

Intensifying U.S.-China security dilemma dynamics play out in the Arctic: Implications for China's Arctic strategy

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The U.S., Russia and China are all assigning higher strategic priority to the Arctic and are strengthening their diplomatic and military presence and activities in the region. For the U.S. and Russia, it links up with the growing security tension in the surrounding regions, e.g. the North Atlantic Ocean and the Baltic Sea region. However, the deepening great power competition with China also increasingly drives Washington's diplomatic and military offensive in the region. For China, it is a question about ensuring access to Arctic sea routes and resources, e.g. energy, minerals and fisheries, and making sure that China gets a say in Arctic governance. The so-called "Arctic exceptionalism" – i.e. the Arctic as a low-tension region, where the great powers, despite conflicts in other regions, continue to cooperate and refrain from political and military coercion to get their way – is under pressure. This article analyzes how Arctic politics and security are increasingly intertwined with global security developments that are dominated by intensifying U.S.-China security dilemma dynamics. It further discusses the implications for China's Arctic strategy pointing to how recent developments make it even more difficult for China as the only great power without Arctic territory to ensure its access to and influence in the region. Seen from the perspective of numerous Chinese Arctic scholars, this underlines the growing importance of strengthening China's economic and strategic cooperation with Russia in the region.

Introduction: Arctic politics and security through a prism of "great power competition"

[The Arctic] "has become a region for power and competition"
"We are entering a new age of strategic engagement in the Arctic"¹

The above excerpts from the U.S. Secretary of State Pompeo's speech to the Arctic Council Ministerial Meeting in Finland in early May of 2019 give a clear indication of how the Trump Administration increasingly views the Arctic as yet another arena for great power rivalry outlined as the overall frame for U.S. security policies in the National Security Strategy from December,

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2017 (White House, 2017). In recent months, the U.S. has strengthened its focus on the Arctic, both diplomatically and militarily. The June 2019 updated Arctic strategy from the U.S. Department of Defense is presented as a strategy for the Arctic region “in an era of strategic competition” (DoD, 2019b: 2). That is, Washington increasingly sees Arctic politics and security through a prism of “great power competition,” and it is China, in particular, that Washington points to as the main great power competitor. The strategy warns about creeping Chinese attempts to use investments and other economic leverage points to gradually increase China’s role and influence in the Arctic, which is threatening regional stability. As stated in the strategy “*China is attempting to gain a role in the Arctic in ways that may undermine international rules and norms, and there is a risk that its predatory economic behaviour globally may be repeated in the Arctic*” (DoD, 2019b: 6). The annual report on China’s military power from the U.S. Department of Defence to Congress, published in early 2019, also for the first time includes a special section on “China in the Arctic” which warns “*Civilian research could support a strengthened Chinese military presence in the Arctic Ocean, which could include deploying submarines to the region as a deterrent against nuclear attacks* (DoD, 2019a: 114).

These recent official U.S. statements and documents combined with the ongoing “securitisation” in Washington of almost all dimensions of the bilateral U.S.-China relationship, from student exchanges and cultural programs to trade and joint business and research projects, decrease the room of manoeuvre for China in the Arctic. The U.S. is concerned about the Russian military build-up in the Arctic, which in itself arguably would have led to an increasing U.S. military presence in the region. However, it is the growing Chinese presence and interests in the region that have led to the comprehensive upgrading of the U.S. diplomatic approach to the Arctic, which is illustrated by the significant increase of high-level visits to the region in recent months and the reopening of a permanent U.S. diplomatic presence in Greenland, announced in early June 2019 (GoG, 2019).

The rising U.S. worries come on the background of the development of a more confident, proactive and sophisticated Chinese diplomacy in the Arctic over the recent decade. The region has moved up the Chinese leaders’ foreign and security policy agenda and is assigned increasing strategic importance. The key here is that in Beijing’s perspective, the Arctic has become more closely linked with its ability to realize China’s economic reform agenda and great power ambitions.

This article analyzes how Arctic politics and security are increasingly intertwined with global security developments that are dominated by intensifying U.S.-China security dilemma dynamics. It further discusses the implications for China’s Arctic strategy, pointing to how recent developments make it even more difficult for China as the only great power without Arctic territory to ensure its access to and influence in the region.

