meeting its obligations in relation to the U.S. military presence in Greenland, which benefits Copenhagen in its overall strategic alliance with Washington. It is not easy to balance these considerations, especially not when Danish domestic politics interferes and various Danish politicians in opposition openly use growing Chinese interests in Greenland to criticize and put pressure on the government. For example, the foreign policy spokesperson from the influential oppositional party, the Danish Peoples Party, Søren Espersen, who recently called on the Danish government to stop Chinese involvement in Greenlandic airports now "to avoid the humiliation, when the Americans demand it to be stopped" (Kehlet & From, 2018). It also likely caused some shambles in the Danish Ministry of Foreign Affairs, when an English-language article from Reuters titled "Greenland's courting of China for airport projects worries Denmark" cited an unnamed high-ranking Danish government official for stating "We [the Danish government] are deeply concerned. China has no business in Greenland" (Matzen & Daley, 2018). Quickly responding with a written statement, the Danish Minister for Foreign

Affairs, Anders Samuelsen, strongly rejected that this was the position of the Danish government also giving reassurances – to both Nuuk and Beijing – that Copenhagen would not seek to interfere in any way (e.g., Politiken, 2018).

### **Conclusion: How to Approach the Complex Triangular Relations?**

How the complex triangular relations will further unfold is difficult to predict as both the interests and concerns of Greenland, Denmark and China are changing in these years and so is the scene on which their relations play out – the Arctic. Moreover, the U.S. is adjusting its Arctic strategy seemingly strengthening its military presence in the region. There are therefore many uncertainties and unknowns. What is certain, however, is that “the Chinese are coming” to the Arctic and to Greenland. It is a growing strategic priority in Beijing to be present and ready to explore and exploit as the region further opens up. This is not surprising in any way as also pointed out by Aleqa Hammond – the Greenlandic politician and former Premier – “Of course, China as a leading global economy and global superpower has an interest in actively placing itself in the Arctic” (Hammond, 2018). It is not realistic – or helpful – if Copenhagen sets out to prevent this. The point is, however, that Greenland and Denmark need to work together in order to best prepare and establish the necessary legal and institutional frameworks. Greenland – the Kingdom of Denmark – needs to be ready to handle Chinese and other countries’ growing interests and intensified efforts to establish relationship with and set up activities in Greenland. It is not easy to come afterwards – when e.g., Chinese companies have invested and opened a mine or when a Chinese university has set up a research station or a satellite receiver station – and try to impose rules and regulations and enforce limits. It is difficult for the Greenlandic government to set up such legal and institutional frameworks alone – it is simply a question of lack of time, resources, and highly specialised expert knowledge. It is very complex, e.g., to thoroughly understand and foresee the potential challenges and implications – within the technical, legal, foreign and security policy, and military areas – involved when an actor from a foreign country, e.g. China, sets up a satellite receiver station on one’s territory.

The problem, however, is that the deep mistrust in relations between Nuuk and Copenhagen makes coordination and cooperation difficult. The launch of China’s Arctic Policy White Paper is a good starting point for an intensified dialogue between Denmark and Greenland on a more proactive way of addressing China’s increasing presence and activities in the Arctic (Sørensen, 2018). A way to begin is to focus jointly on identifying where to bid on and actively seek cooperation with China and in this way including Arctic issues and Greenland authorities much more actively in Danish China-policy e.g. within Arctic research, where there is a keen Chinese interest in establishing research cooperation and network with Danish and Greenlandic scholars. However, a first necessary step is that both Nuuk and Copenhagen acknowledge the need for talking and working together. This also implies that Copenhagen is willing to share information with Greenlandic authorities and to involve them early on in sensitive discussions and decisions avoiding awkward episodes and damaging processes as the one related to “Grønnedal” discussed above. Whether Greenland and Denmark manage to do this is vital. That is, the further developments in relations between Nuuk and Copenhagen, on the one hand, will be influenced by “the China factor” but also, on the other hand, will set the parameters for how China’s role in Greenland further develops.

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## Shipping Matters:

# The Role of Arctic Shipping in Shaping China's Engagement in Arctic Resource Development

Deng Beixi

*China's engagement in Arctic resource development represents an option that guarantees its diversification of energy supply. It could be influenced by multifaceted factors, ranging from the changing landscape of Arctic geopolitics, the resource development policies of Arctic states, and certain realistic restrictions affecting economic viability and operational feasibility. This article argues that accessibility, specifically reliable, economical and time-saving maritime connections linking the Arctic resource production sites with the extra-regional market plays a decisive role in shaping China's interests in the Arctic resource development. China's investment in Russia's Yamal Arctic LNG project is such a case in point. It demonstrates the complementarity and mutual reinforcement between the use of Arctic shipping routes and the development of Arctic resources. The added value of Arctic shipping to China's engagement in Arctic resources development lies in that it not only facilitates the distribution of Arctic resources to the Chinese market in a reliable and economical approach, but also brings China's expertise in permafrost engineering into the global oil/gas market and fosters China's all-round engagement in the Arctic regional economic development.*

According to the frequently cited circum-Arctic resource assessment conducted by the U.S. Geological Survey (USGS, 2008), the Arctic region possesses 13% of the world's undiscovered oil, 30% of its undiscovered gas, and multiples more of gas hydrates. These resources are unevenly distributed and mostly concentrated in the offshore areas in West Siberian, and East Barents Basin as well as in Alaska (ibid). Technological advances and irreversible Arctic warming have enhanced the accessibility of the region, calling attention to the economic prospects of Arctic resource development. Oil and gas extraction is already underway in northern Russia and Norway, as world oil prices are recovering from the brutal slump of the past years while energy demands in the European and East Asian markets continue to rise. Operations on the Norwegian Barents continental shelf commenced in 2016 (Norwegian Petroleum Directorate, 2017), and Russia's largest independent gas producer Novatek started the Arctic LNG production from the facility's first liquefaction trains situated in the Yamal Peninsula on December 5, 2017. The departure of the first LNG export shipment followed

days later. Apart from oil and gas reserves, the Arctic possesses massive quantities of mineral deposits of iron, coal, nickel, zinc, gold, diamonds and rare earth elements (REE). A number of mining projects remain active across the Arctic territories in Alaska, Baffin Island, northern Russia, Lapland, Svalbard, as well as many other areas of the Circumpolar North. This indicates the economic viability of extracting resources in some parcels of the Arctic and the emerging demands for Arctic resources from the global market.

China is also inspired by the promising outlook of the Arctic energy industry. Its Arctic policy whitepaper advocates actions to “participate in the exploitation of oil, gas and mineral resources in the Arctic, through cooperation and on the condition of properly respecting the eco-environment in the Arctic” and to generate technological innovations in the domains of resource development and infrastructure construction (State Council of China, 2018). China reiterates “respect” as the predominant principle, with regard to “the sovereign rights of Arctic states over oil, gas and mineral resources subject to their jurisdiction in accordance with international laws” (ibid), and also with respect to the interests and concerns of the residents of the region. However, there exists a prevailing perception that defines China’s investment in Arctic resource development as unregulated, unconstrained and driven by unclarified intentions. This perception derives from the publicized incidents of China’s previous misconducts in managing investment projects in some underdeveloped regions, the concern over China’s access to such strategic resources as REEs and uranium in the Arctic that could lead to its monopoly of global supply of the key resources, as well as the fear of influx of Chinese labor immigrants that might endanger local social stability. It is widely cited that Chinese investment in Arctic littoral states for the past five years has reached 450 billion USD (Rosen & Thuringer, 2017). However, the figure does not make any distinction between the amount of investment that eventually flows into the Arctic administrative districts of each state or directly targets Arctic-related projects. The current statement tends to over-exaggerate China’s ambition, and as a matter of fact, China’s engagement in Arctic resource development remains rather modest, pragmatic and prudent.

This article aims to articulate what factors may influence China’s engagement in Arctic resource development, and then explain why the accessibility, connectivity and reliability of Arctic shipping is considered to play a decisive role by citing the example of China-Russia cooperation on the Yamal LNG project. The article concludes with a comprehensive review on what could be learned from the Yamal cooperation to provide a better understanding of China’s interests and preferences in its strategy regarding Arctic resource development.

## **Factors Influencing China’s Engagement in Arctic Resource Development**

In its white paper on Arctic Policy, China labels the participation in the exploration for and exploitation of oil, gas, mineral and other non-living resources as an important part of its engagement in the Arctic affairs. Factors capable of influencing China’s engagement are multifaceted, each having varying degrees of influence. The following are some possible factors that may have effect on China’s engagement in Arctic resource development.

### ***Changing Landscape of Arctic Geopolitics***

As the Ukrainian crisis that devolved in 2014 drags on, the tension between the U.S. and Russia has been constantly impacting the stability of the Arctic region, in particular cooperation on the development of oil, gas and mineral deposits. The list of sanctions imposed by the U.S. and its allies against Russia touched upon the economically significant Arctic energy sector as Western countries banned the transfer of state-of-the-art technology and equipment for deep-water drilling, prospection of oil fields in the Arctic and shale oil extraction. Constraints were also put on investment and financing of oil/energy projects (Astaknova et al., 2014). Energy firms based in Western countries, ranging from energy giants (e.g. Exxon Mobil, Shell, Total, etc.) to smaller oil services and engineering groupings, withdrew from operations involved in the development of Russia's Arctic offshore zones (Farchy, 2014). This opened up space for emerging stakeholders (e.g. China, India, Vietnam, etc.) to become engaged in Arctic energy development by providing much-needed financing instruments and technology transfer. In view of these circumstances, it becomes increasingly important for Russia to cooperate with partners that are unaffected by the influence of the U.S. so as to sustain its Arctic development strategy. The changing landscape of Arctic geopolitics represented by the spill-over effect of extra-regional tensions onto the Arctic, have served as a catalyst to accelerate China's Arctic engagement.

#### *Resource Development Policies of Arctic States and their Bilateral Ties with China*

The resource development policies of Arctic states are either inclined toward responsible development or driven by protective purposes. While the U.S. and Canada designated parts of their Arctic waters as "off limits to offshore oil and gas leasing" (White House, 2016), Russia and Norway, bordering the mostly ice-free Norwegian Sea, Barents Sea and Kara Sea, have been active in both onshore and offshore energy development activities. China's bilateral ties with North America are somehow in stagnation, and in comparison, China's cooperation with Russia and Nordic states in the Arctic affairs is developing rapidly and is prioritized in its Arctic diplomacy.

Russia's resources-oriented strategy corresponds with China's agenda eyeing on securing diversification of energy supply and related maritime transport. The bilateral cooperation commenced in 2013 with China National Petroleum Corporation (CNPC) acquiring a 20% share of the Yamal Arctic LNG project, and further expanded the development of Northern Sea Route and Russia's Arctic logistics and infrastructure. The two parties consolidated their Arctic collaborative ties in the form of the joint initiative of the Ice (or Polar) Silk Road. Nordic states have been playing an indispensable role in facilitating China's involvement in Arctic affairs. Iceland was the first state to conclude with China a bilateral framework agreement and a memorandum of understanding back in 2012 to strengthen cooperation on marine and polar policy coordination, forecasting and monitoring, technology and research on the Arctic sea routes (State Oceanic Administration of China, 2012). Arctic cooperation emerges as a distinct highlight in the China-Denmark comprehensive strategic partnership concluded in 2015 and in the China-Finland future-oriented cooperative partnership established in 2017. In December 2016, China and Norway normalized bilateral diplomatic ties after a 6-year freeze, and aimed to hereafter "promote mutually beneficial and win-win cooperation in polar issues" (Xinhua, 2016). China demonstrated its interest in several infrastructure projects in the Nordic Arctic as well, including the Arctic Corridor project that builds a railway to connect landlocked Finland with

an outlet to the Arctic Ocean (Cui, 2018), and the submarine communications cable beneath the Northeast Passage linking Nordic Europe, Russia and Northeast Asia. The benign bilateral relations between China and certain Arctic states strengthen their economic complementarity in Arctic development. China's market potential, robust financing instruments, as well as expertise in infrastructure construction and engineering manufacture, are appealing to its Arctic partners, and such complementarity constitutes the cornerstone of China's engagement in Arctic development cooperation.

#### *Realistic Restrictions Affecting Economic Viability and Operational Feasibility*

The changing landscape of Arctic geopolitics and the benign bilateral relations with certain Arctic partners tend to be favorable to China's engagement in Arctic resource development at the current stage. However, China still confronts a number of realistic restrictions in terms of economic viability and operational feasibility. Operations in the Arctic generate higher costs than those in lower latitudes, making it more difficult to attain profitability. Profitability is the foremost concern for operators and is meanwhile highly dependent on world commodity prices, which vary greatly.

Developing resources in the Arctic is subject to the limitations of infrastructure as well. Take Russia for example. There is lack of infrastructure in the underdeveloped regions of East Siberia, the Arctic offshore and continental shelf, where new extraction, processing and refinement facilities, and logistic networks need to be constructed. Foreign investors favor resource development projects with pre-installed infrastructures, in which short- and medium-term economic returns tend to be foreseen more easily. The lack of infrastructure in Arctic resource development projects, including the absence of port infrastructure and land transportation (railway, highway and pipelines) and the insufficient capacity for emergency response and search & rescue, pose uncertainties and risks for Chinese companies that have limited knowledge or field experiences of Arctic operations.

#### *Social Factors and Indigenous Concerns*

Social factors could be unpredictable and at certain moments be fundamental in determining the outcome of an investment. Such factors were underestimated by Chinese actors in their early practices regarding the Arctic, but are now giving enhanced considerations after a few lessons learnt, for example the one involving the Isua iron ore mine in Greenland. In this incident, the UK-based *London Mining*, which was backed by Chinese capital, was accorded a 30-year license to operate the Isua iron ore mine in southwest Greenland in October 2013 (McCrae, 2013). Earlier in the year, the Greenlandic self-rule government announced lifting the ban on the extraction of uranium ores, and introduced the *Large-Scale Projects Act* with the aim of facilitating the entry of foreign labor. The autonomous government encouraged the flow of China's capital to Greenland so as to procure economic sustainability, paving the way for Greenland's future independence. The Greenlandic community and the Danish media reacted immediately to the license issuance and expressed strong concerns over the social dumping engendered by the potential influx of Chinese labor, which could cause reductions in local welfare and labor standards. This incident inevitably affected potential investors who became more cautious and kept a low profile. The London Mining project was thus indefinitely postponed. Although Chinese firms have been engaged in sporadic acquisitions or joint-venture

investments in Greenland afterwards, none of these projects have ever advanced to production phase.

Even though China's investments in Arctic resource development will always abide by the domestic regulations of relevant states with regard to environmental protection, land use and labor standards, Chinese actors appear however unable to provide the necessary disclosure to satisfy the transparency demands of the Indigenous community or offer an explicit explanation on the intentions underlying their investment at all times. They also have difficulty in navigating through the confusing relations and conflicting interests of central governments, regional administrations and Indigenous communities in general as these parties have varied perspectives towards Arctic resource development within their respective sovereignties or regional/local administrative competences.

### **Shipping Matters: How Accessibility Shapes China's Preference for Arctic Resource Development**

This article argues that accessibility, specifically reliable, economical and time-saving maritime connections linking Arctic resource production sites with the market outside the Arctic, plays a decisive role in shaping China's interests for Arctic resource development. For Arctic states, resources extracted in the Arctic can be transported southwards to domestic markets by land traffic or via inland waterways. International customers eying Arctic resources, however, are largely dependent on reliable and economical maritime transportation. This indicates that China's engagement in Arctic resource development is inseparable from its development of Arctic shipping.

Rapid melting of Arctic sea ice indicates a long-term tendency favorable to the development of Arctic sea routes, which present maritime shortcuts connecting the major economic agglomerations in East Asia, West Europe and North America. Of the three Arctic waterway routes, the Northern Sea Route (NSR) in Russia features lighter ice conditions than the Northwest Passage (NWP) in Canada and the Transpolar Sea Route across the Arctic Ocean; the littoral infrastructure and pilotage & icebreaking services are better established as well in Russia. In 2017, 10.7 million tons of freight was transported in Northern Sea Route waters, marking a steady increase of 42.6% compared with the previous year (Epanchintsev, 2018). Just-in-time delivery requirements and highly unpredicted viability of ice conditions may render the use of Arctic waterways economically unviable for container shipping. However, shipment of Arctic resources to world markets could potentially lead to future increases in freight transport throughout the Arctic waterways.

China is a major trading nation and energy consumer. The utilization of sea routes in the North and the development of Arctic resources may have huge impacts on its energy strategy and economic development. China is a late-comer in the utilization of Arctic passages. The *RV Xue Long* (*Snow Dragon*) undertook its first trial, a trans-Arctic transit in 2012, and China Ocean Shipping (Group) Company's (COSCO) ice-strengthened *MV Yong Sheng* conducted its first commercial voyage via the NSR in 2013. However, China acknowledges the significance of the Arctic sea routes in both economic and strategic terms, and the vision for the future utilization has appeared in several policy documents. The blue economic corridor that connects Europe with China via the Arctic Ocean was recognized as an integral component of China's Belt and

Road Initiative for the first time in July 2017 in the *Vision for Maritime Cooperation under the Belt and Road Initiative* published by China's National Development and Reform Commission (NDRC) and State Oceanic Administration (SOA). In January 2018, China's newly published Arctic Policy Whitepaper proposed to all stakeholders to participate in the development of Arctic shipping routes, thereby building the "Polar Silk Road". It also encouraged Chinese companies to be engaged in the construction of infrastructure along the routes and to conduct trial commercial voyages, paving the way for normalized practices.

