The Polar Silk Road & the West Nordic Region

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In June 2017, China’s National Development and Reform Commission officially announced that the Arctic Ocean would be added to the list of “blue economic corridors” comprising a major part of China’s emerging “Belt and Road” trade and infrastructure initiatives. In January 2018, this policy was further codified in China’s first governmental White Paper on the Arctic. In May 2017, The Nordic Council of Ministers and China formally agreed to strengthen collaboration between China and the Nordic region on five key areas. At the same time, the West Nordic Region (Greenland, Iceland, the Faroe Islands, and coastal Norway) is increasingly being framed as a distinct part of the Nordic region with its Arctic location, maritime and blue bio-economy focus, yet these countries have no joint Arctic strategy or approach to the emerging Polar Silk Road. On the one hand, China’s enhanced Arctic engagement and strategic collaboration with the Nordic region, which includes the Arctic, maritime economy, and bio-economy, seem very promising for West Nordic development, on the other hand, geo-political unease about Chinese investments in the Arctic raise questions about what happens when the large-scale geopolitics meet the micro-scale geopolitics of the West Nordic Region. There is a significant gap in both the academic and policy literature on these matters, and as such, this article targets both academia and practitioners seeking to better understand and act according to developments in this region. Theoretically, we frame the article within the English School in International Relations.

Introduction

How can we understand China’s Polar Silk Road initiative from a West Nordic perspective? This question is relevant for several reasons. First, Beijing is increasing its engagement in the Arctic primarily through scientific activities, but also through economic collaboration and infrastructure investments as part of Beijing’s Belt and Road Initiative (BRI) under President Xi Jinping (习近平) since 2013. Second, China and the Nordic countries, represented within the Nordic Council of Ministers, are increasing their strategic collaboration via a so-called “5+1” dialogue. Third, the West Nordic Region is being increasingly framed as a distinct political, economic, social, and environmental region both within and outside the region. Fourth, the West Nordic Region covers the ocean area between the Arctic and Europe, making the West Nordic countries, governments, ports, and other relevant actors, central stakeholders in any Polar Silk Road plans and developments whether or not these actors recognize this. Fifth, there is some (geo-)political unease
from the U.S. in relation to Chinese investments in Greenland further complicating internal Kingdom of Denmark relations (DR, 2018). As argued by Eythórsson and Hovgaard (2013: 140), the communities of the West Nordic space now find themselves in the middle of a new melting pot, and therefore it is a pressing question whether and how the West Nordic region can address itself to this new agenda.

Despite the above reasons and calls for addressing the new agenda, there is a significant gap in both the academic and policy literature on these matters, and as such, this article targets both academia and practitioners seeking to better understand and act according to developments in this region.

Theoretically, it can be argued that the Arctic resembles an International Society, based on institutions and norms of cooperation as defined by the English School in International Relations (Buzan, 2001). The Arctic is predominantly understood today by its many actors as a milieu of cooperation and knowledge sharing, where the military and economic differences between Arctic states are downplayed and non-state actors, like Indigenous Peoples’ organisations, participate in dialogue on equal footing with states, e.g. in the Arctic Council established in 1996 (Young, 2005). The Arctic, not just thawing itself, actually contributed to Cold War thawing via the 1986 Reykjavik Summit and East-West breakthrough (Berkman, 2014). The English School also applies two other key concepts to understand International Relations: an International System based on traditional Realist notions of anarchy and power politics amongst states, and a World Society based on Kantian notions of human emancipation and transcendence of the state system as centre of International Relations (Buzan, 2001: 475-6).

Thus, the main point is that “[i]n the English School perspective, all three of these elements are in continuous coexistence and interplay, the question being how strong they are in relation to each other.” (Buzan, 2001: 476). During the Second World War and the Cold War, the Arctic was predominantly understood as a region under the dynamics of an International System and power politics of the United States/NATO on one side and Russia/USSR on the other (Dittmer et al, 2011; Young, 2005). We understand the increasing regionalisation and practices of the West Nordic Region to be an integral part of an Arctic International Society. Further, by exploring new dynamics of China’s Polar Silk Road from a West Nordic perspective in an English School framework, we gain a better understanding of the interplay between International System, International Society, and World Society in the Arctic.

In line with the English School’s methodological pluralism and historicist approach, to answer the initial research question, we depart from existing academic and policy literature on China’s BRI to first describe and analyse the current state of affairs of Beijing’s BRI and Polar Silk Road and also current frames of the West Nordic Region. We then continue with analyses of individual West Nordic cases of Chinese engagement in Norway, Iceland, Greenland, and the Faroe Islands. These case studies are based on text analyses, observations, and interviews. As part of this project, we organised a plenary session on Beijing’s BRI and the West Nordic Region at the Arctic Circle Forum which took place in Tórshavn, Faroe Islands, on 8-9 May 2018. The plenary session was opened by China’s Special Representative for the Arctic, Mr. Gao Feng, who presented on Beijing’s understanding of BRI in relation to the Arctic and the West Nordic Region. We presented the project and preliminary findings from Norway, Iceland, and Greenland, after which the CEO of Faroese Telecom, Mr. Jan Ziskasen, outlined the strategic collaboration between his company
and the Chinese communications firm Huawei. These presentations, and feedback from the session, also inform this article. Based on these descriptions and analyses, we summarise our findings and conclude with a few recommendations for further research and policy analysis.