In terms of theory and analytical approach, the analysis draws on defensive neorealism with its focus on states as the main actors in an anarchic international system (Waltz, 1979). The structure of the international system, i.e. the distribution of relative power capabilities among the great powers, combined with geostrategic conditions, set the overall room of manoeuvre for states. All states seek to maximize their security by strengthening their relative economic and military power and enter alliances. The security dilemma as coined by John Herz (1951: 3-4) is the central analytical concept. It catches a situation, where a state’s attempt to increase its own security has the effect of decreasing the security of other states. More specifically, the security dilemma refers to vigorous action-reaction dynamics between two states, where the steps by one state to increase its security,

e.g. by building up its military, creates similar responses by another state, setting off another response by the first state, and then again by the second and so on. This stimulates a “negative spiral” of deteriorating relations with growing security tension, power competition, escalating arms races, and potentially conflict and war (e.g. Jervis, 1976). The ultimate sources of the security dilemma are anarchy – i.e. the lack of a higher authority in international politics – and states’ uncertainty and fears about each other’s intentions under anarchy.

The key is that such security dilemma dynamics are playing out in the Arctic. They are visible in all bilateral relations among the three great powers, but with the most consequential dynamics being found in relations between the U.S. and China, which strongly link up with the deepening great power competition between the two states. Russia is increasingly positioning itself with Beijing even though Moscow still has strong concerns about the implications of a stronger and more ambitious China. As argued below, this is a result of not only the Western sanctions against Russia since the Russian annexation of the Crimea in 2014, but also an awareness among Chinese leaders of the potential for adverse security dilemma dynamics and the need for countering “China threat” perceptions and reassuring Russia and other Arctic states (Hsiung, 2018). It reflects how Beijing continuously seeks to strike a balance between assertiveness and reassurance in its Arctic diplomacy. Thus, there are multifaceted and crosscutting security dilemma dynamics currently at play in the Arctic, where some are linked to the deepening U.S.-China great power competition and others have certain regional origins. The other Arctic states are to different degrees and in different ways caught between the U.S. as a close ally and traditional security guarantor, China as prospective economic partner, and Russia as an important Arctic neighbor that they need to cooperate with to address the many complex challenges evolving in the region as the ice melts.

The article presents its analysis in three steps. The first section analyzes China’s Arctic strategy, the drivers behind and how Beijing seeks to implement the strategy (i.e. China’s evolving Arctic diplomacy). Seen from Washington, China’s entrance into the Arctic and the development of a more confident, proactive and sophisticated Chinese diplomacy in the region has begun to threaten regional stability. This activates and further fuels the U.S.-China security dilemma dynamics in an Arctic political and security context. Specifying such dynamics, the second section takes a closer look at the U.S. response and what it prescribes regarding how the Arctic states should deal with China in the Arctic. The third and last section discusses the implications for China’s Arctic strategy, also including analyses and debates on this from Chinese Arctic scholars. Several of these Chinese Arctic scholars underline the growing importance of strengthening China’s economic and strategic cooperation with Russia in the region as a way for Beijing to respond to what they increasingly assess as a more threatening U.S.²

China has entered the Arctic as a great power

In late January 2018, China released its first and long-awaited Arctic Policy White Paper (State Council, 2018). It represents the culmination thus far of the development of a more confident, proactive and sophisticated Chinese diplomacy in the region.

The Chinese Arctic strategy – the Arctic is a stronger strategic priority

The Arctic Policy White Paper starts out by underlining that China, due to its status, size and proximity to the Arctic, has legitimate interests in the region and therefore should be respected and included as an important stakeholder. Beijing in the paper assures that China will respect the

territorial sovereignty and rights of the Arctic states as well as international law and regulations, e.g. the UN Convention on the Law of the Sea (UNCLOS), but it also emphasises that the Arctic should not be regarded as a demarcated region. The main Chinese argument is that climate changes in the Arctic have global implications and international impacts, and therefore it is not up to the Arctic states to solely establish the rules and norms for the future development of and access to the region and its resources. Non-Arctic states like China have a role to play and legal rights to engage in Arctic research, navigation, overflight and a series of economic activities such as resource extraction, fishing, and laying cables and pipelines. Making this argument, it refers specifically to China's legal rights as a signatory to the Spitsbergen Treaty and the United Nations Convention on Law of the Sea (UNCLOS) (State Council, 2018).

