



AALBORG UNIVERSITET

China's Road to The Arctic

A Neoclassical Realist Approach to Understanding China's Interest in The Arctic

Master Thesis for China and International Relations

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Abstract

The purpose of this master thesis is to investigate why the Arctic is important for China. The master thesis will include key reasons to substantiate the analysis of why the Arctic is important for China, while using Ripsman, Norrin, and Taliferro's neoclassical realist theory. The theory and its variables will be used as an explanatory tool to substantiate the analysis of the thesis. The master thesis will demonstrate multiple reasons to substantiate and answer the problem formulation *Why is the Arctic Important for China?*

The first part of the master thesis is an introduction to the Arctic and China's involvement in the region. The second part contains the methodology, and its sub-categories will be explained. The third part contains the theory and its variables used in the thesis and why it is relevant for this thesis. The fourth part contains the analysis of the master thesis, which will be followed by a conclusion. Throughout the master thesis, the reader will obtain an understanding and analysis of factors to why the Arctic is important for China, which finally will end with the conclusion of the master thesis.

Section 1: Introduction

At the northernmost point of Earth, the smallest of all the five major oceans is the Arctic Ocean. This is a region with a hostile environment and very little human activity; however, this region has received more and more attention from the rest of the world as the ice is melting due to climate changes, and a whole range of opportunities has become possible or available in a future not too far away. As the ice is melting and part of the Arctic Ocean is becoming ice-free for longer and longer periods, it opens for potential sea routes with substantial economic benefits. Additionally, the melting ice gives access to natural resources, which was not previously accessible. Thus, there is an increasing interest in the region and the potential it contains.

In 2013, China received observer status in the Arctic Council. This was done after numerous attempts from the Chinese side, and it is a result of China's growing interest in the Arctic region as part of China's *Belt and Road Initiative (BRI)*. The Belt and Road Initiative is a foreign policy and an economic strategy to connect China with Europe, Eurasia, Africa, and the Indian Ocean. The initiative is one of the most ambitious projects in world history and includes more than 60 nations. Furthermore, China is investing massively in the infrastructure, whether it be on land or sea. This can be seen in the Chinese investments in railroads, roads, ports, energy systems, and telecommunications networks to establish Eurasia into a cohesive economic area (Wade). Morgan Stanley estimates that China's expenses with the BRI will reach up to 1.3 trillion dollars by 2027. Thus, the purpose of the Belt and Road Initiative is both geopolitical and economical as China wants to strengthen further its economy and influence (Chatzky and McBride 2020). The latest addition to the Belt and Road Initiative is the Arctic region - the Polar Silk Road. China has since 2007 taken part in the work of the Arctic Council, an inter-governmental organisation promoting cooperation, coordination, and interaction in the Arctic, founded in 1996. However, it was not until 2013 China received its status as an observer to the Council (Kopra 2020: The Arctic Council). China calls itself a "near-Arctic state" and has invested in multiple ways such as scientific research, bilateral relations with different states and non-state actors in the region to ensure its position (Kopra 2020). China's growing interest in the Arctic has been attempted analysed to interpret its intentions in the Arctic. It has been argued that China's interest is based on its geopolitical ambitions with the Belt and Road Initiative. It has been argued that China's interest in

the Arctic is based on economic possibilities related to energy, fishing, and shipping (Hong 2020, 1).

China has been interested in participating in Arctic affairs since 1989, when China founded the PolarResearch Institute of China (PRIC). In 1994 China bought a second-hand icebreaking vessel from Ukraine and restored it so it could start expeditions in Antarctica and the Arctic with Chinese scientists. However, it was not until 1999 China sent its first expedition to the Arctic sponsored by the Chinese government. In 1996 China joined the United Nations Convention on the Law of the Sea (UNCLOS) (Tonami 2016, 20: Xinhua 2002). The Chinese adventure in the Arctic first started to accelerate in 2003, when Hu Jintao became president. It was the same year that the first Chinese Arctic station was established in Ny-Ålesund on Svalbard (Tonami 2016). China had since 2006 lobbied to become part of the Arctic Council and succeeded in 2013 when it received the status as an observer with expectations to contribute to the Arctic Council working groups (Brady 2017, 18). The Arctic Council was established in 1996 as an Arctic intergovernmental forum. The Arctic Council consists of the eight Arctic states being Canada, The Kingdom of Denmark, Finland, Iceland, Norway, The Russian Federation, Sweden, and The United States. Furthermore, the Arctic Council consists of six Indigenous Permanent Participant organisations who represent a single or multiple Indigenous People and are consulted in all deliberations and activities of the Arctic Council. The purpose of the Arctic Council is to promote cooperation, coordination, and interaction on issues of sustainable development and environmental protection in the Arctic region, which is done within six different Working Groups with its own issues (The Arctic Council). Additionally, the Arctic Council consists of 35 Observer states and organisations that participate in Working Groups; however, all decisions require the consensus of the eight Arctic States (The Arctic Council).

Furthermore, China is also involved in other Arctic governing institutions. China is also involved in the International Maritime Organisation (IMO), which is the United Nations specialised agency with responsibility for the safety and security of shipping and the prevention of marine and atmospheric pollution by ships. IMO's work supports the U.N. sustainable development goals (International Maritime Organization). This organisation is important as they decide the further development of navigational rules in the region. China is trying to influence the security of freedom of navigation for shipping in the Arctic and the interpretation of the UNCLOS within the Polar Code – the legislation for the international rules and standards for shipping in the Arctic. The thesis includes the neoclassical realist theory written by Norrin M. Ripsman, Jeffrey W. Taliaferro, and

Steven E. Lobell, which they published in 2016. The three authors have written a theory to make a case for the neoclassical realist theory of international politics and why it should explain foreign policy, international outcomes, and structural change. The theory explains political phenomena ranging from short-term crisis decision-making, foreign policy behaviour and patterns of grand strategic adjustment of individual states to systemic outcomes and the evolution of the structure of the international system in a comprehensive way. This has led to the thesis' problem formulation:

Why is The Arctic Important for China?

Section 2: Methodology

The following section will account for the theoretical reflections throughout the thesis. The chapter will begin with a presentation of the theoretical framework. Hereinafter, a section of choice of theory, data collection and limitations will be included to evaluate the literature used in the thesis, which is included to demonstrate how the literature has been collected to provide a foundation for the thesis and to describe the limitations which have been present.

Section 2.1: Theoretical Framework

The problem formulation of this master thesis has been formulated within the neoclassical realism theory as it provides explanatory tools and variables, which will help answer why China is participating in Arctic political organisations. Furthermore, this theoretical approach has not been fully substantiated in current research when it comes to China's interest in the Arctic, and therefore the theory of neoclassical realism is suitable to give a different angle to the current research.

It is important to state that China's involvement in the Arctic has been researched, and a bigger interest in this subject has only increased in the last ten years with more publications regarding China in the Arctic. However, I believe that the theoretical approach used in this thesis has not been used as an explanatory tool to understand China's participation in political institutions in the Arctic. Additionally, it must be stated that when using this theoretical approach, the theory mostly considers reactions from a certain political level and is limited in including the societal aspect, such as firms, economic sectors, epistemic communities, multinational corporations, international organisations and institutions, and international nongovernmental organisations.

Essentially, the master thesis uses the neoclassical realism theory and its variables as an explanatory tool within the analysis to substantiate the current research in an attempt to investigate China's participation in political institutions in the Arctic.

Section 2.2: Choice of Theory

The problem formulation of this master thesis has a realism approach. Thus, the choice of theory used as an explanatory tool in the analysis must also be a realism theory to substantiate the problem formulation. Thus, theoretical approaches which are not within realism do not match this master thesis and has been rejected. However, other theoretical approaches may be able to help to investigate the problem formulation of the master thesis, but the master thesis would then contain different aspects and thus a different analysis, which, perhaps, would not substantiate the research of China's interest in the Arctic. Depending on the theoretical approach, hypothetically, be used in the master thesis, a completely different end-result and master thesis would appear as the different theoretical approaches have various ways of understanding and elements within them to investigate a subject.

