

ASIA PROGRAM

**FROM THE “POLAR SILK ROAD” TO THE ARCTIC RIMLAND:
A CASE STUDY OF THE BELT AND ROAD CHALLENGES
FOR THE EUROPEAN UNION**

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"If the country through which the route runs be weak, and the route of great significance, the section in question may well become a bone of contention among the great powers of the world and may pay for its advantageous location with its independence".

SPYKMAN Nicholas J., "Geography and Foreign Policy, I", *The American Political Science Review*, vol. 32, No. 1, 1938, pp. 28–50

The way the Belt and Road Initiative (BRI) is dealt with in Europe is at best curious, at worst desperately misleading. While it is still largely unknown to the general public, some nevertheless feel it is necessary to question on a regular basis the stakes it represents for the European Union (EU) and its members, and even its very existence. For these thinkers, the subject remains sensitive, and the danger so much ideological as economic. It must therefore be asked whether the strongest ideology is not that of these observers, who cling tenaciously to past chimeras, to the "end of history," and offer only a sketchy vision of the "shock" of hermetic civilizations.

Because the inconvenient truth is that, despite a few setbacks, there are no "empty roads" or "catch-all plans" when one studies in detail the hundreds of projects falling under the scope of the BRI. Simply a European blindness, maintained, and very unwelcome. To say that these roads are geopolitical is an undeniable fact; that they want to export a threatening mode of governance, a shortcut still unfounded. Let us bet that China considers more the Union under the prism of its largely creditworthy 500 million consumers than as an ideological target for the regime, and its close partners like so many entry points on the European market. That being said, one should consider from a strictly geo-economic perspective the fact that this Chinese international economic project has political consequences. Surely, it is rather a maneuver to reinforce its influence on the European markets, and of course, as a global power, than an offensive solely ideological, eurocentric approach if it is.

In the Arctic, as we will see, and as is already the case in Eastern Europe, a more pragmatic reading of the Chinese strategy implemented for the Union via the BRI rather suggests the reality of commercial opportunism, the choice to prioritize ideological flexibility over political disagreements to seize economic opportunities. With this characteristic, of course, to work directly at the national and sub-national levels of close

European partners, for example members of the European Economic Area (EEA), as well as EU Member States, and not at the aggregate level of the EU, to its greatest concern. The adage is old, "divide and conquer".

A sense of business embodied by a "non-interventionist" label, which is smartly based on the political-economic coercion maintained, sometimes still nowadays, between many countries and the West, and namely with members of the Union. It may be argued that the alternative proposed by this "Chinese-style" trade affects us only so much because it puts into question the profound universalism of our own beliefs.

All things considered, for some, the worst thing in the story is perhaps that the means deployed by China to seduce its partners within the Union, and even worse their receptivity, also bring to light some unresolved structural issues, such as the absence of a real European industrial policy or the growing lack of solidarity and integration in a context of crisis. And only then, and so indirectly, that this calls into question the strength of the European or even Western model, but only because of its own weaknesses, latent, and cruelly exposed in a time of crisis by a project such as the BRI.

It is, of course, advisable not to slide into the opposite thesis, which would naively see in the BRI a project without any risks. The obvious imbalance in the trade balance between the EU and China, as well as the analysis of the first projects labelled "BRI" in Asia, easily show that we are in practice very far from the "win-win" promised by the Chinese authorities. But it's just another reason why we, Europeans, should try to get a better understanding of the project, of both its potential opportunities and risks, as long as we are still able to react. Because it is a sure fact that History is now turning to the advantage of Asia, whether we realize it or not in Europe.

In any case, this ignorance for some, this misunderstanding or even interpretative bias for others, largely justify the fact that we continue to try to better understand what really stemmed from these new silk roads for us, Europeans. However, given the scale of this project, any attempt of analysis intending to be exhaustive within a few pages would be perilous. Actually, it seems more appropriate to reduce the focus to a specific case study, in order to circumscribe the analysis within limits that are both realistic in the face of the material constraints of a short article, but also relevant enough that lessons learned can then feed into more general reflections. As such, the Arctic and the "Polar Silk Road" appear particularly well adapted to this challenge.

THE ARCTIC, A MAJOR EMERGING CHALLENGE FOR CHINA AND THE EU

The interest of this case study stems in particular from the global mutation of the place of the region in the international relations of the new century. Let us recall briefly that since the mid-2000s, global warming and the emergence of new economic opportunities, as well as strategic ones, have contributed to a return to the forefront of the polar territory. From a scientific and environmental point of view, the Arctic represents a laboratory at the same time at the forefront of global warming, but also traditionally open to the logic of international cooperation. From a logistical and commercial point of view, by hoping for more regular openings of the mythical passages of the North-East (NEP, North of Russia) and North-West (NWP, in the North of Canada), the disappearance of the pack ice could ultimately include the Arctic in major regional and even global economic circuits.

With the progressive and expected disappearance of the technical obstacle, the stake for the economic operators then becomes to be allowed to move there, that is to say to benefit from a right, or even of a freedom of circulation in the circumpolar region. With this issue of polar navigation, the geopolitical nature of the area reveals its true nature, that of being the "only region to link the three main world economic blocks that are America, Europe and Asia"¹.