These are new directions. Previous official Chinese speeches and documents on the Arctic have taken a more modest and reluctant stance and underplayed China's ambitions in the region. This played an important role in reducing the concern among the Arctic states and in 2013 paving the way for China's access to the Arctic Council as an observer state. However, among Chinese Arctic scholars, the framing of the Arctic as a "common good" has long been prevalent (Brady, 2017: 33-34; Wright, 2011). The Chinese President Xi Jinping also already in 2014 openly characterized China as a "polar great power" and directly linked the country's ambitions in the polar regions (i.e. the Arctic and Antarctica) with China's goal of becoming a maritime great power (Brady, 2017: 3). In his speech at the 19th Party Congress in October 2017, President Xi Jinping further underlined Beijing's goal to obtain world-class military might by 2050, including a Chinese navy capable of operating globally (Xi, 2017). The release of China's first Arctic White Paper should be seen in light of these developments. It underlines how Beijing assigns stronger strategic priority to the Arctic.

The drivers – why is the Arctic a stronger strategic priority for China?

Overall, there are three main drivers. Firstly, China aims to build solid Arctic (polar) research capacity, focusing especially on climate changes in the Arctic, which have direct impacts in Asia and China that are causing extreme weather patterns and are negatively affecting China's agriculture and economy. However, setting up Chinese research stations in the Arctic is also essential for the rollout of China's civil-military "BeiDou-2" [北斗-2] satellite navigational system, China's space science program and more accurate weather forecasting systems. These programs and systems have so-called "dual use" character – i.e. both civilian and military use (Brady, 2017: 60, 107-100).

In recent years, the Chinese research activities in the Arctic – and in the Antarctic – have been further strengthened by launching more expeditions and intensifying efforts to build research networks and research stations. Since 2004, Beijing has had a research station, the Yellow River Station (*Huanghe Zhan*, 黄河站) on Svalbard, has recently opened the Aurora Observatory in Iceland, and has presented plans for opening a Chinese research station and satellite receiver station in Greenland (e.g. Sørensen, 2018).

China, like other non-Arctic states, is taking an active role in the general science diplomacy in the region by using their research activities to legitimize and strengthen their overall growing presence and influence in the region. Furthermore, the research activities help strengthen China's relations with individual Arctic states and stakeholders such as universities, cities, regions, and provinces

through focused and concrete research cooperation and networks. This includes the “China Nordic Arctic Research Center” (CNARC) established in 2013 and led by the Polar Research Institute China (PRIC) (Bertelsen, Li & Gregersen, 2016).

Secondly, China works to ensure access to the energy and mineral resources that the Arctic holds, thereby helping to secure and diversify China’s energy supply. This is also a question about ensuring China a frontrunner position within new technologies and knowledge. Together with the deep seabed and the outer space, the polar regions are identified in Chinese strategic considerations and plans as the “new strategic frontiers” [*zhanlue xin jiangyu*, 战略新疆域], where the great powers in the coming years will compete (e.g. Xinhua, 2015). These new strategic frontiers are characterized as the most challenging areas to operate in and extract resources from. Therefore, the expectation is that the great power who manages this first – first develops and masters the necessary new technologies and knowledge – stands to gain crucial strategic advantages ensuring it the dominate position in the great power competition in the 21st century.

Beijing’s determined aim is to ensure that China gets to be first and be superior in these new strategic frontiers. This links up with the ongoing restructuring of the Chinese economy, where Chinese-driven innovation is at the top of the agenda. The Chinese “Made in China 2025” strategy identifies key sectors or industries such as robotics, space technology, artificial intelligence, the next generation of communication and information technology such as 5G networks, and maritime technology and capabilities in which China, through targeted investments, acquisitions and research and development, wants to take the lead in developing new technologies and knowledge and in setting global standards (e.g. Kania, 2019).

The restructuring of the Chinese economy and the “Made in China 2025” strategy provide the context for the expansion of Chinese investments in and acquisition of foreign companies especially within robotics and artificial intelligence in recent years. Furthermore, it is also one of the main drivers behind the “Belt and Road Initiative” (BRI) that since June 2017 has also included the Arctic (NDRC/SOA, 2017). Since then, Beijing has prioritised promoting BRI-cooperation with the Arctic states and stakeholders. This has been formalised and further elaborated on in the Arctic Policy White Paper under the heading of “Polar Silk Road” (State Council, 2018).