Fostered by these initiatives, China's utilization of Russia's NSR has expanded considerably. Regularized commercial operations have been established that can be categorized into trans-Arctic cargo transport, and destination transport related to Russia's Arctic energy development, namely the Yamal LNG project. In 2016, COSCO launched the Yong Sheng Plus Program, and a total of five vessels conducted six transits in the same year, marking the first time that a foreign-flagged operator had sent more than three vessels via this route in a single season. Two of the vessels were closely linked to China's engagement in Yamal; the semi-submersible *Xia Zhi Yuan 6* and *Xiang Yun Kou* delivered six air-cooled condensing modules to the port of Sabetta via the NSR. It is expected that a single voyage could save approximately 7,000 nautical miles and 24 days in comparison with traditional sailing via the Suez Canal (COSCO, 2017). In December 2016, COSCO Shipping Specialized Carriers Co. Ltd. was founded, and has Arctic shipping as its core business. Since 2013, 10 vessels from COSCO conducted a total of 14 voyages (see Table 1). The normalization of China's Arctic commercial shipping operations indicates that the NSR can be economically viable and navigationally safe. Reliable marine access to Arctic waters reassures China in its interests and political intentions to be engaged in the development of Arctic energy and mineral resources.

**Table 1** – Transits of China Ocean Shipping (Group) Company's (COSCO) vessels via the Northern Sea Route (2013-2017)

Vessel Name	Departure	Destination	Cargo transported
<b>2013 – China's first commercial transit via the Northern Sea Route</b>			
Yong Sheng	China	Netherland	Rolled Steel
<b>2015 – China's first round transit via the Northern Sea Route</b>			
Yong Sheng	China	Sweden	Rolled Steel
Yong Sheng	Belgium, Germany	China	Ores
<b>2016 – Launch of "Yong Sheng Plus" Program</b>			
Yong Sheng	China	U.K.	Wind power equipment
Yong Sheng	U.K.	China	General bulk
Xia Zhi Yuan 6	China	Russia(Sabetta)	LNG processing modules
Tian Xi	Finland	China	Paper pulp
Xiang He Kou	Russia(Sabetta)	China	(unloaded)
Xiang Yun Kou	China	Russia(Sabetta)	LNG processing modules



### 2017 – Operation under the COSCO Shipping Specialized Carriers

Lian Hua Song	China	Russia, Denmark	Subway shield machines, wind power equipment
Da An	China	Denmark, Germany	Shield machines, wind power equipment
Tian Jian	China	Russia, Denmark	Subway shield machines, wind power equipment
Tian Le	Norway	Japan, China	Yacht, agricultural product
Tian Fu	Finland	China	Paper pulp

**Source:** Website of COSCO Specialized Carriers Co. Ltd. ([www.coscol.com.cn](http://www.coscol.com.cn))

The Yamal LNG project is a remarkable paradigm that demonstrates how Arctic sea-route utilization and Arctic resource development complement each other and reinforce China's engagement in Arctic development. This mega-sized LNG complex launched in 2013 is located in the Yamal Peninsula above the Arctic Circle. The integrated project encompasses LNG production, liquefaction and shipment. It is designed for an annual production capacity of 16.5 million metric tons of LNG to be transported via the Northern Sea Route to Asian and European customers (Filimonova & Krivokhizh, 2018). In the near future, expansion of the scale of production will necessitate extensive transportation infrastructure, including enlargement of the deep-sea port in Sabetta and construction of railway connections to the southern territories.

China is an important financing agent for the Yamal LNG project and contributes to alleviating the financial difficulties faced by the project since sanctions have been put in place following Russia's annexation of Crimea. Together, China National Petroleum Corporation (CNPC) and Silk Road Foundation (SRF) form the second largest shareholder of the Yamal Project; CNPC concluded an agreement with Novatek acquiring a 20% equity stake and Silk Road Foundation acquired a 9.9% stake in the project. Besides, financing agreements were signed with the Export-Import Bank of China and China Development Bank on 15-year credit line facilities for a total amount equaling to approximately 12 billion USD in 2016 (Yamal LNG, 2016). The investment secures reliable LNG imports to China as part of strategy of diversification of energy supply. CNPC concluded a binding contract with Novatek securing the supply of 3 million tons of LNG per annum for 20 years (Yamal LNG, 2014). This direct purchase accounts for nearly 20% of the total capacity of the first three production trains in the Yamal project. As the remaining production volumes are expected to be delivered to the Asia-Pacific region via the Northern Sea Route, indirect purchase from China is highly possible, which would further increase the proportion of China's procurement.

The Arctic waterways offer a shortcut for the transport of energy resources, as well as the delivery of equipment and engineering materials needed for project development. China, being a major investor and importer of Russia's Arctic energy production, has its eyes on more ambitious goals of all-round participation in Arctic regional economic development. It aims to be involved both upstream and downstream of energy development, bringing into play its expertise and technology in permafrost and offshore engineering, equipment and infrastructure construction. China is the key supplier of core kits to the Yamal project. China's engineering

corporations, i.e. CNPC Offshore Engineering Company, China National Offshore Oil Corporation's (CNOOC) Offshore Oil Engineering Company, and BOMESC Offshore Engineering Company, have been actively engaged in producing the modules for the project. The air-cooled condensing modules were delivered to Sabetta by COSCO's semi-submersibles via the Northern Sea Route and were afterwards assembled on the construction site onto a prepared foundation. Compared with conventional methods, the use of prefabricated modules shortened the construction period by 1.5 years, and massive on-site construction was avoided, reducing impacts on the fragile eco-system (Wang, 2016). The involvement of China's Honghua Group Ltd. is another example. This world's largest manufacturer of drilling rigs showcases its expertise in designing the Arctic land rigs capable of drilling 7,000 meters and withstanding temperatures of minus 60 degrees (Honghua, 2015). The Yamal cooperation represents China's very first export of core kits for LNG production to a foreign country. It signals China's entry into the international high-end oil & gas equipment market, and demonstrates how China's advantages in capital, market size and expertise in permafrost engineering could be integrated into its engagement in Arctic infrastructure and energy development projects.

Associated with Arctic shipping, China's shipbuilding industry has also made advances. Guangzhou Shipyard International Company is committed to the construction of semi-submersibles for the transportation of module structures, ocean platforms and floating decks for the Yamal project. It received orders alongside with other East Asian counterparts, Daewoo Shipbuilding and Marine Engineering of Korea and Mitsui Engineering and Shipbuilding of Japan, to build LNG carriers with ice-breaking capacity classified as Arc-7 to guarantee the delivery of LNG to world markets in all seasons (GSI, 2016).

From the perspective of Arctic resource development, the Arctic waterways facilitates the distribution of the Arctic resources to China's market in a more reliable and economic approach in comparison with the conventional shipping routes via the Suez Canal and the Malacca Strait that feature occasionally escalating tensions in South China Sea and Gulf of Aiden, coupled with rampant piracy and relevant escort fees. The significance of the Arctic waterways lies both in its advantages in the savings of delivery time and shipping costs, and also in its added value that enables China to be engaged in Arctic resource development within a wider circumpolar economic perspective.

The Yamal project, however, is not China's first investment in resource development above the Arctic Circle. As early as 2010, Jilin Jien Nickel Industry Co. Ltd. completed the acquisition of Canadian Royalties, which had discovered and delineated considerable mineral deposits (nickel, copper, cobalt, platinum, palladium and gold) in Canada's Nunavik region. The Nunavik nickel project in Northern Québec represented an active attempt of Chinese capital to invest in Arctic mining assets that were facing financial difficulties. It envisioned the shipment of mineral ores extracted in the Nunavik region to the European and East Asian markets by taking advantage of the Northwest Passage, with long-term goals to establish logistics networks for the resource transport in the Canadian Arctic, thereby boosting local employment, infrastructure construction and socio-economic development of Canadian Arctic Indigenous communities. The first commercial voyage via the NWP linking the Canadian Arctic with East Asia was a shipment of 23,000 tons of extracted nickel concentrates to the port of Bayuquan in northeast China in September 2014 (Nunatsiaq News, 2014). However, the economic viability of

navigation via the NWP turned out to be less attractive than expected. The navigable window time strictly limited in the summer seasons would compromise costumers' demands of timely delivery, and the saving of shipping distance could be easily offset by the lowering of navigation speed in the harsh and unpredictable conditions; in addition, the fee for ice navigator and ice-breaking services would generate extra expenses. The project eventually encountered financial difficulties and made cutbacks from 2015 (China Securities Journal, 2016). Resource development in the Arctic inevitably implies higher production costs, and stricter environmental and societal criteria, and it is even more easily susceptible to the fluctuations of the global market and commodity prices. When shipping – bringing Arctic resources to the world market – no longer serves as an advantage or even impairs economic viability, any foreign investor, including China, would become more cautious and pragmatic.

### **Conclusion: What can be Inspired From the Yamal Cooperation?**

China's engagement, or more precisely its intention to be engaged in Arctic resource development, continues to receive wide international attention along with China's growing influence in Arctic affairs. It should be noted, however, that apart from the Yamal LNG project it is difficult to name other concrete projects that have stepped into the implementation stage. The Yamal cooperation may offer some hints on how such projects could become a reality.

First, complementarity between China and Russia in the Arctic geo-economy lays at the foundation. The vast expanses of Russia's Far North are rich in energy and mineral reserves, but lack sufficient infrastructure, financing instruments and labor forces to sustain development. More than any other Arctic state, Russia possesses a strong will, motivation and resolve to develop its Arctic resources. Whereas China has a substantial need to diversify its energy imports, it also plans to decrease its excessive dependence on the Strait of Malacca by developing new maritime routes via the Arctic Ocean in order to secure its energy supply. Thus, Russia could be an ideal partner for China in these endeavors.

Second, shipping constitutes the cornerstone of Arctic bilateral cooperation. Melting Arctic sea ice facilitates the long-term utilization of Arctic sea routes. In addition, Arctic littoral states' demands for port infrastructure offer China an opportunity to be engaged in Arctic development by means of direct investment and export of China's manufactures and engineering techniques that are adaptable to the Arctic environment. Russia, on the one hand, is a leading country that aims to revive the Arctic maritime corridor and make it "competitive, universal and desired for transportation of all types of goods, from raw materials to containers" (Putin, 2017). For China, on the other hand, the utilization of Arctic waterways will greatly enhance its presence and influence in Arctic affairs and expand new domains of cooperation with other Arctic stakeholders, notably Russia. Arctic shipping has been mainstreamed in bilateral cooperation since the very beginning. In December 2015, the Joint Communiqué of the 20<sup>th</sup> Meeting between Chinese and Russian Prime Ministers iterated that the two parties would "strengthen the cooperation on the development and utilization of the Northern Sea Route and launch research projects on the Arctic shipping" (Ministry of Foreign Affairs of China, 2015). This marks the first time that Arctic shipping appears in a high-level official document and shipping will undoubtedly become the most promising and effective area of bilateral cooperation in the Arctic. Two years later, on the occasion of his state visit to Russia,

China's President Xi Jinping, together with Russia's Prime Minister Dmitry Medvedev proposed that the two parties jointly build the Polar Silk Road to "conduct cooperation in Arctic sea route and implement relevant connectivity projects" (Luo, 2017). Bilateral cooperation on shipping between both states opens the window for China's engagement in a wider spectrum of Russia's Arctic economic development.

Third, policy coordination and strategy docking consolidated bilateral cooperation to a higher level. Policies were coordinated on diverse levels: at the national level, China's Polar Silk Road initiative incorporated into the broader agenda of the Belt and Road Initiative corresponded to Russia's Trans-Eurasian Development Plan; with regard to regional development plans, China's revitalization of industrial bases in the Northeast provinces converged with Russia's East Siberia and Far East development plans. And in the energy sector, China's vision for the diversification of energy supply and Russia's objective of strategic translocation of resource bases to the North and the East were complementary. Coordination between policies guaranteed that the Arctic would be incorporated into the bilateral cooperation agenda, fostering mutual trust and establishing normalized cooperative regimes and exchange channels. Through these channels both parties can become fully aware of each party's needs. The smooth development of the Yamal LNG project is backed by such coordination and is likely to encourage China to further engage in facilitating improved connectivity and sustainable socio-economic development in the Russian Arctic. Several Chinese companies have expressed interest in investing in port infrastructure (Arkhangelsk deep-water port) and railway connections (Belkomur) that are closely linked with the logistics of Russia's Arctic resource development.

However, whether the Yamal model could be replicated is very conditional. As known, Russia prioritizes nearly 150 projects for Arctic development worth over 5 trillion rubles, but of which 4 trillion is expected from non-budgetary or private sources (Sputnik, 2017). Some of these projects, for instance, the White Sea-Komi-Ural (Belkomur) railway and the Murmansk Integrated Transport Hub have been proposed for years, but no significant progress has been witnessed so far. The majority of ongoing projects in the whole Arctic region are either in the very preliminary stage of license issuance and fund-raising, or dealing with infrastructure construction and mineral extractions in which short-and-medium profitability is hardly foreseen. The huge gaps of funding and risks of investment returns constitute the greatest concerns for Chinese operators. In addition, in the process of project implementation, some discrepancy begins to emerge with respect to the vision of Arctic development. For instance, Russia's interpretation of Arctic shipping development refers to the rejuvenation of a domestic sea-lane along the Northern Sea Route, while China considers its destinational traffic related to Russia's Arctic development projects as part of the endeavors of the opening of high-latitude corridor (the Northeast Passage) linking Northeast Asia with Nordic and West Europe through Russia's Arctic waters. This is reflected in Russia's adoption of protectionism measures, notably the recent legislation that entitles the Russian vessels or foreign vessels flagged/registered in Russian departments to exclusive rights for shipment of energy resources along the Northern Sea Route (Staalesen, 2018). Whereas China, for its part, is seeking for broader cooperation and diversified partners as the notion of the Polar Silk Road is extended from a bilateral initiative to include all stakeholders concerned in its Arctic whitepaper. Such discrepancies may widen, or be overcome by closer policy coordination.

To conclude, the initiative of the Polar Silk Road demonstrates the heightened significance of the Arctic in China's foreign policy. In its engagement in Arctic resource development, China has been seeking ways to translate cooperative intentions into concrete projects. Still, the Yamal cooperation is a pilot project that offers a potential model. It indicates that China's engagement in Arctic resource development does not rest solely on the import of resources, but also attaches importance to fostering China's all-round engagement in Arctic regional economic development. This includes involvement in resource production, infrastructure construction, technology transfer and logistics support, achieving a win-win situation for all partners involved.

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# Greening Arctic Cruise Shipping Through Law and Technology: A Role for China?

Stefan Kirchner

*Increased shipping in the Arctic will mean not only increasing tourism revenue for local communities but, more importantly in the long run, increasing health risks for local residents. The overwhelming majority of ships is powered with fossil fuels and concerns over emissions have led to the creation of Emission Control Areas, such as the Sulphur Emissions Control Area (SECA) in the Baltic Sea, the North Sea and along much, but not all, of the coasts of the United States and Canada. None of the existing SECAs includes areas north of the Arctic Circle. This means that coastal communities, in particular in cruise ship destinations, are put at risk from high emissions of SO<sub>2</sub>. The research presented here shows that China has the potential to play several roles in contributing to the protection of coastal communities in the Arctic and in safeguarding the human right to live in a healthy environment, which has long been recognized by the European Court of Human Rights. It will be shown that China has the potential to use international forms of cooperation in the context of the work of the International Maritime Organization in order to support the establishment of a SECA for the entire Arctic Ocean but can also profit from it in the long run, provided that China's shipbuilding industry becomes able to meet the needs of more environment conscious ship buyers.*

## Introduction

Cruise shipping is booming globally — and in the Arctic in particular (Nilsen, 2018; Wright, 2018). As the Arctic is undergoing unprecedented changes, it is becoming a desired travel destination. In light of the fragility of the Arctic marine environment and the multiple effects of cruise shipping on the natural environment as well as on coastal communities, ensuring at least a minimum level of sustainability of cruise operations requires international regulation. This will likely involve non-regional actors, in particular countries whose citizens are particularly active in Arctic tourism.

For some time, China has been pushing for more recognition and a more active role in Arctic affairs by trying to get more involved in regional decision-making processes. A case in point is

China's involvement with the Arctic Council where China has gained Observer status. For the self-styled "near Arctic" state, this is an important achievement as China has long sought a seat at the table. These efforts are not an end in themselves. China has economic and security interests in the Arctic, both of which can raise concerns among Arctic nations. In order to gain support - or at least a lack of opposition - from Arctic states for China's Arctic ambitions, it appears likely that Arctic states' governments will have to see positive sides to China's Arctic ascendance. In other words, China's involvement in the region might face resistance or at least resentment<sup>1</sup> unless it is seen as beneficial for Arctic states and local communities.

