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REPORT

# Are China's Arctic Ambitions a Cause for Concern?

Sino-Russian Relations and the Future of Arctic Governance

March 2024

Campbell Clarke

Edited by: Scott Mackie, Luc Parrot



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## Authors

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## Executive Summary

This report examines the emerging partnership between the People's Republic of China (China) and the Russian Federation (Russia) in the Arctic, focusing specifically on how the war in Ukraine has served to strengthen economic and military relations between both states. China and Russia have both attempted to exploit the economic opportunities that have arisen in the Arctic due to climate change and have cooperated to develop commercial projects and collaboratively launch military exercises. Due to the strategic significance of the region, it is of utmost importance to understand how this partnership will affect the balance of power in the Arctic, as well as regional governance regimes.

### Understanding China's Arctic Ambitions

China is primarily interested in gaining access to sea routes, energy resources and minerals in the Arctic, and has utilised economic, scientific, and diplomatic means since the beginning of the twenty-first century to increase its influence in the region. Despite such efforts, the eight Arctic states - Canada, the United States, Denmark (Greenland), Sweden, Iceland, Finland, Norway, and Russia - have utilised foreign direct investment screening laws to prevent China from establishing a physical presence in the Arctic. Russia has also opposed China's activities in the Arctic due to security concerns. While China is afforded certain rights in the region under international law, these factors have historically prevented the state from becoming a true polar power.

### The Emerging Sino-Russian Partnership

The war in Ukraine has provided China with a long-sought opportunity to increase its role in regional affairs. Sanctions imposed by the West in the wake of Russia's unprovoked invasion of Ukraine have isolated Russia from the international financial system and the most technologically advanced sectors of the global economy, meaning it has had to turn to China to realise its regional economic and military objectives. For its part, China has attempted to exploit Russia's precarious economic and political position to increase its role in the region and accomplish its economic objectives. While these factors have served to strengthen the economic and security partnership between both states, a series of legal and diplomatic limitations will likely limit China from relying exclusively on Russia in the medium-to-long term. For these reasons, China is likely less of a threat to the regional interests of those Arctic states that align with the West than is commonly perceived. Regardless, the United States would be wise to pursue an agenda that advances its own Arctic objectives and devote the required resources needed to do so.

### The Future of Regional Governance

The emerging Sino-Russian relationship in the Arctic and the temporary pause to the Arctic Council's activities have also raised concerns regarding the future of Arctic governance. Although some observers suggest that new governance forms that do not include Russia should be created to maintain state-to-state cooperation in the Arctic, such initiatives are unlikely to come to fruition. While non-Arctic states like Singapore, South Korea, and Japan will likely assume a larger role in Arctic governance due to the war in Ukraine and China's increasing presence in the area, the best situation would be one where the Arctic Council resumes work with Russia's full participation. Apart from soft-law forums like the Arctic Council, the treaty-based, global governance frameworks that apply in the Arctic remain active under international law.



## Section 1

# Introduction

## 1.1 Situating the Sino-Russian Relationship

The Arctic is no longer the fabled expanse of frigid air, ice, and snow that eminent explorers like Robert Peary or Roald Amundsen daringly decussated during the late nineteenth and early twentieth centuries in search of scientific knowledge, national prestige, and new trade routes. Instead, the area within the Arctic Circle – located at 66° 33' N – is emerging as a key arena for geopolitical competition, especially between China, Russia, and the United States, which all endeavour to advance their interests in the Arctic as rising temperatures and glacial melting increase access to the rich resources of the region.<sup>1</sup>

China, in particular, has attempted to assert its authority in Arctic affairs to shape the emerging geopolitical landscape and secure its diplomatic, economic and security interests in the area. The state has successfully undertaken ambitious Arctic expeditions and developed robust scientific research facilities to buttress its strategic position and enhance its influence, particularly in regional governance. Chinese firms and holding companies have also attempted to exploit the economic opportunities that climate change presents by investing in mining operations and strategic infrastructure in the eight countries that exercise sovereignty over the lands within the Arctic Circle: Canada, Denmark (Greenland), Norway, Finland, Iceland, Sweden, Russia, and the United States.<sup>2</sup> Recently, however, some Arctic states have limited China's commercial presence in the region by utilising foreign direct investment screening laws to block or restrict investments in industries identified as critical to their national security interests.<sup>3</sup> While China is undoubtedly becoming an increasingly important actor in the Arctic, such restrictions – combined with factors of resilience specific to the Arctic itself – have historically precluded the state from comprehensively consolidating its interests in the region.<sup>4</sup>

However, some policy pundits suggest that China might soon come closer to assuming its long-coveted role as a great polar power due to distinct geopolitical dynamics associated with the war in

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<sup>1</sup> Unlike Antarctica, the Arctic is not bound by a single, legally binding definition. Scientific definitions tend to emphasise climatic conditions or vegetation zones, while political commentators utilise geography, defining the Arctic as the region that comprises the area above the Arctic Circle – located above 66° 33' N – which encompasses land claimed by Canada, Denmark (Greenland), Finland, Iceland, Norway, Sweden, Russia, and the United States. Others define the Arctic by its seasonality. Crucially, however, there are problems associated with such definitions. Although definitions of the Arctic rooted in geographical parameters are most common, they are also undermined by climate-driven ecosystem variations, which are causing predetermined boundaries to shift. For further reading, see: Peder Roberts and Adrian Howkins. "Introduction: The Problems of Polar History." In *The Cambridge History of the Polar Regions*, 1-31. Cambridge: Cambridge University Press, 2023.

<sup>2</sup> Arctic states are defined as those states that possess territories within the Arctic Circle, and include Iceland, Norway, Russia, Sweden, Finland, Denmark (Greenland), Canada and the United States. All other countries – as well as the European Union – are officially recognised as non-Arctic states.

<sup>3</sup> Pezard, Stephanie., et al. "China's Strategy and Activities in the Arctic: Implications for North American and Transatlantic Security." *Rand Corporation* (2022): 1-180.

<sup>4</sup> Such factors of resilience include the fact that China's relations with numerous Arctic states, like the United States, are already strained; that Arctic states have historically sought to settle Arctic matters internally; and high costs in the region limit the region's effectiveness. For further reading, see: Pezard, Stephanie., et al. "China's Strategy and Activities in the Arctic." *Rand Corporation* (2022): 6-7.



Ukraine.<sup>5</sup> While Russia has traditionally opposed China's activities in the far north due to security concerns that stem from the fact that the Russian military uses sensitive assets – such as ballistic missile submarines, strategic test sites, missile defense systems, and advanced radar arrays – in the region, Moscow has become increasingly inclined to work with Beijing on initiatives intended to develop the Arctic. This is largely because sanctions imposed by Western states have restricted Russia's access to the international financial system and the most technologically advanced sectors of the global economy, meaning Russia now must rely on its key remaining ally – China – to sustain its domestic economy and develop the Arctic commercially. The recent accession of Finland – and the imminent accession of Sweden – into the North Atlantic Treaty Organisation (NATO) has also served to solidify the geopolitical divide between the West and Russia in the high north, leaving Moscow with few other choices but to strengthen its strategic partnership with Beijing.<sup>6</sup>

Combined, these dynamics have increased China's potential influence in the Arctic, although deepening Sino-Russian relations in the region have also raised concerns regarding the future of Arctic governance and security. In March 2022, the Arctic Council unilaterally refused to continue cooperating with Russia due to the state's unprovoked invasion of Ukraine. As the leading intergovernmental forum for promoting cooperation, coordination, and interaction among the Arctic states, indigenous people, and other Arctic inhabitants on issues of common concern, such as sustainable development and environmental protection, this development casts doubt on the durability and efficacy of the region's primary governance institution. While China is not a formal member of the Arctic Council, Russia plays a central role in Arctic access and affairs, and some commentators have interpreted the emerging partnership between both states as a highly alarming prospect for the Arctic that leaves the region without rules and order.<sup>7</sup> Others have described the situation as an "Arctic Great Game," evoking the nineteenth-century struggle between Imperial Russia and the British Empire in Asia to characterise the contemporary situation.<sup>8</sup>

Given the economic, social, and environmental importance of the Arctic, it is crucial to consider how these geopolitical matters will affect the balance of power in the Arctic as well as regional governance regimes. What follows is an attempt to address these issues. Drawing on publicly available data and documents produced by international organisations, academic scholars, media, and various governments, this report demonstrates that China has leveraged Russia's precarious economic position to expand its operational presence and regional influence and will likely continue to do so in the short-to-medium term. However, contrary to sensationalised statements that suggest the Arctic has become an area without rules and order due to the war in Ukraine and the emerging Sino-Russian relationship in the Arctic, the rule of law remains in the region. Moreover, a series of economic, political, and legal limitations will likely restrict China's ability to realise its long-term objectives in the Arctic by relying exclusively on Russia. For these reasons, China does not pose a significant threat to Arctic security or the regional interests of those Arctic states that align with the West in the short-to-medium term, although the emerging geopolitical realities in the region require the United States to devote additional diplomatic and military resources to the area. For the purposes of clarity, the terms "circumpolar north," "the Arctic," "high north, and "far north" will be used interchangeably to refer to the Arctic throughout this report.

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<sup>5</sup> On February 24, 2022, Russia initiated a war of aggression against Ukraine, violating *jus cogens* norms, which, as stipulated in Article 2 (4) of the United Nations Charter, prohibit the use of force to infringe upon the territorial integrity or political independence of another state.

<sup>6</sup> Lau, Stuart. "It's Official: Sweden to Join NATO." *Politico*, February 2024.

<sup>7</sup> Milne, Richard. "Arctic Chill: Western Nations Fear China and Russia Will Exploit Regional Tensions." *The Financial Times*, June 2023.

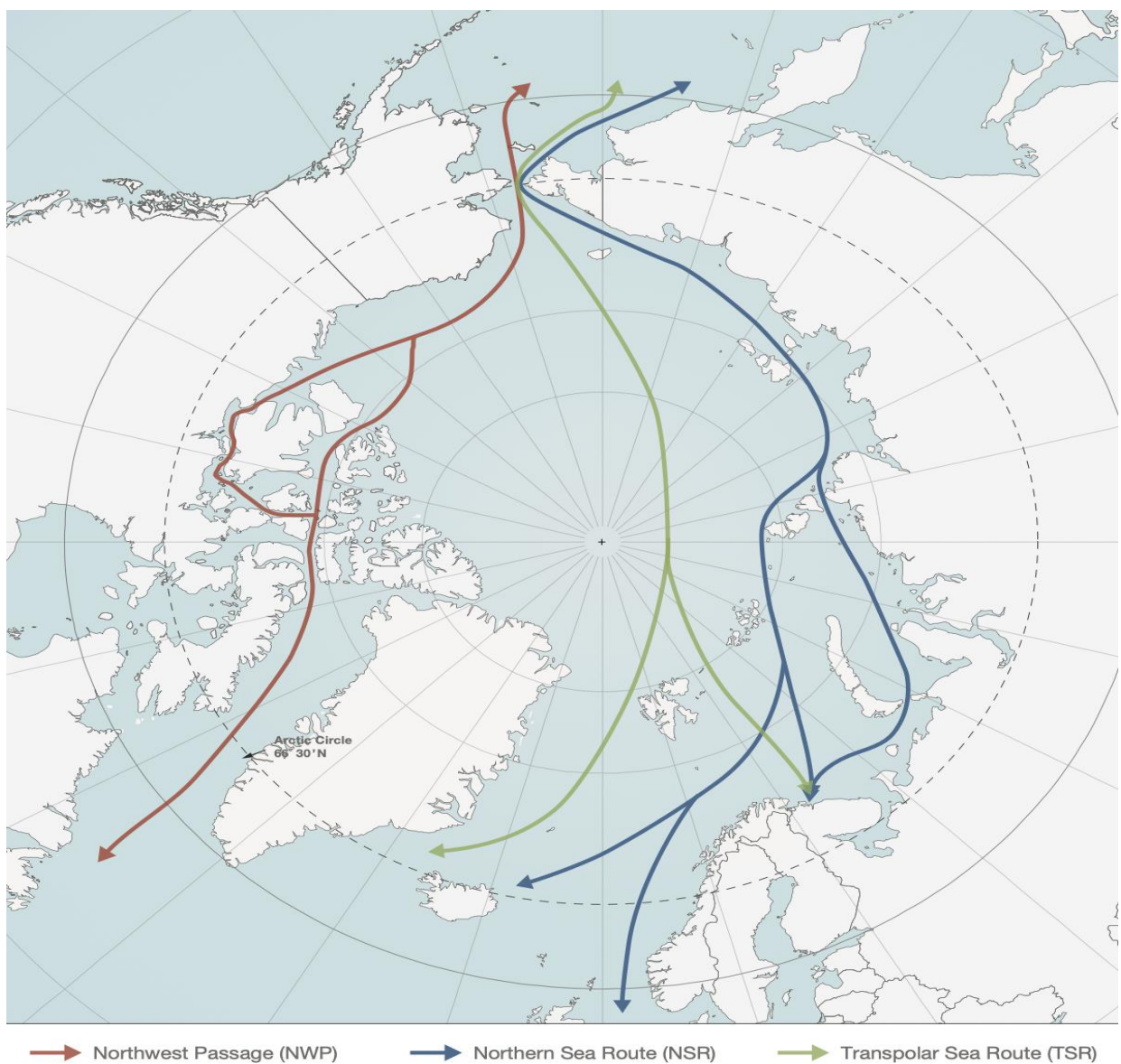
<sup>8</sup> Rauhala, Emily. "An Arctic 'Great Game' As NATO Allies and Russia Face Off in the Far North." *The Washington Post*, July 2023.



## Section 2

# Understanding China's Arctic Ambitions

**Figure 1.**  
Arctic maritime routes.



Source: Pezard, Stephanie., Stephen Flanagan, Scott Harold, Irina Chindea, Benjamin Sacks, Abbie Tingstad, Tristan Finazzo, and Soo Kim. "China's Strategy and Activities in the Arctic: Implications for North American and Transatlantic Security." *Rand Corporation* (2022): 9.



