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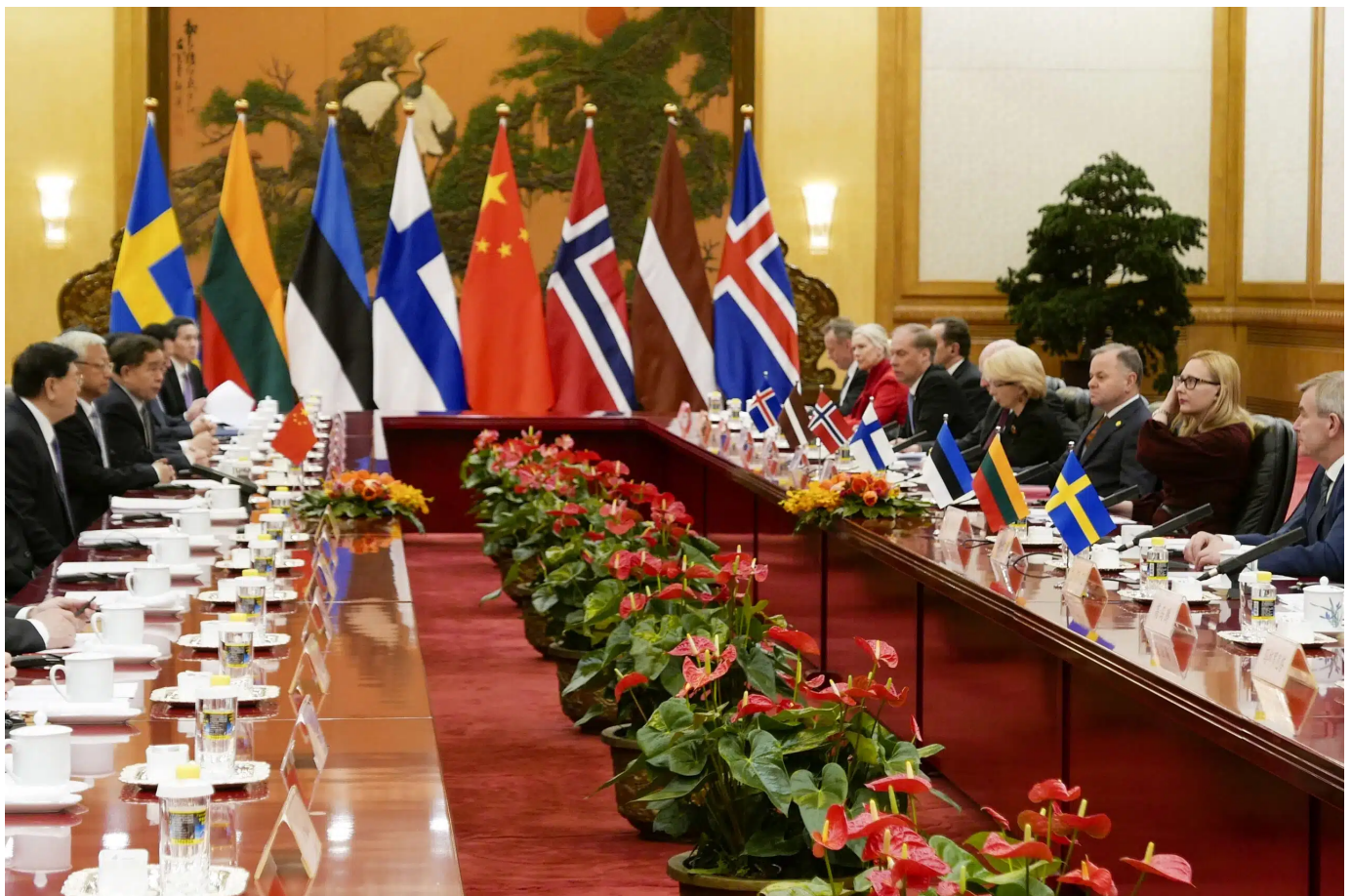
Chinese Perspective on the Arctic and its Implication for Nordic Countries

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ARTICLE

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The Nordic-Baltic Eight visiting the Chinese People's Congress in 2018. Photo: [Stortinget](#)

As the U.S. and China enter full-scale competition, the U.S. elite groups, despite serious domestic differences, have reached a rare consensus on

committing to limiting China's ability to threaten the U.S. leadership position in the world and in the Arctic. The 59th Munich Security Conference saw both the U.S. and China depart from polite niceties as their competition entered a more dangerous phase.¹⁾

