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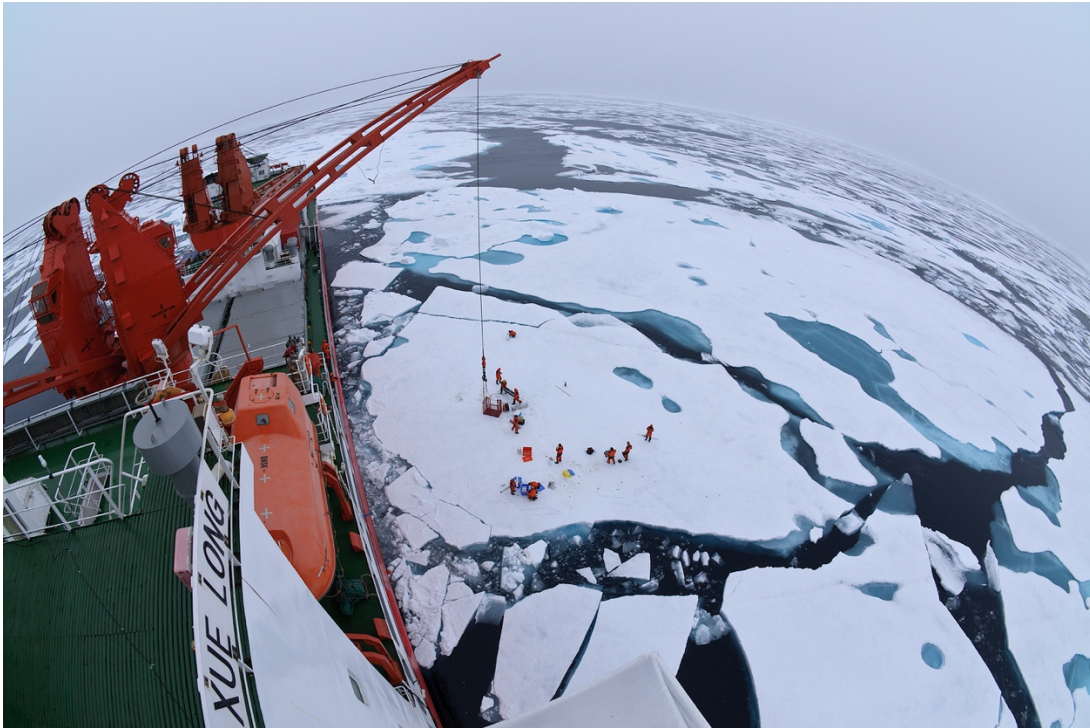
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Finland and the Demise of The Polar Silk Road

Matti Puranen and Sanna Kopra



(Image: The deck of PRC icebreaker Xue Long, source: Wikipedia)

Introduction

Only a short time ago, considerable enthusiasm existed in Finland regarding Beijing's efforts to forge an "Arctic corridor" of railroads and undersea tunnels, satellite ground stations, an airport for scientific expeditions, and massive biorefineries. In this, Finland was not alone but represented only a small branch of China's comprehensive thrust to permanently establish a presence above the Arctic Circle. Yet, with the recently emerging geopolitical turbulence, China's Arctic expansion is facing a standstill, even in Finland, which long seemed like its most viable partner in the region. By applying for NATO membership along with Sweden, Finland is turning westward, practically closing the gates on China's Arctic expansion beyond Russia. Its story serves as an interesting microcosm on the rise and demise of China's Arctic policy.

China's Arctic Dilemma

Today, a clear consensus exists among Chinese officials and experts that China must expand toward the Arctic region. Chinese security experts have long urged the national leadership to develop the necessary capabilities for securing Chinese interests in the new "strategic frontiers." A particularly authoritative source, the Chinese

National Defense University's *Science of Military Strategy* (战略学, *zhanlüe xue*) (SMS) textbook, even claims that the Polar regions represent nothing less than “the main direction of the expansion of China's national interests,” bound to provide new tasks for the People's Liberation Army. [1]

Xi Jinping's administration has officially acknowledged the strategic importance of the Arctic region. In 2014, the Director of China's State Oceanic Administration, Liu Cigui, declared that China plans to establish itself as a true “polar great power” (极地强国, *jidi qianguo*) by 2035 ([State Oceanic Administration](#), November 14, 2014). In 2017, the “Polar Silk Road” was added to the Belt and Road Initiative ([Xinhuanet](#), June 20, 2017). In 2018, China's first-ever official Arctic Policy document was published, claiming that China “shoulders the important mission” of promoting security within the Arctic region ([Xinhuanet](#), January 26, 2018).