This relates to the third driver, which is China seeking to develop and get access to the Arctic sea routes, which present an attractive alternative to the longer and strategically vulnerable routes in use now. For China, the Arctic sea routes are approximately 30 percent shorter than travelling through the Strait of Malacca and the Suez Canal, but it is not necessarily quicker or cheaper. The level of ice varies from year to year and the weather conditions in general are very changeable in the region. The general assessment is that there will still be many years before the Arctic sea routes will be commercially viable, but the Chinese, in particular the Chinese state-owned shipping company COSCO, seem to hold a more optimistic assessment. In 2016, COSCO announced plans to launch regular service through the Arctic to Europe by the way of the Northeast Passage and is busy testing the Arctic sea routes and designing and building new ships that are better suited. The growing Chinese focus on the Arctic sea routes is underlined in China’s Arctic Policy White Paper, which encourages Chinese companies to assign priority to participating in the construction of infrastructure linked with the Arctic sea routes (State Council, 2018). The fact that the “Polar Silk Road” is tied to the realisation of the BRI likely means that the involved Chinese companies have better chances of obtaining financial and political support.

As mentioned above, the Northern Sea Route along Russia's coast has gradually been incorporated into the "Polar Silk Road" and China has been generally strengthening its cooperation with Russia recently regarding infrastructure in the Russian Arctic by constructing ports, rail ways, and other infrastructure that especially link up with the large Russian-Chinese natural gas project (LNG) on the Yamal Peninsula. However, the "Polar Silk Road" is not only coming to Russia. In relation to Iceland and Finland, China has also intensified "Polar Silk Road" efforts. Iceland is especially interested and is trying to promote itself as a logistical hub on the "Polar Silk Road" (Conley, 2018: 8-9). In Finland, preliminary negotiations are currently taking place on the establishment of a 10,500-kilometre cable through the Arctic, which according to plan will be able to secure the fastest data connection between Europe and China as early as 2020 (SCMP, 2017). Finland and Norway have initiated cooperation on the so-called "Arctic Corridor" – a railway line from Rovaniemi in Finland to Kirkenes in Norway – which is positioned as the possible end station of the "Polar Silk Road" (BT, 2018; Tsuruoka, 2017). Sweden is also experiencing growing Chinese interest for example in Lysekil on the west coast, north of Gothenburg, where Chinese companies seek to invest in the expansion of the port as well as in the necessary surrounding infrastructure with roads, railroads and bridges (Olsson, 2017).

China has direct tangible interests in Arctic energy resources, raw materials, fisheries and sea routes. However, the point here is that the Arctic for the Chinese leadership also links up with their focus on ensuring continued growth, prosperity, and political stability and further plays into China's broader and long-term geo-economic and geo-strategic ambitions and plans outlined in the "new strategic frontiers", the "Made in China 2025," and the BRI. Therefore, Beijing seeks to ensure that it is Chinese companies and researchers that most effectively seize the new opportunities opening up in the Arctic as the ice melts and take the lead in developing and mastering the necessary new technologies and knowledge for building research stations, satellite receiver stations, off-shore platforms, cables and pipelines and deep-sea ports under polar conditions.

It is also a question about making sure that China gets a say in Arctic governance. In China, the Arctic governance regime is generally seen as preliminary with opportunities for non-Arctic great powers such as China to shape its further development and the institutionalization of rules and regulations in the region (e.g. Zhang, 2019; Pan, 2019).

Chinese Arctic diplomacy – striking a balance between assertiveness and reassurance

How do Chinese leaders seek to implement the Arctic Policy White Paper and ensure the range of Chinese interests in the region? It is a difficult balance between assertiveness and reassurance. Beijing has since the early 1990s been very aware of the security dilemma dynamics resulting from its stronger economic and military power and has invested many resources in reassurance policies (Goldstein, 2005: 118-135; Hsiung, 2018: 9-17). On the other hand, China has an expanding sphere of interests and develops stronger incentives to push for its own positions now also having more powerful economic, diplomatic and military instruments to put in play. Furthermore, under the current Chinese President, Xi Jinping, there has been a general development in Chinese foreign and security policy away from Deng Xiaoping's "keeping a low profile" guideline (e.g. Sørensen, 2015). Xi Jinping has promoted a more ambitious, self-confident and proactive line within his overall argument of a "new era" for China as a great power (Xi, 2017). Such a complex mix of ambitious assertiveness and careful reassurance is also reflected in China's Arctic diplomacy.