While China's official role in cruise tourism is still relatively limited, the large number of Chinese visitors to the Arctic give China an interest in the region and in the well-being of their citizens. Likewise, states, like China, should not overlook the impact tourism has on local communities. Accordingly, the well-being of local residents in tourism areas should also be taken into account by the home countries of visitors. While the sovereignty of the receiving states prevents tourists' home states from taking direct action, a cooperative effort aimed at safeguarding the rights and interests of local communities in tourism regions is in the interest of all sides. The sustainability of Arctic tourism can benefit from the involvement of the home countries to tourists who visit the Arctic. This can be done through raising tourists' awareness of local conditions and the needs of local communities prior to departure or by influencing international legal frameworks relevant for tourism activities. This text is concerned with the latter aspect.

It will be shown that there might indeed be a way for China to actually make a positive contribution which benefits the people who live in the Arctic. One way to do so, and the focus of this article, would be for China to take an active role in protecting Arctic coastal communities against air pollution from ships. While such action might not provide immediate benefits for China, it could increase acceptance of Chinese tourism-related activities by local communities in the Arctic. This is a factor which is not to be underestimated because for many small Arctic communities, the current tourism boom, which is to a significant degree fueled by Chinese visitors, is a mixed blessing: local economic benefits clash with the environmental and cultural costs of opening up to mass tourism of questionable sustainability. Reducing the air pollution caused by cruise vessels operating in the Arctic is one way to protect coastal communities.

In order to assess the likelihood of such a move, different aspects will be investigated, in particular the current state of international law when it comes to protecting Arctic coastal communities from vessel-source air pollution, green shipping technology and China's Arctic policies, as evidenced by the nation's 2018 Arctic White Paper (People's Republic of China, 2018).

## Shipping in the Arctic

### *Climate Change Opens Up a New Ocean*

As climate change leads to a dramatic reduction in Arctic sea ice cover, Arctic shipping is becoming more feasible both technologically and economically. While some shipping companies are using Arctic shipping routes as a marketing tool (for example in the case of the highly publicized *Crystal Serenity* cruise through the Northwest Passage (AFP, 2016)), a large part of the cargo shipping which is currently undertaken in the Arctic Ocean is regional in nature,



largely concentrating on Russia's Northern coastline, for example between Sabetta and China. Trans-Arctic shipping has the potential to provide shipping companies with significant savings due to a route e.g. between Europe and East-Asia. The Arctic alternative is not only shorter than currently preferred route, through the Suez Canal or around Africa, but also safer than waters along these routes which continue to be plagued by piracy, albeit to a lesser extent than was the case a few years ago. Such economic and security incentives and the continued reduction of Arctic sea ice cover due to climate change make Arctic shipping, including cruise shipping (cf. Sloan, 2018), more likely in the future — a development for which the Arctic is not yet prepared sufficiently (see Struzik, 2018; cf. also Steward et al., 2007).

In addition, the Arctic is an attractive destination for cruise tour operators. Next to extractive industries, including for the energy sector, maritime transport is one of the key potentials for the advancement of economic development in the Arctic (Gauthier, 2017: 2) and the current boom in cruise tourism in the Arctic is a double-edged sword. The impact of the increasing interest of the tourism industry can already be felt in many parts of the Arctic and China plays an important role in it. This role ranges from the large number of Chinese tourists who are visiting the Arctic to Chinese-run business operations, such as hotels. When it comes to cruise tourism, the impact of increasing visitor numbers is felt in particular in small locations: for small coastal communities which host passenger vessels with hundreds or thousands of tourists, the current boom is a mixed blessing: while tourists generate some income, the local economic benefit is often restricted to souvenir shops (local residents in Arctic cruise tourism destinations hope to profit from the sale of souvenirs, such as locally made works of art<sup>2</sup> (Brown, 2016). Many products needed on board the ship (including food for passengers and crew members) are sourced far from the Arctic destinations prior to departure. As a result, the potential for profit by local actors in Arctic communities is severely limited since many of the passengers' needs will already be met on board. But there are also serious environmental and health concerns (ibid.), in particular due to the air pollution caused by ships. While Arctic cruise shipping has the potential to provide income for small coastal communities in remote Arctic regions (Kassam, 2016), there are concerns about potential disasters, which could have dramatic impacts on local livelihoods (ibid.). The long-term effects of the *Exxon Valdez* oil spill not only on the environment but also on local economies have not been forgotten in the Arctic. Also ships other than oil tankers, just carrying bunker fuel, can cause significant damage to the marine environment. The sinking of the *MS Explorer* in the Antarctic Ocean in 2007, to give just one example,<sup>3</sup> triggered a significant oil spill which negatively impacted local wildlife (Associated Press, 2007).

### ***Air Pollution by Ships***

Cruise vessels not only bring tourists but also pollution to the Arctic: in the absence of land-based energy supplies, the ships' engines have to be kept running in order to supply the ship with energy, in particular electricity. Dock-side electricity supplies remain expensive and rare, and because many of today's ships still rely on heavy fuels, ship engines are a significant source of air pollution, which leads to negative health effects for coastal residents. This problem is not restricted to cruise vessels, but due to high energy needs and stays close to the shore, cruise vessels are a particularly important source of air pollution when it comes to coastal communities in the Arctic. Among the most problematic pollutants emitted by ships are sulphur-oxides

(SO<sub>x</sub>). As will be shown below, their prevalence has already led to a number of legal responses by the IMO. Other negative health effects are caused for example by emissions of carbon-dioxide (CO<sub>2</sub>), a problem which has come into the focus of international maritime environmental lawyers more recently.

### ***A Role for International Law***

International law has long played a role in the Arctic Ocean. Already in 1958, on the occasion of Alaskan statehood, it was noted that “[i]ncreased human activity in the [Arctic] area, particularly when great Powers are involved, naturally results in international problems” (Hayton, 1958: 746) and that international law has a role to play in solving these problems (*ibid.*). Specifically, international law has an important role to play in the protection of the Arctic marine environment against vessel-source pollution (Kirchner, 2017). While the establishment of Particularly Sensitive Sea Areas (PSSAs) currently still requires an existing shipping-based threat to the marine environment (see in detail Kirchner, 2017), which makes the establishment of a PSSA in waters which are not (yet) used for shipping difficult (Kirchner, 2017), environmental standards which directly target vessels are also applicable in the Arctic and can be used to protect the Arctic marine environment and the coastal communities.

### ***The Polar Code***

The International Convention for the Prevention of Pollution from Ships (MARPOL) is the central international legal instrument when it comes to regulating pollution by ships. Both MARPOL and the International Convention for the Safety of Life at Sea (SOLAS) provide the legal background for the Polar Code which entered into force on 1 January 2017. The Polar Code is meant to protect both safety at sea and the marine environment (Polar Code, Introduction, Section 1).

The Polar Code did not come out of a vacuum but was the result of many years of law-making efforts on the soft law level (on the development see Jensen, 2016). The 1989 *Exxon Valdez* disaster served as the initial point of departure for these efforts to develop specific rules which govern navigation in Arctic and Antarctic waters (Jensen, 2016). Almost three decades later, a binding legal framework exists which aims at making navigation in polar waters safer than ever before. Although vessel operations in polar waters remain inherently dangerous, the Polar Code establishes rules, which enable ship operators and crew members to take active measures to enhance safety at sea. The Polar Code is mandatory for all ships which fly the flag of states which are parties to SOLAS or MARPOL (*ibid.*). The Polar Code may also be considered to amount to generally accepted international rules and standards, for example in the context of Article 21 (2) LOSC or Article 211 (2) and 5 (5) LOSC (see in detail Jensen, 2016). In particular, Article 211 (5), read in conjunction with the Polar Code, will allow coastal states to impose environmental standards on vessels which are passing through their Exclusive Economic Zones (Jensen, 2016). Interestingly, it can be argued that by invoking Article 234 LOSC, coastal states can set even stricter standards than those which are laid down in the Polar Code (*ibid.*).

Although it is in many ways a technical document (*ibid.*), the Polar Code is not only about technical standards but also about people (Kirchner, 2017a). While safety of seafarers is an issue in particular for newcomers to the Arctic (Polar Code, Introduction, Section 3.1.7, cf. also Kirchner/Pääkkölä, 2016), coastal communities, which are particularly endangered by Arctic

shipping (cf. Kirchner, 2016), are barely mentioned in the Polar Code (Polar Code, Preamble, para. 4; but see also Polar Code, Introduction, Section 1). However, as outlined earlier, the potential negative effects of Arctic shipping on coastal communities, are not insignificant.

### *SO<sub>x</sub> and CO<sub>2</sub>*

Because the Polar Code was written from the perspective of safety and the environment, its inspirational moment, the 1989 *Exxon Valdez* disaster, remains tangible under the surface of the text. The Polar Code aims at preventing accidents which result in dangers to human life and / or the environment. Oil spills are a classical example for accident-based forms of environmental harm at sea. Air pollution by ships, on the other hand, is not the result of disasters but a consequence of the normal course of operations of vessels. It is therefore necessary to approach the issue differently.

The IMO has done so by establishing specific Sulphur Emission Control Areas (SECAs) in areas of particular concern. In these areas, many of which, for example the SECA for the Baltic Sea, also are close to population centers, ships fuels must not contain more than 0.1% sulphur m/m. In the Arctic, no such limitation exists at this time, but as of 1 January 2020, a general limit of 0.5 % sulphur m/m will be imposed on ship fuels worldwide.

This trend is noteworthy in that the next step in this development is already visible on the horizon. In early 2018, efforts were underway at the IMO to tackle the issue of CO<sub>2</sub> emissions by ships. This is noteworthy in particular because the shipping industry did not play a role in the 2015 Paris Climate Accords. From an international law perspective, the end of heavy fuels in shipping is getting in sight. For coastal communities as well as for passengers on cruise ships, these developments are of direct importance due to the negative health effects of ship emissions. As long as fossil fuels will be used in ship propulsion systems, the problem of emissions will persist. While there are already a number of different technical efforts to make shipping greener, from solar cells to Flettner rotors (rotating cylinders which use the Magnus effect to generate forward propulsion), the shipping industry is still far away from being environmentally friendly.

## **China's Contribution?**

How then can China make an active contribution to the wellbeing of residents in Arctic coastal communities in a field which is of increasing interest for the People's Republic?

### *China in the Arctic*

Although the Arctic has been of interest for legal scholars for a long time (see Hayton, 1958), interest in the region has dramatically grown, also among lawyers, in recent years. The Far North, which was long seen as inhospitable, has attracted a large number of new actors from around the world, largely due to the increased accessibility made possible by climate change. While climate change already has dramatic impacts on communities in the Arctic, in particular on indigenous communities which are dependent on the natural environment for their livelihoods, the changing climate also makes large parts of the Arctic more accessible (Tiainen et al., 2015: 132). More so than most non-Arctic countries, China has played (and continues to play) an important role in this development: Chinese demand for natural resources is a key factor in price increases and for the growing interest for example in mining in the Arctic (ibid.).

In addition, the Arctic Ocean is becoming an important route for the transport of raw materials and natural resources to China (for example gas from Russia's Far North) and has the potential to provide a shorter (and therefore cheaper) route for the transport of Chinese-made products from China e.g., to Europe. While maritime transport is an important topic, for example in the context of China's One Belt – One Road (OBOR) initiative, the economic interests of the People's Republic in the Arctic include a range of issues. Increased accessibility of the Arctic also makes investments in the region (for example in the extractive industries or in tourism) more profitable (Tiainen et al., 2015: 132). This is particularly the case because the trend of increased accessibility of the Arctic is likely to continue in the foreseeable future (ibid.). It therefore appears likely that China will have a long-term interest in the Arctic. This in turn means that such economic interests are likely to take on a political and legal dimension and this can already be seen in China's increasing emphasis on involvement in the shaping of Arctic Law. One way in which China is already active today is in fisheries: together with the Arctic 5, Iceland, Japan, South Korea and the European Union, the People's Republic signed the agreement to establish a fisheries moratorium for the Central Arctic Ocean in Ilulissat on 3 October 2018.

Although in practice mainly relevant for communities in the Arctic, the Polar Code, which applies in the Arctic as well as in Antarctic waters, it was created on a global level, under the auspices of the International Maritime Organization (IMO). This means that China had a small part to play in this development, although many other states have been more active than China in the process. As Arctic shipping will likely become more important for China's economy, which depends on the export of products and the import of raw materials, it appears likely that China's interest in shaping the rules of Arctic shipping will grow.<sup>4</sup> Already today, China's government, in line with China's diverse (political, economic, legal etc.) interests in the Arctic (Shi et al., 2018) wants to play a role in governing activities in the Arctic, including shipping (Wong, 2018): "By defining China as a near-Arctic state, ensuring that China has become an observer on the Arctic Council and has intensified its investments in Arctic research, China's government has increased its focus on the Arctic" (Zeuthen, 2017: 2).

### ***Technical and Legal Options***

China essentially has two options on how it can contribute to the reduction of the dangers which follow from air pollution by vessels: the technical solution could consist in China's shipbuilding industries trying to become competitive producers of 'green' vessels. In particular in light of the expected stricter environmental standards for the shipping industry, a conscious move towards the production of greener vessels could be an important step forward for shipbuilders in China, in particular as the industry is already a global leader in terms of volume and the Chinese shipbuilding industry is about to undergo a major consolidation, which could free up production capacities, while at the same time Chinese-built vessels are not necessarily the first choice for buyers seeking vessels for operations in the Far North. A legal approach could be two-fold, for example imposing stricter emission limits on ships flying the flag of the People's Republic or taking a more active role in shaping international legal standards which pertain to air pollution by ships.

In the following, this text will look at the likelihood of such a move towards active advocacy for the reduction of ship emissions in the Arctic by the People's Republic. Particular attention

will be given to the overall vision of the Chinese government with regard to China's place in the Arctic in general, its interests, as well as China's role in legal decision-making and law-making in the Arctic in particular. In other words, the following section will look at China's role in shaping Arctic Law in a field which is particularly relevant for the health and well-being of local coastal communities in the Arctic.

### ***Emphasis on Cooperation and International Law***

China's emphasis, at least in public statements concerning the Arctic, on the importance of international law can strengthen its role in the Arctic (Koivurova, 2018). This would especially be the case if the focus would shift from regional law-making, for example in the framework created under the auspices of the Arctic Council,<sup>5</sup> towards more universal legal frameworks, such as the Law of the Sea Convention (cf. *ibid.*). While China's government has disregarded international legal norms, including those of the LOSC, closer to home, in the Arctic the People's Republic of China uses international law as a tool to gain access to decision-making processes. In practice, in the Arctic, China's actions match the government's claims which have been laid out in the 2018 Arctic Policy White Paper (*ibid.*). There is therefore, despite systematic violations of international law by China elsewhere, for example in the South China Sea or on issues such as fundamental human rights, at least some reason to expect that China would honor international legal obligations in the Arctic context. This would correspond to a widely held practice between Arctic nations that cooperation has long been possible, for example during the Cold War, despite serious political differences between Arctic states over other matters. Cooperation across international borders is an essential element of Arctic governance (Davidson, 2015: 1) and often this means cooperation across political divides. The Search and Rescue exercises conducted by Norway, a NATO member state, and Russia in Spring 2018 are a reminder of the importance attached by Arctic states to reliable cooperation across political divides. By honoring international legal agreements in the Arctic, China could present itself as a reliable partner for Arctic nations. Taking an active role in reducing the effects of air pollution by ships could provide an important step in this direction.

International governance of the Arctic is – to very large degrees – based on the Arctic Council<sup>6</sup> and the Law of the Sea Convention (Escudé, 2016: 49). China has a chair at both tables, albeit not a voice at the former. The law of the sea provides a framework which already today provides China with access to the decision-making which affects the Arctic. The Law of the Sea Convention is particularly relevant for the Arctic: unlike in the case of Antarctica only a small portion of the Arctic, the High Seas part of the Central Arctic Ocean, does not fall under some form of legal power wielded by Arctic states, be it land territory, waters under full coastal state sovereignty (such as the territorial seas) or parts of the sea to which coastal states hold sovereign rights (for example the Exclusive Economic Zones) (Koivurova, 2013: 443). Aside from exceptions such as Svalbard (see Koivurova et al., 2017), the presence of state actors severely limits the role non-Arctic states can play in the region. It also means that China's focus on cooperation through international law is understandable as international legal instruments which are created outside of the framework provided by the Arctic Council can be influenced by non-Arctic states. While there might be political concerns about China's increasing role in the Arctic, including in Arctic Law, in some Arctic states, this approach can actually turn out to be beneficial of coastal communities in the Arctic – in the (admittedly not too likely) event that

China becomes serious about combatting air pollution (and the continued reliance on coal in China seems to indicate that this is hardly the case).