Therefore, to best answer the problem formulation of this master thesis, the realism approach has been distinctly best suited. The consideration has therefore been which realism approach would be most appropriate to guide the master thesis in the investigation of China and its participation in political institutions in the Arctic. Several realism theories have been investigated, but the investigated theories had certain limitations or areas of interests that did not coincide with this master thesis, and thus the neoclassical realism theory seemed the best suited in this context to act as a guide in the analysis and substantiate the investigation of the problem formulation.

The neoclassical realist theory contains variables and functions as an explanatory tool, which helps understand China's grand strategy, foreign policy, international outcomes, and structural changes to guide the analysis of the master thesis in the investigation of the problem formulation.

Section 2.3: Choice of Data and Data Collection

This master thesis contains various sources with different perspectives. Thus, it has been essential to search for literature in a systemic and well-organised manner as the amount of published data is vast. The purpose of the search of the literature has been to identify and be selective of the included

data, which has been interpreted as relevant for this thesis. The thesis has attempted to include as much and varied data, to substantiate the investigation. The literature search has primarily been conducted through the various search engines provided by Aalborg University, which is a comprehensive approach to access scientific research in the area. Furthermore, other search engines such as Google Scholar and Google has been included to search for relevant data. The literature search has been conducted systemically with an emphasis on search words like China in the Arctic, Arctic governance, Arctic policy, Arctic white paper. Furthermore, the search for data has been conducted with an emphasis on sources written in English and Danish as there are limitations to my understanding of Chinese, both written and spoken. As the data was collected, an evaluation of each data was conducted to only include relevant data for the thesis. The data included in the thesis has additionally been systemically chain searched to find other relevant sources through its references.

The sources available are often written by Western and Non-Chinese scholars, and a critical approach is needed to be as objective as possible and attempt only to include relevant data without contamination of biased opinions. The sources included in the project are all collected online, and it has therefore been critical to identifying which sources have been relevant and reliable for the thesis.

The thesis will contain official state documents in the form of China's white paper on Arctic policy with the purpose of understanding Chinese official policy and its participation in the Arctic from a Chinese perspective. Furthermore, the project will contain scientific literature concerning China's reasoning to participate in the Arctic and the concerns and opportunities it creates in the region and its actors. The scientific literature will give another dimension to the project, which is not contaminated by political bias related to the subject and help substantiate the investigation of the problem formulation. Additionally, the project will include secondary sources, such as news articles regarding China in the Arctic, though it must be stated that all the sources included can be categorised as secondary sources.

Section 2.4: Limitations

The data included in the master thesis mostly consists of qualitative data, secondary sources, primarily English written sources and a minimum of Danish sources, which is due to limitations of understanding Chinese, both spoken and written, thus restricting the access and understanding of Chinese sources.

However, Chinese sources written in English has been included in the master thesis to include as a comprehensive set of data as possible. Therefore, one must be attentive that the sources are all secondary sources and, in some cases, rely on the translations made, such as the Chinese white paper regarding China's Arctic policy. This creates a natural limitation in access to sources from a Chinese perspective. The issue with limited access to Chinese sources is an incomplete understanding of China's perspective and why they are in the Arctic. Thus it is therefore not possible to fully substantiate the investigation of China's involvement in the Arctic. Essentially, an understanding of China's official policies in the Arctic is based on solely one document – a translation of China's white papers regarding their Arctic policy.

Section 3: Neoclassical Realist Theory

The following section will contain a presentation of the neoclassical realist theory, which is being used for the analysis of this project. The section will include an explanation of the theory and its variables and how it is used as an explanatory tool to guide the project and its investigation of why China is participating in political institutions in the Arctic. Furthermore, a presentation of limitations to structural realism will be included. Subsequently, a presentation concerning the critique of the theory will be included.

The neoclassical realist theory was written by Norrin M. Ripsman, Jeffrey W. Taliaferro, and Steven E. Lobell, which they published in 2016. The theory originates from Gideon Rose (1998). The three authors have attempted to write a theory to make a case for the neoclassical realist theory of international politics and why it should explain foreign policy, international outcomes, and

structural change. According to the authors, the theory explains political phenomena ranging from short-term crisis decision-making, foreign policy behaviour and patterns of grand strategic adjustment of individual states, to systemic outcomes, and the evolution of the structure of the international system in a comprehensive way, and even better than structural realism, liberalism, or constructivism (Ripsman et al 2016, 1).

The theory states that the strategic choices of states and, in particular, great powers have an important effect on both international outcomes and the structure of the international system. The authors of the theory state,

(...) if particular great powers fail to balance adequately against rising threats or pursue expansionist policies that provoke others, these choices might have ramifications for the outbreak of war (...) The outcome, such as the defeat or weakening of a great power in war, in turn may affect the structure of the international system (...)" (Ripsman 2016, 2).

Therefore, the neoclassical realist theory sees it as problematic if one tries to separate the international realm from the realm of crisis decision-making, foreign policy, and grand strategy. The theory states that one must understand the relevance of domestic-level variables to have some causal relevance for the former, being crisis decision-making, foreign policy, grand strategy, international outcomes, and structural change in the international system (Ripsman et al 2016, 2). An example of this was the Soviet Union's introduction of nuclear weapons into Cuba in 1962, which presented a clear and present danger to the United States and its essential survival and restricted the United States' range of options in the given situation. Thus, under the circumstances, international imperatives rather than domestic political considerations limited the range of potential options for the United States. Furthermore, the theory states that the international system rarely provides that level of clarity and certainty, and in most cases, there is room to debate the nature of international threats and opportunities (Ripsman et al 2016, 3). An example of this is the British cabinet in the early to mid-1930s who could debate whether or not Germany and Japan constituted a threat to British interests or, more currently, the United States and its debate of whether or not China constituted a threat to be contained or a potential rival to engage (Ripsman et al 2016, 3).

Additionally, by moderating international pressures, *Innenpolitik* approaches can tell us very limited things about foreign policy and grand strategies of states – primarily in periods with external

challenges. The authors of the theory bring the example of the Argentine president, Leopoldo Galtieri, in 1982, who risked war with Great Britain, who was the United States closest ally. This was done without having support from the Soviet Union, being the other superpower because he thought usurping control of the Falkland Islands could save his government from its economic and political crisis domestically (Ripsman et al 2016, 3). However, the authors of the theory also state that foreign policy and international politics primarily are managed between these opposites without neither domestic nor international pressures dictating the course of events on their own. Therefore, even in the most extreme cases, as mentioned above, neither domestic nor systemic theories were determinative and thus, in the case of the Cuban Missile Crisis in 1962, President John F. Kennedy was completely aware of an insufficient response to the missiles on Cuba would have riled the U.S. Congress and the American people a month before the midterm election (Ripsman et al 2016, 3). The authors, therefore, conclude that *Innenpolitik* and systemic theories alone are insufficient and provide deficient explanations and can only be used in a small range of cases.

The neoclassical realist theory tackles the shortcomings and identifies the consequential variables at different levels of analysis to demonstrate how they can produce multiple outcomes at the levels of foreign policy, grand strategic adjustment, international outcomes, and structural change, thus, being a more prevailing explanatory tool (Ripsman et al 2016, 5).

Neoclassical Realism

The following section will contain Ripsman et al argument that dependent variables do encompass not only states' foreign policy choices but also international outcomes, which the interaction of these policy choices produces and the systemic structure itself, which is sometimes affected by international outcomes.

Previously, Ripsman et al have stated that neoclassical realism was an approach to the study of foreign policy and grand strategy, but not an approach to international politics. They stated that neoclassical realism was a theory of foreign policy, as it explains how states construct policy responses to international circumstances (Ripsman et al 2016, chapter 4, 2). Ripsman et al argue that neoclassical realism has explanatory possibilities on international politics in contrast to Kenneth Waltz and his distinction between foreign policy and international politics (Ripsman et al 2016, chapter 4, 2).

Section 3.1: The Systemic Independent Variable

The authors describe the neoclassical realism concept of the international system and the constraints and opportunities it presents to states as an understanding of the international system as territorial states as the primary units in the international system. This is not to undermine the importance of a range of actors, like individual firms, economic sectors, epistemic communities, multinational corporations, international organisations and institutions, terrorist networks, transnational criminal organisations, and international nongovernmental organisations, who are operating in the international system. However, the author's concept of the international system is mostly state-centric, especially great powers being the most important actors within the international system (Ripsman et al 2016, chapter 2, 2-3). The authors argue that each of the aforementioned actors can only achieve important objectives internationally when supported by powerful states. For example, the United Nations struggles in resolving interstate or domestic conflicts if a veto-holding permanent member of the Security Council disagree (Ripsman et al 2016, chapter 2, 3).

