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China's Rise in a Changing World

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China in a changing world

2. China's rise in a changing world

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2.1. Introduction

Chinese foreign policy is dictated by changing global and regional events, but also by internal dynamics in China, including the fact that there is a greater understanding of foreign policy issues in the country well beyond that of the government and its major agencies. During the past decades, China has sought to modernize both its government and its economy to reflect the current international sphere. Beijing is also seeking to expand its security interests in order to better protect its citizens and assets abroad and to increase the country's general influence in world politics. Undoubtedly, these dynamics also shape China's policy in the Arctic; the state's cross-regional diplomacy is not separated from the party-state's overall foreign policy goals and doctrines. Therefore, this chapter offers a review of China's foreign policy and economic interests — China's Arctic engagement cannot be fully understood without understanding the broader picture of China's foreign affairs.

2.2. Internal developments in China

Internally, many recent developments have had a clear impact on Chinese foreign policy. These have included ongoing domestic economic reform, the combating of corruption, the drive to reduce environmental damage, and the promotion of liberalized trade to improve Chinese businesses. Moreover, there is now a greater concentration of domestic and foreign policy decision-making power by President Xi

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Jinping (习近平). This consolidation was most prominently illustrated by the decision at the country's National People's Congress (NPC *Quanguo Renmin Daibiao Dahui* 全国人民代表大会) meeting in March 2018 to remove term limits for the position of president, thus giving Mr Xi the power to shape both China's domestic policy and its international relations for an indefinite period (Buckley & Bradsher, 2018; Tepperman, 2018). The question now is what Beijing's foreign policy and strategic priorities will be in the near future, and whether China's ongoing rise as a great power will lead to greater cooperation or competition on a regional and potentially even global scale.

There is also an expansion of various ministries and departments that are involved in foreign affairs as Chinese influence in world affairs grows. Recent additions have included a dedicated aid agency as well as a greater concentration on environmental affairs. The ongoing importance of the People's Liberation Army (*Zhongguo Renmin Jiefangjun* 中国人民解放军), or PLA, in foreign policy concerns is still of much relevance, given that the PLA retains strong decision-making powers within the Chinese government, a legacy of the country's revolutionary era under Mao Zedong (毛泽东) between 1949 and 1976. Chinese foreign policy interests have been greatly expanded over the past three decades, with an emphasis on developing Chinese interests on the global stage as opposed to primarily within the Asia-Pacific region. Under the administrations of Hu Jintao (胡锦涛) in 2002–12 and now Xi Jinping, Beijing's foreign policy interests have expanded well beyond the Pacific Rim to include Africa, Eurasia, Europe, and the Middle East. The Arctic is one of the most recent examples of Beijing's commitment to cross-regional diplomacy as the country grows more confident of its great power status. The development of the Belt and Road Initiative (*Yidaiyilu Changyi* 一带一路倡议), or BRI, first announced by President Xi in

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2013, has been the most recent manifestation of China's economic diplomacy and strategic thinking on the international level (PRC Foreign Ministry, 2013).

At the same time, Chinese bilateral diplomacy efforts are ongoing. Since the 1990s, under the presidency of Jiang Zemin (江泽民) between 1992–2002, Beijing often developed bilateral diplomacy in the form of strategic partnership arrangements, and under President Hu, China became more comfortable with developing bilateral free trade agreements (FTAs) once China was admitted to the World Trade Organisation (WTO) after fifteen long years of negotiations (Lanteigne, 2013). FTAs have been a little-noticed opening for China to develop its Arctic policies, as China penned an FTA with Iceland in 2013 and has been in similar negotiations with Norway since 2017 after diplomatic relations were fully restored the previous year following a six-year freeze due to tensions related to awarding the Nobel Peace Prize to Liu Xiaobo in 2010 (Watts & Weaver, 2010). In the case of Russia's Vladimir Putin government, there has been much enthusiastic talk about the emergence of an 'Ice Silk Road' (although specifics are still not determined), which would link both states as well as the Nordic region through the Arctic. Current projects such as the Yamal project, as well as potential infrastructure such as the cross-Siberian railways and fibre optic links that may link Finland with China, would form part of this 'road'.