Of course, this freedom of movement is not only relevant for trade, and also finds its counterpart in terms of strategic issues. Thus, the Northern Sea Route (NSR) and the NEP "have a strategic and military interest, which is all the more important [...] because international tensions are worsening"². The United States, for example, sees in the northern passages the appearance of a sensitive maritime zone, in which they wish to maintain a facilitated navigation of their military vessels³. At the same time, in 2016, Russia was just finishing up six new military bases around the Arctic, "ready for long-term deployments of soldiers in the region"⁴.

Finally, from an economic point of view, the exploitation of natural resources, whose access is facilitated by the melting of the ice, contributes to feed the greed in the region,

¹ DEGEORGES Damien, « L'Arctique : entre changement climatique, développements économiques et enjeux sécuritaires », *Géoéconomie*, 2016/3 (N° 80), p. 85-96

² KUNZ Barbara, « Les dynamiques géopolitiques de l'Arctique », *Politique étrangère*, 2017/3 (Autumn), p. 10-13

³ LASSERRE Frédéric, « Les détroits arctiques canadiens et russes. Souveraineté et développement de nouvelles routes maritimes », *Cahiers de Géographie du Québec*, 48 (135), 2004, p. 397-425

⁴ KHANNA Parag, « Business Insider analyses a map of the Arctic from Connectography » [Online], May 3, 2016.

so much so that some could evoke a "battle for the Arctic"⁵. The resources in question come from the energy field, both carbon and renewable, the exploitation of rare ores, and tourism. In particular, one must note the importance of exploiting the region's fish wealth, whose fishing remains today the main maritime activity. These are all the more attractive because, with the melting ice, an increasing number of fish are moving up from the North Atlantic to the Arctic. These international waters are then offered to an unregulated industrial fishery, while melting ice increases the area of fishing areas and their periods of exploitability.

Confronted to these Arctic challenges and opportunities, the challenge for both the EU and China lies in the fact that the riparian states seem to be united around a shared goal in international geopolitics: "to avoid any external interference in the sharing of the zone"⁶. A common position, which mainly reflects a desire to protect the independence of the region, and this despite the presence of sometimes strong litigation, including territorial.

From an economic point of view, this is explained by the intention to make the best long-term use of resources. On a geopolitical level, riparian states are also aware that "the greatest danger to Arctic stability comes from imported conflicts"⁷. Opening up to external partners then implies for them the risk of becoming involved in confrontational logics which are not very compatible with the relatively peaceful functioning of the region, which traditionally favours consensus and soft law in terms of international cooperation.

It is in this context that the "Polar Silk Road", which aims to link Europe and China by the Polar Circle, and which leads to the development of overlapping areas of influence for China and Europe in the Arctic, as Iceland and Greenland. The latter are particularly revealing about the stakes and the challenges posed to the European Union (EU) by the BRI, both at the level of its borders, but also within itself, and suggest that we should take pay a greater attention to it.

⁵ Le Monde, La Course à l'Arctique [Online], May 14, 2009

⁶ RUNGE OLESEN Mikkel, « Comprendre les rivalités arctiques », *Politique étrangère*, 2017/3 (Automne), p. 15-25

⁷ Ibid

IN ARCTIC, A PROGRESSIVE MUTATION OF THE CHINESE PRESENCE FROM THE SCIENTIFIC TOWARDS THE POLITICO-ECONOMIC

The influence of China in the Arctic is characterized by a gradual and calculated transition from the scientific to the political, ultimately leading to the construction of legitimacy within polar States. In fact, the Chinese interest regarding the Arctic zone is relatively old. China's action in the region started in 1989, with the creation of the Chinese Polar Research Institute (CPRI)⁸. As early as 1988, the Chinese Academy of Sciences published a new journal devoted to Arctic and Antarctic issues, the Chinese Journal of Polar Research. From 1980 to 2008, most of the Chinese publications related to the Arctic theme were related to the natural sciences and basic research⁹. Between 1999 and 2012, China has led 5 Arctic expeditions, and established its first station in 2004 in Norway.

It is only in the last ten years that the Chinese academic work on the Arctic has moved closer to the human sciences and more political subjects¹⁰. They are for instance dedicated to the Arctic governance or the place of the Arctic in Chinese geopolitics. It is also noted that the academic environment seems quite keen on making proposals to a government that remains, for its part, more cautious. Jia Yu's proposal in 2010 to include maritime space beyond the EEZs in the heritage of humanity, for example, has also been able to find echoes in the West. The publication of such strong opinions in official or controlled media suggests a number of political interpretations. If it fits into the general context of the rise of Chinese nationalism, it can just as much mean a willingness of the political power to give the citizens an occasion to think about the Arctic issues than to offer the academics a window of expression of this nationalism¹¹.