## 2.1 Understanding China's Arctic Ambitions

The Arctic is undergoing transformative environmental change due to anthropogenic climate change. Temperatures in the region have risen two-to-four times faster than the global average, and the amount of sea ice that survives each summer has swiftly shrunk, largely because of positive feedback processes. In fact, data derived from satellite imaging suggest that the amount of sea ice that survives each summer has declined by 13 per cent per decade since 1979, and the most current and credible studies indicate that the Arctic Ocean might be free of ice – during the summer, when ice coverage is at its lowest – by 2040.<sup>9</sup> The challenge of adapting to climate change is especially important for Arctic coastal communities, which will inevitably need to find new ways to protect both built and natural environments as sea levels rise, although individual species and entire ecosystems in the region are also at risk because biophysical conditions are outstripping the capacity of plants and animals to adapt to altered conditions.<sup>10</sup>

At the same time, global powers – like China – have become increasingly interested in the economic opportunities that have arisen in the region due to climate change. Specifically, Beijing aspires to gain access to the Northwest Passage (NWP), the Transpolar Sea Route (TSR), and the Northern Sea Route (NSR) to extend its Belt and Road Initiative, but also because such passages have the potential to yield significant strategic advantages for the state. These sea routes are between 25 and 40 per cent shorter than traditional routes used for transporting Chinese goods to markets in Europe, like the Suez Canal or Malacca Strait, and can, therefore, substantially reduce transportation costs associated with seaborne trade.<sup>11</sup> Although icy conditions can slow the speed of ships, Arctic container ships travelling from China to Europe do not need to call at multiple ports like their counterparts utilising traditional routes, which can reduce shipping times by between eight and 11 days, on average.<sup>12</sup> This is particularly important for China considering approximately ninety per cent of Chinese trade travels by sea.<sup>13</sup> Moreover, such shipping routes can also help China mitigate the Malacca Dilemma – an economic security threat that might arise due to a potential naval blockade of vital Chinese sea lanes in the Indian Ocean.<sup>14</sup> The NSR – a set of sea routes that run along Russia's northern coastline, connecting the Euro-Barents region with the Pacific Ocean – is currently the most commercially viable passage because ice melt allows ships to traverse the route for at least four months each year.<sup>15</sup>

<sup>9</sup> Candanosa, Roberto. "NASA Finds 2021 Arctic Summer Sea Ice 12th Lowest on Record." *NASA Global Climate Change*, September 2021. Rantanen, Mika., Alexey Karpechko., Antti Lipponen., Kalle Nordling., Otto Hyvärinen., Kimmo Ruosteenoja., Timo Vihma., and Ari Laaksonen. "The Arctic Has Warmed Nearly Four Times Faster Than the Globe Since 1979." *Communications Earth and Environment*, no. 3 (2022): 1-10. MIT Climate Portal Writing Team., and Gianluca Meneghello. "How Much Has Arctic Ice Declined, and How Does That Compare to Past Periods in the Earth's History?" *Massachusetts Institute of Technology Climate Portal*, April 2023.

<sup>10</sup> Ebinger, Charles., and Evie Zambetakis. "The Geopolitics of Arctic Melt." *International Affairs* 85, no. 6 (2009): 1215-1232.

<sup>11</sup> Yevgeny Aksenov, Ekaterina E. Popova, Andrew Yool, A.J. George Nurser, Timothy D. Williams, Laurent Bertino, Jon Bergh. "On the Future Navigability of Arctic Sea Routes: High-Resolution Projections of the Arctic Ocean and Sea Ice." *Marine Policy* 75, no. 1 (2017): 300-317.

<sup>12</sup> Nuo, Wang., Yan Bing., Wu Di., and Wu Nuan. "The Spatio-Temporal Pattern of China-EU Shipping Routes Under the Background of Arctic Navigation." *Economic Geography* 37, no. 12 (2017): 9-16.

<sup>13</sup> Myers, Lucas. "China's Economic Security Challenge: Difficulties Overcoming the Malacca Dilemma." *Georgetown Journal of International Affairs* (2023): 1-9.

<sup>14</sup> Pezard, Stephanie., et al. "China's Strategy and Activities in the Arctic: Implications for North American and Transatlantic Security." *Rand Corporation* (2022): 1-180. Although the NSR cuts between the NWP and the NEP, and is, therefore, the shortest trans-Arctic shipping route, it can only be accessed by the heaviest and most powerful icebreaker ships. It is also important to recognise that the infrastructure and search and rescue capabilities along sections of these Arctic routes remains relatively poor, which will likely limit the degree to which they are used for shipping in the short term. Other barriers, such as increased insurance premiums and variable seasonal conditions, might also deter increased volumes of trade through these routes in the short-to-medium term. Nakano, Jane., and William Li. "China Launches the Polar Silk Road." *Centre for International and Strategic Studies*, no. 1 (2018): 1-3.

<sup>15</sup> China seeks to access such sea routes for strategic and security purposes. Chinese scholars, such as Rush Doshi, Alexis Dale-Huang, and Gaoqi Zhang, for example, have highlighted the strategic importance of well-planned access to the Arctic for



While accessing such shipping routes represents a regional priority for the state, China also endeavours to exploit the rich hydrocarbon and mineral reserves in the Arctic, especially as climate change increases the ease with which such resources can be extracted. Although it is difficult to determine precisely how much oil is embedded in the Arctic, the United States Geological Survey estimates that the region could contain approximately 90 billion barrels of undiscovered oil – which equates to approximately 13 per cent of global estimates – and 30 per cent of the planet's undiscovered conventional natural gas resources.<sup>16</sup> While global oil and gas prices dictate the pace of petroleum development in the Arctic, China is proactively participating in Arctic affairs – through a series of diplomatic, scientific, and commercial endeavours including its Polar Silk Road – to exploit the region's resources and reduce its reliance on crude oil imports. Crucially, China also aspires to ascertain access to rare earth metals and minerals – such as phosphate, bauxite, iron ore, copper, and nickel – to support domestic producers of high-technology products and facilitate the state's renewable energy transition.<sup>17</sup>

While China is primarily interested in exploiting the economic opportunities that are emerging in the Arctic, the state also aspires to fully participate in regional governance forums, promote bilateral diplomacy, and engage in regional scientific research. As will be more fully described in the section that follows, the state has attempted to use these means to increase its relevance as an Arctic actor so that it can effectively realise its regional economic objectives.

## 2.2 China's Approach in Arctic Affairs

To gain access to shipping routes and capture opportunities for resource extraction, China has attempted to influence formal governance institutions in the region. Unlike Antarctica, which is governed by the *Antarctic Treaty* (1959), the Arctic is not governed by a single legal instrument or governing body. Instead, it is governed by a patchwork of domestic legislation, international regulations, and, crucially, international cooperation between the Arctic States. In this regard, the Arctic Council plays a particularly important role. Established in 1996 when representatives from each of the eight Arctic states met in Ottawa, Canada, and signed the Ottawa Declaration, transforming an existing governance framework known as the *Arctic Environmental Protection Strategy* into the Arctic Council, the institution serves as a high-level, apolitical intergovernmental forum intended to foster cooperation and enhance coordination between both Arctic states and the Indigenous people who reside in the region, especially on problems pertaining to environmental conservation and sustainable development.<sup>18</sup> Although China joined the Arctic Council as a permanent observer in 2013 after officially recognising the territorial sovereignty of the eight Arctic states, such status does not allow Beijing to substantially shape regional affairs because a dichotomous hierarchy exists between Arctic and non-Arctic states.<sup>19</sup> In fact, the eight permanent members

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protecting China's interests and rights in the international community. They have also noted that the Arctic has significant military value, and that the region could become a potential arena of military conflict. Todorov, Andrey. "New Russian Law on Northern Sea Route Navigation: Gathering Arctic Storm of Tempest in a Teapot?" *Belfer Centre for Science and International Affairs - Harvard Kennedy School* (2023): 1-4.

<sup>16</sup> Moore, Thomas, and Janet Pitman. "Geology and Assessment of Undiscovered Oil and Gas Resources of the Eurasia Basin Province, 2008." *United States Geological Survey* (2008): 1-46.

<sup>17</sup> Watson, Brett, Steven Masterman, and Erin Whitney. "Critical Minerals in the Arctic: Forging a Path Forward." *Wilson Centre* (2023): 1-3. Rowe, Mark. "Arctic Nations Are Squaring Up to Exploit the Region's Rich Natural Resources." *Geographical*, August 2022.

<sup>18</sup> Arctic Council. *Declaration on the Establishment of The Arctic Council*. Ottawa: The Arctic Council, 1996.

<sup>19</sup> Wilson, Rowe E. *Arctic Governance: Power in Cross-Border Cooperation*. Manchester: Manchester University Press, 2018.

Graczyk, Piotr., Malgorzata Śmieszek, Timo Koivurova., and Adam Stępień. "Preparing for the Global Rush: The Arctic Council, Institutional Norms, and Socialisation of Observer Behavior." In *Governing Arctic Change: Global Perspectives*, edited by Kathrin Keil and Sebastian Knecht, 121-139. Basingstoke: Palgrave Macmillan, 2017.



of the Arctic Council have historically maintained a privileged position within the institution that has enabled them to make decisions internally.<sup>20</sup> While political officials have attempted to portray China as a scientific and moral power that ought to assume an authoritative role in Arctic affairs by attending council meetings, making relevant contributions to the council's six working groups, and recognising the rights of Arctic states under international law, China's official status as a non-Arctic observer does not allow it to directly influence regional governance through the institution.<sup>21</sup>

As such, China has adopted alternative diplomatic approaches in an attempt to increase its influence in Arctic governance. Specifically, the state has attempted to portray the Arctic as a globally shared space that influences the international community, rather than just the eight Arctic states. *China's Arctic Policy (2018)* clearly elucidates this approach. The prominent white paper frames China's Arctic interests in non-threatening terms by emphasising the state's desire to participate in scientific research and contribute to the global order, and it explicitly states that Arctic issues bear "on the interests of states outside the region and [on] the interests of the international community as a whole."<sup>22</sup> The document also highlights how climate change in the Arctic will directly impact domestic affairs by specifically referring to the fact that melting ice and rising sea levels contribute to coastal flooding in China, thereby affecting populations of people who reside near the coast and reducing the availability of arable land for agricultural production.<sup>23</sup> Relatedly, those who drafted the document described China as a "near-Arctic state," despite the fact that China is located more than 800 nautical miles from the Arctic Circle and lacks sovereign jurisdiction in the area. The self-created category is intended to help highlight China's relative proximity to the Arctic Circle and portray it as a factor that ought to allow the state to access the region and assume a greater role in Arctic governance.<sup>24</sup>

China has also attempted to utilise scientific research as a vehicle for advancing its long-term ambitions in the region without arousing suspicions from Arctic states. Arctic state-building depends on the possession of knowledge pertaining to the region's natural environment, which states have historically acquired by maintaining an enduring presence in the Arctic through the construction of military installations and physical scientific research facilities.<sup>25</sup> Recognising this, the Polar Research Institute of China established China's first Arctic research station, the Yellow River Research Station, in 2004 in Ny-Ålesund, Svalbard, to support a broad range of scientific research, including glacial geology, marine ecology,

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<sup>20</sup> *Ibid.*

<sup>21</sup> This is not to say that China cannot exert any influence on the Arctic Council as an observer. In practice, the state obtains valuable information from its participation in the Arctic Council, and it can exert influence on members of international organisations through internal and external activities, thereby indirectly participating in the organisation's decision-making. For further reading, see Pezard, Stephanie., Stephen Flanagan, Scott Harold, Irina Chindea, Benjamin Sacks, Abbie Tingstad, Tristan Finazzo, and Soo Kim. "China's Strategy and Activities in the Arctic: Implications for North American and Transatlantic Security." *Rand Corporation* (2022): 1-180.

<sup>22</sup> Because most of the activities that cause Arctic environmental challenges – climate change, pollution, resource extraction, etc. – occur outside of the Arctic region, China asserts that non-Arctic states must be included in regional governance.

<sup>23</sup> Relatedly, sea ice melt in the Arctic is connected to ice melt on the Tibetan Plateau. This plateau serves as a crucial water tower in Asia, feeding the Yangtze and Yellow Rivers in China, as well as the Indus River, Ganges River, and Brahmaputra River, which all flow into neighbouring countries. Seeing the Tibetan Plateau is the world's third-largest store of ice, it also contributes to floods and mudflows in neighbouring countries, like China. As such, China often highlights these connections – or draws comparisons between the Tibetan Plateau and the Arctic – to justify its claims for a role in Arctic governance and research.

<sup>24</sup> Kopra, Sanna. "China and Its Arctic Trajectories: The Arctic Institute's China Series 2020." *The Arctic Institute*, March 2020. The State Council of the People's Republic of China. "China's Arctic Policy." *The State Council of the People's Republic of China*, January 2018. Specifically, China asserts that it is "one of the continental states...closest to the Arctic Circle," even though its northernmost tip is located approximately 900 miles south of the Arctic Circle.

