

Chinese Arctic Expansion and US Strategic Failure James Reineke | November 2023

Introduction

Norms and institutional interactions allow states to signal to each other—building trust—and overcome many realist dilemmas (e.g. trusting an ally enough to not fall into a security dilemma when they build up arms; rather, it is often encouraged that they do so). The liberal international order (LIO) can be taken advantage of when outsiders who do not hold the same values are let in and form cartels or enact other mercantilist strategies. This puts an incentive on other countries in the system to do the same, destroying the norms and institutions that allowed for increased security and prosperity. Thus, it is in the US's interest to maintain and police the norms and institutions that govern our relations with Europe and other allies that believe in liberal values.

Norms and institutions also help clarify when an adversary is working against us. China, knowing this, is employing gray-zone tactics that change or break norms and go against institutions that it have been let in, while appearing mild enough in its provocations to not illicit a proper response.

China has shown a clear intent to alter the world order to a mercantilist system that unfairly positions itself by taking advantage of the norms and institutions the West and allies welcomed China into foolishly. This paper intends to draw awareness preemptively to the Arctic, a developing arena that China hopes to dominate, so that the US can take the proper measures to prevent such a fate.

The Chinese Pole

The Chinese are attempting to create a new pole to counter the LIO. A pole is defined here as a grouping of states (often with a leading state that is the lone starting state of the pole) that exports an ideology to attract more states to a camp governed by institutions and norms. A country like India is not a pole, despite its rise because 1) it does not influence other countries into its camp, 2) it does not have institutions and norms that govern its camp, and 3) it enacts a middle-power strategy of playing the two poles off on each other for its own advantage and would not create its own side during a conflict. A country like Japan is not a pole because it falls into the LIO camp. As long as the US constrains itself through multilateral action, it leads the LIO pole and is not itself a pole. China has shown itself to be creating a new pole by trying to create its own economic order, taking advantage of institutions, and attempting to change and break norms, attracting different states governed by institutions it creates.

China's main regional competitor for establishing an economic order is Russia, but China has largely destroyed Russia's dream of creating a Eurasia out of institutions like the Greater Eurasian Partnership with its own institutions like the Belt and Road Initiative (BRI) and Shanghai Cooperation Organization (SCO)ⁱ. In fact, amounting to 90% of foreign funding in Russia's Far Eastⁱⁱ, China is establishing its own order in Russia's Far East and Arctic known as the "Polar Silk Road"ⁱⁱⁱ. China is offering funding through its BRI to parts of the world that, by not conforming to the Western values, do not qualify for Western loans, gaining leverage against those countries and taking away influence from the LIO^{iv}.

One of the great mistakes of the LIO was letting China into the many institutions that comprise it. China has enormous power over the UN due to its seat at the security council, power that only serves to harm the LIO and has only been used to further China. Letting China into the World Trade Organization is responsible in large part for China's rise to prosperity, but China has not been reciprocal and has taken advantage of the institution^v. China also showed its control over the World Health Organization during COVID-19 by making it a mouthpiece for Chinese disinformation, slowing

down the world response to COVID-19^{vi}. At the same time, China has begun creating its own institutions, such as the BRI and SCO, to solidify its order.

The last major norm changing tactic China uses is its gray-zone tactics that set it apart from Russia as a fundamentally different threat. Russian institutional interaction during the Cold War was productive for the LIO because it allowed Russia to signal in a time of high tension unlike current Chinese interactions. Russia currently has claims in the Arctic (as does other countries) for a larger EEZ, but they all have, even in a time of conflict, been going through the proper institutions to dispute it^{vii viii}. China has not engaged with institutions, but instead has broken UNCLOS in egregious ways such as trying to tap oil in Vietnam's EEZ or fishing in others EEZs, both with military support. They have even gone as far as to harass the US^{ix x}. China also broke space norms when testing an anti-satellite missile, creating an unprecedented amount of debris—a large problem in space^{xi}. Additionally, China has completely failed to allow Hong Kong to maintain its partial autonomy as promised. These actions have not been seen as horrible enough to provoke a response from members of the LIO— independent of whether or not it is good strategy to those members not to do so—making them fall into the gray-zone. China has now established to itself and possibly states in its camp that they are able to do these actions without consequence, changing norms.