China wants to become an Arctic power, but how? Much of the Arctic Ocean falls under the jurisdiction of five coastal states, Canada, Denmark (via Greenland), Norway, Russia, and the United States, which leaves only a small slice of sea available for China's exploitation under the UN Convention on the Law of the Sea. Furthermore, Chinese experts often lament that the Arctic great powers jealously guard their backyards and do not allow entry for newcomers. [2]

The *Science of Military Strategy* suggests extreme caution and emphasizes that China's expansion towards the Arctic cannot harm China's broader strategic interests and diplomatic relations. An assertive Arctic posture or needless flashing of military power would only feed the already prominent “China's Arctic threat theories,” and China's foreign policy is already under tight scrutiny. [3]

To tackle this challenge, the SMS and many well-established Chinese Arctic experts, such as Sun Kai and Li Zhenfu, have proposed that China should adopt a multilayered, comprehensive strategy in the Arctic. From this perspective, China should carefully and patiently expand its regional presence and influence by using the tools of diplomacy, economic and scientific cooperation while strengthening its Arctic military capabilities at the same time. [4]

As far as political and diplomatic arms are concerned, the strategy suggests that China should establish a legitimate presence by actively partaking in Arctic governance and creating a new norm infrastructure. It should also employ unofficial diplomacy to nourish an Arctic “circle of friends” of sympathetic individuals and institutions to support such claims. [5] With the economic arm of the Polar Silk Road, such a strategy stipulates that China should expand its presence in the Arctic through infrastructure investments and increased use of Arctic sea lanes, even if such investments would not initially bring any considerable returns. The scientific arm would, for its part, mean expanding scientific cooperation with the Arctic states in order to gain legitimate physical outposts within the region. According to the SMS, scientific outposts and expeditions should serve as the backbone of China's military presence in the Arctic through “military-civilian fusion.” [6]

Through such comprehensive expansion towards the Arctic, China should, in the long term, develop a robust Arctic presence, which could eventually legitimate even the open use of its military forces in the region.

Finland as a Microcosm of China's Comprehensive Push Into the Arctic

Although China does not publicly or officially frame its Arctic strategy in terms of comprehensive expansion, observed Chinese conduct matches up with the approach proposed in expert discussions. This is not to say that the comprehensive strategy would be well-designed in detail or that the different economic and scientific projects would be coordinated between different agencies according to a secret, Machiavellian plan. Instead, a vague vision of the preferred end state of China as a Polar great power in 2035 exists, but the various actors take part in its construction through their own, often contradictory and self-interested ways.

Finland offers an interesting case study of China's comprehensive approach to the Arctic, which demonstrates its diplomatic, economic, and scientific arms in action. From the point of view of Beijing, Finland seems like an optimal Western partner for its comprehensive Arctic expansion ([The Diplomat](#), March 18, 2021). Diplomatic relations between the two have developed smoothly as Finland has remained sensitive towards China's "core interests," and Chinese policy towards Finland has demonstrated reciprocal moderation. When visiting Finland in 2017, Xi Jinping even praised the relationship as setting an "example for peaceful co-existence and friendly exchanges between two countries that are different in size, culture and development level" ([Helsinki Times](#), April 3, 2017). In a joint declaration presented upon Xi's visit, China and Finland promised to "intensify economic and technological cooperation" within the Arctic region ([President of the Republic of Finland](#), April 5, 2017). Under this diplomatic momentum of positive pragmatism, many collaborative projects in the fields of industry, infrastructure, tourism, culture and winter sports were launched, with little, if any, overwatch from the media as to their possible security implications.