China's role as an actor in the Arctic is growing (Sellheim et al., 2017: 9) but "China's Arctic aspirations are under close scrutiny by the Arctic community" (ibid.: 5). If China wants to play a meaningful role in the Arctic it will need the acceptance of other actors in the Arctic, in particular Arctic states and the peoples they represent. Merely reaping economic benefits at the expense of the Arctic natural environment and the people who live in the Arctic will not endear outside actors to decision-makers in the Arctic. Therefore, there will have to be tangible benefits for Arctic states in order to open the door to newcomers. Despite its claims, China remains a relative newcomer to the Arctic. For example, unlike other states from outside the Arctic, between 1998 and 2015 China has not played a role in preparing the reports of the Arctic Marine Assessment Programme (AMAP) (Spence, 2016: 80 et seq.), which would have been an indicator of China's bona fide willingness to be involved with protecting the Arctic marine environment.<sup>7</sup>

China has described Arctic issues as "trans-regional and global" (Sellheim et al., 2017: 4). This can be cause for concern if it is to be understood as limiting the reach of Arctic states. Although China recognizes the established rights of Arctic states (ibid.), by emphasizing the transnational dimension of the Arctic, China can create the impression that it sees its interests as competing with that of the Arctic nation states, although in other contexts the Chinese government has regularly emphasized the importance of national sovereignty.

In the Arctic, international law, rather than politics, seems to dominate China's actions (ibid: 9), which is a welcome departure from the behavior of the People's Republic elsewhere: China's 2018 Arctic Policy White Paper (China's Arctic Policy (CAP) 2018, see also Koivurova, 2018 and Hossain, 2018) emphasizes the protection of the Arctic environment (CAP, 2018: IV. 2. (1)), which also includes efforts "to enhance control of the sources of marine pollution, such as ship discharge, offshore dumping, and air pollution" (CAP, 2018: IV. 2. (1)). It is, however, not fully clear if the term "control" refers only to the enforcement of existing norms or also to the introduction of stricter standards and other measures aimed at protecting the Arctic marine environment.

From a legal perspective, China could take action in international fora, such as the IMO, to advocate in favor of stricter environmental and health standards for the Arctic region. While it is unlikely that China would do so directly, it could become a leader when it comes to sustainable shipping — and thereby pursue the same aim indirectly.<sup>8</sup> In that way, the People's Republic of China can make a positive contribution to reducing air pollution by vessels and to the health of the people who live in Arctic coastal communities. From a technical perspective, Chinese shipbuilders have an economic incentive to compete with shipbuilders from other nations in producing vessels, which are fit for operations in polar waters. A focus on green shipping technologies would allow Chinese shipbuilding companies to catch up technically with shipbuilding companies from other parts of the world, in particular from Europe.

## Concluding Remarks

When keeping in mind China's environmental policies at home as well as the disregard for human rights, including the right to health, it seems questionable at first whether China might

actually pursue such a course of action. In the Arctic, however, China has to – and appears to be – following other rules. Cooperation across borders is essential in the Arctic and non-Arctic states such as China will be dependent on the cooperation of Arctic states in order to be able to do business in the Arctic. Cooperation with Arctic states will usually require predictability as a partner, which in turn will require compliance with international agreements which apply in the Arctic. So far, China appears to honor international law in its activities in the Arctic. Utilizing international law as a tool to contribute to the provision of practical benefits for Arctic communities might provide long term benefits for China in the form of increased access to cooperation with Arctic states.

For the time being, air pollution by ships remains a significant concern for coastal communities. While steps have already been taken by the IMO, a more complete transition towards greener shipping technologies will be inevitable in the long run. China has the technical and legal means to contribute to an improvement of the situation. It remains to be seen in how far China's commitment to international law and cooperation, including in the fight against air pollution by ships, which has been affirmed in the government's Arctic Policy White Paper in early 2018, will actually be implemented with a view towards the wellbeing of the people who live in the Arctic.

## Notes

1. On different attitudes towards China's increasing importance in the Arctic see Takeshima, 2013: 73 et seq.
2. This also raises concerns regarding the protection of traditional indigenous knowledge, on this see Wheelersburg et al., 2017.
3. From a human perspective, the increase of cruise tourism in the Antarctic Ocean turned out to be beneficial as 154 passengers and crew members of the *MS Explorer* were rescued by a Norwegian cruise ship only three hours after abandoning the vessel and entering lifeboats (Associated Press, 2007). On the lack of search and rescue (SAR) infrastructure in the Arctic, which remains a serious problem, see Gramer, 2018.
4. For an earlier call for China to take a more active role in standard-setting regarding Arctic shipping see Liu et al., 2017.
5. The development of binding international treaties by the Arctic states while using the framework provided by the Arctic Council is a relatively recent phenomenon. On the original idea behind the creation of the Arctic Council see Bloom 1999, on the making of Arctic Law see Sellheim et al., 2017:4 et seq.
6. On the importance of the role played by the Arctic Council in shaping norms applicable to the Arctic – initially soft law but in recent years also binding international treaties – see Escudé, 2016: 51 et seq.
7. Earlier, environmental concerns apparently were perceived by China as a possibility for cooperation rather than as a concern in its own right (cf. Ministry of Foreign Affairs of

the People's Republic of China, 2010). This approach was also visible in the inactive role played by China in the drafting of the Polar Code (Bognar, 2017: 5).

8. Such an approach would be consistent with the country (which is emitting more greenhouse gases than the European Union and the United States together (Bradsher/Friedman, 2018)) in terms of climate action, at least since the election of *Donald Trump* as President of the United States (see Wong, 2018).

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# Chinese Mineral Sourcing Interests & Greenland's Potential as a Source of 'Conflict-Free Conflict Minerals'

Karin Buhmann

*A growing global market for generic minerals that are used in technical products for the 'green' energy transition and the electronic industry holds interesting potential for the Arctic. This article takes Greenland as an example of an Arctic nation which may offer an alternative sourcing country for minerals otherwise known as 'conflict-minerals'. China's electronic, solar power and wind energy industries need certain generic minerals for production for the global market. Certain conflict-ridden countries are main sources of some of these minerals, which are known as 'conflict minerals' when their trade helps fuel the conflicts. Commitment to fight conflict minerals have led to various guiding normative standards; and the EU and US have introduced requirements on importers and manufacturers to document efforts to avoid conflict-related supply chains. These developments underscore the potential market for deposits elsewhere. China has responded by developing guidelines for minerals supply chains and mining investment. The article explains that these guidelines can apply outside conflict areas and discusses how their connection to other international regulatory instruments for business responsibility for human rights can be deployed by Greenlandic actors to enhance the implementation by Chinese economic entities of Greenlandic policies and national regulation on social sustainability. The article argues that in particular the Chinese guidelines' reference to the concept of risk-based due diligence, a concept that has been introduced by guidelines from the United Nations (UN) and elaborated in guidelines from the Organisation for Economic Collaboration and Development (OECD) as a company approach for identifying and managing its adverse impacts, may be deployed to complement Greenland's own regulation on stakeholder engagement.*

## Introduction

Preventing adverse social and environmental impact of mining and the trade in minerals is a key issue for affected communities and host governments (Ruggie, 2013; Footer, 2015). Companies causing adverse impacts on society may also suffer economic losses due to the reduction of their 'social licence to operate' (Nelsen, 2006; Henisz et al., 2014). While concern with adverse societal impacts caused by extractive industries has particularly been voiced in regard to countries in Africa and Latin America, the manner in which mining is performed means that the industry as such can be considered a high-risk sector in regard to potential

adverse impacts regardless of country or region. There is a need everywhere for adequate measures to protect communities, employees or the environment against harmful effects of dust, industrial processes, treatment of mined or discarded materials, etc. Local communities often feel strongly about the establishment or extension of mining projects or possess specific knowledge of relevance for identifying and managing potential adverse impacts. Irrespective of location, adequate processes also need to be in place to ensure stakeholder engagement. From health impacts on communities and occupational health and safety of workers to general working conditions and meaningful stakeholder engagement, a range of impacts caused by the industry and relevant processes to identify and manage these have human rights relevance. Indeed, the risks and steps to avoid these have been clarified through efforts to develop normative guidance for governments as well as companies with regard to business impacts on human rights over the past two decades, especially with the United Nations (UN) (Ruggie, 2013) complemented by the Organisation for Economic Collaboration and Development (OECD) (Buhmann, 2015).

Recent years' commitment to fighting climate change through transitions to a 'green' economy has led to an increased economic interest in certain minerals that are required for products like solar power panels, batteries for electric cars, as well as a range of electronic goods, many of which are produced in China and traded to other countries (Huang, 2018; Cao & Groba, 2013; Wang, 2009). International political support for fighting climate change through green transitions took a leap forward with the 2015 Paris Climate Change Accord, as well as the adoption in the same year of the Sustainable Development Goals (SDGs) with SDG 7 aiming to ensure access to affordable, reliable, sustainable and modern energy for all, including renewable and clean energy. In the years preceding this, international concern had been expressed with severe social impacts of the mining and sourcing of some minerals used for products relevant for this transition, in particular the so-called 'conflict minerals' sourced out of the eastern Democratic Republic of Congo (DRC). In the United States and Europe, such concern has led to extensive requirements on companies importing such minerals from the DRC area or deploying them for manufacturing purposes to provide transparency on the sources of the minerals, e.g. through mandatory reporting. For the US and EU markets, manufacturers or importers of products that contain generic minerals that originate or may potentially originate from the DRC area are subject to reporting on their supply chains and risk management processes. The potential reputational risk, as well as the human and economic resources required for the reporting, create a potential market for the relevant types of minerals sourced out of other regions that do not suffer from civil wars and human rights atrocities characterising 'conflict minerals' from the DRC area. For a special issue related to the topic of mutual resource interests between China and the Arctic, this raises interesting economic prospects if Arctic areas can be providers of the relevant types of minerals for China's industry supplying to the global market. This in turn raises questions on how to address potential adverse societal concerns in the Arctic areas where such minerals could be mined, including through strong engagement with communities as stakeholders.

This article addresses these questions from the perspective of Greenland, an Arctic nation with potential sources of a range of the relevant minerals, and strong policies, a minerals resources law, other regulations and procedures for social sustainability and impact assessment, benefit agreements, and citizen involvement. Previous studies (e.g. Hubbard, 2013), that have

addressed Indigenous concerns in particular, have argued that these policies and the implementation of the Greenlandic regulation for socially sustainable mining may benefit from considering the so-called risk-based due diligence approach that was introduced and elaborated by UN guidance instruments on business responsibilities for human rights. This article expands that line of argument to Greenlandic society in general, in particular local communities that may be affected by mining projects. Adopting a particular focus on the potential Chinese interests in Greenlandic minerals, the article considers how two sets of guidelines developed by the Chinese mining and minerals industry may complement the Greenlandic raw materials regulation for the purpose of avoiding adverse impacts and ensuring stakeholder engagement in line with international guidance on business and human rights. In particular, the article argues that the Chinese guidelines' inspiration from international guidance instruments that take a human rights perspective and encourage the risk-based due diligence process may offer opportunities for Greenlandic actors to deepen community engagement and prevention of adverse impacts of a human rights character (such as, but not limited to, health impacts). Due to space limitations the article does not discuss other Arctic states, however in principle the Chinese guidelines may be applied by governments or communities in other areas from a similar perspective as the one argued in here.

Greenland is a part of the Kingdom of Denmark, and in 2009 was granted self-government, a step up towards full independence from 'home rule' introduced in 1979 and prior colonial status. With Greenlandic aspirations of achieving independence from Denmark, interest has also grown for developing a self-sufficient economy. Greenlandic raw materials play a part as a potential source of income for such an economy (Ilisimatusarfik & University of Copenhagen, 2014). Combined with the prospects that climate change offers for easier access to minerals hitherto covered under ice as well as for making sea or land-based infrastructure to ship mined ore or processed composites more accessible, already existing international interest in exploiting Greenlandic raw-materials grew around 2014 (Merrild-Hansen et al., 2016). While it later cooled off due in part to the global development in prices for relevant minerals, the prospect of Greenland emerging as a supplier of various minerals and other raw-materials remains, in principle, not least due to the economic aspects of independence. The economic interest among foreign companies in exploring these resources is reflected by the fact that a large number of exploration permits are held by international companies (Government of Greenland, 2018).

If supplies can be accessed at competitive prices, Greenland offers potential sources of 'conflict-free minerals'. Such competitiveness depends not only the price of a unit of the material. It is also determined by economic or human resource-demanding steps needed for trading a product in certain markets, for example steps to document that a mineral does not fuel war and human rights atrocities. China has shown an interest in funding the development of a mining infrastructure of minerals in Greenland, and in buying minerals for use in the Chinese manufacturing industry (Zeuthen, 2017; Economist, 2018).

In Greenland the potential adverse as well as positive social impacts of mines have been a major issue in regard to several proposed projects. In addition to health and environmental impacts, particular concern has been raised in regard to Chinese political interests and the impact of a potentially large influx of Chinese workers (Economist, 2018; Nuttall, 2012; Merrild-Hansen et al., 2016). Local tensions and conflicts among citizens and politicians have been observed both

in regard to the Isua mine prospect (close to the capital Nuuk) that might have employed a large contingent of Chinese workers (Nuttall, 2012), and in regard to potential mining at Kvanefjeld in Southern Greenland (Björst, 2016, 2017; Triscott et al., 2017). The potential health effects of uranium dust from the mine and the possibility that Chinese employees may form a large proportion of workforce at the Kvanefjeld mine are concerns voiced by parts of the local community (author's interviews August 2018). China's persistent interest in investing in the Greenlandic economy in a broader sense has been documented through Chinese bids on the construction of new airports in Greenland (Matzen & Daly, 2018).

On that backdrop, this brief article explores and discusses the implications of Chinese guidelines for responsible minerals supply chains and mining investment. It does so with a particular emphasis on Chinese companies in the sector in Greenland. This is based on an analysis of the Chinese guidelines based on the legal method of document analysis, combined with a pragmatic socio-legal approach of placing the documents into the broader normative, political and economic contexts. A pragmatic socio-legal approach (Tamanaha, 1997) emphasises the role and potential of normative standards to govern conduct. By contrast to a doctrinal legal approach, which often has regard only to hard (binding) law and legal enforcement in courts, the pragmatic approach recognises the relevance of guiding normative instruments as well. As the societal impacts of transnational economic activity is generally not subject to hard regulation and legal enforcement across borders, the pragmatic approach to the role of guiding instruments is relevant for the topic of this article. As will be explained, the principles informing risk-based due diligence makes the Chinese guidelines a potentially relevant source of socially responsible action beyond the conflict areas from which 'conflict minerals' derive.

## **The Generic Minerals that May Be 'Conflict Minerals', and Their International Market Potential**

The term 'conflict minerals' is generally associated with minerals sourced out of areas suffering from particularly severe internal conflict that result in atrocities. The trade in minerals has been found to generate funds for war-lords responsible for the atrocities. The term 'conflict minerals' in principle refers to any such mineral mined in an area of armed conflict and traded illicitly to finance the fighting (Oxford Dictionaries online). Gold, tin, tungsten, tantalum, certain other rare earth elements (REE) and cobalt are typically considered 'conflict minerals'. While certain areas suffering from conflicts and human rights atrocities have rich deposits of these minerals, the generic minerals are also found elsewhere. The ores of tin (which is produced from cassiterite), tungsten (produced from coltan), tantalum (produced from wolframite), and supplies of rare earth minerals like cobalt are found in all regions, but bigger reserves are found in parts of Eastern and Central Africa, and China, Myanmar, Vietnam, and parts of Latin America and Canada, depending on the mineral in question (USGS website; Stensgaard et al., 2016). Besides Canada, supplies also exist in other Arctic nations, including Greenland.

The role of trade in 'conflict minerals' fuelling war and human rights atrocities have been known for years, but the international society stepped up action against trade practices in such minerals following the humanitarian crisis in the Eastern DRC and adjoining areas in other countries in the early 2000s. The concern prompted by the DRC crisis has been represented at the popular

level in movies, e.g., ‘Blood Diamond’ (2016). In 2010 it led the UN Security Council to adopt a Resolution calling for the introduction of due diligence in minerals supply chains to fight the minerals trade that allowed rebel groups in the DRC area to function (UN, 2010). The OECD in 2013 issued a guidance for responsible minerals supply, spelling the general normative directives of OECD’s Guidelines for Multinational Enterprises (OECD, 2011) into detail for the sector. In 2014 and 2015 the China Chamber of Commerce of Metals, Minerals & Chemicals (CCC MC), an organisation connected to the Chinese Ministry of Commerce, issued guidelines for Chinese companies investing or trading in minerals. The Chinese guidelines are explicitly aligned with the OECD guidance, despite China not being a member of the OECD. Adopting mandatory rules applicable within their territories, the United States (US) and the European Union (EU) have introduced requirements on traders in certain minerals to exercise due diligence, and disclose these practices or their sources of certain ‘conflict’-type minerals from conflict-affected areas (especially the DRC) or areas that are at risk of such conflicts (EU, 2017, US Congress, 2010).