Growing Chinese Arctic Presence

China has a strong economic interest in the Arctic because, as global temperatures increase, the Northeast Passage (NEP) will soon be traversable that will save China \$53.3 to \$127.4 billion a year in reduced shipping costs^{xii} due to melting ice with there possibly being no ice in the summer by 2030-2050, giving access to the 20 trillion dollars of untapped wealth in the Arctic region^{xiii}. China was initially let into the “Arctic club” and made an observer at the Arctic Council (the main institution for governance in the Arctic) by Iceland in 2013^{xiv}. Russia, since their “Turn to the East” in 2012, has helped China in getting a foothold into the Arctic, but has since has been outplayed by China who plans to make its “Polar Silk Road” and make Heilongjiang a trade hub on the NEP^{xv}.

China's first naval strategy made in the 1960's was titled “near seas defense”. In 2015 it was changed to “near seas defense, far seas protection”. In 2018, it was changed to its most current name: “near seas defense, far seas protection, oceanic presence, and expansion into the two poles”. PLA Navy Captain and lecturer at China's Nation Defense University Zuo Pengfei explained this change when he said in his 2018 work *A Study of Polar Strategy*, “As the world becomes hotter, the Arctic passages will increasingly become important areas for the operations of China's maritime forces. Once [Chinese] forces normalize their presence in this region, they will not only be able to effectively pin down great powers like the US and Russia; they will greatly reduce pressure from primary opponents in our other strategic directions”^{xvi}. This is to say, the Chinese plan to leverage an advantage in the Arctic to coerce the US and its allies to achieve other objectives. To materialize their goals of polar expansion, China is developing many dual use technologies, notably icebreakers (one nuclear), bathymetric surveys to produce navigational charts^{xvii}, and is studying the acoustic properties of the Arctic (for navigation and detection)^{xviii}. More explicitly showing their intentions, however, is China's investment into Arctic submarine capabilities and doing a joint military exercise with Russia in the region^{xix}. The Chinese were at first dependent on Russia in the region but have since navigated the NEP outside the waters Russia is trying to institute fees for traveling in^{xx}, showing their independence.

Russian Push-Pull with China

In 2000, Putin said, “If Moscow does not actively develop the Russian Far East, the local residents will speak in Japanese, Chinese, or Korean one day”^{xxi}. There has been much talk of Russia and China developing Russia’s Far East together, but little has been done on this front with Russia being concerned about its sovereignty and security^{xxii}. Russia and North Korea has been blocking China’s northern provinces’ access to the Sea of Japan by building a low-hanging bridge, a stated symbol of Russian and North Korean cooperation, at the mouth of the Tumen River, preventing the provinces’ development^{xxiii}. China has since conceded to instead using Vladivostok, which China is still upset about having annexed from it during its century of humiliation with its Russian name meaning “Ruler of the East”, to export goods from its northern provinces^{xxiv} to Russia’s economic benefit.

Speculating the Chinese Strategy for the Arctic and its Impact

China is developing military capability to control the region, has developed an economic plan to take advantage of it, and stated it will leverage its position in the region to further its interests in other parts of the world stage. To leverage the position, it must be willing to use force. The NEP will largely be used for trade with Europe, so its “force” could take the form of such acts as preventing Western companies from entering the region and denying free passage.

If China does not respect global norms in the Arctic, it would incentivize Russia to do the same to secure its interests. In this scenario, it is unclear how effective institutions like the Arctic Council or Arctic Coast Guard Forum would be at solving collective action problems. The Arctic Council is premised on the Arctic being a peaceful region and is not allowed to deal with security matters per its founding document. If norms are broken, it will either become irrelevant, collapse, or be restructured.