Be that as it may, China's political ambitions in the polar region take shape in May 2013, with the country's admission to the Arctic Council as an observer member. Faced with the many suspicions raised by this voluntarism, China was eager to assert that it recognizes and respects the sovereignty of riparian states, which is confirmed by the facts. Despite the positions of some academics, it has never questioned the sovereignty of any polar country. Proof of this is the transit of several commercial vessels of the COSCO State Company by the Russian Northern Maritime Highway without any

⁸ ALEXEEVA. V Olga, LASSERRE Frédéric, « La Chine en Arctique ? », Diploweb, October 3, 2013

⁹ Ibid

¹⁰ Ibid

¹¹ Ibid

provocation¹². It may also be noted that it would not be in China's interest to question the sovereignty of Canada or Russia over the Arctic passages. For example, it would then be difficult for it to defend its sovereignty over such passages as the Qiongzhou Strait¹³.

As is often the case, the Chinese Arctic approach is systemic. Alongside the relatively publicized scientific and political actions, China is also advancing its pawns in the region in terms of economic diplomacy. Indeed, it is important to note that China has established a large number of economic partnerships with the Arctic countries, for example with Iceland or Denmark, cases of which we will come back in more detail.

Finally, beyond state-to-state economic cooperation agreements, one must also be aware of the many partnerships entered into by Chinese companies with major private operators in the region. The latter are particularly concentrated in the field of natural resource exploitation. Given the strict supervision of Chinese companies operating abroad by the Chinese state, their operations can therefore also be considered as a full part of the Chinese economic strategy in the Arctic.

THE "POLAR SILK ROAD", OR THE OFFICIAL PROCLAMATION OF CHINA AS A NEW POLAR ACTOR

Until recently, the Chinese Arctic strategy was derived from its scientific or commercial activities in the region. In 2009, Hu Zhengyue, vice minister of Chinese foreign affairs, said that "China has no Arctic policy"¹⁴. In 2017, the publication of a Chinese paper presenting the maritime silk roads then unveils a new part of the project, a "*blue corridor*", which would connect China to Europe via the Arctic Ocean¹⁵, "*the first official confirmation that the Arctic Ocean is among the 'blue economic passages' Beijing is seeking to develop*"¹⁶. This document then becomes the most obvious harbinger of an upcoming official Chinese Arctic policy.

It materializes on January 26, 2018, when The State Council Information Office of the People's Republic of China published a white paper titled "*China's Arctic Policy*"¹⁷.

¹² LASSERRE Frédéric, « Arctique : le passage du Nord-Ouest sous tension », *Politique étrangère*, 2017/1 (Spring), p. 141-153

¹³ Ibid

¹⁴ ALEXEEVA. V Olga, LASSERRE Frédéric, « La Chine en Arctique ? », *Diploweb*, October 3, 2013

¹⁵ Xinhuanet, *Vision for Maritime Cooperation under the Belt and Road Initiative* [Online], June 20, 2017

¹⁶ The Maritime Executives, *China Plans Arctic Belt and Road Initiatives* [Online], March 07, 2017

¹⁷ The State Council Information Office of the People's Republic of China, *China's Arctic Policy*, January 2018

Relying on the growing importance of the Arctic at the heart of global geopolitics, the paper begins by laying the groundwork for the legitimacy of non-polar states to invest in this region, now crucial to a " *shared future for mankind*" With this in hand, he poses China as an active Arctic contributor, who " *spared no efforts to contribute its wisdom to the development of the Arctic region*", a " *significant stakeholder*" in Arctic affairs, geographically posed as a " *Near-Arctic State*".

The White Paper highlights that many polar issues are now impacting China directly, from climate change to the exploitation of natural resources, to the use of shipping routes, in a region that has become vital and strategic for the country's development. The paragraph devoted to China's relationship analysis with the region concludes: " *The Silk Road Economic Belt and the 21st-century Maritime Silk Road (Belt and Road Initiative), an important cooperation initiative of China, will bring opportunities for parties concerned to jointly build a "Polar Silk Road", and facilitate connectivity and sustainable economic and social development of the Arctic.*"

The politicization of Chinese action in the Arctic is made clear in the document, which states that it intends to respond to the objective of developing " *its basic positions on Arctic affairs*" and " *to elaborate on its policy goals, basic principles and major policies and positions regarding its engagement in Arctic affairs*". While " *pursuing [the] own interests*" of China, the stated objectives are to " *to understand, protect, develop and participate in the governance of the Arctic, so as to safeguard the common interests of all countries and the international community in the Arctic, and promote sustainable development of the Arctic* ". To achieve these goals, China promises in the document to respect the principles of " *respect, cooperation, win-win results and sustainability*".