As for the economic arm of China's comprehensive strategy, the most notable and ambitious Arctic project in Finland involving Chinese investors has undoubtedly been the "Arctic Corridor" project ([The Arctic Corridor](#)). The corridor would connect the Polar Silk Road with the Central European market through a new railway connection from the Norwegian town of Kirkenes to Finland's Rovaniemi and via existing railways to Helsinki. From there, the railway would continue via a new undersea tunnel to Tallinn and towards wider Europe. [7] Agreements with Chinese state funds and construction companies have been signed, yet the economic feasibility of the corridor has been seriously questioned ([Yle](#), March 14, 2018; [Helsingin Sanomat](#), February 7, 2018). Connectivity projects with questionable economic viability would only make sense if they provided value in other forms.

In addition to its location as a possible Arctic gateway of the Polar Silk Road to European markets, Finland is known for its forestry industries. For Chinese investors, the Arctic bioeconomy sector is of particular interest. Since 2016, the Chinese Sunshine Kaidi New Energy Group has planned to invest in a biodiesel refinery in Kemi ([Yle](#), December 8, 2016). In the same year, Chinese state-owned CAMC Engineering became a major stakeholder in the Kemijärvi Boreal Bioref bio-refinery project ([Yle](#), November 17, 2016).

As for the scientific arm, some Sino-Finnish Arctic scientific project plans have been initiated. In 2018, a Chinese delegation reportedly sought to buy or lease a small airport in Finnish Lapland, near the small town of Kemijärvi, to conduct scientific expeditions to the North Pole ([Yle](#), March 4, 2021). The delegation, which included the assistant military attaché of the Chinese Embassy in Helsinki, planned to expand the existing runway to accommodate heavy aircraft and construct new airport buildings and research facilities. Moreover,

the Finnish Meteorological Institute and the China Academy of Sciences (CAS) also agreed in 2018 to establish the Joint Research Center for Arctic Space Observations and Data Sharing in Sodankylä, Finland ([Tekniikka & Talous](#), June 30). The research center would have provided ground stations for Chinese remote sensing and navigation satellites in a similar vein as China's first overseas land satellite receiving station, which was established in Kiruna, Sweden, in 2016 ([CAS](#), December 16, 2016). Around the same time, a private Finnish enterprise, North Base, was searching for opportunities to develop ground stations, apparently for mainly Chinese clientele ([Tekniikka & Talous](#), June 15).

Failed Promises

In the 2010s, "neutral" Finland seemed like an optimal partner as China sought to expand toward the Arctic region and establish itself as a true Polar great power. Through comprehensive expansion, Finland was perhaps envisioned as an Arctic bridgehead linking China and Europe and providing bases for data collection and expeditions toward the North Pole. Due to their dual-use potential, the latter would also serve an important function in China's Arctic military expansion by providing intelligence and navigational data.

In spite of the expansiveness of this vision, almost nothing concrete has materialized. The Arctic railway has been erased from the Lapland regional plan ([Regional Council of Lapland](#), May 17, 2021), and other economic projects involving Chinese investors are on hold or canceled altogether. Likewise, the planned scientific projects concerning the Kemijärvi airport and Sodankylä satellite stations, as well as the private satellite project, were all blocked by the Finnish authorities for security reasons. The hindrances have followed growing attention to potential security risks related to Chinese Arctic involvement in Finland and neighboring countries (e.g., [Finnish Security Intelligence Service](#), 2019; [Swedish Security Service](#), 2019). Skepticism and suspicion regarding China and the motivations of its Arctic policy have replaced the positive "buzz" of the late 2010s in official Finnish statements. [8]

Conclusion

Looking forward, the prospects of the Polar Silk Road appear poor. Since Russia attacked Ukraine in February 2022, the geopolitical situation in the Arctic has changed dramatically ([Friedrich Naumann Foundation for Freedom](#), 2022). Due to China's reluctance to criticize Putin's aggression, its image among Arctic states has deteriorated significantly, making future collaboration troublesome. As with other EU countries, public discussion about dependence on China has been intensive in Finland over the past months. Notably, Prime Minister Sanna Marin herself warned the democratic countries against "being naive" about China ([YouTube](#), December 2).