The minerals targeted by the regulatory instruments noted above are typically used in computers, tablets, mobile-phones, in re-chargeable batteries for electric cars, or in solar-power panels (Enough Project, 2009; Amnesty International, 2017). In other words, they play a major role in the modern economy, both in regard to electronic communication as core parts in the devices for such communication, and in the transition for ‘green’ energy. Some of the raw materials for these manufactured products can be considered ‘critical’, meaning that they are at the same time (i) important to society’s needs, (ii) subject to a significant supply risk, and (iii) there is a lack of (viable) substitutes (Stensgaard et al., 2016). What is considered critical is both scale dependent, dynamic, and varies from country to country, depending on the resource endowment and the structure of the raw material consuming industries (ibid).

The introduction of the US and EU requirements on companies to document supply chains and sourcing practices are important elements in the global fight against conflict minerals. However, from the company perspective the requirements translate into administrative and resource expenses and therefore costs, for themselves, suppliers and/or buyers. Like other mandatory requirements on documenting particular practices in a trade or production process, they complicate the access of economic actors to minerals used in the products that they manufacture or sell. As a result, supplies of the same generic minerals from conflict-free areas are of interest, and countries that have supplies of such minerals may have economic incentives in making them available. Even disregarding potential costs of administrative requirements, the market for minerals used in electronics and some other products has risen dramatically in recent years (King, n.d.). Moreover, increased access to the same generic materials from other areas can decrease the market for minerals that are at risk of funding conflicts in countries like the DRC. This might in itself inform efforts by governments and the industry to explore the potential of sources for such minerals. From the Greenlandic perspective, the expected supplies of such minerals at locations other than where potential mines that themselves spur significant adversarial voices in the local society (such as the Kvanefjeld project) are located would fit that potential, as indicated in the following paragraph.

Overall, deposits of minerals of a ‘conflict’-type are found in many locations in Greenland (Stensgaard et al., 2016; USGS website), although resources are still mainly being explored



rather than exploited (Government of Greenland, 2018). Tungsten, considered a ‘critical’ mineral according to EU estimates, is available in moderate supplies in Greenland. Tantalum-associated niobium is estimated to be in high supply in Greenland. Resource areas include the Kringlerne mine/mining prospect and some others in Southern Greenland (Stensgaard et al., 2016). Niobium is also considered a critical mineral. Greenland’s resources for tin (not a critical mineral but also economically important) are estimated to be low (Stensgaard et al., 2016). Moreover, both Kringlerne and the nearby Kvanefjeld complexes are considered potential world-class deposits for rare earth elements (ibid.), also used in electronics. Despite such uncertainty of the quantities of these various minerals, the 2018 list of exploration permits confirms that international companies have their eyes tuned to Greenland with a view to potential resources of gold, tantalum/niobium, as well as cobalt and various rare earth elements and several other minerals (Government of Greenland, 2018). Tin and tungsten (or their ores) are found within the same deposit types (Stensgaard et al., 2016).

## **Greenlandic Regulation of Societal Impacts of Raw-Materials Exploration and Exploitation**

Greenlandic policies and regulations on raw-materials pay considerable attention to the involvement of local communities in decision-making on proposed projects (Nuttall, 2012; Merrild-Hansen et al., 2016). The participation affected communities in decision-making on economic projects affecting their land, lives and practices is a human rights issue in itself. Indigenous peoples enjoy special claims under the International Labour Organisation’s Convention 169 (ILO, 1989).. UN and OECD guidelines on meaningful stakeholder engagement, in particular with regard to affected communities and individuals, as part of the risk-based due diligence approach, underscores the human rights character of access to information and to participation in decision-making for all. Moreover, industry development in general is an issue imbued with several human rights aspects that may concern adverse impacts as well as potential benefits. These are related to the potential economic benefits of access to employment and building strong occupational health and safety practices in an already (but slowly) growing industry, as well as potential adverse impacts on land, health, cultural and recreational space, known from other mining nations. Greenland has policies and regulation to identify and negotiate beneficial outcomes of mining activities in terms of so-called impact benefit agreements (IBAs). Consultation with communities is also a potential source of insight for benefits that may be of local relevance.

Greenland’s legislative regulation of the development of the raw-materials industry contains requirements for social sustainability assessment, social sustainability agreements, and environmental impact assessment (Government of Greenland, 2009; Govmin.gl (n.d.)). Greenland is part of the Kingdom of Denmark but since 2009 the Greenlandic authorities have the power to make policies and legislate on raw materials, as well as their administration and implementation (Government of Denmark, 2009; Alfredsson, 2014). According to Greenland’s *Act on Raw Materials*, which dates from 2009 and has been amended several times since then (Government of Greenland, 2009; Govmin.gl (n.d.)), a social sustainability assessment and environmental impact assessment must be carried out by the entity that applies for a license. Authorities are empowered to set conditions when they grant licenses to explore or exploit minerals in Greenland. Possible conditions include the employment of Greenlandic employees,

companies, or considerations of societal sustainability. For this purpose, social sustainability agreements and impact benefit agreements may be concluded between the Greenlandic government, a municipality, and the license holding company. IBAs in Greenland's mining sector aim at ensuring the social commitment from the involved parties through the lifetime of the project (Bureau of Minerals and Petroleum, 2009). The policy and legal recognition of stakeholder consultation is accordance with academic studies on stakeholder participation as an important aspect of the quality of the process leading to a social or environmental impact assessment (Nenasheva et al., 2015).

International, including Chinese, investment in the raw materials sectors, can leave Greenland vulnerable to decisions by foreign companies to withdraw if investments no longer appear economically viable. This occurred in 2015, causing scholars to argue that investors and other companies in the sector should pay attention to their social responsibility beyond mere legal requirements (Wilson, 2016). Meaningful public participation in decision-making on the sector is also argued to play a role in this regard (*ibid.*).

As explained below, the political and regulatory commitment to community engagement and the fact that this can serve as a means to enable public participation in decision-making provide important links to the risk-based due diligence process elaborated in the subsequent section. Conversely, risk-based due diligence may serve to enhance the implementation of Greenland's policies and national regulation on citizen involvement and social responsibility in the mining sector.

### **Regulatory Instruments on Social Responsibility in the Mining and Minerals Sector: Emergent Convergence on 'Risk-Based Due Diligence'**

Transnational trade is typically subject to international binding regulation and enforcement only with regard to economic aspects and commercial rights. By contrast, the societal impacts of commercial activities and trade in raw-materials, including minerals, tends to be unregulated by international law or, at most, subject to non-binding guidance. This creates an imbalance between the economic opportunities and rights of multinational companies, and their responsibilities to avoid harmful impacts and contribute to society (Ruggie, 2013). This imbalance is a result of the way that international law is structured, and of international politics. The state-centrist structure of international law has allowed multinational companies to, simply put, 'fly under the radar' of international regulation. When concerns have emerged with the undesirable societal results of this, political support for international regulation of transnational commercial activity has so far only supported guidance, not legally binding regulation (*ibid.*; Buhmann, 2017a). For this reason, it is relevant for a discussion of regulatory instruments on social responsibility in the mining and minerals sectors to consider such guidance, regardless of its non-binding character. Such guidelines are simply the best that global society has currently been able or willing to produce for transnational economic activity occurring outside the territory of a particular state and own territorial-based jurisdiction. As argued by Wettstein (2012), the UN's guidance on business and human rights, which has informed the Chinese guidelines as well as OECD's Guidelines, is currently state of the art in regard to transnational governance of business with regard to adverse societal impacts. While not enforceable in courts of law, guidance and non-observance may be sanctioned through reputational damage and

reduction of ‘social licence to operate’ (Nelsen, 2006), resulting in economic loss for a company (Henisz et al., 2014).

In 2008, the UN Human Rights Council agreed on a policy instrument, the *Protect, Respect and Remedy Framework*, that explained the prevention of business-related adverse impact on human rights as comprising duties for states to protect individuals against such harm, responsibilities for companies to respect human rights, and joint responsibilities to provide access to remedy (Ruggie, 2013). As part of this, the document introduced the concept of human rights due diligence as a process for companies to identify and manage adverse impacts. The focus of this process is on risks caused *by* the company, rather than risks that others cause *to* the company. In 2011, the Human Rights Council adopted the so-called UN Guiding Principles (UNGPs) on Business and Human Rights, which amongst others spell out detailed steps for the due diligence process. The process includes stakeholder engagement that must be meaningful and pay attention to the situation of affected communities and individuals. As this due diligence process has come to be adopted by other transnational business governance instruments it has come to be known more generally as risk-based due diligence. It has informed several regulatory instruments on responsible mining supply chains, including OECD’s Guidelines for Multinational Enterprises, which are a comprehensive guidance instrument for companies operating in or out of OECD states or a number of non-OECD adhering states. In light of the absence of international hard regulation of the societal impact of transnational economic activity, that is a feature worth noting as it provides the Guidelines with an extraterritorial reach. In turn, this makes them highly relevant as a normative instrument for responsible business conduct in value chains. The OECD Guidelines also complement the UNGPs in regard to their implementation (Buhmann, 2015).

Prior to the concern with the risk that trade in certain minerals may fuel conflicts, mining and raw-materials have been addressed in regard to social and environmental risk that these activities cause. To seek to remedy the regulatory gap resulting from the lack of international regulation, a number of private organisations, sometimes in collaboration with governments or intergovernmental organisations, have launched various guidance instruments for the timber, minerals and other sectors. For the minerals and mining sectors, major initiatives of this type include the Extractive Industries Transparency Initiative (EITI), a global standard that aims to promote the open and accountable management of oil, gas and mineral resources through transparency along the value chain (EITI website); and the Kimberley Process, an initiative to remove conflict diamonds from the global supply chain (Kimberley Process website). Several initiatives have been developed to reduce and contain the trade in conflict minerals in and from the Great Lakes Region in Central and Eastern Africa. These include the Regional Initiative against the Illegal Exploitation of Natural Resources launched by the International Conference on the Great Lakes Region (UN, 2013) and industry initiatives addressing smelters, tin supplies and gold from artisanal and small-scale mines. In 2013, the OECD issued a guidance text (a detailed sector-oriented guide for implementation) for responsible supply chains of minerals from so-called conflict-affected and high-risk areas (2013). The guidance focuses on risk-based due diligence, spelling out the implications of the OECD Guidelines for Multinational Enterprises into sector-relevant details for companies involved in the supply chains of ‘conflict minerals’ with a particular emphasis on tin, tungsten, tantalum and gold.

Drawing on the UNGP, the OECD Guidelines (2011) emphasize the importance of ‘meaningful stakeholder engagement’, especially by companies vis-à-vis those who are or may be affected by the project, in order to learn their views and for the project to take account of those in the course of managing impacts. By adopting the risk-based due diligence approach and its elements and applying them to human rights as well as labor issues, environment and anti-corruption, the OECD Guidelines effectively spread the normative expectation of risk-based due diligence to a large number of companies and their value chains across the globe. In the context of minerals and mining it is worth noting that more than 50% of extractive companies globally and many companies supplying services to the mining sector are based in Canada, a partially Arctic OECD state (Mining Association of Canada, 2017).

The regulation of transnational economic activity is not only a challenge at the international level. The transnational character of supply chains for minerals derived from conflict-afflicted places, especially in central Africa, to processing countries, e.g., in China, Europe or the US, poses challenges to regulating involved companies and supply chains by national law, because this is conventionally limited by national boundaries. Whereas the US and the EU have introduced mandatory requirements on traders operating within their territories, China has so far not introduced binding regulations. Instead, China has introduced guidelines for actors in the mining and minerals sectors for their operations outside China, in particular targeting supply chains and investment. In 2014 and 2015, the China Chamber of Commerce of Metals, Minerals & Chemicals (CCC MC) issued guidelines for responsible investment in mining (CCC MC, 2014) and responsible minerals supply chains (CCC MC, 2015). Aligned with the OECD guidance on responsible minerals supply chains, the Chinese guidelines are partly motivated by the US and EU requirements on importers and manufacturers: they aim, amongst others, to set out similar normative standards for Chinese companies, so that their products will be able to meet the standards required for entry to the US and EU markets. The Chinese guidelines provide very detailed explanations of steps that companies should take in this regard. As China has not acceded to the OECD Guidelines, the Chinese guidelines for practical purposes function like the OECD Guidelines for Chinese companies in the mining sector.

The Chinese Due Diligence Guidelines for Responsible Mineral Supply Chains (CCC MC, 2015) provide details for companies to identify, prevent and manage their adverse impacts on society, in accordance with the due diligence-approach introduced by the UNGP, the OECD Guidelines for Multinational Enterprises, and OECD’s guidance for responsible minerals supply chains (Buhmann, 2017b). CCC MC’s guidance instruments are therefore not unique, but follow in the steps of those previous efforts. As the CCC MC Guidelines are aligned with the OECD instruments, host countries can raise similar expectations of or demands on Chinese companies in the minerals and mining sector as they would have of extractive companies based in OECD countries.

## **The Chinese Guidelines and Their Potential Implications in the Greenlandic Context**

Companies operating in Greenland obviously need to observe Greenlandic law, as well as any specific conditions on their operations. For companies in the mining sector, this means they

must respect the raw materials legislation, other regulation in the field, and conditions set for their licences.

While Greenlandic raw materials regulation attaches strong emphasis on social and environmental impact assessment and the involvement of citizens, it does not spell this out in the form of a risk-based due diligence process. The risk-based due diligence process established with the UNGP and emergent theory on that process can therefore complement the Greenlandic regulatory approach to stakeholder consultation with regard to enhancing attention to societal risks caused by companies. The same can be said for the involvement of local communities and individuals in processes to identify such risks and understand it from the citizens' perspective, thereby advancing their implicit and explicit access to the pertinent decision-making processes on whether licences should be granted. This is where the Chinese guidelines come in.

The issuing organisation of the two sets of Chinese guidelines, CCCMC, is closely related to China's Ministry of Commerce (MOFCOM). This provides the guidelines with an official character that can be invoked by host governments negotiating with Chinese companies. As a non-binding regulatory instrument, guidelines are often considered aspirational. Whereas binding instruments apply only to the specific locations for which they are intended (if any), aspirational instruments can be argued to have broader applicability. For the Greenlandic context, this means that actors can reference the Chinese guidelines as aspirations to be implemented locally, even though Greenland does not harbour the types of conflicts that conflict-minerals regulations have regard to.

For companies from OECD countries, Greenlandic actors can explicitly indicate an expectation that such companies observe the OECD Guidelines, including their standards on risk-based due diligence and efforts to engage in meaningful stakeholder engagement.

As China is not a member of the OECD and has not acceded to the OECD Guidelines, that argument cannot be made for Chinese companies with reference to the OECD Guidelines. However, the Chinese guidelines play a similar role. Since they have been put in place and even enjoy a measure of official endorsement by the Chinese government, Chinese companies can be explicitly expected to observe the detailed steps set out on risk-based due diligence, including meaningful stakeholder engagement. In negotiating agreements and discussing social sustainability assessments and stakeholder engagement, Greenlandic actors such as the national or local governments can therefore make an argument that in fulfilling their obligation in accordance with the raw materials legislation, the companies should have regard to the risk-based due diligence process and its detailed steps.

The CCCMC Mining Investment Guidelines are addressed to Chinese companies and investors in an effort to support them in establishing management systems on social responsibility, disclose information on such issues, and integrate social and environmental factors into investment decisions and operations abroad (CCCMC, 2014). These guidelines set out steps for companies in the sector in regard to, *inter alia*, impacts on human rights in general, labor practices, and occupational health and safety. The guidelines note that companies should observe the UNGPs during the entire life cycle of the mining project and note that companies should develop a human rights due diligence process to identify, prevent, mitigate and remedy adverse impacts on human rights, and cooperate with the local community to effectively remedy

those affected by adverse human rights impacts through legitimate process. The chapter explicitly on human rights observes that companies should conduct risk-based supply-chain due diligence in order to prevent engagement with materials that may have funded or fuelled conflict. The guidelines refer to ‘conflict prone’ minerals and explain the types of conflicts and human rights conflict-risks associated with these minerals. On the other hand, their application is not limited to such minerals or conflict-affected sourcing areas. They may therefore also be invoked by Greenlandic actors. Indeed, the guidelines are set out to,

apply to *all* mineral exploration, extraction, processing and investment cooperation projects, including related activities such as mining-related infrastructure development *in foreign countries*, in which Chinese companies have invested. Mineral exploration, extraction, processing and investment cooperation projects mean any activities for which a license, lease, concession or similar legal agreement to operate in the extractive industries sector has been obtained by a legal entity whose beneficial ownership fully or partially rests with a Chinese company. (CCCMC 2014: 28, emphasis added).

The CCCMC guidelines for responsible minerals supply chains provide detailed elaboration on risk-based due diligence, in line with the OECD Guidelines and the UNGP. The text of the guidelines explicitly notes that in addition to supporting companies in complying with the requirements of markets such as the US and EU, the guidelines aim to support implementing companies in meeting expectations of customers and markets on responsible mineral resources. In this regard they aim to help companies enhancing the understanding, data collection and management on a company’s mineral resource supply chains and sourcing strategies and thereby enabling more informed and strategic decision-making; improving the reputation of participating companies (as well as of the Chinese minerals supply industry) (CCCMC, 2015: 8-9).