**China’s Belt and Road Initiative and the Polar Silk Road**

When the first blueprints of China’s Belt and Road (yidai yilu 一带一路) Initiative (BRI) were unveiled by President Xi Jinping in 2013, the policy’s focus was well south of the Arctic region, with a concentration on developing trade links with Africa, Europe, Eurasia and Russia via land links as well as through the Indian Ocean and the Mediterranean Sea. To date, more than sixty countries have since signed on to the BRI, which is emerging as less of a concentrated policy and more as a series of components working together under a wide aegis. The “Belt” within the configuration is composed of overland trade routes stretching from China to Europe via Russia and Central Asia, with a primary focus on energy, goods trade, and transportation infrastructure. The grouping of Central and Eastern European countries (CEEC) has also developed as a major link of the Belt resulting from the creation of the “16+1” dialogues between Beijing and the CEEC which began in 2012 and focus on deepened economic cooperation and mass transportation projects (Poggetti, 2017; Zhang, 2015). The “Road” within the BRI is more specifically known as the “21st Century Maritime Silk Road” and until recently has been centred on the Indian Ocean (Blanchard, 2017; Garlick, 2018).

As the BRI began to grow, the question arose of whether the Arctic would eventually be incorporated into the initiative, given Beijing’s growing interest in the economic possibilities of the far north in areas of energy, raw materials and shipping. There was a notable focus on the Northern Sea Route (NSR), an emerging Arctic sea route north of Siberia, as a potential conduit for Chinese trade with European markets and beyond. Initial discussion of the “third road” in the Arctic was tempered, however, by geographic and political realities (Hansen et al., 2016; Lanteigne, 2015). First and foremost, the NSR can only be used during summer months, and then still under difficult navigational conditions. In 2016, nineteen vessels were registered using the NSR, with the number increasing slightly to twenty-four ships by the end of 2017. It remains unclear as to when the route will be suitable for higher volumes of traffic, but China has expressed greater interest in developing it for increased shipping to Europe (Feng, Woodhouse and Milne, 2018; Zhang, 2018).

Second, developing a northern branch of the BRI would require strengthened political and economic relations with key Arctic states, beginning with Russia. Relations between Beijing and Moscow remain warm, and there has been much enthusiasm about the joint creation of an “Ice Silk Road” (bingzhi sihou zhilu 冰上丝绸之路) in Siberia and the Russian Far East (RFE) since 2017. However, there is still some unease in Russia about long-term Chinese interests in both the Arctic and the RFE. The diplomatic fallout from the post-2014 Crimea/Ukraine crisis further highlighted questions as to whether Sino-Russian cooperation remains a “marriage of convenience” as opposed to be burgeoning alliance, especially in light of growing bilateral military cooperation and mutual concerns about the United States (Jia, 2017; Lo, 2017, Lukin, 2018). Another geopolitical complication for Beijing’s Arctic interests had been the diplomatic freeze between China and Norway over the Nobel Prize incident in 2010. Although low-level communication between the two countries continued, including in the area of polar affairs, government-to-government contacts were cut until an agreement was reached in December 2016.
which restored full relations and paved the way for greater bilateral cooperation, including in the Arctic (Sverdrup-Thygeson & Lanteigne, 2016; Xinhua, 2018).

Third, China is a relative newcomer in the Arctic, and thus has attempted to tread carefully in matters relating to its economic interests in the region to avoid being perceived as trying to act as a spoiler.¹ This message was repeated by Chinese Arctic Ambassador Gao Feng at the May 2018 Tórshavn conference.² Although China lacks an Arctic border or an Exclusive Economic Zone (EEZ) in the Arctic Ocean, the term “near-Arctic state” (jin beiji guojia 近北极国家) has regularly appeared in Chinese policy papers over the past five years. This created some concerns in the United States and other Arctic actors that Beijing was indeed seeking to construct a revisionist policy in the region (Lundestad & Tunsjo, 2015). However, since becoming a formal Observer in the Arctic Council in 2013, China under Xi continued to stress its interests in science diplomacy, regional partnerships, and support for Arctic legal structures while expressing some interest in investment and other economic activities. In short, China was trying to walk a fine line between being considered as pushing its way into the region to stake a claim on Arctic resources, and being too passive in its Arctic policy and running into a potential “blueberry pie problem”, meaning the risk of the region being divided like a pie among Arctic states with those countries outside having limited access. Thus, Beijing has been seeking to stress the idea that some areas of Arctic governance, including economic development, are of international concern in addition to regional (Lanteigne, 2017 and 2018a). Beijing, therefore, was wary of linking the Arctic and the BRI too quickly out of concerns about a further backlash.