PUSHED BY CHINA, THE EMERGENCE OF AN ARCTIC RIMLAND

Without going into the details of the theories of Mackinder and Spykman, let us note in brief that for the first there is a "heartland" in Eurasia, whose control ensures the terrestrial power which dominates there a global power; that for the second, the real stake is the control of the Rimland Belt, " *an intermediate region located between the heartland and the peripheral seas, equivalent to a vast buffer zone of conflicts between the maritime power and the terrestrial power*"¹⁸. This geopolitical vision, far from being a

¹⁸ SPYKMAN Nicholas J. "Geography and Foreign Policy, I." The American Political Science Review, vol. 32, No. 1, 1938, pp. 28–50

simple theory, largely contributed to build up international relations in the 20th century. Thus, "Rimland always forms, in the collective thinking of the United States and Russia, a buffer zone between the maritime power and the terrestrial power. The American will to curb Russian advances to warm seas, and Russia's desire to access these same warm seas via Europe and the Middle East remains a reality"¹⁹.

But in this game that traditionally pitted the Western bloc led by US maritime power to the terrestrial Russia of Eurasia, China today seems to establish itself as a third essential player. Tanguy Struye of Swielande shows that, rather than the traditional chess game based on direct confrontation, China seems to favour a strategy of "the game of go", more indirect, and based on relational rather than conflictual strategies²⁰. Leaving Washington and Moscow to clash directly in the Rimland, China has patiently placed its pawns for nearly 30 years, through investment policies, loans or infrastructure construction. While expanding the Chinese influence to the rest of the Rimland belt, in the Caucasus, the Middle East and to the European borders, the BRI is very much part of an underlying takeover strategy in the Rimland. This strategy of encircling the Heartland can only then aim at ensuring the control of the region. As Yves Lacoste summarizes, "[...] in this Rimland, China today is becoming the superpower!"²¹.

As part of our reflection, it is then especially possible to understand the strategic position occupied by an Arctic region in the process of opening up to human activity for China. Thus, the region may well appear as a new polar Rimland, encircling the Eurasian Heartland and Russian influence by a previously inaccessible north. Indeed, in Mackinder's thinking, the Arctic is already acting as the protective boundary of Heartland: "[...] a girdle of broad natural defences - ice-clad polar sea [...]"²². However, the region, considered inaccessible, is not the subject of a thorough study: "[...] certain [great navigable rivers] go north to the Arctic Sea and are inaccessible from the ocean because it is cumbered with ice [...]", "a hostile invasion across the vast area of circum polar ice [...] seems almost impossible"²³, even though he already recognizes that "the Arctic Shore is no longer inaccessible in the absolute sense that held a few years ago"²⁴.

¹⁹ STRUYE DE SWIELANDE Tanguy, « La Chine et ses objectifs géopolitiques à l'aube de 2049 » [Online], *Diploweb*

²⁰ Ibid

²¹ LACOSTE Yves, « « Le pivot géographique de l'histoire » : une lecture critique », *Hérodote*, 2012/3 (n° 146- 147), p. 139-158

²² MACKINDER, Halford J. "The Round World and the Winning of the Peace." *Foreign Affairs*, vol. 21, No. 4, 1943, pp. 595-605

²³ MACKINDER, Halford J. "The Round World and the Winning of the Peace.", *op. cit.*

²⁴ MACKINDER, Halford J. "The Round World and the Winning of the Peace.", *op. cit.*

As we have shown, this Arctic inaccessibility is today largely disappearing. But, as Spykman explains, "While shifts in centres of civilization and power occur only slowly, shifts in the roads of communication may change the meaning of location in a relatively short period of time"²⁵. It should also be noted that China must now face a real containment strategy put in place by the United States and its allies in the South Seas. It has already been observed that the BRI is likely to allow China to acquire land-based access, for example to oil from the Middle East, via Eurasia. As a consequence, it is therefore not surprising that this strategic search for new terrestrial routes is completed by maritime alternative, especially via a polar circle promised to an ever-increasing opening.

Updating the thoughts of Mackinder and Spykman in a more geo-economic approach, let us also note Gottman, who reasons in terms of flow control, and gives a new strategic position to the coasts²⁶, as well as André Vigarié, who speaks of "maritimization"²⁷, while "globalization has consolidated the movement of centralization of these old margins"²⁸.

But China, through its patient work to get political influence in the Arctic countries has ensured its inevitable participation in the control of future polar maritime flows, commercial, digital, energy or human. Thus, China's white paper regarding its Arctic Policy can be understood for China as the projection of its influence in a Polar Rimland in the process of formation. As an integral part of a strategy of both encircling the Eurasian Heartland in order to control it and bypassing the containment of the United States and its allies in the South Seas, Chinese Arctic policy may well not be to be as innocuous as the still modest figures of its polar investments suggest. Therefore, Europeans would be unwise to neglect the arctic geopolitical pivot in the making, on the pretext that shipping routes will only be navigable in 10 or 20 years, because China will not wait for them to ensure its influence. To prevent a "16 +1" like polar scenario, the Union would therefore benefit from strengthening its support for the independence of the polar countries vis-à-vis great powers, as of now. Chinese investments in Iceland in

²⁵ SPYKMAN Nicholas J. "Geography and Foreign Policy, I." The American J. Political Science Review, vol. 32, No. 1, 1938, pp. 28-50

²⁶ GOTTMAN Jean, in « Heartland, Rimland : quelle théorie pour l'espace maritime contemporain ? », Les yeux du monde, September 7, 2015

²⁷ VIGNARIE André, in BALBASTRE Olivier, « De l'Arc à l'Espace atlantique européen. Réflexions méthodologiques à propos d'un territoire en construction. », Thèse, Université de Nantes, École doctorale Droit, Économie-Gestion, Sociétés, Territoires, Institut de Géographie et d'Aménagement régional (IGARUN), LETG Géolittomer (UMR 6554, CNRS), 2010, 490p

²⁸ VIGNARIE André, in BALBASTRE Olivier, « De l'Arc à l'Espace atlantique européen. Réflexions méthodologiques à propos d'un territoire en construction. », *op. cit.*

the post-crisis context in 2008 as well as in Greenland easily demonstrate that this loss of independence of States yet under the influence of the Union is already at work.