The CCCMC supply chains due diligence guidelines explicitly have global applicability. They state that they apply to

*all Chinese companies* which are extracting, trading, processing, transporting, and/or otherwise using mineral resources and their related products and are engaged *at any point in the supply chain of mineral resources and their related products*. This definition *targets all Chinese companies* which are engaged *in both the upstream*, i.e. resource exploration, extraction, trading, transporting and storing up to processing, including refining, and/or smelting, and *the downstream* parts that are engaged in using mineral resources and their related products of the supply chain (for example, electronics, electrical appliances, instruments, jewelry, communications equipment, etc.). “*Chinese company*” in this regard means *legal (for-profit) entities which are registered in China or overseas companies (including subsidiaries) which are wholly- or majority-owned or controlled by a Chinese entity or individual*. “Mineral resources” in these Guidelines refers to *all mineral resources and their related products* (i.e. ores, mineral concentrates, metals, derivatives, and by-products).’ (CCCMC, 2015, emphasis added).

Like the OECD Guidelines, the application is mainly targeted at conflict-affected or high-risk areas, which are defined as the presence of armed conflict; the presence of widespread violence, including violence generated by criminal networks; fragile post-conflict areas; areas witnessing weak or non-existent governance and security; areas witnessing widespread and systematic violations of international law, including human rights abuses; areas witnessing systematic discrimination against parts of the population; areas with endemic corruption, or areas witnessing sexual and gender-based violence (CCCMC, 2015: 13). These conditions are not

typically found in Arctic areas, including in Greenland. However, that limitation need not restrain the application of the basic premise informing the Guidelines that companies should apply risk-based due diligence in regard to sourced minerals. It would appear odd if Chinese companies sourcing minerals should only exercise risk-based due diligence when they operate in conflict-affected or high-risk areas. There are also risks of causing social or environmental harm in other countries. Those risks can be identified, prevented or mitigated if companies follow the steps for risk-based due diligence set out by the UNGP and the OECD Guidelines. The implications are that host countries in areas that are not conflict-affected or high-risk can refer to the basic due diligence message in their interactions with Chinese companies in the minerals sector. This entails emphasizing the process of meaningful stakeholder engagement, including with actually or potentially affected stakeholders, to identify and address potential adverse impacts. That process, in turn, could also be turned towards identifying stakeholders' views of needs and benefits to which involved companies could contribute through benefit impact agreements.

## Conclusion

With climate change affecting access to minerals in the Arctic, and political commitments to green transitions around the globe enhancing the economic interest in particular minerals, Arctic supplies of minerals for the technical products required for a non-carbon economy are potentially attractive to the global market. The fact that the Arctic, including Greenland, has deposits of minerals otherwise mainly sourced from conflict-ridden areas offers potentially interesting opportunities, in particular with regard to types of minerals that in recent years have become subject to strict supply-chain documentation and transparency requirements if they derive from or close to conflict-affected areas. China is showing an interest in such 'conflict-free minerals'. China has issued guidelines for responsible minerals supply chains and mining investment. These guidelines apply similar approaches to identifying risks of adverse impacts, managing those impacts, and engaging local communities, as do the OECD's Guidelines for Multinational Enterprises, based on the UNGP. It is therefore possible to expect similar standards of conduct in regard to identifying and managing human rights risks and other risks to society of Chinese companies in the mining sectors as of companies based in OECD states such as Canada, the United States, or the United Kingdom.

The CCCMC guidelines aim at guiding companies to consider and address their societal impacts through responsible investment in the minerals sector and risk-based due diligence to ensure socially responsible sourcing of minerals. This article has shown that as the Guidelines create an expectation on companies operating in non-conflict Arctic nations like Greenland, they can be applied to complement the Greenlandic requirements for social sustainability assessment and citizen involvement. From a human rights perspective, the details contained in the Chinese guidelines add a level of detail in regard to risk assessment processes and stakeholder engagement. Connecting to the UNGP, the detailed steps for due diligence can be deployed by concerned citizens or public organisations to underscore the human and social dimension of the impact assessment process from the individual's perspective, including meaningful stakeholder engagement, and influence on the identification of benefits that companies may be asked to provide as part of the licence agreement.

Seen in the normative, political and economic contexts of extractives exploration and exploitation, this means that host societies can explicitly expect Chinese companies to assume an active role in ensuring impact assessments that involve a high degree of public participation in decision-making (a human right) for the identification of potential adverse impacts as well as benefits, including with regard to such human-rights related public policy objectives as local employment and capacity building.

For Chinese companies and the world market, this can result in a larger supply of the generic minerals that are needed for much electronic hardware, including for the green transition. For companies that would otherwise source from the DRC or other conflict or high-risk areas, this would be an important alternative supply that would reduce risks of contributing to armed and humanitarian conflicts and could help reduce the administrative burden of proving that minerals marketed to the US or EU markets are not conflict-minerals.

The overall normative alignment between the Greenlandic raw materials regulation and the Chinese guidelines can be deployed strategically by Greenlandic authorities at central and local level to articulate expectations of companies. This is not limited to the generic minerals that are ‘conflict-minerals’ if sourced from some other areas. Being aspirational, the guidelines can also be applied to other types of mineral and mines. The CCCMC guidelines and their application of risk-based due diligence can be referenced to further deepen the implementation of Greenland’s raw-materials regulation in regard to societal impacts.

In Greenland as elsewhere, proposals on new economic opportunities do not necessarily lead to uniform agreement. They can also spur local disagreement. The debates on projects like the Isua or Kvanefjeld mining projects in Greenland are examples of this. Would a human-rights oriented emphasis on meaningful stakeholder engagement help address such disagreement? This is not certain. Yet the strong human-rights oriented focus of the risk-based due diligence process and the emphasis on the perspective of affected stakeholders may help retain awareness of the rights of individuals and to feed their views and concerns into solutions that balance economic activities and societal impacts. The emphasis on meaningful stakeholder engagement should influence the design of citizen involvement and consultation processes towards enhancing citizens’ perceived experience of receiving information to help them make informed decisions; and for their views and concerns to feed into the general decision-making process on whether projects should go ahead.

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# Chinese Mining in Greenland: Arctic Access or Access to Minerals?

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*This article contributes to the academic debate on China's growing interests in the Arctic and enriches our understanding of the various economic and political factors influencing Chinese investment decisions in the mineral sector. The article studies Chinese interests in two Arctic advanced mineral exploration projects – the Citronen Fjord zinc project in Northern Greenland and the Kvanefield (Kuannersuit) Rare Earth Element (REE)-uranium project in Southern Greenland. It analyses China's different policies for REE and zinc and their different roles in China's foreign policy strategy – the Belt and Road initiative (BRI), which also includes plans for establishing an "Ice Silk Road". Based on a study of Chinese-language policy documents and academic articles from the mining sector, we argue that Chinese involvement in the two projects is driven by different strategic considerations. Chinese involvement in REE projects overseas is primarily driven by China's interest in the strategic resource itself, whereas decisions of where to engage in zinc projects are to a higher degree determined by China's foreign policy priorities. China has a well-developed and clearly defined national strategy for REE, a resource it considers "strategic," of which the Kvanefield project is likely to be part. Zinc, on the other hand, is not a strategic resource to China, but still essential for its industry. Hence, we argue that the Citronen Fjord project is less tied to national resource strategy; instead, it offers China access to the Arctic region and to zinc as an added bonus. By focusing on the mineral sector, the article explores the extent to which mineral interests drive Chinese foreign policy and to what extent other foreign policy interests influence the Chinese mineral sector overseas.*

## Chinese Interests in Greenland: Mineral Resources and Power Balance

China's growing interests in the Arctic and emerging Arctic strategy have been the subject of several publications in recent years (e.g., Jacobson & Peng, 2012; Lanteigne, 2014; Brady, 2017; Lackenbauer et al., 2018; Sørensen, 2018). As Anne-Marie Brady (2017: 116) has shown in her book *China as a Polar Great Power*, China's Arctic policies are formally managed within China's maritime supra-bureaucracy. The maritime bureaucracy hosts at least seventeen different government agencies and departments with polar interests. In addition, external actors, including polar scholars, state-owned enterprises and other commercial forces may also

influence China's polar policies. In Greenland, a country many scholars of Chinese-Arctic relations regard as being of strategic importance for China's Arctic activities, mineral resources have been the focus of China's interests (Brady, 2017; Sørensen, 2018). This makes Greenland an interesting and well-suited case for further exploring the extent to which mineral interests drive Chinese foreign policy and to what extent other foreign policy interests influence the Chinese mineral sector overseas.

Chinese state involvement in Greenland's mineral sector has generated political controversy in Denmark and Greenland. In Denmark, apart from concerns that state-supported Chinese companies will seize control over Greenland's vast mineral riches, there are fears that Chinese investments come with hidden political and military agendas. In 2016, the Danish government stepped in to prevent the Hong Kong-based mining company General Nice from taking over the abandoned naval base Grønnedal (Breum, 2016; Matzen, 2017). Recently, a bid by China Communications Construction Company, a Chinese state firm previously blacklisted by the World Bank, to build airports in Greenland prompted the Danish government to secure half of the financing of the airports. The interpretation in Greenland and Denmark was that this was done to keep China out. It resulted in the party Partii Naleraq, strongly in favor fast Greenlandic independence, leaving the government in protest against accepting support from Denmark (Bennett, 2018). In Nuuk, parts of the political elite regard a vibrant mining sector largely fueled by Chinese capital as one of the few feasible ways of achieving economic self-sufficiency (Gad et al., 2018).<sup>1</sup>

While there have been plans for very large Chinese investments in Greenland for a while now, actual investments are so far extremely limited. This suggests that that "speculation and political rhetoric far exceeds actual developments" (Foley, 2017: 100). However, the establishment of the "Ice Silk Road" (冰上丝绸之路) as an official policy and the above-mentioned fact that Chinese state firms have made bids for building airports in Greenland – a country with inadequate and badly connected infrastructure – seem to indicate that Greenland has at least some priority in parts of the Chinese state system.

Since Lieberthal and Oksenberg (1988) first coined the concept "fragmented authoritarianism," the view of large parts of the Chinese bureaucracy as being able to select between policy agendas set by competing sectors of the central leadership in Beijing became a common assumption in many studies of Chinese politics (Mertha, 2009). Under current president Xi Jinping, this view has become increasingly challenged, with one of the important elements of fragmented authoritarianism, policy experimentation, also questioned (Stepan & Ahlers, 2016). Recent studies of Chinese state-controlled enterprises, however, reveal that the fragmented authoritarianism approach may still have some relevance in the study of this sector. Based on telephone interviews with Chinese mining companies, Têtu and Lasserre (2017) argue that Chinese companies' decisions to invest in Greenland are based on a combination of economic and political considerations. Increased Chinese control over capital outflows means that both political support and commercial viability are increasingly required. We aim at exploring the incentives from the Chinese bureaucracy towards the mining sector and how these might be changing as a result of the "Ice Silk Road".



Chinese companies interested in Greenland are at least partly driven by state interests (Sørensen, 2018; Zeuthen, 2017; Têtu and Lasserre, 2017). Few, however, have studied what the state wants to gain from its involvement. Moreover, with few exceptions (e.g., Brady, 2017; Zeuthen, 2017; Martin 2018), most Western analysis relies exclusively on English-language sources to assess the interests and motivations behind Chinese state investments in Greenland. This article draws extensively on Chinese-language materials intended to inform and instruct Chinese stakeholders involved in mineral exploration projects overseas, some of which have never been analyzed in Western research. In addition, the article draws on data collected in interviews with stakeholders in some of the mining projects. It focuses on two advanced<sup>2</sup> mineral exploration projects in Greenland where Chinese companies are involved – the Citronen Fjord zinc project in Northern Greenland and the Kvanefjeld Rare Earth Elements (REE)<sup>3</sup> and uranium project in Southern Greenland.<sup>4</sup>



The article begins by discussing China's foreign policy interests in Greenland and the Arctic more broadly. It then moves on to present the global supply and demand outlook for zinc and REE based on data from geological surveys, providing an explanation for China's interests in the two commodities from a macro-perspective. It then compares China's policies for zinc and REE<sup>5</sup> based on the official five-year plans for the two commodities, showing how zinc and REE are differently prioritized and their different roles in China's Belt and Road initiative (BRI – 帶一路),<sup>6</sup> the larger policy framework of which the "Ice Silk Road" is a part. The next section discusses China's interests in Greenland's mineral resources based on a content analysis of Chinese-language geology journals from the Chinese Academic Journals Database (CAJ), a Chinese full-text database containing more than 66 million articles. It shows

how, following a series of diplomatic exchanges between China and Greenland from 2011 to 2013, Chinese geologists began to publish detailed assessments of Greenland's mineral resources. The article then briefly introduces the two mining projects and the Chinese investments in these projects that followed the diplomatic exchanges. Finally, it analyzes and



compares the two Chinese companies involved in the projects, their relationship to the Chinese state, and how they operate within Chinese and global policy frameworks, before concluding that Chinese involvement in the two projects is driven by different strategic considerations. We argue that Chinese involvement in REE projects overseas is primarily driven by China's interest in the "strategic" resource itself, whereas decisions of where to engage in zinc projects are to a higher degree determined by China's foreign policy priorities.

## **China's Foreign Policy Interests in the Arctic and Greenland**

Until 2018, China operated under an unofficial Arctic policy. Moreover, in public statements targeting international audiences, Chinese polar officials tended to deemphasize or avoid discussing China's interests in what they perceived as potentially sensitive areas, such as mineral resources and national security.<sup>7</sup> As late as 2012, Yang Huigen, Director of the Polar Research Institute of China, denied that China had any interest in Arctic mineral resources (Brady, 2017: 87). This contrasted with China's domestic discourse on Arctic issues, which showed great interest in mineral resources (*ibid*). A 2015 Chinese-language report from the Shanghai Institutes for International Studies (SIIS), a government-affiliated think tank, stated: "with the rapid development of China's economy, China's demand for resources and energy continues to increase, and its dependence on imported energy sources is also rising. The Arctic region has abundant reserves of energy resources. There is great potential for China and Arctic countries to engage in energy cooperation and achieve joint economic development" (Zhang et al., 2015: 27).

With the publication of China's white paper on the Arctic in January 2018, the gap between China's domestic discourse and the message it transmits to foreign audiences appears to be shrinking. Although the white paper does not address China's military interests in the Arctic, it now makes clear that China intends to explore and exploit Arctic resources, including mineral resources, while stressing that it will be done in accordance with international law. It repeats China's intention to incorporate the Arctic into BRI by establishing an "Ice Silk Road", a term officially established in May 2017 when Chinese foreign minister Wang Yi referred to it in a discussion on China-Russia cooperation in developing the northern sea route (Xinhuanet.com).<sup>8</sup> In a Chinese-language analysis of the white paper, Yang Jian, Vice-President of SIIS, noted that "from an economic perspective, China is a major country of world trade and energy consumption. The development and utilization of Arctic navigation channels and resources may have a huge impact on China's energy strategy and economic development" (Yang, 2018: 4).

Given its geostrategic location between North America and Europe, its proximity to new potential shipping lanes, and its vast potential for mineral resource exploitation, Greenland is expected to play an increasingly important role in China's emerging Arctic strategy. Although Chinese officials are careful to avoid addressing China's foreign policy interests in Greenland, influential Chinese scholars have since 2016 begun to publicly discuss the issue of Greenlandic independence and its implications for the geopolitical balance. As first reported in Western research by Martin (2018), Guo Peiqing, a law professor at Ocean University of China and one of China's most prominent polar researchers, has discussed the topic in one of China's leading international relations journals. Guo and co-author Wang Junjie believe that Greenland is

moving towards independence at an accelerating pace. According to them, the international community has a “responsibility” to help an independent Greenland deal with its developmental problems. Mineral resources will play an important role in Greenland’s future, especially REE, which the authors regard as “the most important strategic resource of the 21st century” and “one of Greenland’s most important strategic assets” (Guo & Wang, 2017: 64). Other scholars go even further, presenting views that could be regarded as highly controversial. Xiao Yang, director of the Arctic Research Center at Beijing International Studies University, discusses the role of Greenland in China’s foreign policy strategy. Greenland, which is “gradually gaining greater independence,” is the key variable in the Arctic’s future political and economic landscape. In Xiao’s view, Greenland could serve as a “foothold” for China to “fully participate in Arctic affairs” (Xiao, 2017: 110). In a comment to one of the authors at a conference in 2016, Yang Jian expressed it more diplomatically, stating that China is happy with Greenland as a part of Europe, but fears that an independent Greenland might become a *de facto* part of the US.

## **Zinc and REE: Global Supply and Demand**

### ***Zinc***

Zinc is one of the most widely used non-ferrous metals.<sup>9</sup> Galvanizing, mainly for the automotive sector, accounts for over 50% of total zinc usage worldwide (Statista.com, 2017). Despite a declining demand for zinc in North America and Europe, the global demand for zinc increased by about 31% from 2005 to 2015, driven in particular by China’s increasing demand (122%) (Meng, 2017). The forecasts for the zinc markets generally predict a continued upward trend due to the closure of several major mines and growing global demand.