Beijing has generally been very careful not to provoke mistrust and resistance among the Arctic states by promoting “legitimate” Chinese research interests in the region and repeatedly providing assurances to the Arctic states that China respects their territorial sovereignty and rights as well as international law and regulations (e.g. State Council, 2018). Beijing has also taken great efforts in highlighting how China is to contribute to the Arctic in a “win-win” manner on a number of areas from handling climate change, managing sustainable extraction of Arctic resources, to the establishment of regulations and institutions to ensure continued stability and security in the region (e.g. Zhang, 2018). An important Chinese concern is to avoid generating fear of an overly ambitious and assertive China and further fuel the security dilemma dynamics already evolving in the region. The Chinese leaders are keenly aware that China is the only great power that does not have Arctic territory and therefore depends on the Arctic states seeing a benefit in having China involved. Therefore, the key focus behind China’s enhanced diplomatic and economic activities in the region is to establish strong and comprehensive relationships with all the Arctic states and stakeholders and gradually increase China’s presence and influence in Arctic governance institutions. China seeks to propose many benefits to the Arctic states and stakeholders, because if it succeeds in binding China into the region – on multiple levels – through “win-win” agreements on research, resource extraction, infrastructure development etc., China is better positioned to manage unforeseen developments and future attempts to marginalise China in the Arctic. It simply aims to make sure that the Arctic states and stakeholders have strong interests in keeping China involved in the region. Such efforts are especially focused on the smaller Arctic states that could then work as a counterbalance if the Arctic great powers, the U.S. and Russia, want to push China out (e.g. Hong, 2018).

However, it is getting more difficult for China to strike the balance between assertiveness and reassurance in its Arctic diplomacy – the room of manoeuvre for China is decreasing as Washington increasingly sees China’s diplomatic and economic activities in the region as a threat to regional stability. This activates and further fuels the U.S.-China security dilemma dynamics in an Arctic political and security context. There is a growing debate among Chinese Arctic scholars on how to deal with such a situation, which I will return to below after detailing the U.S. diplomatic and military response and countermeasures.

U.S. response – diplomatic and military offensive

As argued in the introduction, the Trump Administration increasingly views the Arctic as yet another arena for great power rivalry and has in recent months generally strengthened its focus on the Arctic, both diplomatically and militarily. The vigorous action-reaction dynamics following intensifying U.S.-China security dilemma dynamics are increasingly playing out in the Arctic as the U.S. fears growing Chinese assertiveness, is uncertain about the Chinese intentions, does not trust Chinese reassurance efforts and is taking its own countermeasures. Countering China as a strategic competitor in the Arctic is, therefore, increasingly the focus of the U.S. Arctic strategy.

Whereas the previous U.S. Arctic strategy from 2016 only acknowledged China as one of the dozen Arctic Council observer states, the new strategy from June 2019 includes over 20 direct references to China’s activities and growing influence in the Arctic (DoD, 2019b). The U.S. has been rather slow to realize and react to the rising Chinese role in the Arctic. It is reacting now and outright categorizes China as a great power rival and destabilizing force in the Arctic. However, as discussed further below, China has now in many ways established itself as a de facto

Arctic stakeholder, which makes it difficult for the U.S., especially in light of the evolving Sino-Russian economic and strategic cooperation in the region.

The U.S. concern is that China is gradually changing the realities on the ground by slowly binding itself into the region through research cooperation and networks, investments and other activities (e.g. Pincus, 2019: 11-13). Therefore, Washington has started warning the other Arctic states and stakeholders with reference directly to a – seen from Washington – similar Chinese strategic approach in the South China Sea, asking: “*Do we want the Arctic Ocean to transform into a new South China Sea, fraught with militarization and competing territorial claims? Do we want the fragile Arctic environment exposed to the same ecological devastation caused by China’s fishing fleet in the seas off its coast, or unregulated industrial activity in its own country?*” (State Department, 2019b)

The key U.S. argument is that there is not much to be gained from a stronger Chinese presence in the Arctic – there is no “win-win” as Beijing holds – rather there are many risks as highlighted by U.S. Secretary of State Pompeo, when he describes the Chinese behavior in the Arctic: “*This is part of a very familiar pattern. Beijing attempts to develop critical infrastructure using Chinese money, Chinese companies, and Chinese workers – in some cases, to establish a permanent Chinese security presence*” (State Department, 2019b).