ICELAND: A LONG-STANDING EUROPEAN PARTNER NOWADAYS COURTED BY CHINA

Iceland is a traditionally close partner of the European Union, both politically and economically. Iceland is namely one of the only three non-EU member States participating in the European Economic Area (EEA), out of the 31 that it has. With the exception of fisheries and agriculture, which are benefiting from separate bilateral agreements, Iceland therefore applies the laws of the European internal market. This economic and commercial proximity in the context of participation in the EEA is also coupled with the participation, without the right to vote, in the operation of many European agencies and programs. It should also be noted that in the framework of the EEA, Iceland also contributes to policies to reduce the Union's economic and social disparities. Beyond the issues of strict economic flows, let us finally note that Iceland is a privileged partner of the Union's human flow policies. Since 2001, the country has been a member of the Schengen area, while Iceland has joined the Union's migration policy by co-signing the Dublin Agreement. Even if the country finally gave up its application for membership of the Union in 2015, it appears that it remains a particularly close partner of the Union, which is highly integrated with the various policies of the Union.

In parallel, the country is also an important player in polar issues, including a member of the Arctic Council, which it will chair in 2019-2020. One may also notes its participation in the "Nordic Dimension" partnership of the European Union, in which Russia and Norway also participate, but which seems today deprived of a real dynamic, especially in view of difficult relations between the European Union and Russia²⁹. In addition, the arrival in 2004 of the Baltic States in the European Union has also weakened the relevance of the forum in its current form. It should also be noted that the issue of fishing in the North Atlantic remains a sticking point between the EU and Iceland, among other examples, regarding its participation in the exploratory mackerel fishery in Greenland. This is not inconsequential because fisheries resources account for about 10% of Icelandic GDP. While the country had to recover from the consequences of the

²⁹ Observatoire de l'Arctique (FRS-DGRIS), La dimension nordique de l'Union européenne [Online]

economic crisis of 2008, the hard line of Brussels on the fishing quotas, and thus on the economic incomes for the country, appeared then particularly worrying for the country.

As part of our reflection, the Icelandic case is particularly interesting. As a matter of fact, the country and China have established remarkably strong economic ties, particularly to the detriment of the Union. Schematically, these derive largely from an exchange of good processes. China, on the one hand, as we have explained, was seeking to expand its influence in the Arctic and was therefore looking for a partner in the region to support it. Iceland, for its part, had to recover after the severe economic crisis of 2008, and could only welcome the advances of a commercial actor like China, especially in the uncertain context of its economic relations with the Union³⁰. The economic rapprochement is concretized by the signing of a free trade agreement, signed in 2013, entered into force in 2014, the first between a European State and China³¹. It was also completed in 2013 with the renewal of a currency swap agreement between Chinese and Icelandic central banks, worth 3.5 billion yuan (\$ 507 million), whose was to facilitate bilateral trade and investment as well as to help strengthen regional stability objective, according to the Chinese central bank³². This 3-year swap agreement was renewed in 2016³³. It is interesting to note that the Sino-Icelandic Free Trade Agreement allows Iceland to benefit from a privileged position on the market. Chinese market for seafood products, the same products that are subject to strong tensions with the Union.

The agreement is also complemented by in-depth cooperation, particularly on energy issues, particularly renewable ones, as well as on marine and polar sciences and technologies, with for example the construction of common scientific bases on Icelandic soil but financed by China. While the energy transition has emerged as a major issue in China, geothermal energy is for example the subject of particularly thorough cooperation between the two partners. For example, Icelandic know-how is being used in China in pilot cities such as Xianyang³⁴, which has been twinned with the Icelandic city of Reykjanesbaer in 2012³⁵. Other projects were later developed in the provinces of Hebei, Shandong, Sichuan or Yunnan. Here again, the Chinese cooperation strategy is

³⁰Ministère de l'Europe et des Affaires étrangères, Islande : relations avec l'Union européenne [Online]

³¹ China Today, L'accord de libre-échange : une étape importante dans les relations sino-islandaises [Online], April 29, 2014

³² Reuters, China central bank signs 3.5 billion yuan currency swap deal with Iceland [Online], September 30, 2013

³³ Xinhuanet, China extends currency swap deal with Iceland [Online], December 21, 2016