2.3. Challenging American hegemony

The growing trade frictions between China and the United States (US), especially since the start of 2018, can be seen as one manifestation of power rivalry between the two great powers and a possible power transition. The two sides have engaged in retaliatory tariffs on each other's goods since the middle of 2018, partially spurred by Washington's concerns about a leap in China's high technology capabilities as part of

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its 'Made in China 2025' (*Zhongguo Zhizao 2025* 中国制造2025), including artificial intelligence, robotics, quantum computing, driverless vehicles, and blockchain (*qukuailian* 区块链) applications (Tse & Wu, 2018). The American government under Trump is concerned that the Chinese government's push towards more advanced manufacturing by Chinese industries is a direct challenge to US technological superiority. From a wider viewpoint, the US is concerned about eventually being overtaken in terms of overall gross domestic product (GDP) by China in the coming years. Additionally, China has been building its political and military power on a global scale and has become more involved in diplomatic endeavours as well as peacekeeping and peace-building in parts of the world that are well-beyond the Pacific Rim. Although China's military spending, reported at about US\$175 billion for 2018, remains far behind that of the United States, especially given the possibility for the US military budget for next year to rise to levels of US\$700 billion or more (Rajagopalan, 2018; Stein, 2018), China's power projection capabilities have developed considerably in the past decade, as has been seen in the Indian Ocean and deeper into the Pacific region.

Thus, it can be argued that China under President Xi has now developed to the point of becoming a confident great power,¹ after many years of settling carefully into that role. One of the Chinese leader's first domestic initiatives after taking power, for example, was the concept of the 'China Dream' (*Zhongguomeng* 中国梦) (Xi, 2014). In contrast to the American dream that is based on an idea of individualism and his/her free possibilities to pursue personal interests, the Chinese dream is a collective dream monopolized by the Party. It also refers to China's growing economic power,

¹ This means that the country no longer fears subjugation by other great powers, as was the case during much of the Cold War.

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rejuvenation and widening opportunities for people in the country (Wang, 2014). There is much debate about whether China is abandoning a long-held foreign policy philosophy, in existence in some form since the leadership of Deng Xiaoping (邓小平) in the 1980s, of “keeping a low profile” (*taoguang yanghui* 韬光养晦). There has also been the argument that this Dengist philosophy has been superseded by the idea of ‘trying to accomplish something’ (*yousuo zuowei* 有所作为) under Xi, and that more recently Chinese foreign policy has been marked by a greater ‘assertiveness’, although that term is also widely open to interpretation (Wang, 2014; Johnston, 2013).

It is notable that Beijing is rapidly changing its Dengist traditional approach to international issues. Namely, soon after Xi Jinping came to power, Beijing changed its overall strategic narrative, pointing in the direction that China is rapidly altering its traditional 'passive', 'never seek leadership' and 'non-intervention' principles in its foreign policy conduct. In 2014, the Politburo announced that China needs to strengthen its institutional power in multilateral institutions and to move from 'side-by-observer' and 'follower' to 'active participant' and 'guiding actor' (Xinhua Agency, 2014). In other words, Beijing aims at becoming a rule-maker and an active shaper of the architecture, rules and norms of international institutions. At the 2016 Group of Twenty (G20) meeting in Hangzhou, Xi Jinping proudly announced a new political slogan that China should become a ‘guiding power’ of the world (*Zhongguo yinling shijie* 中国引领世界), marking a clear demarcation from the traditional Dengist 'keep a low profile and never seek leadership' principles (G20 meeting, n.d.).

Furthermore, in a concerted fashion, the Xi government has stipulated new laws that provide Beijing the right to send troops overseas to prevent or counter terrorist activities that threaten Chinese people or assets, thus paving the way for abandoning the treasured foreign policy principle of 'non-intervention' (The US-China Business

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Council, 2015). For example, China is increasing its security forces' presence in Tajikistan and Afghanistan, and based on international media reports, China has already participated in joint counter-terrorist operations in Afghanistan during the past year (Clover, 2017, February 26). China is also reportedly building a military base in Afghanistan, but Beijing denies that it has troops or will send combat troops to Afghanistan (Putz, 2018, August 29). China has also established hundreds of private or semi-private armed security companies that provide security services to Chinese State-Owned Enterprises (SOEs) in politically unstable environments, including a number of Belt and Road partner countries such as African states (Legarda & Nouwens, 2018, August 16). Few outspoken Chinese scholars and politicians have pointed out that abandoning Dengist foreign policy principles is not only wrong, but China is too weak to seek the position that Xi's regime aims to reach. Scholars warn that the imminent economic risks instigated by the post-2018 Sino-American trade war combined with the radical shift in foreign policy conduct could turn out to be a damaging imperial overstretch for the current regime (Sheng, 2018, October 25; Barmé, 2018, August 1). What can be said, however, is that the Arctic is the latest example of the growing comprehensive approach that Beijing has taken in its foreign policy development.