All of these things will weaken the LIO in the region and could have a ripple effect elsewhere in the world by establishing a damaging precedent.

That said, China has been largely blocked from obtaining land in the Arctic by all Arctic nations^{xxv}, hampering their Arctic ambitions. However, Russia is already dependent on Chinese foreign direct investment for the (largely only spoken of) development of their Far East therefore is also staged to be dependent on them for any port development to capitalize off the NEP. China could do something similar to Russia as it did with Sri Lanka and get a port leased to them for 99 years^{xxvi}.

US Arctic Policy

The US Coast Guard is the US’ main presence in the Arctic region (due largely to the Navy not wanting to use its own budget to pay for icebreakers and the like, so it has buck-passed). The US and its Coast Guard has, in recent years, released three documents articulating the US Arctic strategy:

United States Coast Guard Arctic Strategic Outlook^{xxvii}

Published in 2019, the paper starts on page 10 with a quick note on China, “China’s pattern of behavior in the Indo-Pacific region and its disregard for international law are cause for concern as its economic and scientific presence in the Arctic grows... China’s attempts to expand its influence could impede U.S. access and freedom of navigation in the Arctic as similar attempts have been made to impede U.S. access to the South China Sea.” Unfortunately, China is not mentioned or addressed outside this paragraph. They say of Russia, “The U.S. Coast Guard and the Russian Border Guard have a history of practical cooperation and should endeavor to maintain that collaboration within a framework of mutual respect for established international rules and national sovereignty,” hinting at future cooperation.

It then goes on to say that, while US allies have made large investments into Arctic security, the US has not and that the US can no longer maintain this position because the Arctic is no longer “self-secured” by ice. To this end, the US is working on closing the “signal gap” (signal transmission is difficult due to the environment) and “will invest in ice-breaking ships, such as the Polar Security Cutter, aviation assets, unmanned and/or autonomous systems, and personnel, all capable of operating in the austere and remote Arctic environment. Assets must be upgradable and interoperable, capable of prosecuting an evolving portfolio of mission activities ranging from search and rescue to defense operations to marine scientific research support.”

Critically, Section VI is on “[strengthening] the rules-based order”. Largely, it does not say much. It says the US will continue interacting with the regional institutions and stopping illegal fishing, but this is merely a continuation as policy as normal. They do not properly address the changing security environment caused by the opening of the NEP, the threat of the Chinese to the rules-based order, or Russian fears of vulnerability in the Arctic now that it is not self-secured and now that NATO has had a growing interest in the region since 2014^{xxviii xxix}.

National Strategy for the Arctic Region^{xxx}

The October 2022 Arctic strategy was the first one of its kind since 2013 but was substantially shorter than the *Coast Guard Arctic Strategic Outlook*. It gives a brief nod to China on page 6 by saying, “The People’s Republic of China (PRC) seeks to increase its influence in the Arctic through an expanded slate of economic, diplomatic, scientific, and military activities. It has also emphasized its intention to play a larger role in shaping regional governance. Over the last decade, the PRC has doubled its investments, with a focus on critical mineral extraction; expanded its scientific activities; and used these scientific engagements to conduct dual-use research with intelligence or military applications in the Arctic. The PRC has expanded its icebreaker fleet and sent naval vessels into the Arctic for the first time.” This either downplays or misunderstands China’s military and dual-use technological investments in the region and its true ambitions for the region.

As far as security goes: The US states it will 1) improve signal and detection capabilities, 2) increase its Arctic presence by making for icebreakers and improving infrastructure, and 3) “maximize [US] cooperation with Arctic Allies and partners to [enhance shared] security and deter aggression in the Arctic, especially from Russia.” The document completely ignores China in the section on security, while now shifting from Russia being a possible partner to an enemy. It goes further in its section concerning “[Sustaining] Arctic Institutions and [Upholding] International Law” by saying that cooperation with Russia is impossible due to the war with Ukraine. This is foolish. Russia cooperated with international law in the Arctic during its 2014 invasion,^{xxxi} is still following those norms during its current invasion^{xxxii}, and is only loosely hedged with China in the region^{xxxiii}. The peaceful Arctic norms benefit Russia, so it is in their interest to sustain them. Doing things such as preventing Russia from engaging in regional institutions only incentivizes them to stop following norms.