³⁴ Thorkell ERLINGSSON, Thorleikur JÓHANNESON, Eldur OLAFSSON and Gudni AXELSSON, Proceedings World Geothermal Congress 2010, Geothermal District Heating System in XianYang, Shaanxi, China [Online], April 25-29, 2010

³⁵ Icelandic Embassy to Beijing, Reykjanesbaer City of Iceland and Xianyang city of Shaanxi Province to establish sister city relations [Online]

systemic indeed, and the scientific fields finds have commercial counterparts. Logically, the Icelandic company Orka Erney has for example allied with the China Petroleum & Chemical Corporation (Sinopec) to form the joint venture Shaanxi Green Energy Geothermal Development, whose capital is 51% owned by the Chinese side, all financed by a \$ 250 million loan from the Asian Development Bank³⁶. China is also willing to respond to Icelandic fossil fuel opportunities as they arise. For example, one of the two main potential Icelandic oil fields, Dreki, was explored until January 2018 by a joint venture between China National Offshore Oil Corporation (CNOOC), Eykon Energy and Petoro Iceland, where once again the Chinese party held a majority stake of 60%, before the CNOOC and Petoro decided to give up their licence for lack of results³⁷.

This economic rapprochement of China and Iceland has been reflected in terms of regional geopolitics. Iceland is all the more interesting for China in its polar strategy as the country has seen its influence in Arctic issues strengthened over the past decade³⁸. One of the best examples is the creation, in 2013, and the success, of the "Arctic Circle" conference by former President of the Republic, Olafur Ragnar Grímsson. This forum, sometimes referred to as "Northern Davos"³⁹, brings together nearly 2000 specialists in Arctic issues each year in Reykjavik and symbolizes Iceland's important role and its voluntarism in polar governance. In 2013, China was admitted to the Arctic Council as an observer member, backed by Iceland. At the same time, the European Union saw, once again, its request rejected.

Finally, it should be noted that this increased Chinese presence may become a bone of contention, especially at the NATO level, on which the EU still largely depends to ensure its security. As a founding member of the Alliance, Iceland is indeed a strategic point in the surveillance of the Euro-Atlantic area, all the more in a context of tensions with Russia. It should also be noted that Iceland, without an army, depends on the United States to ensure its security, while the latter seem to gradually engage in a polar arm wrestling with China⁴⁰. This does not prevent the Chinese company COSCO to project itself into a future exploitation of the polar maritime routes⁴¹, whose counterpart would be the construction of port infrastructures to contribute to make Iceland a new logistics hub between Asia and Europe, financed by Chinese rather than European investments given Iceland's current relations with these two actors today. The installation of such

³⁶ Bloomberg, Iceland Signs \$250 Million Deal to Clean Up Chinese Power [Online], March 25, 2018

³⁷ The Diplomat, China, Iceland and the Arctic [Online], May 20, 2015

³⁸ Ibid

³⁹ Ministère de l'Europe et des Affaires étrangères, Présentation de l'Islande [Online]

⁴⁰ Observatoire de l'Arctique (FRS-DGRIS), Danemark et Groenland [Online]

⁴¹ Global Times, China's Cosco to step up Arctic shipping this summer [Online], June 21, 2018

infrastructure under the influence, or even control, of China, would probably be experienced as a strong provocation by the United States, which would not fail to impact indirectly their European allies, just like what is happening in Greenland.

All the more so because the experience of the first Chinese port installations in South Asia shows that they are not as "win-win" as promised and sometimes even appear as Chinese mini-concessions. In March 2018, the Chinese ambassador to Iceland also called for the creation of direct airlines to strengthen trade between the two countries⁴². Thus, this enhanced cooperation with Iceland can also be read as a "stress test" of the Western world, and a "work of influence vis-à-vis the EU", as it is also seen in other European borders such as Serbia⁴³.

IN GREENLAND, THE FEAR TEINTED OF GEOSTRATEGIC CONSIDERATIONS OF AN UNOFFICIAL TAKEOVER OF THE NATURAL RESOURCES MANAGEMENT POLICY

One might think that China's strategy of gaining influence in the polar region would be limited to non-EU states like the Iceland we just mentioned. Greenland shows us that this is not the case, and that China does not hesitate to strengthen its Arctic presence gradually including within a territory, that, without falling under the application of TFEU, is part of a Member State, and remains closely associated with the Union.

As a part of Denmark, Greenland is an overseas territory associated with the European Union, in accordance with Articles 198 to 203 TFEU and Protocol N°34 of Treaty relating to the special arrangements applicable to Greenland. In particular, this legislation shall guarantee, "exemption from customs duties and charges having equivalent effect, and without quantitative restrictions or measures having equivalent effect, if the possibilities of access to Greenlandic fishing zones opened to the Union under an agreement between the Union and the competent authority for Greenland is satisfactory for the Union "⁴⁴. In particular, Greenland's relations with the Union are set by an extensive partnership, published in 2014⁴⁵. The text "aims at preserving close and

⁴² Iceland Monitor, Chinese ambassador wants direct flights between Iceland and China [Online], March 21, 2018