It is clear that the U.S. on the military front is driven by what Washington assesses as a more aggressive Russian posture and a Russian military build-up in the Arctic, referring especially to Russia’s new Arctic units and their efforts to reopen old military bases along the Russian coastline and establish new ones (DoD, 2019b: 4; Pincus, 2019: 19). The U.S. military response outlined in the strategy is investing more in U.S. Arctic military capabilities and to further develop NORAD with Canada while simultaneously strengthening the U.S. role in the European Arctic security cooperation through NATO exercises and direct military cooperation and exercises. This cooperation is for example with Norway and Denmark as well as non-Arctic states such as the UK, which are important for securing the Greenland-Iceland-UK (GIUK) gap. This clearly has a strong focus on countering Russian military activities in the region. However, the U.S. diplomatic offensive in the Arctic is not driven by Russia, but by the growing Chinese presence and their activities in the region that take a different form. That is, Russia stands as a tangible current military threat that is primarily related to the Arctic and the surrounding regions, whereas China stands as a long-term comprehensive challenge both in the Arctic and on a global scale. However, there also seems to be a growing U.S. concern regarding the potential political and security implications of the strengthening economic and strategic cooperation between China and Russia in the Arctic. This has led to discussion in Washington of whether the U.S. should seek to lure Moscow away from Beijing by offering Russia alternatives to Chinese dependence (e.g. Pincus, 2019: 2).

Recent months have seen a significant increase in visits by U.S. high-level civilian and military officials to the Arctic as an effort to counter what is seen as a reinforced Chinese influence-seeking strategy vis-a-vis the smaller Arctic states – as formulated by Professor Pincus (2019: 14) from the U.S. Naval War College, the aim should be “*to build a common consensus and dialogue on China in the Arctic.*” There are also strengthened U.S. efforts to present alternatives to the Chinese offers of investments and economic opportunities to the smaller Arctic states. When the U.S. Secretary of State Pompeo visited Iceland in mid-February, he announced the creation of the U.S.-Iceland Economic Dialogue in order to increase trade and investment between the U.S. and Iceland (State Department, 2019a). Such initiative comes as an American response to the stronger diplomatic and

economic presence of China in Iceland. Following his participation in the Arctic Council Ministerial Meeting in Finland in early May, Pompeo was supposed to visit Greenland, only to be cancelled at the last minute. Immediately following, the U.S. announced the reopening of a permanent U.S. diplomatic presence in Greenland and has called for increased U.S. investments into Greenland, in particular into Greenlandic airports. In November 2018, the U.S. Embassy in Copenhagen released a statement notifying that the U.S. Department of Defense “*intends to analyse and, where appropriate, strategically invest in projects related to the airport infrastructure in Greenland*” (e.g. Turnowsky, 2018). U.S. concerns about Russia’s strengthened military presence in the Arctic and increasing vulnerability of the U.S. military in the region (e.g. at the Thule Air base) is also behind this offer. The U.S. needs more flexibility and operational choices in Greenland. However, the U.S. is also driven by concerns that Greenland could be an easy target for Chinese science and commercial diplomacy and that China could gradually gain a foothold on the island (Lanteigne & Shi, 2019).

The U.S. has increased its diplomatic and military focus on Greenland in recent months, and it seems highly unlikely that the different Chinese proposals and initiatives, such as the establishment of a research station and a satellite receiver station in Greenland, are to materialise. Such prediction is supported by the U.S. handling of the potential involvement of the Chinese state-owned construction company, China Communication Construction Company Ltd., in the construction of airports in Greenland. Here, the then U.S. Secretary of Defense, Jim Mattis, in May 2018 told his Danish counterpart at the time, Claus Hjort Frederiksen, that Denmark needed to stop this in order to avoid a Chinese militarization in the Arctic, and he further warned that it could be the first step in establishing a Chinese military presence on the island (e.g. WSJ, 2019; Sørensen, 2018). Following, the Danish government took a growing interest in the airport project, and in mid-September 2018, the then Danish Prime Minister, Lars Løkke Rasmussen, went to Nuuk and presented a detailed plan for how Denmark would invest 700 million Danish kroner in the airport project and provide credit worth 450 million Danish kroner as well as state guarantee for another 450 million Danish kroner from the Nordic Investment Bank. In return, the Danish government was ensured influence on the selection of the construction company. However, in June 2019, before the end of the bidding round, the Chinese state-owned construction company, China Communication Construction Company Ltd., announced that it was withdrawing its bid, referring to practical difficulties with obtaining visas and residence and work permits for the company’s employees and concerns about unfair treatment should they get the contract (e.g. KNR, 2019; Sermitsiaq, 2019). The intriguing point is that visas and residence and work permits to Greenland are processed in Copenhagen.