The authors agree with Kenneth Waltz and his concept of the international-political system in the way that they believe that the international-political system is similar to economic markets as being coaction of self-regarding units. The international structures are defined in political units of an era, being city-states, empires, or nations. Structure emerges from the coexistence of states, and no state will be in this structure if the structure is constraint. Thus, the international political system starts as individualists are spontaneously generated and unintended (Ripsman et al 2016, chapter 2, 3).

Furthermore, the international-political system and its units can only be built up by either a hierarchy or anarchy. Hierarchy means that units are subordinate to a single unit, which acts as the central author. Otherwise, it is anarchic (Ripsman et al 2016, chapter 2, 5). However, the neoclassical realist approach has a broader understanding of the system. Neoclassical realism argues that there are systemic, but not structural, factors that not only affect the ability and willingness of units to interact but determine what types of levels of interaction are possible and desired (Ripsman et al 2016, chapter 2, 6). The level of interaction is argued as structural modifiers, which is a class of material variables at the level of the international system or regional subsystem, but not structural as this would include geography, rates of technological diffusion, and the offence-defence balance

in military technologies. Furthermore, the authors argue that structural modifiers do not affect the behaviour of all states in the system (Ripsman et al 2016, chapter 2, 7).

Therefore, the structure of the international system and structural modifiers shapes the possible strategies which a state can pursue, and the relative distribution of power and power trends are explanatory variables in the neoclassical realist theory and are conditioned by structural modifiers, for example, technology and geography (Ripsman et al 2016, chapter 2, 8).

In relation to what power is and how it is measured, it is still discussed what constitutes power.

However, neoclassical realism uses different measurements or indicators of a state's material capabilities. The common measurement includes gross domestic product (GDP), military spending, the size of the military capabilities, military research and development, size of the population, demographic trends within the population, access to natural resources, size of state territory.

However, the most important thing is how a state transfers material resources into national power (Ripsman et al 2016, chapter 2, 9).

Additionally, neoclassical realism points at *clarity* as being a key systemic variable contrary to structural realism to understand national foreign policy choices and international outcomes. Clarity has three components being 1) the degree of threats and opportunities, 2) whether the system provides information about potential threats and opportunities, 3) whether optimal policy options stand out or not (Ripsman et al 2016, chapter 2, 10). The authors argue that clarity is a key systemic variable in the neoclassical realist analyses. With the knowledge of clarity about the nature of threats and opportunities that a state faces, the expected timeframe for when it is expected to manifest, and the optimal policy response, the variance in policy choices should be low. In contrast, if there is less clarity, then there is greater room for certain leaders, parties, and states to pursue certain solutions, which is based on preference, interests, or strategic cultures (Ripsman et al 2016, chapter 2, 13).

Neoclassical realism theory also states that another key variable is the nature of a *state's strategic environment*, as it relates to the scope of information that the system provides. This is dependent on the imminent threat or opportunity, and the more dangerous the threat or tempting the opportunity decides a states' strategic environment and how restrictive or permissive it is. However, the permissiveness or restrictiveness is not only related to the polarity of the international system as all distributions of power can be either permissive or restrictive (Ripsman et al 2016, chapter 2, 15).

Thus, the neoclassical realism theory on international systems states that every state's external behaviour is, first and foremost, shaped by its power and position in the international system and by its relative share of material capabilities. Structure and structural modifiers set the boundaries for the strategic choices of the states and the possible international outcomes. Additionally, the restrictiveness or permissiveness of states' strategic environment is another explanatory variable for neoclassical realism (Ripsman et al 2016, chapter 2, 18).

Section 3.2: The Domestic-level Intervening Variable

The authors state that neoclassical realism contains a range of unit-level intervening variables. The four most important intervening variables are 1) leader images, 2) strategic culture, 3) domestic institutions, and 4) state-society relations. These variables contain psychological and bureaucratic/organisational, societal, and institutional models, which is reflected in foreign policy analysis (Ripsman et al 2016, chapter 3, 1). The authors state that neoclassical realism separates from structural realism in the way that neoclassical realism includes domestic intervening variables as a reason why states respond to the international systemic pressure (Ripsman et al 2016, chapter 3, 1).

The unit-level intervening variables help to understand the interactions within and between decision-makers and society, and the processes and mechanisms to how foreign policy is formulated and how they can potentially affect a state's foreign policy responses – especially under the conditions of a permissive strategic environment.

The first unit-level intervening variable is *leader images*. The authors state that all people have core values, beliefs, and images that guide their interaction and understanding of the world (Ripsman et al 2016, chapter 3, 4). Therefore, in this case, leaders react differently to international challenges and opportunities based on their image and perception of external stimuli (Ripsman et al 2016, chapter 3, 4). Additionally, a leader's personality and character can influence a state's response to external stimuli. An example of this is how Adolf Hitler had an enormous impact on Germany's strategic choices being made with him in charge (Ripsman et al 2016, chapter 3, 5). Thus, it is important, according to the authors of the neoclassical realism theory, to understand the character and psychological make-up of a state's political leaders as they are a critical intervening variable and can influence the response to systemic pressures (Ripsman et al 2016, chapter 3, 5).

Furthermore, a leader has an operational code, which is a master belief helping understand information and is a guide to making decisions. The master belief is based on 1) philosophical

beliefs about politics, 2) instrumental beliefs about the most appropriate strategy to achieve one's interest, and 3) images of one's enemy and oneself (Ripsman et al 2016, chapter 3, 5).

The second unit-level intervening variable is a *state's strategic culture*. The strategic culture can influence a state's perception and adaptation to systemic stimuli and structural shifts in material capability (Ripsman et al 2016, chapter 3, 6). Hence, strategic culture shapes the strategic understanding of political leaders, societal elites, and the general public. A state's socialisation is the rules and norms of said state and is deeply engrained in a state's behaviour and freedom of action as the socialisation dictates what acceptable and unacceptable strategic choices are. Therefore, if two democratic states have a dispute, they both use their norms and rules in conflict situations to resolve their differences without the expectation of the use of violence (Ripsman et al 2016, chapter 3, 7). Radical changes in a state's norms and rules such as western Germany post-World War II can change and completely remake their strategic culture and western Germany would therefore have trouble adopting assertive foreign policies. Contrary to this, is a nationalist culture, which promotes personal sacrifices in the support of the state, and can, eventually, help mobilise resources to strengthen national security policies (Ripsman et al 2016, chapter 3, 8).

The third unit-level intervening variable is *state-society relations*. The authors define this as the character of interactions between the central institutions of the state and various economic or societal groups. The interactions between the state and society can determine whether a leader can have the power to extract, mobilise, and use the power of the nation (Ripsman et al 2016, chapter 3, 8). Thus, it is important to have mechanisms to resolve disputes and differences between state and society as good relations between the two can serve to reinforce policymaking as the state will have relatively free mobility to enact policy. Contrary to this, if the relations between state and society is disharmonic, it will make policy-making troublesome and result in policies that satisfy domestic interests instead of international ones. According to the authors, state-society relations can have a severe impact on the strategic behaviour of a state (Ripsman et al 2016, chapter 3, 9-10).

The fourth and last unit-level intervening variable is *domestic political institutions*. Formal institutions, organisational routines and processes, and bureaucratic oversight, which is often established by constitutional provisions with specified rules and regulations set the broad parameters where domestic competition over policy can happen (Ripsman et al 2016, chapter 3, 11). The authors argue that structural obstacles as a division of powers, checks and balances, and public

support is present to limit democratic leaders and make it difficult for a leader to go to war (Ripsman et al 2016, chapter 3, 12). However, every state has their variation in which institutions provide checks and balances and the most important institutional rules are related to the autonomy of the leaders and the relationship to the legislature and bureaucracy (Ripsman et al 2016, chapter 3, 13).