United States Coast Guard Arctic Strategic Outlook Implementation Plan^{xxxiv}

In October 2023, four and a half years after the initial strategy was released, the US government released an implementation plan. Although it is articulate with many actionable points, it 1) listed things to be done and not things done in the past 4 years, 2) does not tie anything in the plan to geopolitics nor ever mention China or Russia, and 3) does not go into any specifics. For example, there is no timeline for anything in the document because that would require articulating the ways and means of the actionable points along with a prioritization of the *many* actionable points. The paper did,

however, assign its subcategories containing actionable points to different organizations to fulfill, but there are no signs of activity.

US Coercive Diplomacy Failure: Change of Policy Recommendation

To stop Chinese gray-zone tactics and prevent norm changing at a reasonable risk in the Arctic, the US needs a Merchant Marine, Coast Guard, or Navy that could manage provocative Chinese vessels. The US, unfortunately, does not yet have these capabilities, but perhaps, in a few years combined with allied power, it will. However, the US has failed to properly acknowledge the potential growing threat China poses to security and the rules-based order in the Arctic.

By not identifying the threat, the US cannot properly signal that it has the power and willingness to oppose China to properly deter norm breaking in the region. A stronger rhetoric accompanied by action is needed on the part of the US. For example: The US has not done a FONOP in Russia's Arctic since the early cold war—being deemed incapable of an attempt in 2016^{xxxv}, while China has conducted a FONOP in the American Arctic^{xxxvi}. On the other hand, the US has done many FONOPs in the South China Sea to show its interest there—not that FONOPs have deterred China at all in the South China Sea, but they at the very least show where US interests do and do not lay. The fact that China continues its activities in the South China Sea and continues to develop Arctic capabilities shows there has been a coercive diplomacy failure in both regions. However, when China tried tapping oil in Vietnam's EEZ in 2014, China backed down when Vietnam used military force against it, possibly showing how much risk China is willing to take on.

Following precedent, the US can no longer assume the Arctic will be a peaceful arena, neither should the US say it is inherently peaceful. If China is to be deterred, they must believe the US is willing to risk war in the region. Because of this reality, an institution with the capability of discussing matters of security, whether it be a revised Arctic Council or a new institution, needs to be made to handle escalation. An acknowledgment that this institution is necessitated by the hostile actions of China, that this institution is made to perpetuate norms in the region, and that norm breaking will be met with consequences also needs to be made.

Lastly, it is in Russia's interest to perpetuate the peaceful norms in the region and will likely be a willing partner in maintaining these norms in the region as it historically has been. Since China is reliant on a dependent Russia for its Polar Silk Road, China can be further deterred from breaking norms in the region if the West threatens to wedge Russia away from China.

Conclusion

As global temperatures rise, the trade routes and resources of the Arctic will become accessible, thus greatly increasing regional activity. China has shown itself to be an enemy of the LIO and is actively trying to change its norms and institutions. Norms are generally set by the first to plant their flag and establish themselves as the pioneering force as seen in space and cyberspace. This necessitates the US to pioneer the emerging Arctic to establish norms and to develop the fortitude and the necessary capabilities to have the credibility to signal to China that it can and will uphold international law and norms in the Arctic region to deter China successfully. As of now the US is failing in its coercive diplomacy as seen by China's willingness to invest in Arctic military capabilities and attempts to enter the region. If China succeeds in its Arctic ambitions, it will gain leverage over the LIO, threaten regional stability, harm the credibility of the LIO, and strengthen its own order.

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