⁴³ DEGEORGES Damien, « L'Arctique : entre changement climatique, développements économiques et enjeux sécuritaires », *Géoéconomie*, 2016/3 (N° 80), p. 85-96

⁴⁴ Treaty on the Functioning of the European Union (TFEU), Protocol No. 34

⁴⁵ COUNCIL DECISION 2014/137/EU of 14 March 2014 on relations between the European Union on the one hand, and Greenland and the Kingdom of Denmark on the other

lasting links between partners, while supporting the sustainable development of Greenland". In addition, "the partnership recognizes Greenland's geostrategic position in the Arctic region and the importance of exploring for and exploiting natural resources, including raw materials, and ensures enhanced cooperation and dialogue on these issues". Various agreements cover, in particular, the fields of youth, education, the environment or fisheries. Between 2007 and 2013, Greenland received support of € 25 million a year from the EU.

The process of territorial empowerment towards independence is today a source of tension with Denmark. In addition to considerations of economic and strategic nature, Greenland is today a major stake for the Union, China, the United States, as well as all parties involved in the polar game to the extent that its small population, its fragile economy and lack of skilled labour and its very weak political elite make it particularly vulnerable to outside attempts to get influence on domestic policies. As Damien Degeorges notes, "Greenland's political elite is [...] made up of only 44 people (9 ministers, 31 parliamentarians and 4 mayors): thus, lobbying about 25 people is enough to gain access to strategic assets of Greenland"⁴⁶.

This is all the more true in the context of the upcoming independence, the territory being therefore deprived of the annual subsidies that have been paid by Denmark until now, with 40% of Greenland's GDP currently coming from financial transfers from the Danish State⁴⁷. As of now, this is pushing the territory to try to develop the exploitation of its important natural resources, opening then by need of financing to foreign investors. In the absence of domestic investment capacity, and thus of economic autonomy, the fear is, especially for the Union, that the new political autonomy of the country is then in fact subverted by the private actors and / or foreign governments, who would succeed in taking unofficial control of the country's natural resource management policy by seizing control over the exploitation and distribution of these resources. The stakes are all the more important as the melting of ice now makes exploration easier, leading to the discovery of particularly important deposits.

In the upcoming competition to gain control of the future independent state, China intends to hold a first place. As in Iceland, it highlights its desire for scientific cooperation. What worries most of all the European authorities is that China, which already has a near-global monopoly in rare earth mining (more than 90%), also seems

⁴⁶ Fondation Robert Schuman, *L'Arctique, une région d'avenir pour l'Union européenne et l'économie mondiale* [Online]

⁴⁷ Observatoire de l'Arctique (FRS-DGRIS), *Danemark et Groenland* [Online]

determined to keep a close watch on the possibilities offered by the Greenland deposits. One of the most publicized examples of the Chinese offensive on the territory is still the 100% takeover of the Isua iron mine by General Nice, replacing the former owner, London Mining, which was already supported by Chinese investors. The low price of iron associated with high operating costs, however, deprives the mine of profitability for the time being.

It is also necessary to take into account the strong expansion of the Chinese tourism on the territory, whereas the Greenland government is in search of investors to finance the development of its infrastructures, in particular airport, and would have met the Export-Import Bank of China (EXIM) as well as representatives of the China Communications Construction Co (CCCC) and Construction Engineering Group (CEG) in 2017⁴⁸. In March 2018, the Greenlandic public enterprise Kalaallit Airports, responsible for the construction and of the operation of three new airports, announced that it had selected the CCCC as one of six preselected companies and consortiums⁴⁹.

And this despite the official disapproval of Denmark, who said he was ready provide cash in an attempt to avoid this potential Chinese influence in Greenland⁵⁰. A position that goes beyond the question of the independence of the territory vis-à-vis Denmark, since it also meets the stated purpose of avoiding to offend the American ally⁵¹⁵². The latter has in particular an air base in Thule, equipped with a radar particularly important for the US defence, which has just been the subject of an investment of nearly 40 million dollars in 2017⁵³⁵⁴. For the United States, therefore, this polar backyard remains particularly strategic, and cannot succumbing to Chinese influence.

⁴⁸ Global Construction Review, Denmark “deeply concerned” over Chinese bids to build Greenland airports [Online], March 26, 2018

⁴⁹ Reuters, Greenland shortlists Chinese company for airport construction despite Denmark's concerns [Online], March 27, 2018

⁵⁰ Over The Circle, Greenland's Airports: A Balance between China and Denmark? [Online], June 15, 2018

⁵¹ Global Construction Review, Denmark “deeply concerned” over Chinese bids to build Greenland airports [Online], March 26, 2018

⁵² Reuters, Greenland shortlists Chinese company for airport construction despite Denmark's concerns [Online], March 27, 2018

⁵³ Hanscom Air Force Base, \$40 million upgrade for Thule radar unifies missile shield sites [Online], May 2, 2017

⁵⁴ CBS News, Arctic air base gets \$40 million upgrade in face of increasing missile threats [Online], May 30, 2017

"A SLIGHT IMPATIENCE MAY RUINE A GREAT PROJECT": FACING A FRAGILIZED UNION, A WISE "DRAGON OF SNOW"

The strength of the Chinese strategy in the Arctic therefore lies mainly in its prudence, but also in its coherent integration with a more global geopolitical project that is readable by the partners. This strategy now seems globally rewarding, as the country demonstrates growing economic and political integration in the region. The publication of the Arctic White Paper this year is the culmination of a very long period of Chinese diplomatic work. After having patiently built its influence in the region, avoiding any provocative publication or speech, China was indeed able to propose a much more ambitious, systemic and constructed text, and yet not able to provoke regional actors, contrary to the unfortunate fate of the European Parliament's proposal for a treaty to neutralize the Arctic Ocean in 2009.