The four unit-level intervening variables specify their impacts and responses, and the likely outcome of these variables to systemic pressures.

Section 3.3: The Range of Dependable Variables

The authors argue that neoclassical realism has the tools to explain short-term policy choices that states make as a response to particular challenges and opportunities provided by the international system. Thus, neoclassical realism can enlighten the processes of *policy planning and grand strategic adjustment* which states try to navigate with expected power shifts and future threats and opportunities (Ripsman et al 2016, chapter 4, 2). Furthermore, it is argued that over time grand strategic choices can affect relative power and international outcomes, and possibly redesign the structure of the international system. Additionally, they argue that the dependent variable for neoclassical realism varies according to the time frame (Ripsman et al 2016, chapter 4, 3).

In a short-term timeframe, defined in days, weeks and months, states use fixed international circumstances. As a change of power is highly unlikely to happen in such a small timeframe, policymaking consists of navigating internal balancing, being the given power distribution without being able to increase economic development, expanding the military power or technologies. Thus, this limited timeframe is restricted to crisis decision-making and policy responses to unexpected events (Ripsman et al 2016, chapter 4, 3). An example of this is the American decision-making during the Cuban Missile Crisis in 1962 when the Soviet Union had secretly deployed missiles in Cuba. President John F. Kennedy and his administration immediately had to prepare themselves to match the potential Soviet threat (Ripsman et al 2016, chapter 4, 3).

In a short-to-medium term, defined in terms of months and years, but not decades, policymaking is more progressive and not so responsive to fixed conditions and imperatives. Therefore, policymakers are engaging in strategic planning or attempting to construct grand strategy (Ripsman et al 2016, chapter 4, 3). The purpose is for a state to look further than current events to anticipate future events and how to engage with them and, therefore, it is the goal of state policymakers to

formulate a national grand strategy as a guideline to help the state navigate both expected and unexpected future crises, challenges, and opportunities, as well as potential power shifts (Ripsman et al 2016, chapter 4, 4).

The short-to-medium timeframe also considers specific material, political, and ideological objectives of the state. A national grand strategy gives the state and its policymakers an overview of the means and resources it can use to reach its policy goals and potentially plan for economic growth, improvement of its military capabilities or technological/ scientific development. Additionally, states can work with foreign powers and establish alliances to strengthen further partnerships between the different armed forces (Ripsman et al 2016, chapter 4, 4). Thus, neoclassical realism can be used as an explanatory tool to describe the grand strategic choices, which is been made by states, both actual and potential, and the expected international distribution of power. The specific goal of a state is determined by several unit-level factors when it comes to power distribution and its strategies such as ideological priorities, societal pressures, and the states' ability to authorise and finance the policy (Ripsman et al 2016, chapter 4, 4).

The medium-to-longer timeframe is defined in years and decades. This timeframe allows strategic choices to interact and have an impact on the international systemic outcomes, which is observable political phenomena as a result of the collaboration and interactions of the strategies being chased by two or more actors (Ripsman et al 2016, chapter 4,4). Hence, the outcome of great power war or peace will be determined not only by the distribution of power in the international system but also, the strategic choices which states pursue. An example of this is World War II, which was initiated by leaders of Germany, Great Britain, the Soviet Union, the United States, Japan, and Italy between May 1940 and December 1941, which connected two wars on different continents into one world conflict (Ripsman et al 2016, chapter 4, 4). Systemic war can be caused by the overextension of some states, leaving no alternative to other states, but to balance aggressively, though more careful strategies would lead to relative systemic stability. Therefore, great powers with strategies of reassurance can, potentially, inspire other great powers to respond to power shifts with restraint, resulting in stability. In contrast, strategies of under balancing when faced with a rising revisionist power can, potentially, result in empire or systemic war (Ripsman et al 2016, chapter 4, 5). Additionally, the international economy will be an open system with interdependence or a closed system with self-sufficiency, which will depend on not only structural considerations but also the

balance of domestic interests among the powers and if their governments expect more through free trade or protectionism. Thus, the systemic outcome is not simply incidental or predicted by the international structure. Structure interacts with the grand strategies of great powers, which again is influenced by unit-level factors to produce outcomes. The neoclassical realism theory should provide a better explanation and predictions of international outcomes when compared to a strictly systemic theory (Ripsman et al 2016, chapter 4, 5).

Furthermore, the authors argue that over the longer term, meaning decades, international outcomes and the policies and grand strategies of the principal units can reshape the international structure. Systemic outcomes can change the systemic structure by weakening existing great powers or even creating new great powers. This is apparent in major power wars such as World War II where the collapse of the great powers Great Britain, Germany, France, and Japan empowered the rise of the United States and the Soviet Union resulting in a multipolar international system. If a state's strategic choice influences the systemic outcome it can also result in structural changes (Ripsman et al 2016, chapter 4, 5).

Change in the international system is primarily caused by the differential growth rates of great powers, and these growth rates are determined by strategic economic and political choices made by states over time as part of their foreign policy and grand strategic planning. Thus, structural change has its origins in investment decisions of great powers, decisions to pursue a grand strategy of restraint or an overextension, particular domestic constraints, and opportunities of certain great powers (Ripsman et al 2016, chapter 4, 6). An example of this is China's ascent to become a great power based on Deng Xiaoping's decision in the late 1970s and early 1980s to modernise and restructure the Chinese economy. The authors of neoclassical realism argue that a theory of international politics does not consider the grand strategies of great powers and is therefore static. The neoclassical realist approach considers how the structure interacts with the strategic choices and domestic political constraints of the principal units of the international system, which results in a dynamic approach to explaining international politics as they argue that one must consider grand strategies of great powers and their domestic political and economic constraints to explain international outcomes (Ripsman et al 2016, chapter 4, 6).

Neoclassical realism and its scope of focus expand with time. The short-to-medium timeframe is an approach to study foreign policy and grand strategy, while the medium-to-long timeframe is an approach to study international politics. It takes time for the grand strategic choices to manifest

themselves and affect the grand strategies of others to determine systemic outcomes. Furthermore, it takes even longer for systemic outcomes to reshape the international structure (Ripsman et al 2016, chapter 4, 7).

Section 3.4: Neoclassical Realist Theory and The Limitations of Structural Realism

The following section will substantiate the limitations of structural realism and how Ripsman et al and the theory of neoclassical realism approach to foreign policy and international politics, which is the primacy of the international system as an extension to structural realism.

Ripsman, Lobell, and Taliaferro discuss how their neoclassical realist theory is an improvement to structural realism when it comes to explaining foreign policy and grand strategic responses of states to external challenges and opportunities. The authors argue that neoclassical realism is a logical extension of the realist tradition and not a unique theory. The theory is created as a response to the limitations of structural realism, which has been identified both by realists and critics of realism. Ripsman et al state that neoclassical realists construct their foreign security policies with an eye to the threats and opportunities that appear in the international system, which shape each states' policy options (Ripsman et al 2016, chapter 1, 3-4). As their survival is at stake if they cannot secure themselves properly in an anarchic international system, which can, ultimately, result in defeat in war. Thus, the incentives are high for states to focus on external stimuli and build foreign policies to respond appropriately (Ripsman et al 2016, chapter 1, 4).

Furthermore, the structural realist model has limitations when it comes to 1) the ability of leaders to perceive systemic stimuli correctly, 2) the lack of clarity in the international system, 3) the problem of rationality and 4) the difficulty of mobilising domestic resources (Ripsman et al 2016, chapter 1, 3).

Firstly, state leaders do not always perceive systemic stimuli correctly as leaders are only human and can make mistakes when it comes to understanding information, calculations of their relative power, the options they have available, and the consequences of their actions (Ripsman et al 2016, chapter 1, 4). Thus, Ripsman, Lobell, and Taliaferro argue that a state's national security behaviour may have to do with a leader's personality, beliefs, and images more so than objective systemic constraints and opportunities (Ripsman et al 2016, chapter 1, 4).

Secondly, the international system does not always have clear signals about threats and opportunities. An example of this is the British leaders in the 19th century was unsure of whether the rise of American power and dominance in the Caribbean Sea was a threat was to be resisted or an opportunity for Great Britain (Ripsman et al 2016, chapter 1, 5). The authors state that if the international system can only sometimes provide enough clear information, then a broad range of foreign policy choices and international political outcomes must be outside the view of structural theory in international politics (Ripsman et al 2016, chapter 1, 5).