Nevertheless, in the months leading up to Beijing publishing its first official governmental policy paper on the Arctic in January 2018, signs of a more comprehensive approach to the region were appearing from different quarters. For example, in a September 2016 speech on China and global governance, President Xi called for greater Chinese participation in creating new rules in the Polar Regions as well as cyberspace, outer space and the oceans (Hua, 2016). In October 2015, speaking at the annual Arctic Circle conference in Iceland, then-Chinese Vice-Foreign Minister Zhang Ming outlined a six-point approach to China’s Arctic policy. These included economic development, the rights of Arctic and non-Arctic states, and the need for a ‘multi-tiered’ cooperation framework in the region, further underscoring Beijing’s interests in participating in the development of future Arctic governance. In 2016, China’s Central Television (CCTV) showcased a documentary, “Arctic! Arctic!” (Beiji, Beiji 北极! 北极!), to introduce the region to the Chinese public as well as to indicate the roles the country could possibly play in the region’s future (Lanteigne & Shi, 2018).

By 2017, China’s Arctic policies had developed to the point where there began to be more direct talk of linking the far north to Beijing’s deepening BRI policies. For example, one prominent Beijing-based academic noted that the time had come to add a “Circle” to the Belt and Road structure (Huang, 2017). In June of that year, official government confirmation that the Arctic would be formally linked to the BRI arrived in the form of a nondescript paper co-published by China’s then-State Oceanic Administration (SOA)³ and the National Development and Reform Commission (NDRC). Entitled “Vision for Maritime Cooperation under the Belt and Road Initiative”;⁴ it identified three specific “blue economic passages” (lanse jingji tongdao 蓝色经济通) crucial for enhanced maritime trade under the auspices of the BRI. The first was the Indian Ocean-Mediterranean route which remains the centrepiece for the Maritime Silk Road and the second an emerging southern tier, a “China-Oceania-South Pacific” route which may extend all the way to

Blaxeljær, Lanteigne & Shi
Latin America, including new BRI participants Argentina and Chile (Cambero, 2018; PwC, 2018). The third involves the Arctic Ocean, connecting Chinese trade with Northern Europe.

The final confirmation that the Arctic would be an integral part of the Belt and Road Initiative came in the form of the long-awaited governmental White Paper on the Arctic. The document, entitled “China’s Arctic Policy” (Zhongguo de beiji zhengce 中国的北极政策) brought together the country’s previously announced economic, political and scientific interests in the region. In addition to re-affirming China’s status as a “near-Arctic state”, the paper stressed the need to “advance Arctic-related cooperation under the Belt and Road Initiative,” while clarifying China’s position in the issue of overall regional engagement:

States from outside the Arctic region do not have territorial sovereignty in the Arctic, but they do have rights in respect of scientific research, navigation, overflight, fishing, laying of submarine cables and pipelines in the high seas and other relevant sea areas in the Arctic Ocean, and rights to resource exploration and exploitation in the Area, pursuant to treaties such as UNCLOS and general international law.

Specific economic areas which were outlined in the paper included shipping, energy and raw material exploitation, fishing and tourism, with an emphasis on the requirement for China “to understand, protect, develop and participate in the governance of the Arctic”. The question now is the direction in which China’s Arctic policies within the BRI framework will take from this stage.

Currently, Russia remains the main area of interest for China’s Arctic trade and joint investment, especially given the fossil fuel and commodity potential of Siberia and the RFE as well as Russia being seen by Beijing as holding many keys to access the greater Arctic. Among current Sino-Russian Arctic development projects is the Yamal Liquefied Natural Gas (LNG) enterprise in Siberia, co-financed by the China National Petroleum Corporation (CNPC) (Ufimtseva & Prior, 2017). The project, worth an estimated US$27 billion, came online in December 2017, and reached the two million tons mark in LNG exports in May 2018 (Bergman, 2017; Foy, 2017). The Yamal project is expected to be a model for future examples of Sino-Russian energy cooperation in the Arctic. With the NSR continuing to open up to greater shipping for longer periods each year, there is also the potential for enhanced bilateral cooperation to develop the waterway, especially with the Vladimir Putin government continuing to depend on China for economic cooperation in the wake of still-frozen Western relations.