The U.S.-China global competition is spilling over into the Arctic, which has been heating up in recent years, especially in the Arctic-Atlantic linkage zone where the five Nordic countries are located. This region connects the Arctic Ocean with the Atlantic Ocean north-south, overlooks the North American and European continents east-west, and is closely connected to the security of the U.S. homeland. The U.S. can't afford to have China gain a foothold or grow strong there, and will therefore do its utmost to exclude China from this region. But at the same time, China regards the Nordic countries as the western end of the Chinese "Polar Silk Road," where China has important shipping, scientific and strategic interests. The "Polar Silk Road" is of great significance to China's "Belt and Road" initiative and connectivity between Asia and Europe.²⁾ As expressed in China's official Arctic Policy, Beijing participates in Arctic affairs on the basis of the principles of mutual respect, cooperation, win-win and sustainability, abides by the universally recognized norms of international law, and has the right to participate in Arctic governance. China will not give up its interests in this region and will increase cooperation with Nordic states. However, the United States sees China's involvement in the Arctic as a quest for power expansion, so expresses its need to resist Chinese trade activities and infrastructure projects in the Arctic. The U.S. aims to prevent China from transforming economic benefits into political influence, and continues to incite the Nordic countries to side with it against China.³⁾ The competition between the U.S. and China in the Nordic region will become increasingly intense in the foreseeable future. For the Nordic countries, what will this competition bring to them? How will they deal with the increasingly fierce competition, and avoid hurting their own interests, while gaining practical benefits from the major powers' competition? These issues have been put in the agenda of the Nordic countries.

Core Values of the China's Arctic Policy

To achieve mutual development through win-win cooperation is the first aim of Chinese Arctic policy. China and the Nordic countries are highly complementary in terms of economic structure. China is an important manufacturing country with strong infrastructure capacity and is the world's largest consumer market. As for the Nordic countries, the pillar industries are animal husbandry, fisheries, shipping, resource extraction, high-tech manufacturing, and tourism. China and Nordic countries are complementary in the international industrial and supply chains and there is no competition. In China's Arctic Policy published in 2018, China systematically elaborates the objectives, principles and policy propositions of China's participation in Arctic affairs. Cooperation and mutual benefits are the basic position of China. Unlike the U.S. dichotomy of "friend or foe" and the confrontational mindset of "lose or win," China bases its policy on its long-history of Confucian culture and peace-harmony gene and does not force Nordic countries to take sides between China and the United States, but advocates the concept of "making friends with the world" and aims for win-win results.⁴⁾ China advocates solidarity, mutual assistance and sharing the same boat, likes working together with other countries on Arctic climate, scientific research and trade issues, and hopes to extend China's concept of "community with a shared future for mankind" to the Arctic region.

Secondly, China will keep its promises when it deals with Nordic states. Keeping promises is one of China's important Arctic values. Keeping promises matters for China's international reputation and soft power, as the U.S. has more advantages over China in competition with the Nordic countries through its strong military, economic influence and shared values related to political and economic culture with the Nordic states. Therefore, keeping promises is highly important for China as a new entrant that wants to carry out practical cooperation with the Nordic countries. China can't afford the price of breaking its words in the China-Nordic relations. As a newcomer to the Arctic, China looks forward to constructing a positive international image and making progress to win the trust of the Nordic countries. Examining world history and contemporary international politics, it is clear that the U.S. is less committed to keeping its promises than China, and that the U.S. does not care about weaker nations. On the other hand, the Chinese Confucian culture advocates

“words must be kept and deeds must be done”, that is, to speak with credit and to do things with results. Keeping promises is deeply rooted in Chinese culture. Unlike the utilitarian and capitalist national values of the United States, the Chinese cultural tradition of not making promises lightly and striving to deliver on promises has helped China to bring more predictable benefits to the Nordic countries in cooperation.

In short, win-win cooperation and keeping promises are the principles that China will adhere to in its competition with the U.S. in the Nordic region.

The significance of China’s Arctic policy for the Nordic countries

The strengthening of economic, trade and cultural exchanges between China and the Nordic countries not only greatly benefits the economic and social development of the Nordic countries, but more importantly provides the Nordic countries with more options, gives the Nordic countries more strategic leverage and greatly enhances the position of the small Nordic countries in the international arena.

Beneficial to the economic development of Nordic countries

Given the complementary economic structures between the Nordic countries and China, the Nordic countries keep increasing demand for infrastructure, a larger market for their resources and high-tech manufacturing. In recent years, bilateral economic and trade relations between China and the Nordic countries have grown steadily, with China being the largest trading partner of the five Nordic countries in Asia. Chinese investments to the Nordic countries increase year by year.⁵⁾ China’s participation in Arctic development and construction brings capital, technology and infrastructure to the Nordic countries, giving the Nordic people tangible and predictable benefits.