<sup>25</sup> Bravo, Michael, and Sverker Sörlin. *Narrating the Arctic: A Cultural History of Nordic Scientific Practices*. Canton, MA: Science History Publications, 2002. Wilson, Rowe E. *Arctic Governance: Power in Cross Border Cooperation*. (Manchester, Manchester University Press: 2018), 107.



and atmospheric physics.<sup>26</sup> China also established two overseas satellite receiving stations. The first, known as the China Remote Sensing Satellite North Polar Ground Station, was established in 2016 at the Estrange Space Centre near Kiruna, Sweden, while the second station – named the China-Iceland Joint Arctic Observatory – was established two years later in Kárhóll, Iceland. Both are intended to allow scientists and scholars from China, Sweden, and Iceland to cooperatively conduct atmospheric observations, monitor climate change and discern solar-terrestrial interactions.<sup>27</sup>

Contributing to the global community's scientific understanding of the Arctic, especially through initiatives implemented in conjunction with Arctic states, has helped China construct a legitimate Arctic identity and enhance its influence in regional affairs. This is most clearly illuminated by the *Agreement to Prevent Unregulated High Seas Fisheries in the Central Arctic Ocean (2018)*, which was negotiated equally between, and signed by, ten parties, including Canada, Iceland, Denmark, the United States, Russia, Norway, China, Japan, South Korea, and the European Union.<sup>28</sup> The Agreement represents the first multilateral agreement to take a legally binding, precautionary approach to protect an area from commercial fishing before fishing actually began, but also because it represents one of the few instances where China – a non-Arctic state – was able to negotiate an international Arctic treaty on the same terms as the eight Arctic states, and thereby influence the rules governing the region.<sup>29</sup>

Nevertheless, it is important to recognise that China has struggled to substantially influence Arctic governance regimes. This is largely because China's regional research apparatus has raised security concerns among actors affiliated with the Arctic states because it has the potential to serve both security and military purposes.<sup>30</sup> The aforementioned facilities provide China with legitimate access to the Arctic and offer opportunities for relevant actors to acquire and build the technical capabilities needed to map, survey, and monitor the region. The Polar Research Institute of China has also utilised two research vessels, the *Xue Long* and the *Xue Long 2*, to launch 13 different expeditions into the Arctic since 1999, which have allowed Chinese strategists and scientists to traverse the NWP, the NEP and the TSR, and gain crucial operational expertise.<sup>31</sup> These expeditions often involve extensive oceanographic surveys and acoustic modelling, which mirror some of the activities that were undertaken by the People's Liberation Army (PLA) to support the state's controversial construction and militarisation of islands in the South China Sea.<sup>32</sup> For these reasons, the infrastructure and equipment that Chinese actors use in the Arctic might facilitate the state's military-civil fusion strategy, through which it aims to mobilise civilian resources to

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<sup>26</sup> The Norwegian Government has identified scientific research as a key economic activity in Svalbard and allows many non-Arctic states to participate in research in the region. In fact, approximately 1,000 researchers from as many as 30 different states visit Svalbard each year to conduct scientific research. Pedersen, Torbjørn. "The Politics of Research Presence in Svalbard." *The Polar Journal* 11, no. 2 (2021): 413-426.

<sup>27</sup> China-Iceland Joint Arctic Observatory. "Arctic Observatory: Cooperation." *Arctic Portal* (2022): 1-2. While China fully funded the construction of the buildings in Kárhóll, Iceland, the state does not own anything at the site. Instead, it rents the property from an Icelandic non-profit group, Aurora Observatory.

<sup>28</sup> Liu, Nengye. "How Has China Shaped Arctic Fisheries Governance?" *The Diplomat*, June 2018.

<sup>29</sup> *Ibid.* The parties to the *Agreement to Prevent Unregulated High Seas Fisheries in the Central Arctic Ocean* agreed not to engage in commercial fishing activities in the high seas portion of the Central Arctic Ocean for an initial period of 16 years after the agreement entered into force. This decision was motivated by the fact that the global community knows very little about the ecosystem in the region. Moreover, while the Central Arctic Ocean represents a potentially promising prospect for commercial fishing activities, unregulated fishing could adversely affect fish stocks or marine ecosystems in the region.

<sup>30</sup> Ghoshal, Debalina. "China's Submarine Fleet in the Arctic." *European Security and Defense*, February 2020. Goldstien, Lyle J. "Chinese Nuclear Armed Submarines in Russian Arctic Ports? It Could Happen." *The National Interest*, June 2019. Doshi, Rush, Alexis-Dale-Huang, and Gaoqi Zhang. "Northern Expedition: China's Arctic Activities and Ambitions." *Brookings Institution* (2021): 1-4.

<sup>31</sup> Fravel, Taylor., Kathryn Lavelle., and Liselotte Odgaard. "China Engages the Arctic: A Great Power in a Regime Complex." *Asian Security* 18, no. 2 (2022): 138-158.

<sup>32</sup> Funairole, Matthew., Brian Hart., Joseph Bermudez., and Aidan Power-Riggs. "Frozen Frontiers: China's Great Power Ambitions in the Polar Regions." *Centre for Strategic and International Studies* (2023): 1-10.





support the PLA, and ultimately merge China's disparate national strategies together to simultaneously advance security and development goals.<sup>33</sup>

Numerous Arctic actors have already highlighted these potential risks. A report published in 2019 by the United States Department of Defense warned that "civilian research could support a strengthened Chinese military presence in the Arctic Ocean."<sup>34</sup> Others have taken concrete actions to thwart such security hazards. In 2020, the Swedish Space Corporation – the overarching entity that manages the Estrange Space Centre, which is where the China Remote Sensing Satellite North Polar Ground Station is located – opted not to renew its contracts or accept subsequent bids from Chinese businesses due to concerns that the station might be used for military intelligence gathering and surveillance.<sup>35</sup> Two scientific projects proposed by the Polar Research Institute of China and the Chinese Academy of Sciences in Finland and Greenland were also blocked due to potential dangers.<sup>36</sup>

Similar security concerns have also constrained China's ability to significantly increase its influence in Arctic affairs through traditional commercial investments. Canada, Greenland, Finland, Sweden, Norway, Alaska – as distinct from the United States Federal Government – and Russia were initially willing to engage economically with China, especially in the hydrocarbon, telecommunications, and mineral sectors.<sup>37</sup> Recently, however, Arctic states that align with the West have developed strong sentiments against attempts by Chinese actors to acquire land or strategic infrastructure in the Arctic, and Canada, Iceland, Norway, Finland, Sweden, and the United States have utilised domestic laws and national screening mechanisms to block Chinese investments in industries identified as vital to their national security interests.<sup>38</sup>

Such action was undertaken in December 2020 by the Government of Canada, which utilised the national security provisions included under the Investment Canada Act (1985) to prohibit Shandong Gold Mining Corporation – a state-owned gold mining company that is controlled by the Shandong Provincial People's Government – from acquiring TMAC Resources – a Canadian gold producer that operates the Doris Mine in Hope Bay, Nunavut – due to the potential for Chinese actors to access and build military installations in the area. While a comprehensive assessment of China's commercial activities in the Arctic is beyond the scope of this study, these examples are indicative of a broader trend taking hold among Arctic states. Indeed, while China has successfully utilised loans and infrastructure agreements to assert

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<sup>33</sup> *Ibid.*

<sup>34</sup> Office of the Secretary of Defense. "Annual Report to Congress: Military and Security Developments Involving the People's Republic of China 2019." *Office of the Secretary of Defense* (2019): 1-136.

<sup>35</sup> Barret, Jonathan., and Johan Ahlander. "Swedish Space Company Halts New Business Helping China Operate Satellites." *Reuters*, September 2020. Relatedly, in February 2023, the Department of National Defense and Canadian Armed Forces announced that it has detected and tracked Chinese monitoring buoys that had been surveying Canadian territory in the Arctic since 2022. For more information, see: Fife, Robert., and Steven Chase. "Canadian Military Found Chinese Monitoring Buoys in the Arctic." *The Globe and Mail*, February 2023.

<sup>36</sup> *Ibid.* Xinhuanet. "China, Finland to Enhance Arctic Research Cooperation." *Xinhuanet*, April 2018.

<sup>37</sup> Stepien, Adam., Liisa Kauppila, Sanna Kopra, Juha Käpylä, Marc Lanteigne, Harri Mikkola, and Matti Nojonen. "China's Economic Presence in the Arctic: Realities, Expectations and Concerns. In *Chinese Policy and Presence in the Arctic* (Leiden: Brill | Nijhoff, 2020).

<sup>38</sup> Overfield, Cornell., Anthony Miller., Eleanore Douglas., Kasey Stricklin., and Mary Ellen Connell. "Foreign Direct Investment Screening in the Arctic." *Centre for Naval Analyses* (2022): 1-102.

Some states have also implemented new national security legislation due to geopolitical rivalry in the Arctic. In 2018, for instance, Canada's Parliament passed the *Invest Canada Act* (2018) to provide the government with the ability to "review and block non-Canadian investments." Relatedly, the *Secure Equipment Act* (2021) was signed into law in 2021 in the United States to prohibit companies deemed to pose unacceptable risks to U.S. national security from inserting equipment into U.S. telecommunications networks. Arctic analysts assert that the law effectively prohibits Chinese telecommunications companies – like Huawei and ZTE Corporation – from developing or contributing to communications networks in Alaska. In much the same way, Iceland passed legislation – referred to as the "Milla Bill" – in 2022 to strengthen and secure the state's legal apparatus and uphold national security, especially in the telecommunications industry.



its influence in countries across Asia, Africa and Latin America, most Arctic states have refrained from similar Chinese proposals, which has significantly limited the state's ability to establish a commercial presence in the high north.

**Figure 2.***An illustrative sample of failed Chinese investments in the Arctic (2016-2021).*

Year	Country	Description
2016	Grønnedal, Greenland (Denmark)	General Nice Group, a private Chinese mining company, attempted to purchase an abandoned naval base in Grønnedal, Greenland, that was initially built in 1942 by the United States. Danish authorities declined the deal due to security concerns and decided to use the base for storage and training purposes instead.
2017	Alaska, United States	Alaska Governor Bill Walker signed a memorandum of understanding with representatives affiliated with the Bank of China, China Investment Corporation, and China Petroleum and Chemical Corporation (Sinopec) – China's largest state-owned oil company – to construct a USD \$43 billion liquified natural gas (LNG) pipeline. In 2019, however, Bill Walker's successor, Mike Dunleavy, terminated the partnership after the Federal Government raised national security concerns.
2017	Fårösund Island, Sweden	A Hong Kong-based investor purchased an inactive Swedish submarine base on Fårösund Island, but the Swedish Armed Forces repurchased the infrastructure the following year.
2017	Greenland (Denmark)	General Nice Group, a Chinese state-owned company, attempted to purchase a former naval base in Greenland; however, Danish politicians ultimately rejected the proposal because they did not want to adversely affect Denmark's relationship with the United States by providing China with a potential military foothold in the area.
2018	Kemijärvi, Finland	The Polar Research Institute of China attempted to purchase an airport in Kemijärvi, Finland, but representatives affiliated with the Finnish Government declined the sale. Those involved in the bid planned to extend the runway to operate research flights to the north pole, which "would have also made observations possible over the Arctic Ocean and the Northeast Passage, which is an area of interest to both China and Russia" according to Atte Rantanen, Kemijärvi's mayor.
2020	Nunavut, Canada	Shandong Gold Mining, a Chinese state-owned enterprise, announced a USD \$179 million deal to purchase TMAC Resources and the Hope Bay Mining Project in Nunavut, Canada. Upon review, however, government officials formally rejected the bid, deeming it a national security risk because the mine is located within 100 kilometres of a radar warning system operated by the North American Aerospace Defense Command.
2021	Greenland (Denmark)	In 2018, China National Petroleum Corporation and China National Offshore Oil Corporation expressed interest in bidding for onshore oil and gas licenses, which local authorities listed for purchase in 2021. Greenland ultimately refrained from issuing these licenses to the aforementioned firms, citing climate change as the main concern.

Sources. Matzen, Erik. "Denmark Spurred Chinese Offer for Greenland Base Over Security." *Reuters*, April 2017. Nilsen, Thomas. "China Wanted to Buy Airport in Lapland for North Pole Climate Research Flights." *The Barents Observer*, March 2021. Thiesen, Mark. "Alaska Signs Gas-Pipeline Project Deal with China." *The Seattle Times*, November 2017.

This is not to say that China does not have commercial rights in the Arctic. Having signed the *Svalbard Treaty* (originally the *Spitsbergen Treaty*) – a legally binding international instrument that governs the Svalbard Archipelago in the Arctic Ocean – China possesses the right to conduct commercial activities in the waters near Svalbard. While the state must recognise Norway's absolute sovereignty over the Arctic Archipelago, it is nevertheless able to access the region's waters for any reason, subject to local laws and regulations.<sup>39</sup> The provisions contained in the United Nations Convention on the Law of the Seas (UNCLOS), ratified by China in 1996, also afford certain commercial rights in the high north, particularly in relation to shipping.<sup>40</sup> UNCLOS is an overarching international agreement that was established in 1982 to define the rights and responsibilities of states with respect to their use of the world's oceans. In territorial seas, which extend up to 12 miles from the baseline of a coastal state, China must respect the sovereignty of the coastal state that exercises jurisdiction over those waters, although it

<sup>39</sup> Kobzeva, Mariia, and Andrey Todorov. "Can China Change the Arctic Regime?" *Polar Record* 59, no.1 (2023): 1-10. Chinese citizens also retain the right to live and conduct scientific activities on the archipelago. For this reason, the Polar Research Institute of China was able to establish the Yellow River Research Station in Svalbard in 2004.

<sup>40</sup> Importantly, the United Nations has no direct operational role in the implementation of the convention. Instead, the International Maritime Organization (IMO), the International Whaling Commission and the International Seabed Authority organize, regulate, control, and authorise activities within the convention. Wells, Anthony. "The United Nations Convention on the Law of the Seas and the U.S. Navy." *U.S. Naval Institute* (2021): 1-3.



possesses the right of innocent passage under Article 17, provided it does not disturb the peace and security of the relevant coastal state. Beyond the 12-mile territorial limit, Chinese maritime vessels also enjoy freedom of navigation.<sup>41</sup>

There are, however, exceptions to these rules. Consider Article 234. Due to the unique hazards associated with polar navigation and the vulnerability of the environment in the Arctic, Article 234 allows coastal states to adopt and enforce specific measures for the prevention, reduction, and control of marine pollution from vessels in “ice-covered areas within the limits of the exclusive economic zone.”<sup>42</sup> Both Russia and Canada have utilised this provision to implement legislation that requires other states to seek permission before entering the NSR and NWP, respectively.<sup>43</sup> While Chinese ships have adhered to these rules thus far, climate change and ice melt in the Arctic will likely challenge the applicability of Article 234, raising new questions about China's future approach to these regulations.<sup>44</sup>

The provisions contained in UNCLOS also allow coastal states to determine whether to allow foreign states, like China, to develop mineral resources or fish in certain areas of the Arctic Ocean, meaning China must rely on relationships with Arctic states to realise its regional economic objectives. This is because coastal states retain absolute rights over the exploitation of resources located within the seabed and subsoil that extends to the outer edge of their continental shelves.<sup>45</sup> Article 76 also enables coastal states to extend their sovereign jurisdiction over the exploration and exploitation of natural resources contained on or within the seabed, provided that the state can scientifically show that its continental shelf is a continuation of land territory.<sup>46</sup> Moreover, coastal states dictate the conditions for resource development by regulating licensing requirements, which allow political actors to determine whether to allow foreign states to exploit resources located on or within their continental shelves. In terms of fisheries, China benefits from the “freedom of fisheries” provision included under Article 87, which allows Chinese entities to fish in parts of the high seas; however, almost all of these areas are subject to special regional management regimes that are intended to ensure fish stocks are not overexploited.<sup>47</sup> Arctic states also disagree over contested legal questions in the region, particularly in relation to the use of common resources and the demarcation of EEZs, which further complicates China's claims in the area.