As noted above, relations between China and the United States have become more problematic, partly as a result of expanded Chinese economic and military power, but also due to the current turn towards greater isolationism, unilateralism and transactionalism by the Donald Trump government since 2017 (Sinkkonen, 2018). These events have led to intensified debates over whether a 'power transition' (Organski, 1968; Tammen et al., 2001) will take place between China and the US in the coming decades. History has demonstrated, with some exceptions, that such transitions often result in war if dissatisfied challenger power aligns against a satisfied

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status quo power. This has also been referred to in recent media as the ‘Thucydides Trap’ (Allison, 2017), drawing parallels to the ancient rivalry between the city states of Athens and Sparta. As the centenary of the First World War was observed starting 2014, there was also some debate as to whether similar conditions that caused a regional Balkan conflict to escalate into a global conflict were being replicated in the Pacific Rim.

However, as both states are nuclear powers, the possibility of a great power war along the lines of conflicts on the nineteenth and twentieth centuries are seen as far less likely. In addition, solving today’s global problems such as climate change and pandemic diseases provides a strong impetus for cooperation amongst great powers. Moreover, in contrast to previous centuries, the growing number of institutions, regimes and other forms of communication, not to mention global markets, may act as a restraint against a plunge into an overt Sino–American conflict (see, however, Henry M. Paulson Jr., 2018). Nonetheless, the world might be entering into, or is perhaps already in, a period of more overt great power rivalry as Chinese power reaches American levels.

Even during his election campaign, Donald Trump was openly hostile to China and its alleged detrimental policies for the United States. This strategic competition is being felt most acutely in the Pacific Ocean (but also in the Indian Ocean, a major conduit for the Belt and Road), including disputes regarding maritime security, disputed islands, and border demarcation such as the ongoing disputed status of the South and East China Seas. In China, this has led to concerns about containment by the United States and its allies.

Over the past half–decade, the situation in the South China Sea (SCS *Nanhai* 南海) has worsened as China has increased its military presence, including via the so–called

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'Third Force' of a Chinese maritime militia, supplementing Chinese naval and coast guard vessels, on some of the islands within the area Beijing claims as its 'historical waters' (Strategic Comments, 2016). This has been viewed as a type of 'hybrid warfare' in the SCS via developing a layered maritime presence. These acts have caused concern for the region's states and the United States. Over the past three years, China has begun to augment disputed reefs, first by adding sand to transform them into de facto islands and then placing various types of infrastructure on them, including runways, monitoring equipment, port facilities and weaponry, including missiles. Despite periodic US-led 'freedom of navigation operations' (FONOPs) in the SCS by American military planes and vessels since the previous US administration of President Barack Obama, Beijing continues to fortify its positions in the SCS, suggesting an 'anti-access/area denial' (A2/AD) strategy in the region, which may hamper the entrance of American or other foreign military vessels into the waterway in the coming years (Erickson, 2016).

2.4. Evolving economic interests abroad

There is also a growing importance of 'economic security' as China develops its great power status, with related concerns about more overt trade competition. After many years of GDP development levels often in the double digits, economic growth has slowed down in China to below seven percent. However, fears of a 'hard landing', meaning a sharp downturn in the Chinese economy leading to a recession and potentially a cascade effect involving the greater global financial system, have been so far proven unfounded. Thus far, Beijing has managed to work with its slower economic growth successfully, remaining an island of stability in the global markets as other regions, including Europe, are still struggling to continue on the path towards

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recovery. The emerging trade war with the United States since the middle of 2018 is also a wild card in China's short-term economic policies. Concerns about the long term fallout from the trade conflict with Washington has prompted the Xi government to further develop ties with alternative markets, including Europe, Russia, the Middle East and Latin America, with varying degrees of success. There have also been emerging negative effects on China's domestic environmental policies, including cases in which polluting factories that had previously been shut down have since been reopened due to economic strains exacerbated by the Sino-US trade war starting in 2018 (Cai, 2018).

There is also a quiet transition in place between the secondary and tertiary economies, but manufacturing remains the cornerstone of the Chinese economy and so the country is still sensitive to the state of the global trading system. While manufacturing continues to be the mainstay of China's economic growth, there has been much greater attention paid to the tertiary/services sector, including various forms of e-commerce. China is also an innovator in the areas of financial technology, including mobile payments, microloans, and online retail. Witness the massive online sales in China during 'Singles Day' (*Guanggun jie* 光棍节) in the country every 11 November — the online store Alibaba recorded a record profit of US\$30.8 billion in sales on that day in 2018 (Rapoza, 2018). Much attention has been paid in this area to the so-called 'BAT' firms, meaning the technology giants Baidu (百度), Alibaba (阿里巴巴) and Tencent (腾讯) as well as their subsidiary companies. From a wider viewpoint, there is also no shortage of 'unicorns', (privately held startup firms valued at over US\$1 billion) and even 'decacorns' (firms with a net worth of ten billion dollars US) within the Chinese economy (Yu & Zhang, 2018; Fannin, 2017).