The U.S. focus and concern about Greenland also relate to the uncertainties about the island’s future and the fact that Denmark and Greenland often have different expectations and assessments regarding the opportunities and challenges that China presents for Greenland (Pincus, 2019: 12-13; Sørensen, 2018). Copenhagen confronts increased U.S. pressure on Denmark’s approach and policy towards China and more specifically on Danish control of – and limitation of – what the Chinese are doing in Greenland. This U.S. pressure will only increase further as the U.S.-China security dilemma dynamics intensify.

Implications of intensifying U.S.-China security dilemma dynamics for China's Arctic strategy

As highlighted above, the Arctic has become more closely linked with Beijing's ability to realize China's economic reform agenda and great power ambitions, and therefore, it is seen as important to ensure room for Chinese presence and activities in the Arctic. However, the way Arctic politics and security are increasingly intertwined with global security developments that are dominated by intensifying U.S.-China security dilemma dynamics makes it even more difficult for China as the only great power without Arctic territory to ensure its access to and influence in the region.

Among Chinese Arctic scholars there is a long-standing fear of an Arctic region dominated by strategic mistrust and competition between the great powers leading to what is often referred to as a "melon effect" [*tiangua xiaoying*, 甜瓜效应], where sovereignty disputes come to play a stronger role and where the Arctic will be divided as a melon only between the Arctic states marginalizing and excluding non-Arctic states. Such fear has only increased recently with the U.S. launching "a new polar version of the China threat theory" (Deng, 2019). The debate on how to handle this is ongoing in China (e.g. Zhang, 2019; Deng 2019; Pan, 2019).

Several Chinese Arctic scholars highlight the importance of Russia and argue that Beijing should prioritise even more strengthening economic and strategic cooperation and security coordination with Russia in the Arctic in order to counter the U.S. diplomatic and military offensive. There are suggestions from Chinese Arctic scholars along the lines of developing the "Polar Silk Road" with Russia into a platform for alternative Arctic cooperation (e.g. Pan, 2019). The recent U.S. offensive and stronger diplomatic criticism of Sino-Russian Arctic collaboration risks having the opposite effect of pushing the two closer together, maybe even with stronger support from other Arctic states.

Another group of Chinese Arctic scholars are more sceptical, arguing that such a strengthened priority of Russia will only further provoke the U.S. and also risk pushing the other Arctic states over in the U.S. camp as most of these have security concerns about Russia related to the Russian military and hybrid activities in the Baltic states and Ukraine. However, in the Arctic, most Arctic states still see benefits of cooperation with Russia, and it is in the Chinese interest to keep it that way. The point here is that a stable Arctic governance system is the best option for China to further develop its presence and activities in the region – China should work to strengthen Arctic governance rules and regulations and of course China's own role in this; not risk undermining it by focusing on strengthening its own bilateral relations with especially Russia but also other Arctic states (e.g. Zhang, 2018; Zhang 2019). There are indications that Beijing is following this course and proactively seeks to mitigate the evolving security dilemma dynamics – it has signed on to recent initiatives such as the Polar Code and the Central Arctic fishing moratorium and has not challenged the Arctic Council. Also the Chinese official response to U.S. Secretary of State Pompeo's speech at the 2019 Arctic Council Ministerial Meeting keeps the focus on presenting China as "a responsible Arctic stakeholder" (Pan, 2019). Spokesman Geng Shuang from the Chinese Foreign Ministry hence highlighted how Pompeo's comments "run counter to the general trend of peaceful cooperation in the Arctic," and that China "has always had an open, positive, win-win attitude towards matters in the Arctic. When it comes to Arctic issues, we continue to be a leader in scientific research, advocate environmental protection, and make reasonable use of governing conduct according to law and international cooperation" (Yang & Zheng, 2019). That is, even though several Chinese Arctic scholars have raised

their concerns about the exclusivity of the current Arctic governance system, the general assessment now is that despite the restrictions it poses for China, it does provide room for China to promote its presence and activities in the region.