Beyond Russia, China has a number of other economic projects in various stages of development with other major Arctic states, which could be incorporated into the Belt and Road Initiative in the near future. In the Nordic region, there have been discussions about future Chinese investment in port facilities in Iceland as well as Kirkenes in Norway, which could potentially service a growing number of vessels using Arctic sea routes (Kynge, 2017). Arkhangelsk is also the potential site of a Chinese-based initiative, which may include a deep-water port and the Belkomur rail link, which would connect the city with the Ural Mountain town of Solikamsk. China and Russia are also consulting on the enhancement of the Zarubino Port and adjacent Binhai transport corridors in the Russian Far East, which could also assist with future Arctic sea transportation from both countries (Breum, 2018; Guan and Zhang 2017; Luo, 2017; Staalesen, 2018). These projects have the potential to become part of a larger land-based transportation network, which could not only improve cross-regional trade but also increase economic opportunities along the Russian and Nordic-Arctic coast. In addition to land and sea links, China may also become a major backer of
a fibre-optic cable line, envisioned as connecting East Asia and Europe via Siberia (Buchanan, 2018; Shi, 2017). As the Polar Silk Road continues to evolve, it is apparent that China is more comfortable accentuating the economic dimensions of its expanding Arctic policy and wishes to be universally viewed as a serious Arctic player.

As for Beijing’s understanding of the Nordic region in relation to the BRI and Polar Silk Road, Chinese diplomats and policy experts attending the China Nordic Arctic Research Centre (CNARC) Symposium in Tromsø, Norway, on 23-25 May 2018, explained that China does not differentiate between Nordic, East Nordic and the West Nordic regions. China works with either the individual countries or the Nordic region as a whole. China takes a more pragmatic approach to projects in the Polar Silk Road, sometimes called the “all in one basket” approach, where existing and new projects with some sort of infrastructure and trade perspective are included even though these projects are not strictly Polar (Interviews, 23-25 May 2018). At the Tórshavn conference, Gao Feng presented the official line, further noting that what China expects from the different potential partners in a Polar Silk Road is that partners first meet amongst themselves and develop ideas and positions, and only then meets with China for negotiations. Gao also stressed in an interview that Beijing does not want to push specific policies, but rather wants the Nordic partners to develop their own ideas, interests, and positions and engage with China in dialogue to develop jointly the Polar Silk Road as a “win-win” (zhuying 双赢) collaboration (Interview, 9 May 2018). The question therefore is how the Nordic region, the West Nordic region, or the individual Nordic countries can best engage China in the Arctic as the northern branch of the BRI begins to take shape.

**Analysis of West Nordic Cases**

Following the end of the Cold War and the Arctic dominated by International Society dynamics, the West Nordic Region is increasingly being framed as a distinct part of the Nordic Region and the Arctic, although it is still ambiguous what exactly characterises the “West Nordic” beyond its geography, and how functional it is as a region (Eythórsson and Hovgaard, 2013). However, certain features stand out. Politically, the West Nordic region consists of Iceland, a sovereign country, Greenland and the Faroe Islands, two self-governing, but not fully sovereign, countries within the Kingdom of Denmark, and sometimes Norway or only coastal Norwegian municipalities are included. In the West Nordic Council (WNC), established in 1985, Norway is not included, but in the North Atlantic Cooperation (NORA), coastal Norway is (OECD, 2011). Compared to the “East Nordic” countries, the four West Nordic countries are not members of the European Union, but are members of NATO. However, Norway and Iceland are members of the European Free Trade Association (EFTA) and the European Economic Area (EEA), the Faroe Islands and the European Union (EU) have a Free Trade Agreement, and Greenland, which left the EU’s precursor, the European Economic Community, in 1982, is associated with the EU under the Overseas Association Decision protocols. Economically, the West Nordic countries are based much more on fishing, aquaculture, shipping, and maritime services, etc. and with small and dependent economies are much more at risk from external shocks. The West Nordic countries have small populations, totalling 2,750,000 people, compared to the East Nordic total population of 24,200,000 people (NORA, 2017: 20-21).
Despite growing awareness and framing of a West Nordic Region, no joint West Nordic Arctic strategy or approach to the Polar Silk Road exists. The West Nordic Council does recognise China’s geopolitical interest in the region, but has not developed any analysis or recommendations in relation to China. The Nordic Council of Ministers has developed a joint strategic partnership with China. In recent years, however, Greenland and the Faroe Islands have not always felt represented within the Nordic Council of Ministers, e.g. when the five Nordic Prime Ministers from Finland, Sweden, Norway, Iceland, and Denmark meet, they cannot participate, but are represented by Denmark’s Prime Minister. In matters of foreign and security policy, Copenhagen represents the Kingdom of Denmark including Greenland and the Faroe Islands. Each West Nordic country has some degree of foreign relations with China, which will be elaborated below. According to our observations, the different West Nordic countries and their approaches to the Arctic are best understood through what can be termed “micro-scale geopolitics”, where local and personal history and interests are more important than large-scale developments and long-term strategies. In the Arctic dominated by International Society dynamics, this gives room for further regionalisation and participation by diverse actors. The “West Nordic-ness” is further motivated by intra-Nordic and intra-Kingdom of Denmark political and economic interests of independence and self-determination.