Although China has earnestly attempted to exert its influence in Arctic affairs and become a major polar player, it has failed to comprehensively consolidate its interests in the region. Despite its efforts, the state has struggled to substantially influence regional governance regimes, and some of its scientific activities have roused suspicions from Arctic states due to potential security concerns. Although China has successfully utilised loans and infrastructural investments to exert its influence throughout Africa,

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<sup>41</sup> Under UNCLOS, each coastal state can claim a contiguous zone adjacent to, and beyond, its territorial sea that extends seaward up to 24 nautical miles from its baseline. Relatedly, each coastal state may claim an Exclusive Economic Zone beyond and adjacent to its territorial sea that extends seaward up to 200 nautical miles from its baseline (or out to a maritime boundary with another coastal state). For further reading, see: National Oceanic and Atmospheric Administration. “Maritime Zones and Boundaries.” *National Oceanic and Atmospheric Administration: U.S. Department of Commerce* (2023): 1-15.

<sup>42</sup> United Nations Convention on the Law of the Sea, December 10, 1982. 1833 U.N.T.S. 397.

<sup>43</sup> Kobzeva, Mariia, and Andrey Todorov. “Can China Change the Arctic Regime?” *Polar Record* 59, no.1 (2023): 1-10. Byers, Michael. *International Law in the Arctic*. New York: Cambridge University Press, 2013.

<sup>44</sup> Young, Oran. “Governing the Arctic Ocean.” *Marine Policy* 72 (2016): 271-277.

<sup>45</sup> Persand, Sharveen. “A Practical Overview of Article 76 of the United Nations Convention on the Law of the Sea.” *The United Nations*, no. 1 (2005): 1-37. United Nations Convention on the Law of the Sea, December 10, 1982. 1833 U.N.T.S. 397.

<sup>46</sup> Once a state ratifies UNCLOS, it has ten years to submit such claims to the Commission on Limits of the Continental Shelf. The legal authorisation of UNCLOS is extremely complicated, however, as it requires states to demonstrate, through geology and bathymetric mapping, that there is a natural extension of their continental shelves.

<sup>47</sup> Byers, Michael. *International Law in the Arctic*. New York: Cambridge University Press, 2013. China is obliged to respect the exclusive rights of coastal states to adopt and enforce rules relating to the exploitation and conservation of living resources in internal waters, territorial seas, and exclusive economic zones. It is important to recognize that China asserts these rights as part of its global access to the world's oceans, not as a particular Arctic right.





East Asia and South America, most Arctic states have enacted domestic laws or foreign direct investment screening mechanisms to thwart Chinese transactions, which has limited the state's commercial presence in the region. And while it is true that China is entitled to certain commercial claims in the far north under the Svalbard Treaty and UNCLOS, especially in relation to shipping, these international instruments allow coastal states in the Arctic to determine whether foreign states, like China, can develop mineral resources or fish in the Arctic, and have limited China's ability to engage in such economic endeavours. For these reasons, China's advance into the Arctic has met far more resistance, and its presence remains far more tenuous, than one might believe.<sup>48</sup>

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<sup>48</sup> Lackenbauer, Whitney., Adam Lajeunesse, and Ryan Dean. "Why China is Not a Peer Competitor in the Arctic." *Journal of Indo-Pacific Affairs* (2022): 80-97.



## Section 3

# The Emerging Sino-Russian Partnership

## 3.1 The War in Ukraine and Commercial Collaboration

Russia remains the one Arctic state that is still willing to embrace China in the far north. Although Russia asserts geopolitical pre-eminence in the Arctic and has historically protected its dominant role in the region because of its economic and security significance to the state, commercial collaboration between Russia and China in the Arctic has increased significantly since 2014.<sup>49</sup> In February of that year, Russia illegally invaded and annexed Crimea, which prompted a plethora of countries, economic and political unions, and international organisations – including Canada, the United States, the European Union, and the United Nations – to impose sanctions targeting Russia's energy and financial sectors.<sup>50</sup> Isolated from the international community, Russian officials turned to their Chinese counterparts for the financial capital and technical assistance needed to explore and exploit the northern natural resources on which Russia's economy depends. Undeterred by the imposition of Western sanctions and eager to secure a reliable and diversified source of energy to satisfy burgeoning domestic demand, China provided Russia with the capital and technology needed to realise numerous hydrocarbon production projects in the Russian Arctic, thereby positioning itself as a prominent foreign player in Russia's Arctic energy projects.

This is most clearly illuminated by China's participation in the Yamal Liquefied Natural Gas (LNG) Project. Although the Russian Arctic contains approximately 35,700 billion cubic meters of natural gas and more than 2,300 million metric tons of oil and condensate, the enormous expense associated with the construction of pipelines and infrastructure in the region, combined with the state's inability to create its own LNG facilities, initially restricted Russia's ability to exploit such sources of energy.<sup>51</sup> In fact, it was initially assumed that the rich reserves in northern Yamal would never be developed due to the region's

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<sup>49</sup> Geographically, Russia controls approximately 53% of the Arctic coastline, which provides the state with significant leverage in the region. Macdonald, Adam P. "China-Russian Cooperation in the Arctic: A Cause for Concern for the Western Arctic States?" *Canadian Foreign Policy Journal* 27, no. 2 (2021): 194-210. Prior to 2014, Russia primarily opposed China's involvement in the Arctic. In 2007, for instance, Russia vehemently opposed China's participation in the Arctic Council. Even as recently as 2020, Russian authorities arrested an Arctic expert who was allegedly providing China with intelligence.

Geopolitical relations between both states have changed since 2014, however, and Russia is now increasingly reliant on China to realize its regional objectives in the Arctic. China and Russia thus engaged in joint military exercises in the Arctic in 2012 and 2019; however, the deepening relationship between both states is most pronounced in the economic sphere. For more information pertaining to Russia's role in the Arctic, see: Martin, Benjamin, and Zsanett Greta Papp. "Russia at the Arctic Crossroads: Navigating the Melting Geostrategic Landscape of the Northern Sea Route." *London Politics* (2023): 1-31.

<sup>50</sup> Rowe, Elana W. *Arctic Governance: Power in Cross Border Cooperation*. (Manchester, University of Manchester Press: 2018), 96.

<sup>51</sup> Yergin, Daniel. *The New Map: Energy, Climate, and the Clash of Nations*. New York: Penguin Press, 2020. (see page). The Ministry of Natural Resources and Ecology of the Russian Federation. "State Report on the State and Use of Mineral Raw Materials in the Russian Federation in 2016 and 2017." The Ministry of Natural Resources and Ecology of the Russian Federation (2018): 1-X. Russia began exporting LNG from its liquefaction plant on Sakhalin, an elongated, Russian island located in the Pacific Ocean, approximately 40 kilometres north of Japan's Hokkaido, in 2009. The facility was developed by Sakhalin Energy, although Gazprom is Sakhalin Energy's controlling shareholder, and the project was only possible because Shell, Mitsui and Mitsubishi provided the requisite technology.



remote location and inhospitable conditions.<sup>52</sup> However, Leonid Mikhelson, the Chief Executive Officer of Novatek – Russia's largest independent producer of oil and natural gas – was determined to develop LNG in the north of the Yamal Peninsula. In 2009, Novatek acquired control of Yamal LNG – an integrated joint-venture that was established to produce and export natural gas from the Tamburgskoye Gas Field in the Yamal Peninsula – and subsequently sought to attract international investors to provide the funding and capabilities that Novatek and other domestic petrochemical producers lacked.<sup>53</sup> These efforts were successful, and in 2011, TotalEnergies, an integrated energy and petroleum firm founded in France, purchased a 20 per cent stake in Yamal LNG. Two years later, the China National Petroleum Corporation (CNPC) purchased 20 per cent of the shares in Yamal LNG from Novatek and agreed to procure at least three million tons of LNG annually to reduce China's reliance on imported natural gas from Australia, Malaysia, Qatar, and Indonesia. By 2014, however, sanctions imposed in the aftermath of Russia's annexation of Crimea severely restricted Novatek's access to sources of finance in the West. In order to survive, the USD \$27 billion Yamal LNG project needed new investors.

Novatek and Yamal LNG ultimately received financial relief from China. In August 2015, the firm reached an agreement with the Silk Road Fund (SRF) to sell a 9.9 per cent share in Yamal LNG to SRF for €1.087 billion, which left Novatek with a 50.1 per cent stake in Yamal LNG.<sup>54</sup> Actors affiliated with the SRF also agreed to provide Yamal LNG with a fifteen-year, low-interest loan valued at €730 million. The following year, Novatek also secured USD \$12 billion in loans from two state-owned enterprises, the Export-Import Bank of China, and the China Development Bank, which both became partners in the Yamal LNG project.<sup>55</sup> These funds were used to pay contractors and procure technology produced in China, and ultimately enabled the Yamal LNG – which is capable of producing 17.4 million metric tons of LNG each year – to begin exporting energy from Sabetta in December 2017.<sup>56</sup>

Since then, economic, and military cooperation has continued to characterise the deepening relationship between Russia and China in the Arctic. China has primarily positioned itself as a provider of financial resources for projects intended to exploit energy reserves and develop shipping infrastructure in the Russian Arctic, which Russia has welcomed due to the volatile and precarious financial position it has found itself in since 2014.<sup>57</sup> This reciprocal relationship has created shared value by enabling China to diversify its energy imports and advance its long-standing goal of becoming a global maritime power. As such, both states have become increasingly cooperative as they endeavour to realise their regional objectives. In 2017, for example, China reiterated its commitment to integrate northern maritime shipping

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<sup>52</sup> Yergin, Daniel. *The New Map*. (New York: Penguin Press, 2020), 111. The Yamal LNG Project is located approximately 489 kilometres from the North Pole and is often unreachable by land or air due to weather conditions. During the winter, for instance, temperatures regularly plunge below -41 °C, and wind, fog and snow frequently prohibit helicopters from reaching the region.

<sup>53</sup> Novatek. "Novatek Increases Stake in Yamal LNG." *Novatek Press Release*, September 2011. Due to its remote and rugged location, and the lack of existing infrastructure in the region, special equipment and construction procedures had to be developed for Yamal LNG. Specifically, an entirely new port city had to be constructed at Sabetta for a cost of USD \$30 billion, and fifteen new ice-class tankers had to be designed and built – at a cost of USD \$320 million each – to move through the adjacent Arctic waters. For more information, see Yergin, Daniel. *The New Map: Energy, Climate, and the Clash of Nations*. New York: Penguin Press, 2020.

<sup>54</sup> Chinese state-owned enterprises involved in the project collectively held 29.9 per cent of shares after the deal closed in March 2016.

<sup>55</sup> Although Chinese banks were initially hesitant to provide funding to Russian entities because they sought to comply with the sanctions imposed by much of the international community, the funds they ultimately provided were used to pay contractors and procure technology for the project. According to estimates compiled by TotalEnergies, seven of the ten shipyards affiliated with the project were also located in China, and 101 of the 142 modules used in Yamal LNG were produced there.

<sup>56</sup> Yergin, Daniel. *The New Map*, 112-113. Yamal LNG dispatched its first shipment of natural gas to China in August 2018.

<sup>57</sup> Mau, Vladimir., and Alexey Ulyukhaev. "Global Crisis and Challenges for Economic Development." *Russian Journal of Economics* 1, no. 1 (2015): 4-29.

Maizland, Lindsay. "China and Russia: Exploring Ties Between Two Authoritarian Powers." *Council on Foreign Relations* (2022): 1-12.



routes into its Maritime Silk Road Initiative with the publication of the *Vision for Maritime Cooperation Under the Belt and Road Initiative*, in which state officials proposed their intention to cooperate with all concerned countries – especially Russia – to establish a workable commercial corridor through the circumpolar north.<sup>58</sup> Just two years later, the first shipment of Russian LNG reached northern China via the Power of Siberia Pipeline - a project that was made possible by a USD \$400 billion contract signed between Gazprom and China National Petroleum Corporation in 2014, under which Gazprom agreed to export 38 billion cubic meters of LNG to China for the next thirty years.<sup>59</sup> Furthermore, Russian President Vladimir Putin and Chinese President Xi Jinping signed the *Joint Statement on Developing Comprehensive Partnership and Strategic Interaction Entering a New Era* during a meeting in 2019, which reiterated both leaders' desire to expand the exploration and exploitation of shipping lanes through the NSR and natural resource development projects through the collaborative construction of infrastructure. Such activities ultimately proved to be successful. In April of that year, China National Offshore Oil Corporation and China National Petroleum Corporation each purchased a ten per cent share in Yamal LNG 2 – a second integrated LNG production and export facility located in Northern Siberia's Gydan Peninsula that is expected to produce as much as 19.8 million tons LNG each year when it is complete in 2024.<sup>60</sup>

The war in Ukraine has served to further strengthen bilateral and economic relations between both states. This is largely because sanctions imposed by the West in the wake of Russia's unprovoked invasion of Ukraine in February 2022 severed Russia's access to the international financial system and the most technologically advanced sectors of the global economy, prompting Russia to turn to China to provide the technical assistance and financial capital needed for its Arctic initiatives in much the same way it had after it annexed Crimea in 2014. China's support for Russia has enabled the latter to sustain its economy and complete energy exploitation projects in the circumpolar north, which is particularly important for Russia considering companies like TotalEnergies, BP, and Exxon Mobile withdrew from such projects in response to the war in Ukraine.<sup>61</sup> Such sanctions are also likely to increase the strategic significance of export terminals located along the NSR as many of such seaports serve as the preferred departure points for Russian Arctic commodities that are exported to selective market destinations, especially those in China.<sup>62</sup> Russia's precarious economic and political position thus provides a renewed opportunity for China, a state that has positioned itself as neutral in the context of the ongoing conflict and officially opposes the use of unilateral sanctions, to exert its influence on Russia and realise its regional objectives in the Arctic.<sup>63</sup>

Thus far, China has sought to seize this opportunity. During a meeting held between Xi Jinping and Vladimir Putin in Moscow in March 2023, both leaders announced a new strategic partnership, which is intended to expedite development along the NSR and enhance administrative efficiency through the

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<sup>58</sup> Gao, Tianming., and Vasilli Erokhin. "China-Russia Collaboration in Arctic Shipping and Maritime Engineering." *The Polar Journal* 10, no. 2 (2020): 353-374.