Throw out a minnow to catch a whale

The strengthening of China-Nordic countries’ economic ties will certainly drive U.S. attention and investment in the Arctic. After the Cold War, the Arctic region was marginalized because the U.S. focused mainly on Eastern Europe,

the Middle East and the Indo-Pacific region, and did not put much attention to the Arctic. China's increasing investment in the Arctic compels the U.S. to re-focus on the Arctic. U.S. Arctic investment is motivated mainly by the need for strategic competition with China and Russia. Since 2021, the contents related to the Arctic in the National Defense Authorization Act (NDAA) issued by the U.S. have increased year by year, and China's investment in the Arctic causes anxiety and the U.S. is evaluating China's Arctic investment.

The latest *United States' National Strategy for the Arctic Region* released in October 2022 expresses that the U.S. will strengthen investment in Arctic infrastructure, protect indigenous peoples, and develop emerging economies.⁶⁾ It is predictable that the Nordic countries can not only gain economic benefits from China's Arctic involvement, but also gain increased attention from the U.S. due to competition with China in the Arctic. That is to say, the Nordic countries can maximize their economic benefits by profiting from power competition, thus realizing the big diplomacy of small countries.

This U.S. strategic realignment has already created opportunities to get more with less cost, and raise their profile on the international arena. The Marshall Islands, located between Hawaii and Australia, recently signed an agreement with the U.S. in which the U.S. committed \$700 million in new support for the country over four years. "It's because of China. We are not naive," admitted Marshall Islands Foreign Minister Kirtland Kabua. China is pouring a lot of money and attention into many Pacific islands nations with an effort to expand its influence and gain economic, diplomatic and military benefits in the Pacific, which forces the U.S. to follow and make adjustments.⁷⁾

A similar performance has shown in Nordic countries, where the United States directed Denmark to invest in Greenland's airport construction in 2018 in order to beat China in a bid to build Greenland's airport. China Communication Construction was pushed out of three airport construction projects due to U.S. pressure.⁸⁾ Kalaallit Airports, the state-owned company of Denmark, received the rights to renovate, own and operate Greenland airports at a 33% stake. Copenhagen offers concessionary loans at a rate of 1%. Moreover, the Pentagon promised "potential" investment in Greenland infrastructure in the future. Thanks to the competition between U.S. and

China, Greenland will have new and renovated airports at a lower price. However, this is almost impossible without Chinese involvement. To compete for the Nordic countries, future investments by the U.S. in the Arctic are expected to increase and bring practical benefits to the Nordic people.

The United States' Choice

The U.S. has no ability to oblige the Nordic countries to disengage with China

Expelling Chinese power from the Arctic and preventing China from gaining a foothold in the Nordic region is one of the goals of U.S. Arctic strategy. In recent years, the U.S. has strengthened its control over the Nordic countries through military and intelligence cooperation, constantly forced the Nordic countries to disengage from China and attempted to exclude China from the Nordic region while controlling the Nordic countries at the same time. But the complementary economic structures between the Nordic countries and China as well as the attractiveness of Chinese funding and infrastructure technology makes disengagement impractical. The Nordic countries will lose diplomatic autonomy if they blindly follow the US instruction. They will miss the opportunity to ride the Chinese development train.

Globally, it has been the goal of U.S. policymakers to push the U.S. and its allies to disengage with China in the areas of economic trade, technology, and education. This aim replicates the Cold War era when they ganged up and disintegrated the Soviet Union. Some experts call it the “New Cold War.” Such theorists argue that China will collapse if it is excluded from the current international system and prevented from benefiting from the world trading system and technological development – as what happened with the Soviet Union. However, policymakers holding this assumption do not realize the difference between today’s China and the Soviet Union of the Cold War era. China manufactures large amounts of industrial goods for the world every day, and has the largest and most comprehensive industrial system in the world. Even the United States is not yet able to decouple from China. Despite escalating national security tensions, trade between the United States and

China hit a record high in 2022, with the bilateral goods trade between the countries rising to \$690.6 billion, according to official U.S. data, topping ~~the~~ previous record of \$658.8 billion in 2018. Exports to China increased by \$2.4 billion to \$153.8 billion, while imports of Chinese products rose by \$31.8 billion to \$536.8 billion, according to the U.S. Bureau of Economic Analysis.⁹⁾