Thirdly, the implicit assumption of rationality is a limitation to structural realism. The authors state that leaders do not always respond rationally to systemic stimuli and may make irrational decisions that could lead to policy responses contrary to systemic imperatives (Ripsman et al 2016, chapter 1, 5). This is due to the possible limitations of a leader to process the information being provided and might result in a leader failing to identify the range of policy alternatives and make the best possible decision or even becoming numb and not deciding at all. Thus, irrationality is difficult for structural theories to cope with as it requires states to respond to international imperatives to meet external conditions (Ripsman et al 2016, chapter 1, 6).

Finally, the structural realism assumption that states are functionally alike in core functions and act as a unitary rational actor responding to systemic pressures in a fluid manner (Ripsman et al 2016, chapter 1, 6). The structural realists ignore domestic political/economic circumstances and the fact that states cannot always mobilise domestic resources to respond to systemic imperatives. An example of this is the U.S. president Franklin D. Roosevelt who could not provide sufficient support to Great Britain and France against Nazi Germany as he was impeded by his political opposition in the U.S. Congress (Ripsman et al 2016, chapter 1, 7). Thus, a theory of international politics must consider the possibilities of a states' response to the international system and be able to understand individual states based on their policymaking environments (Ripsman et al 2016, chapter 1, 7).

Section 3.5: Criticism of The Neoclassical Realist Theory

The following section will present some of the criticism, which the neoclassical realist theory has received.

As substantiated in the previous sections, neoclassical realism offers explanatory tools to understanding why certain particular foreign choices are made, and what systemic factors are likely to intervene between systemic stimuli and state behaviour. However, the theory has received criticism such as the question of how distinct the theory is from other theories, and what added value it brings to the table (Foulon 2017, 1). Additionally, the domestic level of analysis is being criticised as being dominant in the foreign policy analysis, and the unit-level variables are being criticised for being unable to explain state behaviour with a bottom-up approach (Foulon 2017, 1). Furthermore, neoclassical realism has received critique for being an ad hoc and theoretically degenerative effort to explain away anomalies (Rathburn 2008, 1).

Section 4: Analysis

The following chapter will contain the analysis of the thesis. The analysis will use the neoclassical realist theory as an explanatory tool to conduct the analysis in the thesis. The analysis will be divided into three categories. The categories will contain the analysis of (1) China's reasoning to involve themselves in governing institutions in the Arctic, (2) substantiate the geostrategic reasons why the Arctic is interesting for China.

Section 4.1: China's Arctic Policy

On January 26, 2018, the State Council Information Office of the People's Republic of China released a white paper titled "China's Arctic Policy" (State Council 2018). The content of China's Arctic Policy contains China's policy goals in the Arctic. The policy goals, according to the policy is to 1) understand, 2) protect, 3) develop, 4) participate in the governance of the Arctic (State Council 2018). The purpose of these policy goals is to preserve the common interest of all countries and the international community in the Arctic and support sustainable development in the region. Additionally, it is the first official document from China stating its official policy goals regarding the Arctic.

The following section will elaborate on the four policy goals stated by China.

The Chinese Arctic policy states that to *understand* the Arctic, China must improve its capacity and capability in scientific research to create favourable conditions for mankind and better protect, develop, and govern the Arctic (State Council 2018, chapter III).

To *protect* the Arctic, China will actively respond to the climate changes in the Arctic and protect its environment and ecological system. Furthermore, China will promote its own climatic, environmental, and ecological resilience, and respect the social culture and history of the indigenous people in the Arctic region (State Council 2018, chapter III).

As for the third policy goal of the white paper, China will *develop* the Arctic. As stated in the white papers, China will improve its capacity and capability when using applied Arctic technology, strengthen technological innovation, environmental protection, resource utilisation, and development of shipping routes in the Arctic region. Additionally, China wants to contribute to the economic and social development of the Arctic, improve the living conditions of the people and strive for common development (State Council 2018, chapter III).

The last policy goal, states that China wants to *participate in governance* in the Arctic. This includes participation in regulating and managing the affairs and activities related to the Arctic

based on rules and mechanisms. Additionally, internationally, China is committed to the existing framework of international law, which includes the UN Charter, United Nations Convention on the Law of the Sea (UNCLOS), treaties on climate change and the environment, and relevant rules of the International Maritime Organization, and addressing various traditional and non-traditional security threats through global, regional, multilateral, and bilateral mechanisms, and building and maintaining a reasonable and well-organised Arctic governance system. Furthermore, domestically, China wants to regulate and manage Arctic-related affairs and activities within its jurisdiction, and actively participate in international cooperation in Arctic affairs (State Council 2018, chapter III). The Chinese policymaking is coherent with the neoclassical realism theory and its range of dependable variables. China is engaging in strategic planning and attempting to construct a grand strategy in the Arctic by looking further than current events to anticipate future events and how to engage with them. The Arctic white papers can be seen as China formulating its grand strategy in the Arctic as a guideline to help China navigate expected and unexpected future challenges and opportunities. The white papers also give China an overview of the means and resources it can use to reach its policy goals and potentially plan for economic growth and technological/scientific development. Additionally, China can work with foreign powers and establish alliances to strengthen further partnership in the region.

The analysis of this thesis will include the aspect of China's fourth policy goal stated in China's Arctic Policy with China expressing its attempts to participate in Arctic governance. The approach for the analysis will be a neoclassical realist approach coherent with the theory chapter of this thesis.

The expansion of China's role in the Arctic has raised concern among the international community, and especially among the Arctic Council member states. This was most certainly the case before China released its Arctic Policy. The fear was that the "Chinese was coming" or a rising China with the interest and capabilities would result in exploitation and possibly the destruction of the rich natural resources in the region and potentially militarization of the Arctic region. Furthermore, China had visions of funding mining projects in Greenland, thus it was speculated that it could result in Chinese military bases in Greenland (The Economist 2013; Rosenthal 2012; Breum and Chemnitz 2013).

The reason for this was the lack of clarity from China's side regarding its intentions in the Arctic as much as its interests in the region, and it was and still is speculated that China has global strategic ambitions in the Arctic as an extension of its *Belt and Road Initiative*. Furthermore, speculations related to China's economic interest in the region regarding energy, fishing, and shipping is present (Hong 2020, 1).

Therefore, Arctic states and organisations attached to the Arctic was excited about the release of the white papers in 2018 as it elaborated and gave clarity of China's official plan for the region. The neoclassical realist theory states that clarity is a key systemic variable when analysing. In this case, the Arctic states and organisations have some clarity of China's intentions with the release of the

white papers and, thus it is easier for states to interpret China's intentions and respond with the optimal policy.

Section 4.2: China and the Arctic Council

Historically, China has neither been enthusiastic about developing international organisations nor in favour of multilateralism in international cooperation. However, this has changed since 2012 when president Xi Jinping came to power and introduced a range of initiatives intended for a multilateral cooperation, which includes the *Belt and Road Initiative* (BRI) (Hong 2020, 15). This correlates to the domestic-level intervening variable concerning leader images, which states that this variable helps to understand the interactions between decision-makers and society and the processes of how foreign policies is formulated. The neoclassical realist theory states that all people have core values, beliefs, and images which guide their interaction and understanding of the world. Thus, leaders react differently to international challenges and opportunities based on their image and perception of external stimuli. Furthermore, the theory states that a leader's personality and character can influence a state's response to external stimuli, meaning leaders can have an enormous impact on the strategic choices of a state. In this case, Xi Jinping as the president of China can be analysed as a critical intervening variable in the way that he has influenced China's strategic choices regarding China's permissive foreign policy and interactions with the international system. The Arctic region is an extension of the current Belt and Road Initiative described as the *Polar Silk Road*, which is coherent with China's current policy of connecting Eurasia with China. However, it has been challenging for China to advance its position in the existing multilateral institutions and, thus China has used various tactics to create the best position for itself as an outsider by engaging with the Arctic states (Wu 2016, 8).