<sup>59</sup> Congressional Research Service. "Power of Siberia: A Natural Gas Pipeline Brings Russia and China Closer." *Congressional Research Service Reports* (2020): 1-3. Importantly, the terms of the deal remain shrouded in secrecy and Gazprom has not disclosed pricing information or the objective parameters of trade. For further reading, see: Vakulenko, Sergey. "What Russia's First Gas Pipeline to China Reveals About a Planned Second One." *Carnegie Endowment for International Peace* (2023): 1-8.

<sup>60</sup> Humpert, Malte. "China Acquires 20 per cent Stake in Novatek's Latest LNG Project." *High North News*, April 2019.

<sup>61</sup> Kostov, Nick. "TotalEnergies to Take \$3.7 Billion Write-Down on Stake in Russia's Novatek." *The Wall Street Journal*, December 2022. Strasburg, Jenny. "BP Takes \$25.5 Billion Hit from Russia Exit." *The Wall Street Journal*, May 2022. Gold, Russel. "U.S. Sanctions, Low Oil Prices Doomed Exxon's Russian Projects." *The Wall Street Journal*, March 2018.

<sup>62</sup> Gunnarsson, Björn, Frédéric Lasserre. "Supply Chain Control and Strategies to Reduce Operational Risk in Russian Extractive Industries Along the Northern Sea Route." *Arctic Review on Law and Politics* 14, no. 1 (2023): 21-45.

<sup>63</sup> Kusa, Iliya. "China's Strategic Calculations in the Russia-Ukraine War." *The Wilson Center - Focus Ukraine* (2022): 1-7. Since the beginning of the War in Ukraine, China has consistently blamed NATO and the West for provoking Russia and for failing to sufficiently account for Russia's security concerns.



establishment of a joint entity responsible for managing shipping along this sea route.<sup>64</sup> Representatives affiliated with Russia's federal security service – the FSB Border Guard Service – and the Chinese Coast Guard signed a bilateral maritime agreement in April 2023 to cooperatively coordinate law enforcement efforts in the Russian Arctic, which formally integrated China into the region's security apparatus.<sup>65</sup> Both states have also collaborated to construct new icebreakers for such purposes.<sup>66</sup>

China has also provided a series of crucial technology transfers to Russian energy enterprises, which have enabled these firms to overcome sanctions and the withdrawal of Western firms. In May 2023, for example, Harbin Guanghan Gas Turbine Company, a subsidiary of China Shipbuilding Industry Company, agreed to provide Novatek with the wind turbines required to complete the first and second production lines of Yamal LNG-2.<sup>67</sup> This is particularly significant since Baker Hughes, the American firm that initially pledged to provide the turbines, delivered just four of the twenty needed before withdrawing from the project in the wake of the war in Ukraine. Whilst Chinese state-owned enterprises do not necessarily possess the same technological capabilities as their Western counterparts, which might adversely affect Russian petrochemical production projects in the Arctic in the medium-to-long term, such transfers are indicative of China's desire to integrate itself within the Russian energy sector and advance its Polar Silk Road through the Russian Arctic.<sup>68</sup> Furthermore, CNPC and CNOOC announced in December 2023 that they had asked the United States for exemptions to a series of sweeping new sanctions imposed on Yamal LNG-2 in November because such measures led other foreign shareholders to suspend participation in the project and renounce their responsibilities for financing.<sup>69</sup> While the United States is unlikely to comply with these requests, China has continued to provide prefabricated modules for Novatek's Yamal LNG-2 Project. On 6 January 2024, two ships – the *Audax* and *Pugnax* – loaded with LNG modules left Penglai, China, and are expected to arrive at Novatek's Belokamenka LNG construction centre near Murmansk by the end of February.<sup>70</sup> These deliveries of equipment suggest that sanctions imposed on Russia's energy companies by the United States and the European Union have failed to restrain Russia's Arctic petrochemical production projects and reflect the degree to which Russia and China are economically integrated in the Arctic energy sector.

The magnitude of trade transported via the NSR has also increased substantially since the early 2010s, which offers an opportunity for China to mitigate operational risks and reduce transportation costs associated with seaborne trade. Transit cargo shipments through the NSR increased from just over 1.3 million tonnes in 2013 to more than 26 million tonnes in 2019, driven primarily by improvements in transportation infrastructure and the completion of substantial petrochemical production projects, such as Yamal LNG, which began production in 2017.<sup>71</sup> Between 2020 and 2021, cargo traffic along the NSR increased an additional 5.7 per cent from 32.9 million tonnes to 34.9 million tonnes. While the quantity of cargo transported along the NSR declined in 2022 as most Western operators withdrew from the region, 75 transit shipments traversed the NSR in 2023, which represents a 20.9 per cent increase relative

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<sup>64</sup> Spohr, Kristina. "Russia and China Are Opening a New Anti-Western Front in the Arctic." *Financial Times*, November 2023.

<sup>65</sup> Nilsen, Thomas. "FSB Signs Maritime Security Cooperation with China in Murmansk." *The Barents Observer*, April 2023.

<sup>66</sup> Gricius, Gabriella. "Geopolitical Implications of New Arctic Shipping Lanes." *The Arctic Institute* (2021): 1-9.

<sup>67</sup> Humpert, Malte. "China To Supply Key Turbines to Novatek's Arctic LNG-2." *High North News*, May 2022.

<sup>68</sup> Lackenbauer, Whitney P., Adam Lajeunesse, and Ryan Dean. "Why China Is Not a Peer Competitor in the Arctic." *Journal of Indo-Pacific Affairs* (2022): 87.

<sup>69</sup> Bloomberg News. "China to Seek Exemptions to US Sanctions on Russian LNG." *Bloomberg*, December 2023.

<sup>70</sup> Humbert, Malte. "China Continues to Deliver Prefabricated Modules in Support of Russia's Arctic LNG-2 Project." *High North News*, January 2024.

<sup>71</sup> Humpert, Malte. "Russia to Send Nuclear Powered Cargo Ship Through the Arctic." *High North News*, March 2016.

Staalesen, Alte. "Shipping on the Northern Sea Route Up 40%." *The Barents Observer*, October 2019. For further reading, see: Gunnarsson, Björn. "Ten Years of International Shipping on the Northern Sea Route: Trends and Challenges." *Arctic Review on Law and Politics* 12, no. 1 (2021): 4-30.



to 2020.<sup>72</sup> More importantly, deliveries to and from China accounted for more than 95 per cent of the cargo that traversed the sea route in 2023 and President Putin endeavours to further increase the volume of trade transported through the NSR to 80 million tons by the end of 2024 as part of the Northern Sea Route Infrastructure Development Plan to 2035.<sup>73</sup> While such figures pale in comparison to the quantity of trade that traverses the Malacca Strait or Suez Canal each year, they are nevertheless significant from China's perspective.

This is because Moscow views the NSR as a historically established transportation route that falls under its national jurisdiction. While Russia ratified UNCLOS in 1997 and submit a claim under Article 234 of UNCLOS in 2001 – revised in 2015 – to extend the outer limits of its continental shelf into the NSR, the sea route itself includes waters that are subject to different sets of domestic and international legal rules.<sup>74</sup> While some of these provisions remain contested, the fact that foreign commercial vessels need to seek and obtain permission from Russia before entering and navigating the NSR remains a constant feature of the legal regimes governing the sea route.<sup>75</sup> As such, the strengthening Sino-Russian relationship in the Arctic will likely increase the ease with which China is able to access and utilise the NSR in the short-term, which provides the state with some degree of leverage in Arctic affairs relative to the United States, for example, whose interests in the region currently clash with those of Russia.

### 3.2 Military Cooperation in the Arctic

Although China is primarily interested in exploiting the economic opportunities that are emerging in the Arctic, recent trends suggest that the state might become increasingly willing to conduct collaborative military exercises with Russia. The latter has regularly refurbished and modernised its military capabilities since 2005 to protect critical economic and security investments in Arctic infrastructure, although it also aspires to project its power into the Pacific and North Atlantic Oceans, especially through the Greenland-Iceland-United Kingdom (GIUK) Gap - the only route through which Russia's northern-based ships can reach the Atlantic Ocean. Military cooperation with China increased significantly between 2012 and 2019 but subsided in 2020 even though Xi Jinping and Vladimir Putin continued to highlight military cooperation because of mutual symbolic benefits.<sup>76</sup> While China does not possess a permanent military base in the Arctic and has not clearly articulated its strategic military interests in the region, its growing blue-water navy and other military services might enable it to operate with Russia more regularly as its economic interests in the Arctic increase, especially considering the People's Liberation Army possesses significant experience in Arctic naval operations.<sup>77</sup> Moreover, both states seem to have renewed efforts to conduct collaborative maritime military exercises in the

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<sup>72</sup> Liu, Nengye., and Jan Jakub Solski. "The Polar Silk Road and the Future of the Northern Sea Route." *Leiden Journal of International Law* 35, no. 4 (2022): 853-866.

<sup>73</sup> Humpert, Malte. "Cargo Volume on Northern Sea Route Reaches 35m Tons, Record Number of Transits." *High North News*, January 2022. Staalesen, Atle. "It's An Order from the Kremlin: Shipping on Northern Sea Route to Reach 80 Million Tons by 2024." *The Barents Observer*, May 2018. Humpert, Malte. "China Pushes Northern Sea Route Transit Cargo to New Record." *High North News*, December 2023.

<sup>74</sup> Liu, Nengye., and Jan Jakub Solski. "The Polar Silk Road and the Future of the Northern Sea Route." *Leiden Journal of International Law* 35, no. 4 (2022): 853-866.

<sup>75</sup> *Ibid.* Solski, Jan J. "Northern Sea Route Permit Scheme: Does Article 234 of UNCLOS Allow Prior Authorization?" *Ocean Yearbook* 35, no. 1 (2021): 443-472. Todorov, Andrey. "New Russian Law on Northern Sea Route Navigation: Gathering Arctic Storm of Tempest in a Teapot?" *Belfer Centre for Science and International Affairs - Harvard Kennedy School* (2023): 1-4.

<sup>76</sup> Gorenburg, Dmitry., Elizabeth Wishnick., Brian Waidelich, and Paul Schwartz. "Russian-Chinese Military Cooperation." *Centre for Naval Analyses* (2023): 1-90.

<sup>77</sup> Brady, Anne-Marie. *China: A Great Polar Power*. Cambridge: University of Cambridge Press, 2017.





circumpolar north since 2022.<sup>78</sup> In September of that year, a flotilla comprised of seven Chinese and Russian vessels – which included the Nanchang, a new cruiser destroyer that is capable of launching more than 100 guided missiles – was spotted by the United States Coast Guard conducting a joint military exercise in the Bering Sea near Alaska's Aleutian Islands. Although such exercises remain rare because Beijing continues to focus its military might on Taiwan and the South China Sea, by conducting the operation in waters regulated by the United States, both states sent an unmistakable message to Washington signalling the region's strategic value to Moscow and Beijing.<sup>79</sup> In August 2023, another fleet entailing 11 Russian and Chinese warships sailed from the Sea of Japan through the Bering Strait and into the Pacific Ocean as part of a "joint anti-submarine and anti-aircraft exercise," which further reflects China's increasing willingness to cooperate militarily with its Russian counterpart.<sup>80</sup>

While it is impossible to precisely predict how the strategic partnership between Russia and China in the Arctic will progress in the medium-to-long term, sanctions imposed by the West in the wake of Russia's invasion of Ukraine and the rising role of China in the circumpolar north are undoubtedly bringing both countries together. The region also acts as an area where China and Russia can demonstrate a degree of solidarity as part of their continuing strategic and economic confrontation with the United States.<sup>81</sup> By collaborating to develop strategic infrastructure and exploit the region's energy and rare-earth metal reserves, China's deepening relationship with Russia creates mutual-value and surely serves to advance the state's regional economic interests in the short term. But there are also limitations and risks associated with relying exclusively on Russia in the Arctic, which limit the likelihood of a long-term, exclusive partnership between both states in the region.

### 3.3 Limitations to the Sino-Russian Partnership in the Arctic

By tightening ties with Russia in the circumpolar north, China exposes itself to the risk of undermining its broader development goals, both in the Arctic and around the world. Xi Jinping and the Chinese Communist Party are focused first and foremost on political stability, regime survival, territorial integrity, and economic growth, and the state's foreign policy strategy must thus be viewed from this perspective. While the Arctic undoubtedly fits within Beijing's broader global agenda, China's activities in the area cannot be separated from the support and cooperation of the remaining Arctic states.<sup>82</sup> As described above, these countries have not blindly accepted Chinese investment proposals, and recent trends suggest that many have developed strong sentiments against attempts by Chinese actors to acquire

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<sup>78</sup> Petersen, Michael B., and Rebecca Pincus. "Arctic Militarization and Russian Military Theory." *Orbis* 65, no. 3 (2021): 490-512. Perez, Christian. "How Russia's Future with NATO Will Impact the Arctic: Three Critical Ways The Crisis in Ukraine Will Determine the Region's Future." *Foreign Affairs*, February 2022. Doshi, Rush, Alexis-Dale-Huang, and Gaoqi Zhang. "Northern Expedition: China's Arctic Activities and Ambitions." *Brookings Institution* (2021): 1-4. Reuters. "Russia Conducts Military Drills in Arctic Sea Opposite Alaska." *Reuters*, September 2022. Later that month, two Russian nuclear-powered submarines, the *Omsk* and *Novosibirsk* - also fired cruise missiles from the Chukchi Sea and reportedly hit targets at a distance of 250 miles as part of a military drill designed to test the Armed Forces of the Russian Federation's readiness for a potential conflict in its icy northern waters. Since 2014, Russia has also reportedly constructed 475 new structures across its military strongholds in the Arctic.