Slowly asserting its scientific presence since the 1980s, China has gradually diversified its involvement in the Arctic, opening it up to economic diplomacy. This, sometimes somewhat opportunistic, may certainly have worried European and American observers, for example by taking advantage of the weakening of some European states like Iceland after the economic crisis, or a Greenland in the process to gain independence and searching for economic empowerment vis-à-vis Denmark. China, however, has never offended the riparian states as much as the Union could have done by imposing its economic sanctions, for example in Canada on products derived from the seal fishery⁵⁵.

It is also true that, because of the State censorship applied to academics and politicians, China has rarely been embarrassed by internal statements against its partners, unlike the EU because of its institutional fragmentation and the lack of cohesion thus created. And even then, China has always hastened to reiterate its respect for the norms of international law in the settlement of Arctic disputes, thereby playing the game of soft law and the informal far better than the Union. Indeed, for the Arctic partners, the latter seemed to want in 2009, by the vote of the European Parliament, to impose a new binding rule of international law without any prior political preparation or consultation. Moreover, the control of the Chinese State over its companies involved in the Arctic allows it to reinforce the overall coherence of its polar project.

⁵⁵ Radio Canada, Embargo européen sur le phoque : le Canada et le Groenland craignent l'effondrement d'autres espèces [Online], August 30, 2017

This makes the scattered order of the European institutions and the disagreements they express on Arctic issues particularly regrettable. Schematically, a very pro-active Parliament with resounding statements, a cautious Commission focused on obtaining observer status in the Arctic Council, and a Council concerned with the safeguarding of national interests, are opposed. At best, it is possible to highlight the lack of clarity caused by this lack of consensus for external stakeholders. Unfortunately for the Union, Parliament's sudden statements about the creation of a treaty neutralizing the Arctic have had a lasting impact on its partners, some of whom, like Canada, were already somewhat chilled by economic sanctions motivated by environmental motives decided by the Commission. In the eyes of external partners not used to the European institutional structure, the Union seems to have acted clumsily and without internal coordination, creating the fear of an "uncontrolled spiral" of demands⁵⁶.

In any case, it has shown an inadequate reading of the context of Arctic politico-legal governance, but also of its own strengths and weaknesses. A number of European and national parliamentarians regret that the Commission is focusing, as part of its integrated Arctic policy, on securing its status as an observer member of the Arctic Council, to the detriment of more practical actions that could be implemented in other existing multilateral cooperation frameworks. It can also be noted that the complex architecture of the Commission's Arctic policy, dispersed between several directorates and departments, for example between DG MARE, DG MOVE, EEAS, etc. is not easy to read from the outside. Finally, sometimes very strong national roadmaps, for example French ones, can also contribute to weaken the force of the integrated Arctic policy driven by the Union. This lack of loyalty from the member states is also reflected in the fact that the EU can only very weakly rely on the duty of sincere cooperation of its members present at the Arctic Council to put forward its interests: "For the Arctic Council [...] the EU has only to a limited extent been able to rely on its members states as 'trustees' of the Union"⁵⁷.

In Arctic, the tension specific to the European project is revealed, while the construction of the Union as a political power on the international scene is thwarted by the essentially economic nature of its construction, and its imperfect political integration, particularly in coordination of foreign national policies. Similarly, the imperfect institutional

⁵⁶LASSERRE Frédéric, "Frontières maritimes dans l'Arctique : le droit de la mer est-il un cadre applicable ?", CERISCOPE Frontières, 2011, [Online]

⁵⁷ BJERKEM Johan, College of Europe, Member States as 'Trustees' of the Union? The European Union in the Arctic Council [Online]

dialogue is illustrated in the Arctic, as well as a certain lack of coordination between publications and agendas, sometimes contributing to the sending of unfortunate signals. Unquestionably economic power in the Arctic, the Union still fails to impose itself as a monolithic and coherent political partner. As it stands, it particularly questions the realization and sustainability of the project of Europe as a global power, especially when it faces powers that, like China, manage to develop long-term strategies, which smartly articulate political and economic interests, those strategies also being designed to be articulated globally, for example within protean projects such as the Belt and Road Initiative. ■

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FROM THE “POLAR SILK ROAD” TO THE ARCTIC RIMLAND: A CASE STUDY OF THE BELT AND ROAD CHALLENGES FOR THE EUROPEAN UNION

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