In 2008, China officially began to express its interest in becoming an observer of the Arctic Council. At this time, China was a growing power and its global reach increased, which made it difficult for China to convince the permanent member states of the Arctic Council to consider China's bid for a position in the council. Hu Zhengyue, the then Chinese assistant minister of Foreign Affairs stated in his speech at Svalbard that even though the Arctic, primarily, is a regional issue, it is also an inter-regional issue because of the climate changes and international shipping, and, therefore, the Arctic Council should recognise the interest of non-Arctic states in Arctic matters (Hong 2020, 16).

The biggest opponent of China being included as an observer was Canada as they stated that,

“(...) With many players far removed from the region itself seeking a role and in some cases calling into question the governance of the Arctic. (...) Canada does not accept the premise that the Arctic requires a fundamentally new governance structure or legal framework. Nor does Canada accept that the Arctic nation-states are unable to appropriately manage the North as it undergoes fundamental change.” (Government of Canada 2010, 8).

The statement from Canada was a clear expression of their understanding of how they thought the Arctic governance should be administered. However, the statement was not necessarily pointed towards China, like Canada at the time had a dispute with the European Union regarding a ban on seal products in 2009 (Hong 2020, 17).

Canada was not the only state being sceptic of China's bid for the Arctic Council as was Russia. As mentioned earlier, China was a growing power with an emerging global status. The Arctic was one of the few leverages Russia had against China, with access to lucrative energy sectors and sea lanes, and Russia was not willing to give away this leverage to include China in the Arctic Council.

However, Russia was pressured by the Nordic states and the “Criteria for Admitting Observers” policy that was written by the Arctic Council, in which it is stated that new observers must recognise Arctic states' sovereignty, sovereign rights, and jurisdiction in the Arctic (Arctic Council: Hong 2020, 18). As a result of China's courting to the Nordic states and the U.S. secretary of state John Kerry, China gained observer status of the Arctic Council in 2013 (Ghattas 2013).

The interaction between China and the Arctic Council can be analysed within the neoclassical realist theory as part of the systemic independent variable. The theory states that there are systemic factors to the interaction between two units in the international-political system, which not only affect the ability and willingness of units to interact, but also the level of interaction is possible and desired. The structure of the international system shapes the strategies a state can pursue. Thus, when China wanted to be included in the Arctic Council it can be analysed as the interaction capacity – the continual evolution. This means that China had to streamline shared international norms and organisation with the states of the Arctic Council to improve the willingness of the units to interact and, essentially, the international outcome was to include China in the Arctic Council. Furthermore, clarity is also an important systemic variable, which can be analysed in this case. Canada and Russia were rejective to the idea of including China in the Arctic Council as they had limited knowledge of clarity related to the potential threat from China. Especially Russia was not

keen on the idea of including China in the Arctic Council and they demanded political change for new observers to the Council, which was introduced with “Criteria for Admitting Observers”. Hence, after the political changes, Russia was then more permissive to include China in the Arctic Council. Considering the range of dependable variables, within the neoclassical realist approach, it can be analysed that Canada and Russia’s rejective position to China correlates to the short-to-medium term as both states had to analyse the possibilities of a future crisis, challenges, and opportunities regarding the inclusion of China and the threat of potential power shift in the region. Essentially, both states had to look at the pros and cons when giving China access to the Arctic Council.

The Arctic Council is an intergovernmental forum that provides space and mechanism that addresses common issues faced by the governments of the eight permanent member states. The issues concern the environmental preservation, sustainable development and protecting the culture and well-being of native peoples living in the Arctic region (Arctic Council).

Observer status in the Arctic Council is open to non-Arctic states, intergovernmental and inter-parliamentary organisations, and non-governmental organisations (Arctic Council 2018). The benefit of a state being an observer is they receive automatic invitations to attend Arctic Council meetings and it is seen as a valuable feature through the provision of scientific and other expertise, information, and financial resources (Arctic Council 2018).

Even though China does not have voting rights, they do have an automatic invitation to the Arctic Council meetings and activities and aspire for more influence over decisions made in the Council. It is beneficial for China to be part of the Arctic Council as it gives China easier access to permanent members states in the Arctic Council and China can influence the Arctic states in the direction of their desired policy, thus China can ensure their involvement in the future of the Arctic.

One of China’s four goals in China’s Arctic Policy is to participate in the governance of the Arctic, wherein China recognised that they are committed to the existing framework of international law, including UN Charter, UNCLOS, treaties on climate change and the environment, and relevant rules of the International Maritime Organisation (Hong 2020, 18-19).

In relation to the neoclassical realist theory, China's position in the Arctic Council can be analysed within the range of dependable variables and especially the short-to-medium term as an approach to study foreign policy, as the Chinese policymakers are engaging in strategic planning to construct a national grand strategy. In this case, China wanted to become an observer state in the Arctic Council to work with and be part of an alliance to strengthen their partnerships with the states and organisations in the Arctic Council. Additionally, it gives access to the Arctic region. China's inclusion in the Arctic Council is part of its national grand strategy – the Belt and Road Initiative and helps to plan for potential economic growth, improvement of its military capabilities and scientific development.

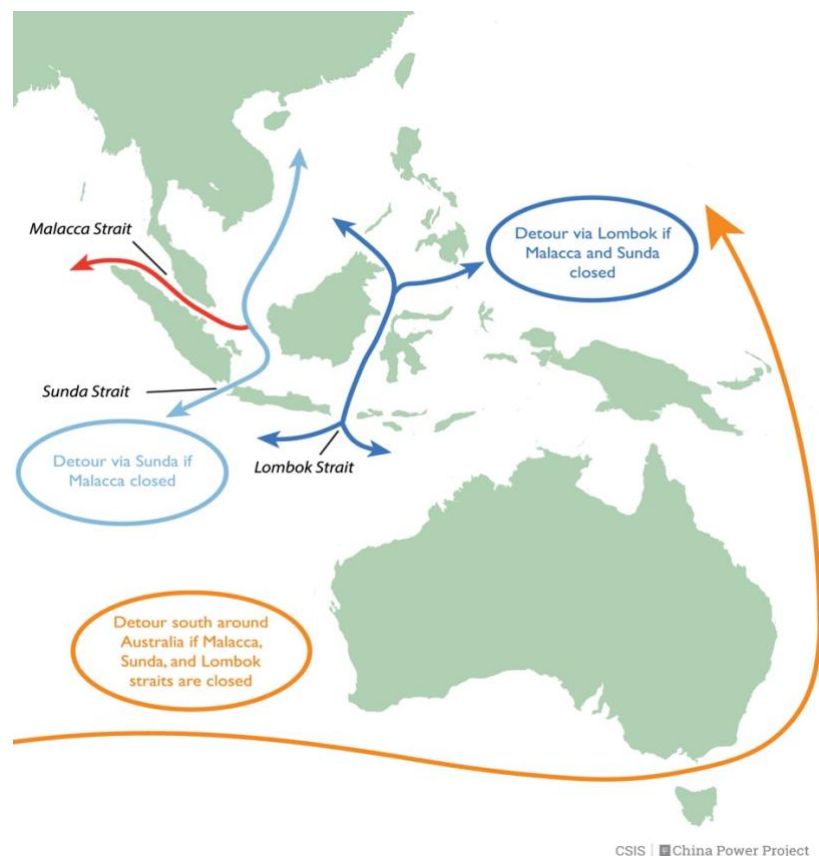
This creates opportunities for China to change the international system as changes are primarily caused by differential growth rates of great powers. These growth rates are determined by the strategic economic and political choices made by states over time as part of their foreign policy and grand strategic planning. Thus, if China can gain more political influence in the Arctic Council, it can improve the pursuit of its grand strategy. An expansion and a greater variety of China's interest in the region can definitely be seen. However, the Arctic in Chinese foreign policy is not paramount, but it's certainly growing in status.

Section 4.3: China and the International Maritime Organisation

The increasing melting of ice in the Arctic region has made it possible to increase shipping activities. Therefore, the International Maritime Organisation (IMO) – a United Nations specialised agency with the responsibility for the safety and security of shipping and the prevention of marine and atmospheric pollution by ships (International Maritime Organisation) spent several years preparing for navigational rules to provide safety and environmental protection standards (Hong 2020, 21). The IMO implemented the International Code for Ships Operating in Polar Waters in January 2017 and included adjustments to make it mandatory under both the International Convention for the Safety of Life at Sea (SOLAS) and the International Convention for the Prevention of Pollution from Ships (MARPOL) (Hong 2020, 21; Liu and Hossain 2017, 4-5).