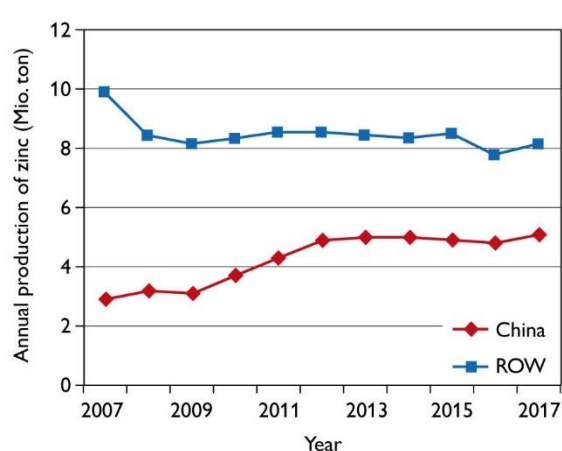
China has met some of its demand for zinc by increasing domestic production of zinc concentrate (by 76% in the period 2007-2017) (US Geological Survey, 2018). China produced 5.1 million t in 2017, equivalent to 39% of the global production. China has not been able to compensate the production resulting in depleted reserves. Hence, the lifetime of the Chinese zinc reserves has dropped from circa 11 to 8 years in the past decade. This is in contrast to the Rest of the World (ROW), where reserve lifetime has grown from 15 to 24 years. For this reason, China has to make alliances with zinc miners outside China to secure its future supply of zinc.

### ***REE***

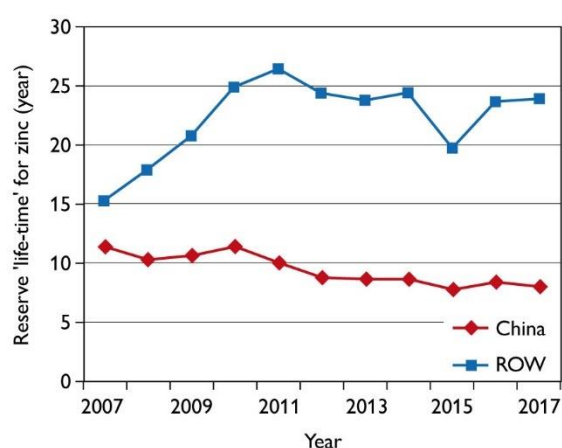
REE comprises 17 elements always occurring together of which 15 provide unique commercial properties that are essential raw materials for the production of emerging energy and communication technologies, such as wind-turbines, electrical vehicles, computers and smartphones. This has led to swiftly expanding markets for REE products, for which China has achieved a monopolistic role in all segments of the REE value chains. Growing demand outside China for REE raw materials stemming from the above market sectors amplifies concerns over the quasi-monopolistic supply situation, and consequently REE is considered a Critical Raw Material<sup>10</sup> by the European Union (EU) and the United States (US) (EC, 2018; US DOI, 2018). However, political strategies in the EU and other Western countries aimed for the development of REE supplies outside China have been unsuccessful.

Global REE mine production in 2015 is reported to be about 126,000 t Rare Earth Oxides (REO) of which about 20,000 t is produced outside China (US Geological Survey, 2016), although the figures are inaccurate due to unregistered and non-reported operations. Over the past three decades, the demand for REO have increased about 5% annually. The fast-growing global demand for REO in combination with Chinese taxes and quotas have put a pressure on ROW to develop new REE mines. However, the Chinese dominance of the value chains, and the technically complex process transforming the REE mineral concentrate into various types of separated commercial REE products, are constraints for new projects. These reasons make Chinese REE groups obvious partners for potential new REE mining projects in ROW.

**Figure 1:** Production of zinc concentrate in China and ROW from 2007 to 2017, based on data from the US Geological Survey, 2007 to 2017.



**Figure 2:** Lifetime (years) of zinc reserves in China and ROW from 2007 to 2017, based on data from the US Geological Survey, 2007 to 2017.



## China's Five-Year Plans for Zinc and REE

China has a well-developed and clearly defined national strategy for REE, a resource it considers “strategic”. Whereas the EU and the US use the term “Critical Raw Materials” to refer to minerals that are crucial for the economy, China’s National Plan for Mineral Resources (2016-

2020) uses the term “strategic minerals” (战略性矿产) to refer to minerals that are essential for “protecting national economic security, defense security, and strategic emerging industries” (State Council, 2016: 14). The plan lists REE as one of 24 “strategic minerals,” whereas zinc is listed as one of 35 “key minerals” (重点矿种) (which also includes REE). Zinc, in other words, is not a “strategic” resource for China, but still important for its industry.

Despite China’s many years of market reforms, both the zinc and REE sectors are subject to five-year plans issued by the Ministry of Industry and Information Technology (MIIT) and approved by the State Council. While REE has its own five-year plan at ministry-level, zinc is part of the five-year plan for the non-ferrous sector. (MIIT Plan No. 316, 2016; MIIT Plan No. 319, 2016). The five-year plan for non-ferrous metals is 44 pages long while the REE plan is 30 pages long. In the five-year plan for non-ferrous metals, zinc is mentioned 25 times, compared to copper (88 times) and aluminum (127 times). This suggests that zinc is regarded as far easier to regulate or much less in need of regulation than REE.

Both the REE and the non-ferrous sectors in China are controlled by companies partly or fully owned by different levels and/or sectors within the state. The goals set for the REE industry are, however, much tighter than in the non-ferrous sector. Most importantly, access to producing (extracting and processing) REE is regulated through a quota system to which only six selected companies (the “Six Big”) have access (Zeuthen, 2017). Zinc and other nonferrous metals, on the other hand, are produced according to more loosely defined goals. Both fields are subject to centralization processes aiming to modernize the sector through larger, fewer and more efficient facilities. Given the very different incentives for implementing these policies, however, the REE sector is several steps ahead of the non-ferrous sector in this regard.

**Table 1:** Comparison between the five-year plans for zinc and REE.

	<i>Zinc</i>	<i>REE</i>
<i>Quota-system</i>	Goals for growth in production in five-year plan: No clearly specified upper limit.	Production quotas managed strictly, so only the Six Big have access to declining quotas.
<i>Industrial ambition</i>	<ul style="list-style-type: none"> <li>Five-year plan encourages larger and more advanced enterprises in regional clusters.</li> <li>No specific enterprises mentioned.</li> </ul>	<ul style="list-style-type: none"> <li>Five-year plan states how the Six Big should consolidate their positions and develop into world leading enterprises.</li> <li>Regional clusters with down-stream industry encouraged.</li> </ul>
<i>Foreign investment policy</i>	Foreign investments in China allowed.	Foreign investments in China not allowed.
<i>Overseas strategy</i>	Focus on BRI countries.	Focus on advanced resource countries.

Both in the non-ferrous and REE sectors, companies are encouraged to engage in overseas activities. In both sectors, an important element of engaging overseas is industrial upgrading

opportunities through cooperation with supposedly more advanced global (Western) partners. In the non-ferrous sector, emphasis is on the BRI-countries in Asia and Eastern Europe, while the REE sector is encouraged to cooperate with countries with advanced mining industries. The five-year plan for REE states that “The initiation of a number of REE development projects and the first steps towards handling REE separation in countries with a generally strong resource sector such as the US, Australia, Russia, South Africa, Chile, and Brazil has relieved the pressure on supplies from our country” (MIIT Plan No. 319, 2016: 7).

MIIT encourages investment overseas with the aims of gaining knowledge and displaying the Chinese REE sector in a world-class context. However, despite the MIIT listing the opportunity to show off world-class technologies as an incentive for overseas engagement, it elsewhere in the five-year plan describes the REE sector as backwards or intermediate with an ambition of becoming world-class. This paradox most likely reflects the great diversity of China’s REE sector. While a large number of smaller producers that used to bypass the export quota system have been closed down as a result of the more strictly implemented production quota system and harsher environmental requirements, some survive and are incorporated into the Six Big. Some of these facilities are far from world-class. By stating the ambition of becoming world-class, the five-year plan justifies further centralization. MIIT’s support for developing REE separation plants in leading resource countries suggests that it may in fact see China as a global leader within the REE sector that no longer needs to dominate the sector by processing REE in China, but instead by leading international cooperation within the field.

## Chinese Assessments of Greenland’s Mineral Resources

A search of academic articles in CAJ reveals that Chinese geologists have since around 2011 begun to show a more active interest in Greenland’s mineral resources. We listed articles simultaneously cataloged under the subjects “Greenland” (格陵兰) and “minerals” (矿产).<sup>11</sup> The search generated eight relevant articles published between 2011 and 2018 in the journals Geological Science and Technology Information (GSTI) (two articles), Land and Resources Information (four articles), Mineral Exploration (one article), and Coal Geology of China (one article). An internal search at the website of GSTI using the keyword “Greenland” generated an additional five articles, resulting in a total of 13 relevant articles. The articles in Land and Resource Information, a bulleting published by the Ministry of Natural Resources (then Ministry of Land and Resources), were explored in Zeuthen (2017). We thus focus on the articles in GSTI, the only journal with “core” status<sup>12</sup> among the collected journals. All seven articles in GSTI were part of the same August 2013 issue<sup>13</sup>. The publication of these articles followed a series of diplomatic exchanges between Greenland and China, which began with a visit to Beijing by Greenland’s minister for industry and natural resources in 2011, where he met with China’s then vice premier Li Keqiang and representatives from China Development Bank. In April 2012, Xu Shaoshi, then China’s minister of land and resources, visited Nuuk, and in July 2013, a large Chinese investor delegation visited Greenland.

The articles, coauthored by geologists from China University of Geosciences and the Chinese Academy of Geological Sciences (a research institution under China Geological Survey), provide detailed assessments of Greenland’s mineral resources. The assessments, based almost exclusively on Western studies of Greenland’s mineral deposits, are technical in style and seem

to be written with Chinese geologists and mining companies as intended readers. Two of the articles provide a general assessment and overview of Greenland's mineral resources. One describes Greenland's deposits of REE, iron, gold, platinum-group elements (PGE), zinc, lead, and nickel, pointing out that global warming is turning Greenland into "a focal point for the global mining industry and a hotspot for investments." The article highlights that Greenland possesses rich mineral resources that are yet to be exploited, and that "Greenland's most superior mineral commodities are ones that China urgently needs" (Lu et al., 2013: 55). The authors seem especially interested in Greenland's REE, stating that "mineralization conditions for REE in Greenland are unique in the world; REE is one of Greenland's most advantageous mineral resources" (ibid.: 52).

The second article, titled "Introduction to Greenland's Important Metallic Minerals and their Distribution," provides an overview of Greenland's metallic mineral resources and various geological formations in Greenland. It highlights that, because of global warming and the rapid depletion of global resources, Greenland's mineral resources have caught the attention of many countries around the world. This article, too, seems to focus primarily on Greenland's REE, stating that "Greenland's have abundant REE resources; today nine REE deposits have been found, including the world's second largest in Kvanefjeld" (Li et al., 2013: 22).<sup>14</sup>

## The Two Projects in Greenland

### *Citronen Fjord Zinc Project*

The Arctic hosts six operating zinc mines, among them the second largest in the world, Red Dog in Alaska, and several major mines that are now abandoned (S&P Database, 2018). Additionally, a number of advanced zinc exploration projects are being developed, e.g. the Citronen Fjord project, which makes the Arctic a potential major zinc-supplying region. The Australian Ironbark Pty Ltd exploration group, controls the right to exploit the Citronen deposit up to the year 2046, pending further regulatory approvals (Ironbark, 2015). In January 2017, Ironbark appointed China Nonferrous Metal Industry's Foreign Engineering and Construction Co (NFC) to develop the project further in compliance with standard codes in Greenland and China, and with the financing requirements of Chinese banks (Ironbark, 2017). The press release states that NFC is chosen due to their technical capabilities and because they can deliver a turnkey fixed price Engineering, Procurement, and Construction (EPC) solution to develop and commission the project. The Citronen Fjord deposits holds a measured reserve of 9 million t grading 6.6 % zinc and 0.6% lead, in addition to about 21 million t of indicated and inferred resource, and the lifetime is estimated to 14 years. Shipment of the concentrate in the Greenland Sea is a technical challenge and will mainly be possible in August. Ironbark reports that the concentrates are aimed for European smelters (Ironbark, 2013). However, the combination of (i) the geographical position of the Citronen Fjord deposit, carrying the potential for a shortcut to China via the North-East Passage, (ii) the growing Chinese demand for zinc concentrates, and (iii) the fact that NFC is the appointed turnkey contractor, makes the Chinese market a likely destination for the concentrates.

### ***Kvanefeld REE project***

Presently, about 31 REE projects outside China have reached advanced stage of development (Kalvig & Machacek 2018). Of these, six are situated in the Arctic: one in Alaska, three in Northern Canada, and two in Greenland. The latter two are Kringlerne and Kvanefeld, both categorized as large tonnage/low grade deposits, although the REE ratio make them suited for the high-price REE market segments. Currently, plans for developing the Kvanefeld project are more advanced and developing Kvanefeld will require a larger investment than the Kringlerne project. Both projects have applied for exploitation license. The Kringlerne project, also known as the Tanbreez project, is privately-owned and thus no information about business partners is available through stock exchange releases. The Kvanefeld project is owned by Australian based Greenland Minerals & Energy Ltd (GME). It is a multi-element deposit in which REE, uranium, zinc and fluor are meant to be extracted. In April 2014, GME announced a Memorandum of Understanding (MoU) with NFC, aiming to develop a new REE supply chain. Under the MoU, separation would be carried out in China by the NFC subsidiary, Guandong Zhujiang Rare Earths Company (GME, 2014). However, in September 2016 GME A/S announced that Shenghe Resources Holding Co Ltd (Shenghe), a Chinese REE miner, had acquired a 12.5% interest in GME, with the aim to bring REE processing technology and market understanding to the project (GME, 2016).

### **The Chinese Companies**

As a result of the five-year plans discussed above, both the zinc industry and the REE sector have experienced a massive decline in the number of companies engaged in the industries. The investor in Kvanefeld, Shenghe, has been particularly capable of navigating the quota system through partnerships with companies partly or fully owned by different of the Six Big with access to quotas. In addition, the company's main activities are placed in Sichuan where the MIIT hopes to further develop already existing extraction and processing clusters. Since the largest investor, the Institute of Multipurpose Utilization of Mineral Resources, a subdivision of China Geological Survey (hence forth the CGS subdivision), owns only 14% of the company, the company requires less permissions for operating overseas than companies such as NFC, where a single state entity owns a larger share (Quan, 2017). In addition, permissions required by Australian and US authorities also depend on the degree of state ownership. In the latter half of 2017, Shenghe was the only larger REE producer that had unused REE production quotas (*ibid.*).

**Table 2:** NFC and Shenghe compared based on messages to Chinese stock exchanges including annual reports.

	<i>NFC</i>	<i>Shenghe</i>
<i>2017 turnover</i>	19 billion CNY. <sup>15</sup> 19% down from 2016.	5 billion CNY. 280% up from 2016.
<i>History</i>	Founded as a subsidiary of China Nonferrous Metal Mining (CNMC) in 1983, as a fully state-owned company specialized in overseas operations.	Fundamentally restructured in 2013 when the Institute of Multipurpose Utilization of Mineral Resources, CGS and a number of largely Sichuan-based public partners and

	Listed on the Shenzhen Stock Exchange in 1997. Through investment in subsidiaries, NFC's domestic activities have also become considerable. CNMC owns 34%.	private investors bought Taiyuan Science and Engineering Tiancheng Technology Company Limited, renamed it Shenghe Resources and bought Shenghe Leshan Resources.
<i>Overseas Activities</i>	<ul style="list-style-type: none"> <li>• In 2017, 58% of turnover from overseas activities. Up from 39% in 2016 (largely due to domestic decline).</li> <li>• Ongoing investments in 28 projects classified as larger projects in 2017 with a total contract sum of 36 billion CNY. One project in Serbia (174 million CNY). All others in Asia and Africa.</li> <li>• In 2009, CNMC attempted to buy 51.6% of Lynas Corp that controlled a REE processing plant in Australia. Australia's Foreign Investment Review Board (FIRB) blocked the transaction.</li> </ul>	<ul style="list-style-type: none"> <li>• Started engaging in overseas activities in 2016 when it acquired a company planning to build a REE separation plant in Vietnam and took a 12.5% stake in GME. The share in GME made the company the largest non-financial shareholder of GME.</li> <li>• In 2017, the company led a consortium that bought the last active US REE mine, Mountain Pass, in California (after Molycorp's bankruptcy).</li> <li>• GME-acquisition approved by FIRB. Mountain Pass acquisition approved by CFIUS, the US Foreign Investment Committee.</li> </ul>
<i>Mining commodities</i>	Zinc, lead, copper, bauxite and REE (REE mainly through recently obtained subsidiaries, acquired in collaboration with shifting partners among the Six Big). Also has interest in other minerals, but not part of core business.	Almost exclusively REE. May become the first Chinese limited company to trade uranium though Kvanefjeld (Quan, 2017). The company itself, however, claims that it will not trade uranium (Zeuthen 2017).