Norway

After six years of frozen relations between Beijing and Oslo as a result of the Nobel Prize incident in 2010, Norway was anxious to make up for lost time in re-engaging the Chinese economy, especially in the energy and shipping sectors (Chan, 2016). During the period immediately after the diplomatic freeze, high-level bilateral relations between Beijing and Oslo were suspended. Instead, most official contacts took place either in multilateral fora such as the World Trade Organisation and the Group of Twenty/G20 meetings, or via Track II conferences including those such as Arctic Frontiers in Tromsø, the CNARC based in Shanghai, or through the networks and projects of the Nordic Institute of Asian Studies (NIAS) (own observations). Although there were some economic effects to the diplomatic freeze, including periodic stoppages of Norwegian salmon, the overall economic relationship continued to grow and there were few negative effects seen in many sectors, including Chinese tourism in Norway (Lanteigne & Sverdrup-Thygeson, 2016). Norway was also allowed into the Beijing-founded Asia Infrastructure Investment Bank (AIIB) in April 2015 with no political interference from Beijing (China Daily, 17 April 2015). Diplomatic relations were fully restored in December 2016 after a joint statement was signed, which included a promise by Oslo to “do its best to avoid any future damage to bilateral relations” (Government of Norway, 2016).

In light of the restored diplomatic situation, China restarted FTA negotiations with Norway in April 2017 after diplomatic ties were restored, with the eleventh and most recent round of negotiations completed in Oslo in May 2018 (Ministry of Commerce of the People’s Republic of China, 2018). Should the Sino-Norwegian FTA be successfully completed in the short term, this would mean that Beijing will have free trade pacts with each of the four EFTA economies. Beijing is also interested in further engaging with Norway in Arctic-related projects, and China has maintained an Arctic research station at Ny-Ålesund in Svalbard since 2003.

As China’s Belt and Road continues to develop in the Arctic, there is the possibility of a Beijing-backed port project in Kirkenes as well as Chinese assistance with developing a section of a polar

The Polar Silk Road and the West Nordic Region
railroad, which would link northern Norway to China via Finland and Russia. It was also announced in June 2018 that an existing China-Finland rail link for cargo shipping was planned to be extended to Narvik in northern Norway, a move that could further strengthen Arctic overland shipping (Kynge, 2017; Staalesen, 2018; Suokas 2018). Several Norwegian businesses, including in the energy, seafood and shipping sectors, are hoping to expand their partnerships with China as the BRI continues to develop in the Arctic (Xinhua, 7 April 2017, Foreign Ministry of China, 2017b).

Iceland

Relations between Beijing and Reykjavík have remained close, and Iceland became the first European state to complete a free trade agreement with China. Beijing completed these FTA talks with Iceland in 2013, after a delay in 2009 caused by the island country’s banking crisis (Lanteigne, 2010; Joy, 2013). Since that time, Iceland has been interested in developing an identity as a primary gateway to the Arctic for non-Arctic states, including in East Asia, with China as a major partner. There had been a fossil fuel partnership between the China National Offshore Oil Corporation (CNOOC) and Iceland’s Eykon since 2013, to explore for oil and gas in the Dreki region of the North Atlantic, but disappointing initial findings prompted the Chinese firm to withdraw from the arrangement in January 2018 (RUV, 22 January 2018). However, there are other areas of joint energy cooperation which are also looking promising, including cooperation in thermal power projects in China (Kottasová, 2018), given Icelandic expertise in that area. There is also the growing possibility of Sino-Icelandic cooperation in Icelandic data storage facilities as well as other green initiatives (Turner, 2018; Whitlock, 2018).

In 2012, Iceland and China signed agreements promising to collaborate on other areas of Arctic and maritime scientific affairs and related areas (Foreign Ministry of China, 2012). In the same year leading up to the scientific agreement, RANNÍS (The Icelandic Centre for Research) and Arctic Portal from Akureyri in northern Iceland facilitated the visit of China’s polar research vessel, Snow Dragon (Xuelong 雪龙) to Reykjavík and Akureyri. These events lead to the first annual China Nordic Arctic Research Symposium, and CNARC was established in 2013 (Arctic Portal, 2016). Chinese policymakers and researchers have since 2013 been active within the Arctic Circle conference, one of the largest Track II meetings in the region and which is hosted annually in Reykjavík. A major scientific collaboration in the works is the joint Sino-Icelandic aurora research centre at Kárþöll in northern Iceland, which is expected to be fully open by the end of 2018. The main partners and initiators of the aurora research centre are RANNÍS, Arctic Portal, and the Shanghai-based Polar Research Institute of China (PRIC), again with strong ties to CNARC and with PRIC funding a large part of the centre. The aurora centre combines many activities, including research, education, tourism, technology, and intercultural exchange (conversation with Arctic Portal, 24 May 2018).

