

Chapter 7

Going North: China's Role in the Arctic Blue Economic Corridor

Gao Tianming

Harbin Engineering University, China

ABSTRACT

When China announced its Belt and Road Initiative (BRI), most of the attention focused on the joint building of transportation infrastructure across the Eurasian landmass and the Indian Ocean. However, with the release of the Arctic Policy in 2018, China incorporated the Arctic shipping lanes into the BRI transport network. Development of shipping in polar waters requires collaboration with Arctic countries. This chapter discusses the challenges China faces in exploring new maritime ways in the Arctic and collaborating with Russia in the development of the Arctic Blue Economic Corridor. The investment projects in the Arctic are considered in the format of eight development zones located in the polar regions along Russian part of the Northern Sea Route. The author concludes that Arctic shipping lanes have a great potential to be efficiently incorporated into the BRI transport network. However, there are many specific technological and economic challenges to be considered and met before polar transport routes may become any viable alternatives to southern maritime routes used by China.

INTRODUCTION

The Arctic possesses about one-quarter of the world's untapped energy resources. The melting of ice in the Arctic opened up the opportunities for transporting through the passages in the Arctic Ocean, which provides easier access for shipping. Presently, the opportunities for accessing huge fish reserves, shortening shipping routes, and exploring energy resources have made the Arctic the most favored destination.

Since recently, China has been deeply involved in the Arctic issues. According to Liu (2016), China wants to contribute to the shaping Arctic governance and believes that the changing environment and resources of the Arctic have a direct impact on China's climate, environment, agriculture, shipping, and trade as well as its social and economic development. The Arctic is one of three maritime passages China highlighted in its Belt and Road Initiative (BRI) in 2017. Given the formal inclusion of the sea route

DOI: 10.4018/978-1-5225-6954-1.ch007

into the BRI, the Silk Road Fund's investments, and the current operation of Chinese vessels along the Northern Sea Route (NSR), China is attempting to take an active role in the development of the northern transport routes and is becoming more comfortable with being forthcoming about its interests in Arctic shipping and resources rather than solely emphasizing science and climate change (Bennett, 2017b).

Shortly after the articulation of the Arctic dimension within the BRI, China released a whitepaper on its Arctic policy. It has been stated that China wants to cooperate with all relevant parties to seize the historic opportunity in the development of the Arctic, to address the challenges brought by the changes in the region, to participate in the Arctic governance, and to jointly develop the Arctic-related cooperation under the BRI in the format of the Polar Silk Road¹ (Xinhuanet, 2018).

The three main pillars of the formalized China's Arctic policy are respect, cooperation, and "win-win" solutions.

China respects the rights of the Arctic countries and indigenous people as enshrined in international law and supports the peaceful settlement of disputes over territory and maritime rights and interests in line with such treaties as the UN Charter, the United Nations Convention on the Law of the Sea (UNCLOS) and international law. The position of China is that the management of Arctic shipping routes should be conducted in accordance with international law and that the freedom of navigation enjoyed by all countries in accordance with the law and their rights to use the Arctic shipping routes should be ensured.

Within the second pillar, China wants to be involved in collaboration for Arctic development. Being committed to the existing framework of international law and rules, China aims at the maintenance of a reasonable and well-organized Arctic governance system and steadily advancing international cooperation on the Arctic. In the Arctic, China wants to coordinate development strategies with Nordic countries and encourage joint efforts to build the Arctic Blue Economic Corridor (ABEC) linking China, Russia, and Europe via the Arctic Ocean and Russia's NSR.

As to the "win-win" type of collaboration, China has the funding, technology, and the market to be of interest to Nordic countries. Chinese enterprises are encouraged to participate in joint investment projects in the Arctic, in the extraction of hydrocarbons and minerals, in infrastructure development for the ABEC, as well as to conduct commercial trial voyages along the transport corridors in the Arctic Ocean in line with the law for their commercial and regularized operation.

One of the most perspective directions for collaboration with Nordic countries is the diversification of transport channels. Despite the strategic orientation of the BRI, particularly, Maritime Silk Road (MSR) to the southern transport corridors, China is rather dependent on the Malacca and Suez shipping lanes (Chen, 2017). Such an excessive dependence carries the risk for safe transportation (Erokhin, 2017a). That is why the ABEC initiative may be considered as an attempt to diversify marine transport routes and ensure long-term security trading for China.

However, the prospective vision of the ABEC is not only about securing trade routes. The overarching goal is to facilitate connectivity between China and Nordic countries, to ensure sustainable economic and social development of the Arctic, and to bridge the gap between traditional industries in the Arctic and China's market. Within such a vision, one of the strategic partners for China among Nordic countries is Russia. The geographical and geopolitical fact that Russia controls almost a half of the coastal area of the Arctic Ocean and the entire NSR makes Russia an indispensable player in the Arctic affairs. Russia supports the BRI in general (Erokhin, 2017a) and the ABEC as its integral part and generally expects China's involvement in the development of the NSR and exploration of the Arctic resources. In its turn, China is ready to provide Russia with investments and advanced technologies. So far, the central area of focus in the relations between the two countries has been the collaboration on energy and resource mat-

27 more pages are available in the full version of this document, which may be purchased using the "Add to Cart" button on the publisher's webpage:

www.igi-global.com/chapter/going-north/218610

Related Content

Global Governance of Science: Wishful Thinking or a Life Necessity in the Context of International Relations and Their Philosophy

Yury Sayamov (2018). *Marketing Initiatives for Sustainable Educational Development* (pp. 246-263).

www.irma-international.org/chapter/global-governance-of-science/206657

Measuring Democracy and the Quality of Democracy in a World-Wide Approach: Models and Indices of Democracy and the New Findings of the "Democracy Ranking"

David F. J. Campbell, Elias G. Carayannis, Thorsten D. Barthand George S. Campbell (2013). *International Journal of Social Ecology and Sustainable Development* (pp. 1-16).

www.irma-international.org/article/measuring-democracy-quality-democracy-world/77344

The Distributional Impact of Efficient Energy Pricing in India

David Coady and Emine Hanedar (2016). *Economic Modeling, Analysis, and Policy for Sustainability* (pp. 194-205).

www.irma-international.org/chapter/the-distributional-impact-of-efficient-energy-pricing-in-india/150102

The Diabetes, Depression, and Alcohol Triad: Potential Impact on Community Development

Mark A. Strand and Donald Warne (2014). *International Journal of Social Ecology and Sustainable Development* (pp. 31-46).

www.irma-international.org/article/the-diabetes-depression-and-alcohol-triad/112113

Strategic Approach to Tourism Development in Namibia

Neeta Baporikar (2016). *International Journal of Sustainable Economies Management* (pp. 1-12).

www.irma-international.org/article/strategic-approach-to-tourism-development-in-namibia/174386