While NFC was founded and is controlled by an SOE directly under the State Council, Shenghe was founded by the CGS subdivision and shares substantial parts of its leadership with that subdivision. Although both companies are state-controlled, they are both (especially Shenghe) skilled at benefiting from different policies and institutions present in the Chinese and global environments wherein they operate. Shenghe is capable of being treated as a private company when needed and a state-owned enterprise with access to production quotas and beneficial credits when that is needed to gain new business opportunities both globally and domestically (Idem.).

When asked about his interest in Greenland during an interview with one of the authors in February 2017 (when the “Ice Silk Road” was not yet an official policy), the Chairman of Shenghe, who was also the director of the CGS subdivision, explained that he expected BRI to embrace Greenland. At the same time, he stressed his uncertainty of the project's viability irrespective of these plans. He did, however, believe that a future Arctic Silk Road policy would facilitate financing of the project (Zeuthen, 2017). Shenghe appears to be aware of beneficial policies of any kind that would make investment in a particular locality especially attractive.



## Conclusion

Understanding China's intentions in Greenland is challenging. By analyzing what companies and policy advisors do and say, we may get an impression of why selected actors do as they do, but even under the very authoritarian leadership of Xi Jinping, China's interests in Greenland are still mainly controlled by incentives. Through analysis of Chinese-language policy documents and academic articles from the mining sector, this article has explored the different possible drivers behind Chinese engagement in two mining projects in Greenland. We suggest that Chinese involvement in REE projects abroad are more likely to be driven by China's interest in the strategic resource itself, whereas decisions of where to engage in zinc projects are more likely to be determined by China's foreign policy priorities.

Greenland has strategic value for China both as a source of important minerals and as a foothold for accessing the Arctic region. As suggested by a growing number of Chinese scholars in Chinese-language publications, Greenland could come to play a key role in China's Arctic strategy. Clearly, parts of the Chinese state are building Arctic knowledge that may be used to facilitate investment in Greenland in the future, investments that could serve to support China's Arctic access.

The mineral sector's goal is to supply the minerals needed by China. At the same time, however, the industry is open towards utilizing incentives that other parts of the Chinese state bureaucracy might provide for geostrategic reasons and is subordinate to directives. The exact combination of mineral need and geostrategic incentive may vary from project to project, but in the case of Greenland, it appears as if the geostrategic element of possible future decisions on mining is considerable.

## Notes

1. However, China's involvement in the Kvanefjeld Rare Earth Element (REE) and uranium project in Southern Greenland also places it in the middle of the Greenlandic uranium debate – one of the most divisive political issues in Greenland today. See Bjørst (2017).
2. "Advanced projects" are projects for which the ore reserve is defined. Ore reserves are ores that are known to be economically viable.
3. References to Rare Earth Elements (REE) are made to the commodity term comprising the non-specific seventeen elements, such as REE minerals and REE products, although only a few of them are present in the REE products. References to Rare Earth Oxides (REO) are applied for quantification/statistic purposes.
4. The Kvanefjeld project will also produce zinc, although of very low grade.
5. The article focuses on REE and zinc, since they are the main commodities involved in the two projects.
6. Also known under its literal translation One Belt, One Road.
7. For more on China's security interests in Greenland and the Arctic, see Lulu (2017) and Brady (2017).

8. However, as Brady (2017: 117-118) has demonstrated, both the Arctic and Antarctic have been part of BRI since Xi Jinping's visit to Hobart, Australia in 2014.
9. Non-ferrous metals are metals that do not contain any iron. The main non-ferrous metals are aluminum, copper, lead, nickel, tin, titanium and zinc.
10. Critical Raw Materials (CRMs) are raw materials that are considered to be of great importance for the European economy and subject to high supply risk.
11. 23 results were listed. 15 articles did not discuss mining in Greenland or were not relevant for our analysis.
12. Chinese core journals are nationally-recognized journals in China, with a much lower acceptance rate than non-core journals. According to Peking University Library, who publishes the list of core journals, more than 100 Chinese journal workers and experts from Chinese top universities and libraries participate in the selection of core journals.
13. The existence of the GSTI articles was first noted in Western research by independent researcher and blogger Miguel Martin, also known under the name Jichang Lulu. See Martin (2018).
14. The remaining five articles in GSTI present research updates on some of Greenland's most significant mineral deposits, including the Kvanefjeld and Citronen fjord deposits.
15. 1 USD = 6.41 CNY 1 June 2018

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## Briefing Note

# A Survey of Finnish Media Debates on the Arctic Corridor Railway Planned to Connect the Silk Road and the Polar Silk Road

Natalia Taksami

### Introduction – China's Interest in the Arctic

China's *Silk Road*, *One Belt-One Road*, and *Polar Silk Road* global policies and strategies have given plans for the construction of a railway across Lapland, discussed in Finland over a long period, new impetus and an increased understanding of its logistical importance. At its first seminar (23<sup>rd</sup>-24<sup>th</sup> May 2018) the recently established Eurasian Studies network initiative at the University of Eastern Finland addressed the prospect of an Arctic railway, attracting the attention of Finnish bodies such as the Finnish Transport Safety Agency, TRAFI.

Finland has offered China cooperation and joint investment opportunities in this Arctic railway project. "The growing collaboration between the world's second-largest economy and a small Nordic nation of 5.5 million people highlights a little-known fact: China's One Belt, One Road (OBOR) project has an Arctic angle, and Finland could play a pivotal role" (Tsuruoka, 2017). The railway would be an essential link, connecting the Silk Road and the One Belt, One Road with the Arctic and Polar Silk Road route, making Finland a logistics hub in Northern Europe. "The Silk Road Economic Belt and the 21<sup>st</sup> century Maritime Silk Road (Belt and Road Initiative), an important cooperation initiative of China, will bring opportunities for parties concerned to jointly build a 'Polar Silk Road', and facilitate connectivity and sustainable economic and social development of the Arctic" (White paper, 2018, China unveils, 2018). Intensification of economic and technological cooperation in the area is expected in fields such as the Arctic maritime industry, Arctic geology, marine and polar research, environmental

protection technology, and shipping and maritime safety, including vessel monitoring and reporting (Staalesen, 2017). Because China is interested in raw materials from Europe and resources from Arctic regions, it may see the Arctic railway and the port of Kirkenes as a third transport hub serving Chinese interests, after Piraeus and Rotterdam (Miettunen, 2018b; Peipponen, 2017).

Such global projects are “a matter of change in relations between institutions, and between institutions and the ‘life-world’, which ties economy, governance and culture together in new ways” (Fairclough, Cortese & Ardizzone, 2007: 29). This dominant strategy for a transition between economy and governance informs economic and social regulations which call for a change in cultural values. Strategies for transition structure “relations between scales – e.g. the structured relations between global, macro-regional (e.g. EU), national and local scales with respect to the governance of national territories. [...] Strategies of governments, political parties, international agencies, members of local communities, etc.” (Fairclough, Cortese & Ardizzone, 2007: 30).

If a port in Kirkenes and the Arctic railway are built, “China would have access to a new piece of infrastructure which easily can bring goods to and from the whole North and Central European market” (Staalsen, 2015). Globalization promises big changes for the residents, local communities, and Indigenous groups of northern Finland. A balance is needed between rapid geopolitical changes to society and the sustainability of local communities and Indigenous groups. Following the assumption that media texts “do not merely ‘mirror realities’, as is sometimes naively assumed; they constitute versions of reality in ways which depend on the social positions and interests and objectives of those who produce them” (Fairclough, 1995: 103), it is important to see all sides of the debate for and against the construction of a new Arctic railway across the territory of Finnish Lapland. My survey of the Finnish media covers both the economic and democratic scenarios for European states, reflecting on political, business, local community, and Sami interest in planned global projects. In this research note I outline some of the main discussions concerning the human factor in this development plan, contrasting the different visions of politicians and locals, following a Critical Discourse Analysis approach.

## **A Critical Examination of the Media**

Interviews with locals and other articles in the media chart the changes in the discussion and planning of the Arctic railway. The most efficient approach for an analysis of media information is Critical Discourse Analysis, a research approach for theory development and extension in social media. Through the prism of Critical Discourse Analysis “social media can be conceptualized as an emerging frontier where new forms of social relations [...] develop at the intersection of human collective communicative acts and information technology” (Albert & Salam, 2013: 1). Critical Discourse Analysis sees events and texts in a broader social and cultural context. It may be described as “a proposition which focuses on how power abuse, dominance and inequality are practiced in the discursivity of the social and political context” (Ramanathan & Hoon, 2017: 7). However, the present research uses newspaper analysis “to identify messages, examine how those messages are framed, and see how existing coverage of an issue could be improved” (Writing a Media Analysis, 2004: 1). This variation might be described as “textually

oriented discourse analysis”. The application of media discourse analysis to the planning issue is only “one analytical strategy among many, and it often makes sense to use discourse analysis in conjunction with other forms of analysis, for instance ethnography or forms of institutional analysis” (Fairclough, 2003: 2).

This affords a theoretical framework for the study of social issues through analysis of discourse, where “social media is a discursive system in which social issues are enacted through textual discourse” (Albert & Salam, 2013: 6), helps to define “power differences among social actors as manifested in communication and language” (Albert & Salam, 2013: 1), and “encompasses evaluation of the discourse, the relationships between the discourse communicators, [and] attributes of the institution which impact the discourse” (Albert & Salam, 2013: 2). “Critical Discourse Analysis can be used as a conceptual and analytical framework to investigate and make sense of the ways in which the media conveys meaning and how it generates ideologies through linguistic choices, so that they can be more easily challenged” (Sriwimon & Zilli, 2017: 141). Texts are elements of social events, and “we are not only concerned with texts as such, but also with interactive processes of meaning-making”, where “meaning-making depends upon not only what is explicit in a text but also what is implicit – what is assumed” (Fairclough, 2003: 10-11).

“The analysis of representational processes in the text, therefore, comes down to an account of what choices are made – what is included and what is excluded, what is made explicit or left implicit, what is foregrounded and what is backgrounded, what is thematized and what is unthematized, what process types and categories are drawn upon to represent events, and so on” (Fairclough, 1995: 104). In discussing text analysis Fairclough suggests two major aspects of representation in the text: structuring and combining propositions to demonstrate the power of the media word. “A text’s presuppositions are important in the way in which it positions its reader or viewers or listeners: how a text positions you is very much a matter of the common-sense assumptions it attributes to you” (Fairclough, 1995: 107). In media reports they establish represented realities as convincing.

## What the Newspapers Say

Finnish newspaper articles on the subject come from three categories of speaker: state officials, regional officials, and the Sami community. A review of texts reveals the tools of meaning-making. “The social effects of texts depend upon processes of meaning-making – we might want to say that the social effects of texts are mediated by meaning-making, or indeed that it is meanings that have social effects rather than texts as such” (Fairclough, 2003: 11).

Initially (in 2016), the materials on a possible Arctic railway referred to the international need for and international investments in the project. Reference to the outside interest in and support for the railway project could be seen in most publications. “The track is not just for Norway and Finland, but China, Asia, all the Nordic countries and the Baltic countries” (Miettinen, 2018a). “If Finnish state authorities take the initiative to access a railway connection between Finland and Kirkenes, then Norwegian authorities are positive to contribute” (Staalesen, 2017c). Former Finnish Prime Minister Lipponen “underlined that it is high time for the EU to secure its logistics access to the Arctic Ocean by launching a project for a rail-road connection from Southern Finland to Kirkenes, Norway, the last ‘missing link’ in EU South-North traffic



network” (Staalesen, 2017c). The railway construction should also be seen with “the so-called North-East cable initiative, a projected laying of a fiber cable across the Northern Sea Route from Asia to Europe” (Staalesen, 2017d). According to Finnish Foreign Minister Timo Soini “the construction of a railway from Finland to Norway would take full advantage of Europe as a whole” (Akimo, 2017). “With the track we could keep the Arctic region alive and get our business here. [...] The track would also play a major role in the trade between Europe and China, which is about three billion euros a day” (Akimo, 2017). The proposed railway will speed up the development of the region and promote its growth and employment and improve climate change preparedness (Staalesen, 2017a). No other solutions for the Lapland transport route, such as upgrading the local road to a motorway, can serve this goal (Jokiranta, 2017). “They (China) now clearly have this One Belt, One Road strategy. They want to improve connections between China and Asia to Europe, they want to invest in such transport infrastructure” (Peipponen, 2017).

Some articles especially stress the example of Norway’s preparation for the railway project (for example, Mienttunen, 2017, Kankaanranta, 2017b, Staalesen, 2017b, Staalesen, 2017c, Akimo, 2017, etc.). By 2018 external factors had been transformed in Finnish newspapers from factors under consideration to decisive and critical factors: “It is not even Finland’s decision, it is an international and European logistical solution that connects Arctic Europe more firmly with Central Europe. The line would connect Central Europe with North-East” (Torvinen, 2018a). “Finland will no longer be a periphery or island in the future, but a hub for global passenger, goods and data flows” (Taponen, 2018).

Concerning domestic factors, the state authorities stress: “What we need now ... [is] to make the project real in cooperation across the whole country and the whole political spectrum. [...] The decision has to serve all the parties in the best possible way” (Staalesen, 2016). The benefits of the project in its entirety are demonstrated by the opinions of Members of Parliament (Jäämeren Rata, 2018). Furthermore, evaluating Lapland officials’ perception of the railway underlines that “it is [an] exceptionally big dream from Lapland’s point of view” (Kankaanranta, 2017a). The tourist business, however, offers no support for the railway project, whatever route it may take (Pylkkänen, 2018).

Some newspapers see the discussion concerning the plans for a railway as simple: if the EU is involved as a financier of the railway project, Lapland will receive large investments in various areas, and “all these debates should be stopped” and only straightforward charting would remain (Mauno, 2018). Meanwhile, articles covering meetings of local Lapland councils such as the League of Lapland reveal that there is no agreement about the project among the population: the representatives of various regions speak about their own problems and say little about the future of Lapland as a whole (Rytkönen, 2017).

The newspapers point out that the “Lapland disagreement would not be swept away by the Ministry of Transport” (Kallio, 2018). However, the Sami attitude towards the proposed railway is very negative, as is revealed in these headlines: “Sanila-Aikio: Railway would be a complete disaster for the Sami” (Torvinen, 2018b); “Sami concerned about Arctic railway plans” (Nilsen, 2017). Nevertheless, very few articles express this opinion. The Sami are very concerned about such a railway going through their land without regard to their rights. “The railway will go through such areas that are very important to Sami people, the people that are practicing their

traditional livelihoods, especially fishing and reindeer herding. If we have a railway, it will separate areas from each other and practicing Sami traditional livelihoods would be very difficult” (Nilsen, 2017). The new northbound railway could prove a threat to the Sami culture as we know it today. “It might be a kind of decision that will make the Sami people extinct. [...] The Sami people are really to be involved with the decision-making and the planning. If there are communities which say no, that means no” (Nilsen, 2017). According to the Minister of Transport and Communications all these challenges and repercussions “are treated with the greatest seriousness in the continuation study” (Taponen, 2018). Obviously, ‘to treat’ the situation there should be considerably more dialogue, open to the public, and all sides of the planning process should be heard. So far, the Sami have not accepted this. It concerns more than the railway: there will be more mines in the Sami homeland, more forestry, and more tourism. “We will deal with the ministerial decision at the top level, the Sami Parliament, so that we have an official position on the project” (Torvinen, 2018b).

The study of the variability of identities and relations in media news segments is a special field that aims to answer the question: does the media’s construction of the relationship between politicians and newspapers’ readerships constitute a democratisation or does it play a “legitimizing role in respect of existing power relations?” (Fairclough, 1995: 126). To analyse the goal of the key players in the discussion, it is necessary to understand that “how relations are constructed in the media between [its] audience and those who dominate the economy, politics and culture, is an important part of a general understanding of relations of power and domination in contemporary societies” (Fairclough, 1995: 126). Seen from three different perspectives – those of state officials, regional authorities, and the Sami population – the discussion of the railway project is a complicated process. It is seen as desirable at the state level, supported by the regional authorities and business, but seriously questioned by the Sami. The Finnish media reflects the attitudes of all three players in various but consistent ways: there are no variations in the perspectives and expressions of the three sides. Each could be seen as inflexible in their perception of the changes in the period between June 2017 and May 2018. Such reflection by the media proves that if the Arctic railway is to be constructed, much work needs to be done to bring together the desires of state officials with the awareness and fears of the Sami reindeer-herding population. The purpose and motivation of Critical Discourse Analysis is “to improve reality for low-powered groups” (Albert & Salam, 2013: 3).

## Instead of a Conclusion

Based on media discussions after 2017, the finding is that locals have been marginalized by policymakers and continue to hold largely negative views of such mega-projects. There have been significantly fewer articles reflecting the Sami voice than those describing the opinions of officials.

The discussion has now been transformed, as China no longer seems interested in the development of the railway. Current discussions suggest that the governments of Finland and Norway will move ahead with their own plans, applying for EU investment. In future my research will examine this Nordic attempt to transform the region into a logistics hub. What exactly is the aim, and what precisely are the lessons to be learned from the Chinese experience? This experience may prove of interest to Norwegian specialists in evaluating their segment of

the railway. The need for a transport link between the Silk Road and the proposed Polar Silk Road is obvious, but its route and concept seem a long-term topic for discussion.

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