The purpose was to ensure the safety of ships and the people aboard them, both seafarers and passengers in the Arctic and Antarctic water environments. Even though China is a shipping power in terms of vessel numbers, China has not been a powerful member within the decision-making process at the IMO. It is stated that Chinese delegates attend the meeting, however, they do not voice their opinions, which can be seen in the number of proposals made by China – 88 proposals.

This is compared to Japan's 640 proposals, the U. K's 627 submitted proposals and the United States' 567 submitted proposals to different committees and subcommittees (Hong 2020, 21). China has participated in the development of the IMO's Polar Code, which includes a range of design development, construction, equipment, operational, training, search and rescue and environmental protection matters which has been deemed relevant to ships operating in the Arctic waters. China's export and import are carried out by maritime transport. As of 2017, China was the largest ship-owning country in the world and the largest shipbuilder, thus it is not a surprise that China is interested in Arctic shipping routes as it is predicted to have significant importance for the further development of the Chinese economy (Liu and Hossain 2017, 10). The shipping routes in the Arctic has been described as golden routes by Chinese maritime specialists (Brady 2017, 63). Furthermore, the reason for China's interest in the Arctic Sea routes is primarily due to the fact that the route between Europe and China is a lot shorter compared to the current sea route and simultaneously China would avoid conflict zones on its way to Europe (Østreng et al 2013, 73). The following picture depicts the most used shipping routes in Southeast Asia. However, China might fear that the shipping routes can potentially close for Chinese shipping as there are territory disagreements between China and its neighbouring states in the South China Sea.



(China Power Team 2021)

In China's Arctic Policy it is stated that disputes over shipping lanes should be settled in accordance with international law and China officially supports the IMO's Polar Code. Furthermore, China wants the IMO to have an active role in future navigation rules, however, the policy still supports the sovereignty of Arctic states over the natural resources and encourage Chinese enterprises to follow national law, if they are engaged in such activities (State Council 2018). As China is currently the biggest shipping state in the world it is beneficial for them to adopt a mandatory Polar Code since China would deal with internationally agreed rules instead of unilateral national legislation when sailing in the exclusive economic zones of Arctic states, hence China's position in relation to IMO's Polar Code.

In correlation with the neoclassical realist theory, the interaction between China and the International Maritime Organisation can be analysed as part of the systemic independent variable. As previously mentioned, the theory states that there are systemic factors to the interaction between two units in the international-political system, which not only affect the ability and willingness of units to interact, but also the level of interaction being possible and desired. Even though the theory describes the international system as primarily territorial states, it is not limited to states, as other actors, such as individual firms, multinational corporations, international organisations etc. can also be an actor in the international system. Hence, the interaction between China and IMO can be substantiated in this regard. The IMO has the support of the Arctic Council and the United Nations;

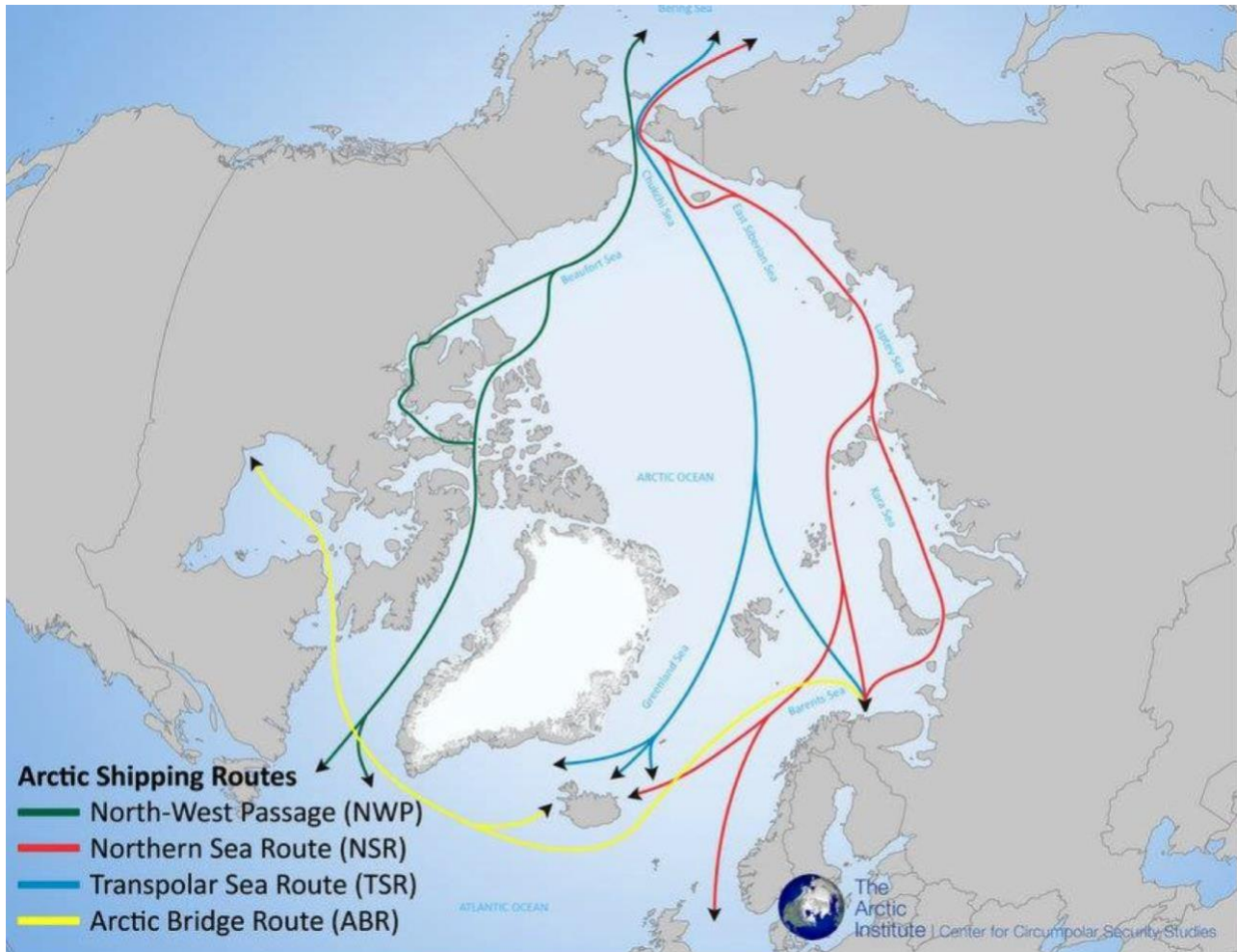
thus, the IMO is in a position where it can resolve important objectives internationally. In this case, it means that the IMO's Polar Code can potentially dictate the international law regarding sailing in the Arctic state's Economic Exclusive Zones. As access to the Arctic Ocean is becoming more accessible compliance with existing international law and a need for new developments have huge significance. The UNCLOS currently creates the legal basis for regulating the world's oceans and seas, including shipping and navigation. However, as the UNCLOS only offers a general framework and obligations concerning the protection of the marine environment are dependent upon specific subsequent legal measures to be developed under a separate body of law. The IMO has developed guidelines and conventions on shipping that are generally applicable to all marine areas including the Arctic Ocean. However, the legal development concerning the adoption of a set of polar-specific legal rules known as the Polar Code is an important milestone for Arctic shipping. Thus, it can be essential for China and other shipping nations to influence the legal development of the Polar Code to achieve the best possible opportunities when the Arctic waters become more accessible as the Arctic Sea routes will become essential navigation routes for shipping nations as it will save nearly 5200 kilometres and nine days of travel compared with the traditional sea route to Europe. Thus, China's rapid economic growth increased trade relations with the Arctic states, and China's willingness to have a greater voice in Arctic politics has an apparently large stake in the region. Therefore, it is essential from a Chinese perspective that they have a political say in the development of the Polar Code.