<sup>79</sup> MacDonald, Adam. "China-Russian Cooperation in the Arctic: A Cause for Concern for the Western Arctic States?" *Canadian Foreign Policy Journal* 27, no. 2 (2021): 194-210.

<sup>80</sup> Importantly, because Russia's conventional forces have been weakened by the War in Ukraine, the significance of strategic weapons - like nuclear-armed submarines, which regularly operate in the Arctic - have gained greater importance.

<sup>81</sup> MacDonald, Adam. "China-Russia Collaboration in the Arctic: A Cause for Concern for the Western Arctic States?" *Canadian Foreign Policy Journal* 27, no. 2 (2021): 194-210.

<sup>82</sup> Bennet, Mia. "The Arctic: Cooling Cooperation Between Russia and China." *International Centre for Defense and Security* (2022): 1-8. Importantly, this does not inherently imply the development of an anti-Western pact or coordinated revisionist strategy.



land or strategic infrastructure in the Arctic.<sup>83</sup> As a non-Arctic state, China's ability to realise its regional economic and political objectives also depends on the maintenance of peace and cross-border cooperation in the area. Importantly, however, the state's aggressive actions in the South China Sea, combined with its human rights abuses in Hong Kong and Xinjiang, have already revealed that China is only willing to comply with international legal norms if such rules serve the state's interests, which has generated scepticism among both Arctic states and prospective foreign investment partners in other regions of the world.<sup>84</sup> By integrating itself into the Arctic's security apparatus and increasing its economic involvement in the region through preferred partnerships with Russian entities, the potential for misunderstanding and unanticipated conflict with the remaining Arctic states also increases. This might further undermine China's credibility as a partner that claims to seek mutual prosperity in the Arctic and jeopardise its ability to realise its regional goals.<sup>85</sup>

China and Russia also possess different perspectives pertaining to the legal status of the NSR, which will inevitably complicate relations between both states as China becomes increasingly involved in Russia's traditional sphere of influence. Although it is true that China failed to comply with international legal norms in 2016 after it controversially constructed a series of artificial islands in the South China Sea, the state views both the resources and the high seas situated the Arctic as part of the "common heritage of mankind," and intends to build the Polar Silk Road by respecting the territorial sovereignty of Arctic states in accordance with the provisions contained under UNCLOS.<sup>86</sup> China's acceptance into the Arctic Council as an accredited observer was also predicated on the condition that the state recognise the "sovereignty, sovereign rights, and jurisdiction" of Arctic states in the circumpolar north.<sup>87</sup> Russia, however, has not adopted this approach. While it ratified UNCLOS in 1997 and recognises that the NSR includes waters with different legal statuses, the state considers the NSR to be a historically established national transportation route over which it ought to exercise authority in terms of international navigation.<sup>88</sup> Although the precise nature of such sovereignty remains somewhat ambiguous, Russia claims to control key sections of the NSR as historic waters and its published maps appear to extend the state's jurisdiction to the limits of the EEZ, which Moscow endeavours to manage in the same manner as its internal waters.<sup>89</sup>

The state has also introduced a series of laws and regulatory revisions to strengthen its domestic legislation pertaining to shipping through the NSR. In 2018, for instance, Russia prohibited ships built outside the country from transporting oil and gas from the Russian Arctic, despite the fact that such regulations are unwarranted under international law.<sup>90</sup> Then, in December 2022, President Putin revised

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<sup>83</sup> Lackenbauer, Whitney P., Adam Lajeunesse, and Ryan Dean. "Why China Is Not a Peer Competitor in the Arctic." *Journal of Indo-Pacific Affairs* (2022): 83.

<sup>84</sup> *Ibid.*

<sup>85</sup> Chen, Chuan. "China-Russia Arctic Cooperation in the Context of a Divided Arctic." *The Arctic Institute* (2023): 1-12.

<sup>86</sup> Guilfoyle, Douglas. "The Rule of Law and Maritime Security: Understanding Lawfare in the South China Sea." *International Affairs* 95, no. 5 (2019): 999-1017. Kuok, Lynn. "How China's Actions in the South China Sea Undermine the Rule of Law." *Brookings Institution* (2019): 1-15. Gao, Tianming., and Vasilii Erokhin. "China-Russia Collaboration in Arctic Shipping and Maritime Engineering." *The Polar Journal* 10, no. 2 (2020): 353-374.

<sup>87</sup> Sun, Kai. "Beyond the Dragon and the Panda: Understanding China's Engagement in the Arctic." *Asia Policy* 18, no. 1 (2014): 46-51.

<sup>88</sup> Bartenstein, Kristin., Roman Dremluiga, and Natalia Prisekina. "Regulation of Arctic Shipping in Canada and Russia." *Arctic Review on Law and Politics* 13, no. 1 (2022): 338-360.

<sup>89</sup> Lajeunesse, Adam., P. Whitney Lackenbauer, Sergey Sukhankin, and Troy J. Bouffard. "Friction Points in the Sino-Russian Arctic Partnership." *Joint Force Quarterly* 111, no. 1 (2023): 96-106.

<sup>90</sup> *Ibid.* For a complete description of domestic legislation implemented by Russia to regulate the NSR, see: Moe, Arild. "A New Russian Policy for the Northern Sea Route? State Interests, Key Stakeholders, and Economic Opportunities in Changing Times." *The Polar Journal* 10, no. 2 (2020): 209-227. Solski, Jan J. "New Russian Legislative Approaches and Navigational Rights Within the Northern Sea Route." *The Yearbook of Polar Law* 12, no. 1 (2020): 228-250. Todorov, Andrey. "New Russian Law on Northern Sea Route Navigation: Gathering Storm or Tempest in a Teapot?" *Belfer Centre for Science and International Affairs - Harvard Kennedy School* (2023): 1-4.





the 1998 Federal Law “On the Internal Maritime Waters, Territorial Sea and Contiguous Zone of the Russian Federation,” which now requires that foreign flagships apply for permission to enter NSR waters at least ninety days before entering the route, with no more than one warship allowed in these waters without special approval by the Russian Government.<sup>91</sup> More recently, a member of the Russian parliament revealed that the State Duma would consider withdrawing from UNCLOS because it is dissatisfied that the legal regime enables the navies of other countries, like the United States, to “conduct active reconnaissance” operations in the Arctic.<sup>92</sup> Although China and Russia have successfully sidestepped the question of sovereignty in the Arctic thus far, it will become increasingly difficult to do so as Chinese activity in the area increases, especially considering China’s commercial reliance on transits rights around the world depends on the state’s ability to act in accordance with international legal norms.<sup>93</sup> If China continues to leverage its dominant economic and political position to deploy its own icebreakers and dictate the terms of trade in the NSR, the state will inevitably need to implicitly – or even explicitly – respect Russia’s maritime sovereignty in the region or adopt a perceptible position that clarifies its intention to abide by the rules of international law and uphold the freedom of the seas. The former contradicts China’s current maritime policy, both in the Arctic and abroad, while the latter would undoubtedly aggravate the state’s relationship with Russia.

Despite the fact that state media agencies actively advertise proposed investment projects between Russia and China in the Arctic, many have failed to move forward due to regulatory restrictions, infrastructural inefficiencies, or corruption. Consider the port that Chinese entities proposed to construct fifty-five kilometres north of Arkhangelsk, a city located in northwest Russia near the White Sea. In 2016, the Arctic Transport and Industrial Centre Arkhangelsk signed an USD \$5.5 million agreement of intent with the Beijing-based Poly International Holding Company to construct a 500-kilometre railway and a deep-water port capable of accommodating large vessels, which was intended to augment the harbour so that it might serve as a centre of trade with countries in Europe, North America, and the Asia-Pacific.<sup>94</sup> Although the project could potentially progress, construction has failed to proceed thus far. Despite Beijing’s official position in opposition to sanctions, Chinese multinational enterprises are also wary of sanctions imposed by the West. In March 2022, just one month after Russia invaded Ukraine, the Chinese Ministry of Foreign Affairs reportedly summoned officials affiliated with three of the state’s largest energy enterprises - Sinopec, CNPC, and China National Offshore Oil Corporation - to review their economic relations with Russia and to urge them “not to make any rash moves buying Russian assets.”<sup>95</sup> As such, Chinese companies might not be as enthusiastic about providing capital to Russian projects in the Arctic as state media makes it seem, especially considering China is currently contending with domestic economic issues.<sup>96</sup>

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<sup>91</sup> Todorov, Andrey. “New Russian Law on Northern Sea Route Navigation: Gathering Arctic Storm or Tempest in a Teapot?” *Belfer Centre for Science and International Affairs - Harvard Kennedy School* (2023): 1-4. As Andrey Todorov highlights, the law is significant because it confirms one area of ambiguity that the Russian Government had historically avoided clarifying: the NSR Rules of Navigation, which depend on Article 234 of UNCLOS, only apply to commercial shipping and are not relevant for foreign warships or other foreign vessels.

<sup>92</sup> Tuckett, Caroline., and Kevin Rowlands. “Drifting Away? Russia’s Dissatisfaction with The Law of the Sea.” *The Royal United Services Institute for Defense and Security Studies*, February 2024. Article 317 of UNCLOS allows states to denounce the treaty without providing reasons, although Article 317 (3) states that the denunciation “shall not in any way affect the duty of the State Party to fulfil any obligation embodied in this Convention to which it would be subject under international law independently of this Convention.”

<sup>93</sup> *Ibid.*

<sup>94</sup> Nilsen, Thomas. “New Mega Port in Arkhangelsk with Chinese Investments.” *The Barents Observer*, October 2016.

<sup>95</sup> Aizhu, Chen., Julie Zhu, and Muyu Xu. “China’s Sinopec Pauses Russia Projects, Beijing Wary of Sanctions.” *Reuters*, March 2022.

<sup>96</sup> Haass, Richard. “China’s Homegrown Crisis.” *Council on Foreign Relations* (2023): 1-6.



These limitations will likely restrict China's ability to realise its economic and political objectives by relying exclusively on Russia. Although Russia's isolation from the West due to the current conflict in Ukraine will increase the state's short-term reliance on China in the Arctic, which presents an opportunity for China to realise its economic and political objectives in the region, relying exclusively on Russia is not a feasible long-term option. Doing so would undoubtedly undermine China's ability to cooperate with the seven Arctic states that align with the West and would adversely affect Beijing's ability to accomplish its global economic objectives, which are currently more important than its Arctic ambitions. Moreover, it remains unclear whether China and Russia will be able to reconcile their disparate legal regimes in the far north, which will serve as an increasing source of tension between both states as China's role in the region increases. While Russia will continue to welcome China as a strategic partner due to its precarious economic position, Moscow will also likely attempt to prevent China from assuming an authoritative military and economic role in the region in the long-term because doing so would undermine its attempt to legitimise its perceived position as the primary Arctic power.<sup>97</sup> For these reasons, China is less of a threat to the United States and NATO in the Arctic than what the media often makes it seem.

### 3.4 Implications for the United States

This is not to say that the United States and its allies do not face considerable challenges in confronting China as a competitor, both in the Arctic and abroad. How the United States and its NATO allies should respond to the deepening Sino-Russian relationship in the Arctic is a question that has rightly garnered great attention among policy pundits in the West since the beginning of the war in Ukraine. While the risk of open hostility between the United States and China or Russia in the Arctic remains low, tensions might rise due to contentious claims to natural resources or territory in the region. Although it is of utmost importance not to overemphasise the security risks that are associated with this increasing competition in the Arctic, which might create a self-fulfilling prophecy leading to conflict, the United States would be wise to bolster its economic, military, and political presence in the area. As China and Russia allocate additional assets to secure their national interests, the United States should also pursue an agenda that advances its own regional objectives and devote the required resources needed to do so.

The United States has viewed the Arctic as an arena of strategic security significance since the onset of the Cold War. As tensions between the United States and the Soviet Union escalated, Canada and the United States collaborated to establish a robust northern security system and played a pivotal role in the creation of intergovernmental military alliances like NATO in 1949. While the strategic significance of the Arctic to the United States declined following the collapse of the Soviet Union in 1991, recent trends suggest that the United States has renewed its focus on the region. Recognising that its capabilities lag behind regional requirements, the Congress of the United States passed the *National Defense Authorisation Act* in 2021, which identified the need to understand how the current Arctic capabilities of the United States Armed Forces differ from those of Russia and China, and to determine the extent to which foreign military and commercial entities operating in the region can serve strategic security purposes for the United States.<sup>98</sup> In October of the following year, the White House also released its National Strategy for the Arctic Region, replacing the National Strategy for the Arctic Region, which

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<sup>97</sup> Sukhankin, Sergey., P Whitney Lackenbauer, and Troy Bouffard. "Strategy, Competition, and Legitimization: Development of the Arctic Zone of the Russian Federation." *Arctic Yearbook* (2021): 1-26. Doel, Ronald E., Robert Marc Friedman, Julia Lajus, Sverker Sörlin, and Urban Wråkberg. "Strategic Arctic Science: National Interests in Building Natural Knowledge - Interwar Era Through the Cold War." *Journal of Historical Geography* 44, no. 1 (2014): 60-80.

<sup>98</sup> United States of America, Congress of the United States. H.R 6395 - William M. (Mac) Thornberry National Defense Authorization Act for Fiscal Year 2021. Public Law No. 116-283, January 1, 2021.



was first revealed by the Obama Administration in 2013.<sup>99</sup> The drafters of the document reiterated their desire to secure an Arctic region that is “peaceful, stable, prosperous and cooperative,” and articulated four primary pillars - Security, Climate Change and Environmental Protection, Sustainable Economic Development, and International Cooperation and Governance - as well as five associated principles that will guide the state’s strategy in the region during the next ten years to counteract the “increasing strategic competition” associated with “Russia’s unprovoked War in Ukraine.”<sup>100</sup> Specifically, the document describes the state’s desire to enhance the civilian and military capabilities required to defend its interests in the Arctic while deepening cooperation with Canada, the Kingdom of Denmark, Finland, Iceland, Norway, and Sweden to mitigate the risk of unintended escalation. Alaska, which is located just 55 miles from Russia across the Bering Strait, also featured prominently in the paper. While the United States acknowledged that Russia’s unprovoked war of aggression against Ukraine “has rendered government-to-government cooperation with Russia in the Arctic virtually impossible, “it highlighted its intention to “sustain institutions for Arctic cooperation, including the Arctic Council...[and] uphold international law, rules, norms, and standards in the Arctic.”<sup>101</sup> Although the document noted the rising role of China in the Arctic, it did not describe the Sino-Russian relationship in detail.

