# Chapter 10
# Russia–China Collaboration in the Arctic:
## Opportunities and Challenges

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## ABSTRACT

*In recent years, the international expert community has demonstrated a growing interest in China's Arctic policy. To a great extent, such an interest has been triggered by recent gaining an observer status in the Arctic Council by China, as well as by China's efforts to actively participate in elaborating the rules of global governance. China has a range of interests in the Arctic, including climate change problems, opportunities for energy diversification, and development of the Northern Sea Route. Among Russian experts, the discussion on the desirability of cooperation with China has lately shifted towards the acknowledging the need to strengthen Russia-China strategic partnership in the Arctic, particularly in the context of worsening relations between Russia and Western countries. The chapter addresses recent trends in Russia's and China's attitudes to bilateral cooperation in the Arctic and analyzes experts' approaches to the settlement of disputes, including such issues as the legal regime of the Arctic and the development of navigation along the Northern Sea Route.*

## INTRODUCTION

By the beginning of the 21st century, the issues of international interaction in the Arctic have received an increasing attention. The development of the Arctic has become a topic widely discussed in the political, business, and academic circles worldwide. An interest is determined, primarily, by huge reserves of natural resources, particularly, hydrocarbons. The Arctic accumulates about one-third of the world's undiscovered hydrocarbon reserves. In addition to hydrocarbons, there are substantial deposits of iron, tin, copper, titanium, and other minerals in the continental and coastal-marine parts of the Arctic. Among the Nordic countries, Russia has the largest potential in terms of hydrocarbons, which estimated amount is 84.5 trillion cubic meters of gas and 15.5 billion tons of oil (Nikulin, 2017). Most of those resources are deposited in offshore areas, in continental shelf of the Arctic Ocean.

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In the shelf area, economic efficiency of the development of gas and oil fields depends on such factors as global energy prices, availability of infrastructure and advanced technologies, environmental regulations in the sphere of operation of drilling platforms, and expenditures related to the extraction of mineral resources. Taken together, in the conditions of the Arctic, those factors increase a riskiness of investments in the exploration and extraction of hydrocarbon (Pezard, Tingstad, Van Abel, & Stephenson, 2017). Nevertheless, an increasing demand for mineral resources worldwide coupled with the implementation of advanced drilling technologies make the resource development projects in the Arctic economically viable.

The shortest marine routes between Europe and the Asia-Pacific region pass through the Arctic. The Northern Sea Route (NSR) is the shortest way between the seaports adjacent to the northern region and those located in the northern part of Atlantic Ocean in the west and the Pacific Ocean in the east. Running along the Russia's coast of the Arctic Ocean from the Barents Sea to the Bering Strait, the NSR is now available for commercial vessels for a period of about sixty days during summer and autumn. The length of the main part of the NSR from Cape Zhelanie to Cape Dezhnev is 2,150 nautical miles. Using the NSR for a carriage of goods can significantly reduce the distance between Europe and Asia Pacific compared to the traditional route through the Suez Canal. Due to the saving of distance and travel time, in foreseeable future, the NSR may get an economic significance globally as a trade channel between the continents. Its development is important not only for Russia, but also for other countries, particularly those not related to the Arctic directly, i.e. China, Japan, and the Republic of Korea.

An alternative maritime route in the polar waters is the Northwest Passage (NWP). It connects the Atlantic and Pacific oceans through the northern coast of North America and the Canadian Arctic archipelago. Compared to the NSR, the NWP has certain drawbacks, particularly, a lack of seaports and underdeveloped infrastructure, and therefore it is not as attractive for international commercial shipping as the route along the Russia's coast of the Arctic Ocean. Besides, for the most part of the year, the NWP is covered with heavy ice. A navigation window for the NWP is only twenty days, which makes the development of commercial navigation irrational. As Erokhin (2017) claims, the NWP can compete with other transport corridors in the Arctic and the Panama Canal only in the case of progressive climate changes, which may extend the navigation window up to at least 100 days. However, such radical change in the ice regime may be expected only by 2050 (Erokhin, 2017). Melting of sea ice is another important factor, which will impact the future of the Arctic. As the ice melts, bigger areas of the Arctic Ocean will become accessible to commercial cargo vessels. Although it will not be possible for any Arctic route to rival the Suez Canal due to the seasonal trans-Arctic traffic, the potential for significant increase in Arctic sea transportation is still big. Even today, freight traffic moves to the East on the back of the growing economic power of the Asia Pacific region (Mitko, 2018).

The intensification of navigation along the NSR calls for the modernization of transport infrastructure, development of multipurpose seaports and airstrips, and enhancement of communication systems to promote a safe operating environment. The intensification of economic activity in the Arctic attaches particular importance to national security and environmental protection issues. Considering the fact that the interests of the Nordic states, such as Russia, the USA, Canada, Norway, and Denmark, as well as a number of countries of Europe and Asia Pacific, including China, are intertwined in the Arctic, sustainable development of the entire region depends on the effectiveness of the interaction between the involved countries (Chilingarov, 2013). However, there are many challenges to the successful development of international collaboration in the Arctic, for example, those related to the deterioration of the relations between Russia and the Western world. As of Sorenson and Klimenko (2017), the sanctions