In September 2018, Mr Guðlaugur Þór Þórðarson, Minister for Foreign Affairs of Iceland, paid a diplomatic visit to Beijing in order to further develop the relationship between the two states in the areas of trade, tourism, geothermal energy, and climate change. The visit also conveyed a message of Reykjavík’s welcoming attitude towards Beijing’s BRI strategy (Foreign Ministry of China, 2018). Iceland will be assuming the chair of the Arctic Council in 2019, and given the smooth Sino-Icelandic relationship thus far, it is reasonable to assume that China will wish to expand its presence in Iceland, seeing the country as a window to the greater Arctic region.
Greenland

Beijing has developed various interests in Greenland, including in areas of scientific research, but also wishes to develop partnerships with Greenlandic economic interests, including in the area of natural resources along with other related sectors. Greenland, as the largest island in the world, with most of its land covered by ice and glaciers, provides a potential site for a Chinese research station. At the Arctic Circle conference in Reykjavik, Iceland in 2017, Yong Yu, the Vice-Director of the Shanghai-based Polar Research Institute of China (PRIC) first confirmed China’s ambition to establish a research station in Greenland (Breum, 2017). Even though the exact location of the station has yet to be announced, there is reportedly interest in establishing the facility in northeastern Greenland.

Chinese firms have also been active in Greenland, including in the island’s emerging mining sector. Three such projects include a potential rare earth elements (REE), uranium and zinc mine in Kvanefjeld, overseen by Greenland Minerals of Australia in cooperation with China’s Shenghe Resources (Shenghe ziyuan 盛和资源) which owns a 12.5% stake in the project (Birney, 2018). The Kvanefjeld project is a prime example of China’s pursuit of rare earth elements, which are essential in many high-technology sectors, as well as green technology. Kvanefjeld, located in southern Greenland, is one of the biggest potential REE sites in the world. According to a completed Kvanefjeld feasibility study published by the Greenland Minerals in 2015, the Kvanefjeld project represents a current net value, after taxes, of US$1.4 billion, and supports an initial mine life of thirty-seven years (Greenland Minerals, 2015). There is also a zinc mine planned at Citronen Fjord, in Greenland’s far north being overseen by Perth-based Ironbark, in cooperation with China Nonferrous Metals. Third, General Nice, a Hong Kong-based company, has held the rights since 2015 to a potential iron mine at Isua in western Greenland (Fouche, 2016; Shi & Lanteigne, 2018).

In March 2018, a Chinese firm, China Communications Construction (Zhongguo jiaotong jianshe 中国交通建设), was placed on the shortlist for a contract connected to the expansion of three major Greenlandic airports, despite misgivings expressed by members of the Danish government. However, in June 2018, the governments of Denmark and Greenland announced that there would be negotiations about possible financial support for the airports from Copenhagen, a move seen as forestalling the Chinese bid (Berlingske, 2018; Reuters, 2018). The matter moved closer to a settlement in September 2018, when an agreement was struck in Nuuk by the Prime Minister of Greenland, Kim Kielsen, and visiting Prime Minister of Denmark Lars Lokke Rasmussen, which included a promise by Copenhagen to provide 450 million DKK (70 million USD) in funds for the project as well as access to supplemental loans.

This deal came at a steep political cost, however, as one of the parties within Greenland’s governing coalition, Partii Naleraq, withdrew out of protest of what it saw was an unacceptable policy overreach on Denmark’s part, forcing the Kielsen government into a potentially unstable minority position (Al-Jazeera, 2018; Jensen, 2018; Lanteigne, 2018b). Even if the airport agreement does go forward, it is unlikely that this will be the end of the story in regards to Chinese interests in Greenland beyond mining. Adding to the complexity of this issue was an announcement later that month that the United States government was also interested in “strategic investment” in Greenlandic airports for potential “dual use” purposes, further underscoring the emerging geopolitical importance of Greenland, as well as concerns about Chinese interests there (US DoD, 2018).
The question of Chinese investment in Greenland lies right in the middle of the debate about the possibility of independence as Greenland’s economic interests have expanded from seafood to natural resources and potentially tourism. A self-rule agreement between Greenland and Denmark has been in force since 2009 (Lyall, 2009), which gives Nuuk greater space to expand its diplomatic relationships with other states. However, Denmark still assumes authority over Greenland’s security and foreign policy. Therefore, China’s approaches to Greenland have been viewed warily by Denmark, (and its main security partner, the US). In 2012, Hu Jintao (胡锦涛), the then-President of China, paid a visit to Denmark, the first time that a Chinese leader had ever visited that country since bilateral ties were established in 1950 (Acher, 2012). The visit was widely seen as a sign of Chinese interests in strengthening its relationship with Denmark, partially with a view to securing greater economic access to Greenland. In October 2017, Prime Minister R. Jacobsen paid a visit to Beijing, and his government has been open to the possibility of more investment from China in Greenland (Foreign Ministry of China, 2017a).