Regardless, the Department of Defense (DOD) appears to be acutely aware of the risks associated with the deepening relationship between Russia and China in the Arctic, and it has implemented measures to rectify its substandard position in the region relative to Russia. In a report titled *Department of Defense Arctic Strategy*, which was issued to the Congress of the United States in June 2019, the DOD described competition with China and Russia as

*“the principle challenge to long-term United States security and prosperity,”*

and highlighted its intention to modernise its military presence in the region to “limit the ability of China and Russia to leverage the region as a corridor for competition that advances their strategic objectives through malign or coercive behaviour.”<sup>102</sup> While the document also described the DOD’s intention to improve its early warning and surveillance systems in the Arctic, the pace of planned modernisation remains unclear. The regional capabilities of other Arctic actors, including Russia, are generally scaled to their geographies, interests, and needs, but the United States Armed Forces does not possess enough polar-capable assets and trained personnel to ensure an enduring presence across the region, which will limit the state’s ability to meet its strategic security interests in ways that are aligned with the goals articulated in the aforementioned strategies.<sup>103</sup> The United States Coast Guard, for example, currently possesses just three operational icebreakers – the Coast Guard Cutter *Polar Star*, which is a 399-foot, half-century old heavy icebreaker, the Coast Guard Cutter *Healy*, and the Coast Guard Cutter *Polar Sea* – and the fleet is the smallest that it has been in the last sixty years.<sup>104</sup> While the United States Coast Guard plans to construct six additional polar security icebreakers, which would

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<sup>99</sup> The White House. “National Strategy for the Arctic Region.” *The White House* (2022): 1-15.

<sup>100</sup> *Ibid.*

<sup>101</sup> *Ibid.*

<sup>102</sup> Office of the Under Secretary of Defense for Policy. “Report to Congress: Department of Defense Arctic Strategy.” *United States Department of Defense* (2019): 1-19.

<sup>103</sup> Tingstad, Abbie., et al. “Report on the Arctic Capabilities of the U.S. Armed Forces.” *Homeland Security Operational Analysis Centre* (2023): 1-104.

<sup>104</sup> The United States also possesses additional commercial ice breakers, which differ from National Asset Icebreakers in that they are primarily used for shipping or to support oil and gas development, whereas the former are primarily used for law enforcement, science, and security purposes.



undoubtedly augment its current fleet, Russia maintains 18 military icebreakers – including three heavy nuclear-powered icebreakers, 11 medium diesel-powered icebreakers, and four light diesel-powered icebreakers – which reflects the superiority of the state's Arctic assets relative to those of the United States.<sup>105</sup> China also possesses two icebreakers - the *Xuelong 1* and *Xuelong 2* - and is actively attempting to construct a third ship by 2025, which, once complete, will further facilitate its ability to engage in Arctic operations with Russia.

The emerging geopolitical realities in the Arctic thus require the United States to reallocate additional diplomatic and military assets to the region. Recognising this, the United States Air Force has allocated its most advanced aircraft to Alaska because they can be deployed to respond to crises throughout the Indo-Pacific from the strategically situated state.<sup>106</sup> The United States Armed Forces also established the 11th Airborne Division in the region to develop expertise in Arctic mobility and extreme-weather operations, which is especially important given the unique challenges associated with operating in Arctic environments.<sup>107</sup> Crucially, the Congress of the United States also approved the USD \$600 million Arctic Deep Draft Port Project, which entails expanding the Port of Nome in Alaska to develop the country's first deep-water port in the Arctic.<sup>108</sup> Once complete, the port will accommodate large cruise ships, cargo ships, and, crucially, military vessels, thereby serving as a more capable logistics node for military operators in the Arctic. Diplomatically, President Biden also nominated Mike Sfraga, former chair of the United States Arctic Research Commission, to serve as the state's first Arctic ambassador-at-large to further advance a range of Arctic policy priorities from the newly established Global Resilience Office.<sup>109</sup>

One Arctic priority appears to relate to extending national sovereignty outside of the 200-mile EEZ. Although the United States has not ratified UNCLOS, scientists and lawyers working with several agencies affiliated with the Government of the United States have spent the last twenty years – and more than USD \$100 million – researching and collecting data to establish the outer limits of the state's extended continental shelf in the Arctic, Atlantic, and Pacific Oceans.<sup>110</sup> This information will likely be used in an attempt to secure additional underseas territories, especially in resource rich areas off the coast of northern Alaska.<sup>111</sup> The United States unilaterally passed the *Magnuson Act* in 1976 without ratifying UNCLOS, and President Ronald Reagan proclaimed the United States EEZ in 1983, citing international law – without explicitly naming UNCLOS – as empowering him to do so, which might serve as precedent for subsequent territorial assertions.<sup>112</sup> Regardless, such provisions do not constitute a strong legal foundation on which to claim continental shelf extensions and future claims will likely be challenged by countries – like Russia – that share economic and security interests in the territories over which the United States aspires to extend its sovereignty.

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<sup>105</sup> United States Naval Institute Staff. "Report to Congress on Coast Guard Polar Security Cutter." *United States Naval Institute News*, July 2023. Despite the planned development of additional icebreakers, a recent report issued by the United States Naval Institute suggests that the United States will need eight or nine additional icebreakers - rather than just six - to perform its polar operations in the Arctic and Antarctica in the short-to-medium term. For further reading, see: Tingstad, Abbie., et al. "Report on the Arctic Capabilities of the U.S. Armed Forces." *Homeland Security Operational Analysis Centre* (2023): 1-104.

<sup>106</sup> Garamone, Jim. "DOD Establishes Arctic Strategy and Global Resilience Office." *United States Department of Defense News*, September 2022.

<sup>107</sup> *Ibid.*

<sup>108</sup> Thiessen, Mark. "First US Deep Water Port for the Arctic to Host Military and Cruise Ships." *Military Times*, June 2023.

<sup>109</sup> Rosen, Yereth. "Biden Picks Head of U.S. Arctic Research Commission to be New Arctic Ambassador." *Alaska Beacon*, February 2023.

<sup>110</sup> Bloom, Evan T., and Jeremy Greenwood. "Securing U.S. Territorial Rights in the Arctic: New Actions to Protect America's Continental Shelf." *The Brookings Institution and Wilson Centre Polar Institute* (2022): 1-11.

<sup>111</sup> *Ibid.*

<sup>112</sup> Treadwell, Mead. "Arctic Horizons: A Primer and Critical Questions on Extending US Territory in the Arctic." *Wilson Centre Polar Institute* (2023): 1-10.



Although the United States appears to recognise that it must respond to the potential threat posed by China and Russia in the Arctic, more must be done to bolster the state's capacity and operational expertise in the region. While the United States would be wise not to over-commit capabilities that might serve more pressing security concerns abroad, especially considering the Arctic does not currently represent a policy priority for China, the United States must nevertheless prepare for potential conflict in the area as the partnership between China and Russia solidifies in the short-to-medium term. To do so, the United States ought to bridge the gap between Arctic strategy formulation and implementation by formalising stated actions and funding the development of additional icebreaking vessels and associated Arctic infrastructure. Doing so might enable the United States Coast Guard to assume a simultaneous presence in the western and eastern sections of the North American Arctic, which would allow the United States to patrol the Atlantic Ocean and help its NATO allies defend the GIUK gap more effectively. Importantly, it would increase the likelihood that an icebreaker would be close enough to any potential flashpoint in the Arctic to respond in a timely manner. Organisations affiliated with the United States Military might also benefit by collaborating with commercial and research entities, such as the University of Alaska or the U.S. Navy's Office of Naval Research. This would afford an opportunity for the United States Coast Guard – and the military at large – to acquire new knowledge, exploit private-sector innovations, and establish strategic alliances to gain access to capabilities and equipment during the early stages of development.<sup>113</sup>

The United States should also continue to cooperate with other international actors. From a security standpoint, Norway, Sweden, Denmark (Greenland), Finland, Iceland, and Canada possess extensive experience operating in Arctic conditions, and developing deeper ties with these states might facilitate reciprocal exchanges of knowledge that would allow these countries to improve their collective capabilities. While it is impractical for these Arctic states to entirely disengage from China in terms of economic trade and technology transfers, the United States ought to cooperate with these countries to balance China's rising role in the region. Collaborating with non-Arctic actors is also crucial. As Russia becomes increasingly isolated from the international community, it will continue to court non-Arctic states to realise its regional objectives. While Russia primarily aspires to establish a robust relationship with China to realise its regional development goals, it has also sought to tighten ties with other non-Arctic states, like India, which has endeavoured to preserve ties with Russia by maintaining neutrality in relation to the War in Ukraine in order to ensure it does not undermine its own position pertaining to the status of Kashmir.<sup>114</sup> Due to the aforementioned limitations to the relationship between Russia and China in the Arctic, India will become increasingly important for Russia in the medium-to-long term because it is less likely to challenge Russia's position as a primary polar power in the same way that China might.<sup>115</sup> As such, the United States would be wise to incentivise India to cooperate and work with the Arctic States that align with the West to balance the distribution of power in the Arctic while simultaneously warning Indian officials of the severe sanctions they could incur should they continue to cooperate with Russia.

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<sup>113</sup> Tingstad, Abbie., et al. "Report on the Arctic Capabilities of the U.S. Armed Forces." *Homeland Security Operational Analysis Centre* (2023): 1-104.

<sup>114</sup> Khorrami, Nima., and Andreas Raspotnik. "Forced to Look East? Russia, China, India, and the Future of Arctic Governance." *Georgetown Journal of International Affairs* (2022): 1-13. Chivvis, Christopher S., and Beatrix Geaghan-Breiner. "India in the Emerging World Order." *Carnegie Endowment for International Peace* (2023): 1-7.

<sup>115</sup> Khorrami, Nima. "India-Russia Cooperation in the Arctic and the Rising Prospect of Polarization in Arctic Governance." *The Arctic Institute* (2022): 1-12. Humpert, Malte. "India Looking to Cooperate With Russia on Development of Arctic Northern Sea Route." *High North News*, October 2023. Indian and Russian officials have already aspired to cooperate to develop the NSR, which offers significant strategic benefits to the state. India also already accounts for a significant portion of cargo transported from Russia's port in Murmansk; in the first seven months of 2023, for example, Indian imports accounted for 35% of the 8 million tons of cargo shipped from the port, the vast majority being coal and crude oil.



Although China's emergence in the Arctic has occurred amid increasing tensions with the United States, both states share some similar interests in the Arctic that might be exploited to counter the Sino-Russian relationship in the region. Both countries strive to uphold international law, counteract climate change, conduct scientific research, and construct infrastructural facilities to improve the efficiency of economic exchange, and have historically exhibited a shared ability to engage in bilateral and multilateral cooperation, particularly while negotiating the Agreement to Prevent Unregulated High Seas Fisheries in the Central Arctic Ocean (2018). If both leaders are able to collaborate to overcome these issues or cooperate to conduct scientific research in the same way scientists from the Soviet Union and the United States did during the Cold War, it would surely serve to stabilise the troubled state of their current relationship. Even if Washington remains reluctant to cooperate with Beijing due to the latter's relationship with Moscow, actors affiliated with the Government of the United States should endeavor to maintain transparent communication with their Chinese counterparts to reduce the risk of misunderstanding or unintended conflict.





## Section 4

# The Future of Arctic Governance

## 4.1 Implications for the Arctic Council

China's increasing presence in the Arctic and the low level of trust between Russia and the West have raised concerns regarding the future of regional governance, casting doubt on the ability of countries to continue cooperating through the Arctic Council. On 3 March 2022, Canada, Finland, Iceland, Norway, Greenland (Denmark), Sweden, and the United States paused "participation in all meetings of the [Arctic] Council and its subsidiary bodies" due to Russia's aggression against Ukraine, thereby restricting Russia's ability to engage in one of the few remaining soft power venues capable of fostering meaningful international collaboration.<sup>116</sup> Other governance bodies such as the Barents-Euro Arctic Council, the Northern Dimension, and the Council of Baltic Sea States also prohibited Russia from participating in their internal affairs. While the Western Arctic states successfully resumed polar projects within the Arctic Council that did not involve Russia's participation in June 2022, the latter's absence adversely affected the efficacy of the region's primary governance regime. Research involving Russia that relates to topics such as climate change, waste removal, food security, and fisheries was immediately suspended, and scientists lost access to crucial research facilities in the circumpolar north.<sup>117</sup> Pausing the Arctic Council's projects and activities also affected populations of indigenous people by limiting their access to, and representation in, the international forum, which has historically served as a space for indigenous groups to advance their interests and participate in regional decision-making processes.<sup>118</sup> Norway ultimately succeeded Russia as Chair of the Arctic Council in May 2023, and each of the eight Arctic states agreed on new guidelines in September that allow the Arctic Council's six working groups to resume their polar projects, which initially represented a significant step because it reflected Russia's desire to continue to participate in the Arctic Council's work with other countries. Moreover, each of the eight Arctic states reached a consensus in February 2024 that allows for the gradual resumption of official Working Group meetings in a virtual format, which represents a significant step in ensuring that the Arctic Council can continue to deliver its mandate and maintain circumpolar collaboration.<sup>119</sup> Regardless, Russia suspended its annual payments to the Arctic Council on 14 February 2024 until "real work" continues "with the participation of all member countries" and has considered withdrawing from the Arctic Council to "keep all options open for foreign policy manoeuvring," which has raised questions regarding the ability of relevant countries to sustain collaboration within the forum.<sup>120</sup>

Although such statements have led some to suggest that new governance forums that do not include Russia should be created to maintain cooperation in the circumpolar north, such initiatives appear to be counterproductive and are unlikely to come to fruition. One prominent idea pertains to the creation

<sup>116</sup> McVicar, Daniel. "How the Russia-Ukraine War Challenges Arctic Governance." *Council on Foreign Relations* (2022): 1-7.