The U.S. sanctions against China inevitably lead to damage to its allies' economic systems. In President Joe Biden's 2023 State of the Union address, the U.S. leader announced that it wants to begin a trade embargo against allies: "Tonight, I'm announcing new standards that all construction materials used in federal infrastructure projects must be made in the United States. America-made lumber, glass, gypsum board and fiber optic cable. American roads, American bridges and American highways will be made with American products." U.S. alliance policy is filled with a plethora of inherent contradictions, such as targeting the embargo on products made by allies – harming the interests of allies. Will the U.S. policy succeed in defending "Made in America" and excluding Chinese and U.S. ally products? History and facts have proved its failure. As long as China insists on "equality and mutual benefit" and continues to strengthen the trade ties with the world, and if the U.S. allies can benefit from trade with China, the policy of containing and isolating China is doomed to failure. Britain, France, West Germany, Japan and Canada traded with the Soviet Union despite the Iron Curtain during the Cold War. There is a similar situation with China today. At the request of Russia, the UN Security Council held a public meeting on February 21, 2023 for the Nord Stream gas pipeline explosion of last September. The convening nations discussed launching an international investigation of the Nord Stream II explosion. The results of the investigation may continue to tear apart the US-led Atlantic alliance system.

Because the U.S. shares more of the same political-economic values as the Nordic countries, China has never expected the Nordic countries to side with China, nor expected the Nordic countries to betray the United States. What China plans to do is to ignite Nordic countries' ideals for higher standards of living, to awaken their inspiration for national dignity and their dream for independent policy making. Nobody can stop people's aspiration for a better

life once it is ignited. The elites and populations of the Nordic countries have the natural right to pursue higher levels of economic development, higher-level industrial structures and more autonomous national strategies. If the U.S. attempts to forcefully separate these countries from China, including commercial and academic exchanges between both sides, it may instead stimulate greater interest in their exchanges with China and raise the cost of U.S. control over its allies, since it is impossible to cut off the Nordic countries from China in the information age.

The United States is like a “mega corporation” consisting of many shareholders and groups, including the military-industrial complex and international energy groups. Every interest group can use the U.S. as a large corporation to pursue its own interests. Competition with China is bound to intensify domestic disputes and even conflicts within the U.S. The struggle between U.S. domestic interest groups also provides an opportunity for the Nordic countries to achieve their strategic autonomy.

The U.S. Nordic policy will eventually bite back at itself

The U.S. is a capitalist country, and the principle of confrontation with China in the Nordic region is subject to hegemonic and economic interests. The costs of competing with China in the Nordic region have to be calculated and balanced. Confrontation with China can only be profitable and sustainable if the benefits outweigh the costs. Once the costs are higher than the benefits, it will be difficult for the U.S. to sustain the competition. The profit-seeking properties of capital dictates a strong internal countervailing force which will make the U.S. tired of dealing with it. According to the analyses of Hillary Clinton, China has the advantage of a more powerful political system than the United States, which controls fewer national resources than China. “We’ll never beat China unless ‘we take back the means of production.’”¹⁰ China can utilize more resources and compete with the U.S. at any cost, but the U.S. political system cannot do so. Due to the political system advantages, China will be the last winner in the Nordic competing with the U.S.

According to Chinese Taoism, “Reversion is the action of Tao (反者道之动)”, which means that things may develop in the opposite direction of the will, and

that strengths and weaknesses can be transformed into each other. U.S. Arctic policy is falling into the trap of “Reversion is the action of Tao” by aggravating friends, helping adversaries, and hurting itself. The result of oppressing allies and sacrificing their interests blindly is to push them toward China.

The U.S. is falling into a trap and vicious cycle. The greater the effort to boycott China, the greater the price it has to pay and the greater the loss it will suffer. Any miscalculation will push the U.S.’ allies toward China, which adhere to the principle of mutual benefit and win-win. The disastrous effects of U.S. policy are not visible now, but they will be in the future. The Nordic countries could maintain and increase cooperation with the U.S. rationally, while strengthening their ties with China which adhere to win-win cooperation and keeping its promises, and obtain practical benefits and national dignity in the face of power competition. For the United States, the only way out is to either give up the vicious competition with China or cooperate with China to maintain peace and prosperity in the North Atlantic and Arctic.

Conclusion

The competition between the major powers in the Arctic has brought pressure and crisis to the Nordic countries, but at the same time it has also brought opportunities. As long as the Nordic countries attach importance to their own national interests and catch the opportunities, they will benefit more from the power competition, gain more international influence and practical benefits that greatly exceed the size of their own territory and strength, and contribute to the promotion of peace in the Arctic.

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