There remain questions and considerations about China’s future involvement in Greenland, both from the domestic politics and external actors, including Denmark and the greater European Union. A (then-)four-party coalition government was established after Greenlandic parliamentary elections in April 2018 (Government of Greenland, 2018), an administration which is seen as both pro-foreign investment and open to the possibility of eventual independence. Danish officials have conveyed their apprehension towards potential Greenland separatism and China’s economic participation and investments in Greenland, especially given the possible airport expansion projects cooperating with a Chinese company. A December 2017 report by the Danish Defence Intelligence Service (DDIS) included concerns about Chinese investment having a detrimental effect on Greenland given the island’s small economic base (DDIS, 2017; Finne, 2018). The airport debate further underscored the political sensitivities both within Greenland and between Copenhagen and Nuuk over to what degree Chinese investment might be a security challenge for Greenland. As Greenland continues to debate the possibility of greater autonomy, or even independence, from Denmark, China will likely be a major factor in its expanding foreign policy and trade interests.

**The Faroe Islands**

In 2013, the Faroese Prime Minister’s Office published an assessment of the country’s strategic interests in the Arctic. The six areas of interest are “Arctic cooperation”, “Northern Sea Route”, “Fisheries in the Arctic Ocean”, “Research and Education”, “Environment”, and “Maritime Safety and Emergency Response” (Prime Minister’s Office, 2013).14 The assessment recommended that in relation to the Arctic, the Faroe Islands and Greenland be given a more independent voice, and that a “joint West Nordic approach to Arctic cooperation, together with Iceland, Greenland and Northern Norway, should be promoted and enhanced,” (ibid: 13). It does not include any recommendations specifically mentioning China, although it recognises China’s strategic interests and plans related to economic activities in the Arctic connected with opening up of the Northern Sea Route. The following recommendations are of relevance to possible collaboration with China in the Arctic in general and in the Polar Silk Road specifically. It is recommended that “[c]onnections to other relevant places should also be developed, for instance through business trips” (ibid: 19); that research projects with external international co-funding are supported more strategically (ibid: 26); and that Faroese maritime governance be strengthened, e.g. through the

Blaxeljær, Lanteigne & Shi
establishment of a Faroese EEZ, and participation in relevant maritime agreements (ibid: 31 and 35).

Trade relations between the Faroe Islands and China has increased in recent years, and in 2017, China ranks seventh on the list of biggest trade partners after Denmark, Russia, Germany, Norway, Britain, and the United States. Exports to China, a little bigger in value than imports and almost entirely represented by farmed salmon, has grown from 359 million DKK (5%) in 2015 to all-time high of 569 million DKK in 2016 (7%), dropping to less than 500 million DKK in 2017 (Hagstova Foroya, 2017 and 2018). When a Chinese state delegation visited the Faroe Islands in 2012, it was to learn more about food safety and regulations and to increase China’s import of Faroese fish products (Ministry of Foreign Affairs and Trade, 2012). In October 2016, the Faroese Minister for Foreign Affairs and Trade, Poul Michelsen, led a trade delegation to China with a range of Faroese companies visiting Chinese health authorities and China Fisheries and Sea Food Expo, but also Danish shipping giant Maersk and the Confederation of Danish Industry in China as well as telecom giant Huawei (House of Industry, 2016). Cultural relations have also increased with more people exchanges, although in small numbers, and in 2017, a Faroese-Chinese friendship society was established in the Faroe Islands (KVF, 2017).

Faroese collaboration with Huawei is especially relevant in relation to the Polar Silk Road. The story begins in Denmark in 2013, when Huawei replaced the Swedish firm Ericsson to run and develop the Danish mobile phone infrastructure from 2014. At the same time, the Faroese telecom infrastructure needed a full and expensive modernisation, and in 2015, after an international tender in competition with other American, European, and Chinese companies, Huawei was chosen as the new strategic partner to develop Faroese telecom infrastructure to 4G-/LTE. The choice of Huawei in the Faroe Islands was not met by security concerns, as there had already been a debate about cyber-security and espionage in Denmark in relation to Huawei. The Danish Defence Intelligence Service had analysed and approved Huawei, and Huawei Denmark even employed the Head of IT Security from the Danish National Police (Berlingske Business, 2015; Kildebogaard, 2015).

As explained by the CEO of Faroese Telecom (FT), Jan Ziskasen, at the Tórshavn conference, the strategic partnership with Huawei has not only delivered one of the world’s best telecom infrastructures and mobile coverage, it has developed into an equal partnership, where the huge size difference between the countries and companies is not understood as a problem. The developed solutions tested and implemented in the Faroe Islands have since been implemented in Huawei’s own system in China, and in 2016 a new strategic partnership was signed. Today, FT and Huawei are implementing 4.5G technology in the Faroe Islands working towards 5G, also participating in a 5G pilot project in the Scottish Isles funded by the British Government, and the plan is to have all businesses and homes connected with fibre-optic cables by 2022. Jan Ziskasen also mentioned that the first year of collaboration was marked by cultural differences and misunderstandings which have since been addressed. FT and Huawei have held a series of intercultural workshops which significantly improved collaboration and communication focusing on treating each other as equal partners and common themes such as being hardworking, dedicated, but also enjoying recreational and social activities.
Conclusion