<sup>117</sup> Andreeva, Serafima. "Science at Stake - Russia and the Arctic Council." *Arctic Review on Law and Politics* 14, no. 1 (2023): 112-131.

<sup>118</sup> Alexander, Edward., and Evan T. Bloom. "The Arctic Council and the Crucial Partnership Between Indigenous Peoples and States in the Arctic." *The Wilson Centre Polar Institute* (2023): 1-11.

<sup>119</sup> Edvardsen, Astri. "The Arctic Council With a New Decisive Step Forward." *High North News*, February 2024.

<sup>120</sup> Jonassen, Trine., and Martinussen, Birgitte. "Russia Threatens to Withdraw From The Arctic Council." *High North News*, February 2024. Reuters. "Russia Suspends Annual Payments to Arctic Council, RIA Agency Reports." *Reuters*, February 2024.



of a new platform for cooperation that would be comprised of the seven remaining Arctic states, which are commonly referred to as the Arctic Seven (A7).<sup>121</sup> Other observers argue that the Arctic Council should continue to operate in its current form, but without Russia.<sup>122</sup> Both approaches are unlikely to be effective because Russia maintains the longest coastline in the Arctic and dominates the shipping, energy, and fishing industries in the region, meaning cooperative initiatives intended to protect the environment, restore scientific research, or counteract climate change would be significantly hindered. Moreover, efforts at establishing an alternative to the Arctic Council would likely prompt Moscow to respond by developing a different governance structure with Beijing and New Delhi, which would perpetuate the regional rift between the West and China and Russia in the Arctic. It would squeeze the Arctic's smaller states – such as Norway, Iceland, Finland, and Denmark – out of decision-making processes, thereby reducing the likelihood of cooperating to collaboratively resolve issues that affect the region as a whole.<sup>123</sup> Even in light of Russia's recent decision to withdraw its funding to the Arctic Council, such approaches seem increasingly unlikely. The funding for the Arctic Council's activities primarily comes from the institutions that are directly involved in specific projects, meaning such statements likely indicate that Russia has suspended annual funding to the Arctic Council Secretariat - the small but productive team based in Tromsø, Norway, that provides administrative support to the Arctic Council.<sup>124</sup> This means that the impact of Russia's decision to withdraw funding will have less of a financial impact on the forum than one might assume, and could instead signal Russia's dissatisfaction with the institution's current working arrangements and demonstrate its desire to improve cooperation.<sup>125</sup>

It is more likely that Asian actors will assume a larger role in Arctic governance due to the war in Ukraine and China's increasing presence in the area. In fact, it is possible that Russia and China might establish a competing governance body that endeavours to promote a distinctive Asian view of the Arctic by endorsing an elevated role for non-Arctic states in regional affairs, especially considering Nikolay Novichkov, a member of the State Duma Committee on the Development of the Far East and Arctic, suggested that Russia should establish a new council by working with members of the Shanghai Cooperation Organization and BRICS, as well as other interested states.<sup>126</sup> Nevertheless, such realignments would adversely affect the stability of the legal order and would inevitably undermine the collaborative activities that are needed to address common concerns.<sup>127</sup> Instead, non-Arctic states that aspire to exploit the sea routes and energy resources in the Arctic, like South Korea and Japan, might serve as mediators between the West and Russia in soft-law forums like the Arctic Council. Since becoming observers in the Arctic Council in 2013, South Korea and Japan have issued polar policies that highlight their connections to the Arctic from legal, historical, economic, environmental, scientific, and security standpoints, and have used scientific research to increase their relevance as actors in Arctic politics.<sup>128</sup> As such, scientific diplomacy might serve as a policy field where these states can tighten ties with the West while still involving Russia.<sup>129</sup> Japan, for example, has not precluded the possibility of continuing to

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<sup>121</sup> Kirchner, Stefan. "Nordic Plus: International Cooperation in the Arctic Enters a New Era." *The Polar Connection*, March 2022.

<sup>122</sup> Greenwood, Jeremy. "Op-Ed: Move Forward Without Russia: How the Arctic Council Can Keep Up Its Work." *High North News*, May 2022.

<sup>123</sup> Khorrami, Nima., and Andreas Raspochnik. "Forced to Look East? Russia, China, India, and the Future of Arctic Governance." *Georgetown Journal of International Affairs* (2022): 1-13.

<sup>124</sup> Spence, Jennifer. "Russia Suspends Funding For the Arctic Council: Wake Up Call Not Death Knell." *High North News*, February 2024.

<sup>125</sup> Edvardsen, Astri. "Massive Russian Mobilization in the Arctic, High North News Overview Shows." *High North News*, September 2023.

<sup>126</sup> Duma TV. "Deputy Novichkov Proposed Forming an Arctic Council With BRICS Countries." *Duma TV*, February 2024.

<sup>127</sup> Argüello, Gabriela., and Vonintsoa Rafaly. "Science Diplomacy and Asian States: Transforming the Governance Landscape in the Arctic." *Polar Record* 59, no. 41 (2023): 1-10.

<sup>128</sup> Heng, Calvin., and Eyck Freymann. "Outsiders Wanting In: Asian States and Arctic Governance." *Belfer Center for Science and International Affairs - Harvard Kennedy School* (2023): 1-16.

<sup>129</sup> Berkman, Paul A., Jenny Baeseman., and Akiho Shibata. "Arctic Science Diplomacy Maintains Russia Co-operation." *Nature* 1, no. 1 (2022): 604-625.





collaborate with Western states and Russia in the region, which might enable it to build a bridge between both.<sup>130</sup> Other observers have highlighted China's global political influence and involvement in Arctic science as criteria that position the state to serve as a potential mediator between Russia and the West.<sup>131</sup> While such statements possess merit because China has continued to maintain contact with each of the eight Arctic states, China's emerging partnership with Russia would likely lead the United States to reject this scenario. To prevent non-Arctic actors like Singapore, South Korea, and Japan from siding with Russia and China in the Arctic, the United States would also be wise to incentivise these states to work with those members of the Arctic Council that align with the West, while simultaneously warning them of the severe sanctions they might incur should they continue to invest in regional projects initiated by China or Russia.

While it is important to recognise that these imagined futures might come to fruition, the best situation would be one where the Arctic Council resumes its work with Russia's full participation. Throughout its history, the Arctic Council has emerged as a central Arctic forum that has significantly contributed to the durability of the circumpolar north through its work on issues shared by the Arctic states. It has also served as a space where scientists, indigenous people, and their political representatives can communicate, establish enduring policy networks, and generate binding international agreements, which collectively constitute important sources of stability.<sup>132</sup> While maintaining Russia's participation in the forum might prove to be difficult, opportunities to continue cooperating nevertheless exist. Reengaging in bilateral marine cooperation with Russia represents one such area where the Arctic states can continue to work together. Because the United States and Norway are located in close proximity to Russia, these states might be able to resume low-profile, collaborative operations within established instruments to manage fisheries in the Barents Sea, for example, or to regulate shipping and engage in emergency-response operations in the Bering Strait Region.<sup>133</sup> This is not to say that these states should endeavour to conclude new agreements or create new cooperative mechanisms; instead, implementing flexible, bilateral initiatives intended to collaboratively overcome shared marine challenges might represent a viable way to continue to work together, especially considering the United States Coast Guard aspires to maintain communication with Russia on "soft" security issues in the Bering Strait Region, while Norway remains wary about extending sanctions on Russian-flagged fishing vessels.<sup>134</sup> While it is unfortunate that some of the major scientific institutions in the Arctic, such as the Inter-Agency Standing Committee and the University of the Arctic, ceased to cooperate with Russia in the wake of the War in Ukraine, Arctic governance and regional decision-making remain dependent on inclusive scientific research and reliable scientific data, meaning scientific diplomacy – especially between non-state actors – might also serve as a viable tool for reducing the rift that currently exists between Russia, China, and the remaining Arctic states. While other opportunities undoubtedly exist, the purpose of providing these examples is to demonstrate that the conditions prevailing in the Arctic do not preclude the possibility that such focused efforts might successfully foster international cooperation. It is important to remember that the Arctic Council is not a rigid, unchanging entity devoid of reform; it has responded to changing geopolitical dynamics during times of tension and it can continue to do so now.

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<sup>130</sup> Hataya, Sakiko. "Japan's Arctic Policy: Status and Future Prospects." *Asia Policy* 18, no. 1 (2023): 20-28.

<sup>131</sup> Chen, Chuan. "China-Russia Arctic Cooperation in the Context of a Divided Arctic." *The Arctic Institute* (2023): 1-12.

<sup>132</sup> Canova, Emilie., and Pauline Pic. "The Arctic Council in Transition: Challenges and Perspectives for the New Norwegian Chairmanship." *The Arctic Institute* (2023): 1-13.

<sup>133</sup> Todorov, Andrey. "Arctic Governance After the Ukrainian Crisis." *The Fletcher Forum of World Affairs*, October 2023.

<sup>134</sup> Bye, Hilde-Gunn. "Ukraine Wants Norway to Remove Exceptions Giving Russian Fishing Vessels Port Access." *High North News*, August 2022. Rosen, Yereth. "Despite the Ukraine War, US and Russia Continue Emergency Cooperation in the Bering Strait." *Arctic Business Journal*, April 2022.



## 4.2 Binding Treaties and Legal Obligations

Apart from soft-law forums like the Arctic Council, numerous treaty-based, global governance frameworks also apply in the Arctic, and they appear to remain active under international law despite Russia's aggression against Ukraine. The IMO's International Code for Ships Operating in Polar Waters, also known as the Polar Code, represents one relevant legally binding treaty under the International Convention for the Safety of Life at Sea (SOLAS) and the International Convention for the Prevention of Pollution from Ships (MARPOL). The Polar Code, which was adopted in May 2015 and entered into force in January 2017, is intended to regulate a full range of shipping-related matters relevant to navigating the waters that surround the poles, such as ship design, construction and equipment, operational and training concerns, search, and rescue, and, equally important, the protection of environments and ecosystems in the Arctic and Antarctica.<sup>135</sup> While Russia failed to be re-elected to the IMO Council in December 2023 for the first time since it joined the agency in 1958, Russia remains an IMO member in all other respects.<sup>136</sup> The state also abides by the provisions contained in the Polar Code and has continued to participate in relevant IMO meetings to further refine and revise the Polar Code's provisions.<sup>137</sup> China also supports the Polar Code and emphasised its intention to "abide by the [Polar Code] and support the [IMO] in playing an active role in formulating navigational rules for the Arctic" in its 2018 white paper policy, meaning the mechanism will likely continue to stabilise relations between Russia, China, and the remaining states in the region.<sup>138</sup> Relatedly, Russia has continued to participate in relevant meetings regarding the Treaty to Prevent Unregulated High Seas Fisheries in the Central Arctic Ocean, and the ten parties associated with the treaty were able to agree – by consensus – on the Rules of Procedure of the Conference of the Parties of the Agreement and on the Rules of Reference for the treaty's Scientific Coordinating Group in November 2022.<sup>139</sup> Furthermore, three legally binding treaties that were negotiated under the auspices of the Arctic Council are not actively being implemented because doing so depends on the effective operation of the Arctic Council itself, but they remain in effect under international law.<sup>140</sup> Although diplomats and lawmakers must continue to find ways to foster cooperation through soft-law forums like the Arctic Council, treaty-based cooperative frameworks have continued to legally bind their state parties and will therefore serve to maintain stability in the circumpolar north.

## 4.3 Conclusion

While China has utilised economic, scientific, and diplomatic means to elevate its voice in Arctic affairs since the turn of the twenty-first century, each of the eight Arctic states have historically restricted China from comprehensively consolidating its interests in the area, which has prevented it from becoming a true polar power. The war in Ukraine, however, has provided the state with a long-sought opportunity to increase its role in regional affairs. Sanctions imposed by the West have isolated Russia from the international community, meaning it has had to turn to China for the foreign finance and technology needed to develop the NSR and fulfil its petrochemical production projects in the circumpolar north. For

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<sup>135</sup> International Maritime Organization. "International Code for Ships Operating in Polar Waters (Polar Code). *International Maritime Organization* (2019): 1-14.

<sup>136</sup> Saul, Jonathan. "Russia Fails to Get Re-Elected to UN Agency's Governing Council." *Reuters*, December 2023.

<sup>137</sup> Koivurova, Timo., and Akiho Shibata. "After Russia's Invasion of Ukraine in 2022: Can We Still Cooperate With Russia in the Arctic?" *Polar Record* 59, no. 12 (2023): 1-9.

<sup>138</sup> Kobzeva, Mariia., and Andrey Todorov. "Can China Change the Arctic Regime?" *Polar Record* 59, no. 33 (2023): 1-10.

<sup>139</sup> Koivurova, Timo., and Akiho Shibata. "After Russia's Invasion of Ukraine in 2022: Can We Still Cooperate With Russia in the Arctic?" *Polar Record* 59, no. 12 (2023): 1-9.

<sup>140</sup> *Ibid.* These agreements include the Agreement on Cooperation on Aeronautical and Maritime Search and Rescue in the Arctic; the Agreement on Cooperation on Marine Oil Pollution Preparedness and Response in the Arctic; and the Agreement on Enhancing International Scientific Cooperation.



its part, China has attempted to exploit Russia's precarious economic and political position to increase its role in the region and accomplish its economic objectives.

Although it is impossible to precisely predict how the partnership between Russia and China in the Arctic will evolve in the medium-to-long term, a series of limitations will likely prevent China from relying exclusively on its Russian counterpart in the Arctic. Doing so would undoubtedly undermine China's broader development goals, both in the Arctic and abroad, and would jeopardise its credibility within regional governance forums, like the Arctic Council. Moreover, China and Russia possess different legal interpretations pertaining to the status of the NSR, which will likely emerge as a source of tension between both states as China's presence in the Arctic increases. For these reasons, China is likely less of a threat to the regional interests of those Arctic states that align with the West than is commonly perceived.



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