Additionally, China's position in the IMO can be analysed within the domestic intervening variable being the state-society relations. In this case, China has relatively free mobility to pursue the strategic choice of the state, being the Polar Code and the influence within. This is due to the good relations between state and society, where the state has provided the society and economic groups with good opportunities, which has satisfied the domestic interests instead of international interests. China's influence on the Polar Code is consistent with the range of dependable variables, especially the short-to-medium term. The Chinese policymakers are considering the possibility to have as much access to the Arctic Ocean as possible without being restricted. This is done according to China's grand strategy, which in this case is related to the Belt and Road Initiative.

Section 4.4: China's Geostrategic Interest in The Arctic

As China has stated in their official white papers from 2018, China has an interest in the Arctic. However, China has more interests in the Arctic than described in the previous section. The following section will analyse China's geostrategic interest in the Arctic. The section will contain China's interest in Arctic resources and security in the region.

When it comes to China's security interest in the Arctic, there are several considerations. First and foremost, China is interested in preserving the freedom of transportation also known as sea lanes of communication (SLOC's). Sea lanes of communication is a term describing the primary maritime routes between ports used for trade and naval forces. It is an essential interest for all nations to secure efficient and uninterrupted sea lanes to expand trade and global commerce (DailyFT 2019). As the sea lanes of communication in the Indian Ocean is becoming busier and the volume of cargo is expected to quadruple by 2050, China is very much interested in preserving the freedom of transportation in the Arctic, as the Arctic Ocean is becoming more navigable with the decreasing sea ice, primarily in the summer months. This is particularly advantageous for shipping companies, as it saves a large percentage of the distance between East Asia and Europe. China is currently the biggest shipbuilding nation and the largest trader in goods. Furthermore, most of China's trade by value and volume travels by sea, thus, the security of sea routes has become more important for the Chinese government (Shicun and Keyuan 2009, 70). As of right now, when China is shipping goods to Europe, the sea lanes of communication pass through several key chokepoints such as the Malacca, Lombok, Bali, and Miyako straits, the Somali coast, the Suez Canal (Brady 2016, 61-62). The main concern from a Chinese perspective is that these chokepoints are controlled by other states and potentially prone to economic and political difficulties, which China has no control over. China is particularly worried about the Malacca strait as 85% of China's maritime trade passes through this strait and China is extremely reliant on maritime trade being able to pass through the Malacca Strait. Thus, the potential sea lanes of communication through the Arctic Ocean can potentially lessen the maritime trade through the current chokepoints filled with potential trouble and give China other options to transport its maritime trade. Even though the Arctic Ocean is controlled by other states, the area is considered more stable and peaceful without being prone to economic and political difficulties and China sees this to greatly expand its range of transportation possibilities.



(Hansen et al 2016, 11)

The picture above shows the three potential shipping routes and their names through the Arctic Ocean. As shown in the picture, the Northern Sea Route (red line) follows the Russian coast, the Transpolar Sea Route (blue line) crosses the North Pole, and the North-West Route (green line) passes through the Canadian Arctic Archipelago. Accessing these three routes will increase shipping options for China and other countries, which will open for further development in a previously closed-off zone (Brady 2016, 63). The sea route favoured by China is the Transpolar Sea Route as it crosses directly over the Arctic Ocean, thus avoiding the coastal state control and being shorter. However, with the current climate conditions, it is not possible to go through the Transpolar Sea Route and the Northern Sea Route is only open for shipping a few weeks at a time until mid-century (Brady 2016, 64). Furthermore, Chinese maritime studies scholar, Li Zhenfu has stated that “Whoever controls the Arctic Ocean will control the new corridor for the world economy.” (Brady 2016, 64). When the Arctic Sea routes open, China’s trade routes could be shortened by 4000

miles and China would no longer be overdependent on the current SLOCs and give China other shipping route options in the case that current SLOCs are blocked or restricted. Furthermore, it is estimated that if Arctic shipping is completely opened, then China could save around \$533 billion to \$1.274 trillion per year and reduce China's marine transportation costs by 40%. The estimation does not include fuel savings, reduction of ship emissions or economic benefits such as lower wage bills (Brady 2016, 65).

The US Intelligence Community states that China is trying to spread its influence, undercut that of the United States, drive wedges between Washington and its allies and partners, and foster new international norms that favor the authoritarian Chinese system (US Intelligence Community 2021, 6). In the intelligence report from the US Intelligence Community, it is stated that China will increasingly combine its growing military power with its economic, technological, and diplomatic clout to secure what it views as its territory and regional preeminence and pursue international cooperation on the expense of Washington. The intelligence report is concerned with the increasing cooperation between Russia and China related to defense and economic cooperation as China will promote the Belt and Road Initiative to expand China's economic, political, and military presence abroad (US Intelligence Community 2021, 6).

The economic cooperation between Russia and China in the Arctic is primarily related to natural resources. Russia has since its annexation of Crimea been imposed with sanctions from the US and the EU and thus a cooperation between Russia and China has opened as Russia is dependent on fossil fuel exports and needs Chinese investment to be able to extract natural resources in the Arctic region and China needs energy resources for its own domestic market. Furthermore, China's Belt and Road Initiative can be connected to the Northern Sea Route in Russian territory, which will benefit both parties hugely. Thus, it can be argued that the US Intelligence Community report is a bit misplaced as China does not have a military presence in the Arctic nor territorial claims. The Chinese interest in the Arctic seems to relate more to commercial and scientific interests for now. However, China has stated that it wants to build a deep-water navy to protect its interests around the world, which means that the Chinese Navy will likely be present in the Arctic in the future to protect its interest (NY Times 2019).

Section 5: Conclusion

This thesis has attempted to answer the problem formulation, *Why is The Arctic Important for China?* with a neoclassical realist approach. Throughout the analysis of this thesis, I have attempted to substantiate Ripsman, Lobell, and Taliaferro's theory and how it can be applied as an explanatory tool to substantiate the premise of explaining foreign policy, international outcomes, and structural change. I have through the analysis attempted to analyse (1) China's reasoning to involve themselves in governing institutions in the Arctic, (2) substantiate the geostrategic reasons why the Arctic is interesting for China. It can be concluded throughout the thesis, that the theory has shown its capabilities to explain political phenomena in the international system when analysing China's interest in the Arctic. The thesis has been able to conclude several reasons why China is interested in the Arctic, not only politically, but also for economic and geostrategic reasons.

The thesis can conclude on several elements to why China is involving themselves in Arctic governing institutions. First and foremost, it is the ability for China to influence the decisions being made for the Arctic region to benefit Chinese interests in the Arctic. Rather than use of force, China is using diplomatic relations to ensure the most beneficial politics for China in a region, which have a potential to be extremely beneficial economically to not only China, but also Asia, Europe, and the Arctic states. The level of benefits for China commercial interests relates to the level of ice in the Arctic region as the route most beneficial for China is the Transpolar Route, which avoids the EEZ's and toll of the Arctic states in accordance with the United Nations Convention of Law of the Sea. However, the thesis can also conclude that China is highly interested in cooperating with the Arctic states to get access to natural resources and China has spent billions of dollars in the region to start bilateral cooperation, which does not only relate to natural resources or policies in the region. It is worth mentioning that China over the years has invested a lot of money and resources in scientific/technological development in the Arctic.

Furthermore, the thesis can conclude, based on the analysis, that China's geostrategic interest in the Arctic region is based on China's grand strategy – the Belt and Road Initiative, which is a Chinese attempt to increase its global reach further to ensure its economic development in the international system. Furthermore, the Arctic region is a region with vast opportunities to strengthen China's position in the international system as the region contains natural resources and sea routes beneficial to the states that will use this opportunity. Furthermore, it is also worth stating that the Arctic region is not the highest priority in Chinese foreign policy. China is much more concerned with its current territorial disputes in the South China Sea and the tensions over Taiwan

and Hong Kong. These situations are by far the biggest concern in Chinese foreign policy, which can be seen in the level of political tension between China and especially the US, and China's increasing military presence in the region. However, why the Arctic is important for China is related to its grand strategy and being able to get the best possible position in the Arctic to get access to the natural resources and influence the policies related to the Arctic. Thus, China is playing the long game in the Arctic and waiting for the ice to melt in the Arctic, and the more the better to benefit China the most.

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