This article has explored and analysed how China’s Polar Silk Road initiative can be understood via a West Nordic perspective, and within an English School framework. The work first described and analysed Beijing’s Belt and Road Initiative and its northern and Arctic part, the Polar Silk Road. This analysis has demonstrated that Beijing is trying to walk a fine line between being seen as a “spoiler” in the Arctic and being seen as an outsider, instead concentrating on being widely viewed as a partner. Theoretically, China seeks to adhere to the existing International Society dynamics of the Arctic, and downplays the huge differences, including in size and economic power, between China and West Nordic actors. China approaches the Polar Silk Road with a focus on partnerships and, as Chinese officials have commonly phrased it, “win-win” outcomes between China and Arctic actors. For example, Beijing seeks to play down the idea of big country-small country relations, with a preference for negotiations between “partners” with mutual interests, expecting the Nordic partners to first develop own ideas and positions before negotiations on specific Polar Silk Road projects can commence. This was also confirmed in the case studies of Iceland and the Faroe Islands. On the other hand, China does not really distinguish between the East and West Nordic, but approaches the region as one Nordic region and through individual partnerships in a pragmatic “all in one basket” perspective.

The article found that there is no joint West Nordic strategy or approach to China and the Polar Silk Road, although there is recognition of China’s interests in the Nordic Arctic. From the Norway and Iceland case studies, it can be determined that science diplomacy and networks like CNARC play an important role in developing relations with Beijing. It is also evident that there are both positive and negative examples, and perceptions, of China’s engagement in and with West Nordic countries. Especially in relation to Chinese investments in Greenland, there have been some tensions including American warnings to Denmark of security issues tied to China. In other words, the United States is closely watching China’s engagements, and interferes at least in Greenland, but has not done so in relation to Huawei’s strategic partnership and telecom projects in the Faroe Islands (and in Denmark). The Icelandic example of the new aurora research centre, and FT’s collaboration with Huawei show that positive collaboration is possible to develop in relatively short time, through mutual respect and a focus on intercultural communication and understanding. Across the case studies, the West Nordic countries are framing this region more within an intra-Nordic and intra-Kingdom of Denmark context than in relation to the Arctic and other actors like China. The West Nordics are not very coordinated as such, and still mostly driven by economic interests.

However, as the Arctic and the West Nordic Region further develops and opens up for economic opportunities for China, from an English School perspective, International System dynamics begin to play a larger role. We argue that stressing and practicing cooperation, dialogue, and knowledge sharing – characteristics of International Society – is in the interest of China and the West Nordic countries alike. It is thus recommended that further research attention is given to the role of science diplomacy in the Nordic Arctic, and that especially Greenland, the Faroe Islands, and the West Nordic Council undertake such analyses of the potential of science diplomacy and more strategic participation in conferences like the Arctic Circle and Arctic Frontiers. China, in turn, is showing signs of taking a more varied approach to European engagement, maintaining strong relations on the EU level but also recognising the emerging roles of key individual players, such as
Germany, as well as sub-regions such as the CEEC (Sverdrup & Lanteigne, 2018). A window is therefore opening for the West Nordic region to create its own distinct identity in the midst of deepened Chinese diplomatic and economic engagement in Europe. Finally, the West Nordic countries should seek to move beyond the small-scale geopolitics of intra-Nordic and intra-Kingdom of Denmark relations and seek a more coordinated understanding and distinctly Nordic approach to China and the Polar Silk Road. This should obviously be done under the 2017 agreement between the Nordic Council of Ministers and China. At the same time, China is advised to pay more attention to the “West Nordicness” of certain partners in Nordic Arctic.

Notes

1. In a predominantly International Society setting, China has to act accordingly. Any perception of power play will spoil the sense of cooperation based on dialogue and institutions.

2. Own observations, Arctic Circle Forum, Faroe Islands, 8-9 May 2018.

3. In March 2018, it was announced that the SOA would be absorbed into China’s newly created Ministry of Ecology and Environment (Shengtai huanjing bu 生态环境部). http://www.mep.gov.cn.


6. For a discussion of regionalism in the Arctic including West Nordic cases see Huppert & Chuffart (2017).

7. Whereas Denmark is not part of the West Nordic Region.

8. The official website of The West Nordic Council (n.d.) is www.vestnordisk.is/english/.


10. Greenland and the Faroe Islands as part of the Kingdom of Denmark.


12. Track II diplomacy refers to diplomatic activities by non-state actors (see also Homans, 2011).

13. Liechtenstein is de facto covered, under free trade in goods, as part of the Sino-Swiss free trade agreement completed in 2013, as Switzerland and Liechtenstein have maintained a customs union since 1923 (FDFA Switzerland, 2018).
14. In September 2015, the Foreign Service was moved from the Prime Minister’s Office to the Ministry of Foreign Affairs and Trade.

15. Currently, the Faroe Islands has a FFZ (Faroese Fisheries Zone) under its jurisdiction with less rights than an EEZ, whereas Greenland has its own EEZ.

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The Polar Silk Road and the West Nordic Region


The Polar Silk Road and the West Nordic Region


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