It is likely that the growing U.S. opposition to China's presence and activities in the Arctic, including the U.S. efforts to mobilize the other Arctic states, causes Chinese diplomats, businesses and researchers to reassess the situation and return to a more low-profile approach in the region. It would not be a long-term Chinese retrenchment from the Arctic, but rather a tactical restraint. The key is that the strategic importance of the Arctic seen from Beijing diminishes in the light of the current overall situation facing Beijing such as the trade war with the U.S., rising tensions in the South China Sea, the Taiwan Strait and Hong Kong, and general growing Western criticisms and perceptions of China as an aggressive revisionist state. In the Chinese strategic cost-benefit assessment, there are growing strategic costs of pushing for Chinese activities in the Arctic. It does not serve China's interests. It hurts China's international image and plays into the U.S.-led "China threat" campaign, which generally weakens Beijing in securing more important interests. Even though there are clear indications of China assigning stronger strategic priority to the Arctic and the Arctic is increasingly connected with highly prioritized strategic initiatives such as the "Made in China 2025" strategy and the Belt and Road Initiative (BRI), currently the region is still not at the top of the Chinese foreign and security policy agenda. There are signs of such Chinese tactical restraint in Greenland for example with the withdrawal in June 2019 from the Chinese state-owned construction company, China Communication Construction Company Ltd. (CCCC), of their bid for the construction of airports in Greenland, as mentioned above.

Another scenario, where Beijing is likely to decrease – at least temporarily – the strategic priority of the Arctic is if the security tension in East Asia, including in the South China Sea and in the Taiwan Strait, continues to increase with the U.S. Navy further strengthening its presence in the region. Under such conditions, Beijing will likely direct focus even more to East Asia, where Beijing has so-called "core interests" [*hexin liyi*, 核心利益] at stake.

How the intensifying U.S.-China security dilemma dynamics will influence specific Chinese policies in the Arctic in the years to come is difficult to assess. Many developments are likely to come into play, not least the development in relations between China and the other Arctic states and here in particular Russia, which increasingly stands as a stepping-stone for Beijing to ensure and promote its presence and activities in the region. China will most likely take a more careful diplomatic approach but will still seek to further strengthen relations with all Arctic states and stakeholders. A key question is also how determined the Trump Administration is to counter Chinese diplomatic and especially economic activities in the Arctic, and hence, present the other Arctic states with attractive and credible alternatives. It requires a long-term U.S. commitment and comprehensive resources. As it stands now, the other Arctic states do not fully share the U.S. analysis of the challenges posed by a stronger Chinese presence and activities in the region and are not keen on backing the U.S. "great power competition" strategy in the region.

As the intensifying U.S.-China security dilemma dynamics spread into the Arctic, it questions the continuation of the so-called "Arctic exceptionalism" – i.e. the Arctic as a low-tension region where the great powers, despite conflicts in other regions, continue to cooperate and refrain from political and military coercion to get their way. This gives cause for growing concerns that the era of high political stability and strong intergovernmental cooperation of the Arctic is ending.

Mitigating the evolving security dilemma dynamics is no easy job. Creative and proactive strategic thinking and action also from the other Arctic states will be in strong demand in the years to come.

Notes

1. *Looking North: Sharpening America's Arctic Focus*. Speech given by U.S. Secretary of State Michael Pompeo in Rovaniemi, Finland, ahead of the 19th Arctic Council Ministerial Meeting, May 6, 2019. Available at: <https://www.state.gov/looking-north-sharpening-americas-arctic-focus/>
2. For the last section, the article draws on meetings held in May 2019 between the author and Chinese Arctic scholars from the Shanghai Institute of International Studies and the Ocean University of China as well as material and data gathered through the author's participation in the "China-Nordic Arctic Research Center" (CNARC) conference held May 8-9, 2019, in Shanghai and the "Arctic Circle, China Forum" held May 10-11, 2019, also in Shanghai.

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