Due to these developments, the Chinese comprehensive approach seems to face serious obstacles in all Arctic countries except Russia. And even there, the secondary sanctions have put most Sino-Russian Arctic projects on hold, including shipping through the Northeast Passage ([Eurasia Daily Monitor](#), December 14). Nevertheless, within a longer timeframe, Russia's failing war in Ukraine may provide China with new opportunities to advance its Arctic interests. Russia is facing severe economic and geopolitical challenges, with its almost total isolation among developed economies, which has greatly increased its already considerable dependency on China. In addition, China has already benefitted from the Russia-Ukraine war through

increased supplies of energy, grain, and other commodities at a discounted price, and Chinese telecommunication companies are likely watching in anticipation as regional market leaders Nokia and Ericsson are finalizing their exits from Russia ([Straits Times](#), April 12).

Besides using its geoeconomic muscles, China could expect some compensation for its support of the Russian war effort. Just days before Vladimir Putin's "special military operation" started, he and Xi Jinping declared their friendship has "no limits" and vowed to increase their Arctic cooperation, among other things ([President of Russia](#), February 4). As the war drags on and Russia's isolation deepens, could China be in the position to politely ask for the loosening of Russia's tight rules regarding foreign sailing in the Northeastern Passage or even raise the possibility of making port calls to its Arctic ports with its nuclear submarines ([The National Interest](#), June 1, 2019)?

While the Sino-Russian Arctic bloc is expected to solidify, so is its Western counterpart. NATO's latest strategy paper mentioned both China and the Arctic region for the first time, and the future membership of Finland and Sweden in the alliance will further sharpen the geopolitical divide in the High North. ([NATO's 2022 strategic concept](#)). In the words of one Chinese commentator, the region is on its way to becoming a "NATO ocean" (北约大洋, *Beiyue dayang*) ([PLA Daily](#), June 10, 2022).

As a part of these geopolitical readjustments, Finland is thoroughly rethinking its long-standing foreign policy of positive pragmatism vis-à-vis China. Since Finland represented China's last unaligned partner within the region, the turn symbolizes a hiatus, if not the end, for China's expansion within the Western Arctic.

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Notes

[1] *The Science of Military Strategy* (战略学), (Beijing: National Defense University Press, August 2020), p. 162, for an [English translation](#) see China Aerospace Studies Institute (CASI) "In Their Own Words" series

[2] See, e.g., Sun, Kai & Wu, Hao (2016) "北极安全新常态与中国北极安全利益维护", *Nanjing Zhengzhixueyuan xuebao*. 2016. No. 5. 71–77.

[3] On "Chinese Arctic threat" theories, see, e.g., Liu, Dan (2022) "中国北极威胁论: 现状、原因与影响", *Xibu xuekan*, 2022. No. 2. 54–58.

[4] See Sun & Wu 2016; Li, Zhenfu & You, Xue & Wang, Wenya (2015) “中国北极航线多层战略体系研究”, *Zhongguo ruankexue*, 2015. No. 4. 29–37.

[5] See Frank Jüris, “Sino-Russian Scientific Cooperation in the Arctic: From Deep Sea to Deep Space” in Kirchberger, Sarah & Sinjen, Svenja & Wörmer, Nils (Eds.), *Russia-China relations: Emerging alliance or eternal rivals?* (Cham: Springer, 2020) 185–202.

[6] *The Science of Military Strategy* (战略学), 167.

[7] For a good overview of the project, see Yu-Wen Chen, “The Making of the Finnish Polar Silk Road: Status in Spring 2019”, in Hing Kai Chan, Faith Ka-Shun Chan, and David O’Brien (eds.) *International Flows in the Belt and Road Initiative Context: Business, People, History and Geography* (Singapore: Palgrave-Macmillan, 2020), 193–216.

[8] On changes in official Finnish discourse, see Aukia, Jukka & Puranen, Matti (2022) “China in Finland: Balancing Between Trade and Influence” in Nikers, Olevs & Tabuns, Otto eds. [*Between Brussels and Beijing: The Transatlantic Response to the Chinese Presence in the Baltic Sea Region*](#). Washington, DC: Jamestown Foundation. 36–57.