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Nonetheless, challenges to the Chinese economy remain. The rapid growth not only of regional level governmental debt, but also rapidly growing domestic debt ratio has created serious structural challenges for the sustainability of the Chinese economic growth model. The current trade war and the possibility of greater economic protectionism in the United States and other Western economies are also potential hazards for Beijing. The Belt and Road processes have also been challenged by concerns about Chinese 'debt traps' among some BRI partners, including Djibouti, Pakistan and Sri Lanka (Hurley, Morris & Portelance, 2018). This has led to the question of whether Beijing will be able to reconcile its economic challenges at home with the large amount of startup capital that will be needed in building the Belt and Road networks.

In addition, there are ongoing concerns about energy security as China's economy modernises, including access to fossil fuels but also the technology to improve Chinese energy efficiency. China's indigenous energy supplies remain dominated by coal, which is polluting, expensive and difficult to transport, as well as being inefficient. Thus, there has been a great deal of enthusiasm for alternative resources, including oil, natural gas, nuclear power, and greener alternatives such as hydro-electricity, wind power, and thermal energy. There is a clear need for more varied sources of energy from different parts of the world in order to move the country away from its high dependency on coal. Many regions, including the Arctic, are seen as sources of oil, gas, liquefied natural gas (LNG) and potentially other types of energy as the Chinese economy matures. Connected to this is China's growing need for other raw materials such as metals and minerals, including those required for high-technology and 'green' technologies such as cobalt, columbite-tantalites (coltan) and rare earth elements (REEs) (Kalantzakos, 2017). One of the reasons why the Arctic has recently

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assumed a stronger profile in China's resource diplomacy is that not only is more of the region becoming accessible to resource extraction due to climate change, but the Arctic States are viewed as politically stable and generally predictable, which is not the case with other resource-rich regions.

2.5. China as a maker of norms and institutions

As part of Beijing's widening diplomatic interests, China has begun to practice greater 'structural power' in the areas of establishing new rules and norms in the international system. These have included the development of alternative organizations that operate outside of the existing framework established by the West. These include the Asian Infrastructure Investment Bank (AIIB), a financial institution that began operations in January 2016, with a membership that includes all of the Arctic States, including Finland, save the United States (Dollar, 2015). However, the function of the AIIB remains questionable, as it has remained rather passive in its lending activities. The AIIB, that was supposedly seen as a new regional financial institution established and initiated by Beijing, has approved loans only of less than 10USD billion since the bank began its operations four years ago. Instead, it is evident that China continues to rely heavily on bilateral agreements in providing loans to recipient countries. For instance, two Chinese policy-banks, China Export and Import Bank and China Development Bank, have provided roughly three times more loans to Kazakhstan alone than the AIIB's total to some dozen countries. There is also the New Development Bank (NDB), which began in 2015 as an offshoot of the BRICS (*Jinzhuan Guojia* 金砖国家) grouping. The BRICS has linked China with other large emerging markets, namely Brazil, India, Russia and South Africa.

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Although China has no interest in creating exclusionary organizations to directly balance the West, along the lines of a Cold War Soviet-led Comecon or a Warsaw Pact, China is nonetheless beginning to develop as a 'norm-maker' in addition to being a 'norm-taker' in the area of international regime-building (Hirono & Lanteigne, 2012). This means that after many years of China's accepting rules and regimes that were largely created and developed by the United States and other parts of the West, especially when China first opened up to the international community in the late 1970s-80s and when the country engaged in the 'deep reform' processes in the 1990s under Jiang Zemin (Dittmer & Liu, 2006), Beijing is now interested in developing norms of its own, including organizations that do not follow Western guidelines.

The most prominent of these new regimes has been the Belt and Road Initiative (BRI), introduced by President Xi in 2013. It can be argued that the BRI is a prominent example of China's interests in norm-making, given that the initiative represents a Chinese commitment to building an alternative economic pole not only for the Asia-Pacific but also for other regions, including the Arctic. It is notable that the Belt and Road Initiative does not have any official strategy or any national approving institution governing the policies, approvals or accumulating economic activities that Chinese companies are doing in the name of BRI. Instead, Beijing has provided fast and cheap capital for companies and regional governments that claim to make an investment under the banner of BRI. Consequently, countless companies and local governments utilize this financial stimulus to internationalize by proclaiming to be part of the Belt and Road Initiative. As a result, the plethora of Belt and Road investments in various investment sectors are astonishing, ranging from traditional logistical infrastructure and power plants to 'softer' investments, such as sports facilities and arranging of

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cultural and scientific events that are all financed by various actors through the loose BRI finance.

However, the Belt and Road initiative is also witnessing the build up of trade corridors that are being created in order to expand Chinese trade with key partners in Africa, Europe, Eurasia, Russia and South Asia. The 'Belt' encompasses overland routes that connect China with Europe via Russia and Central Asia, with the centerpiece being the China–Pakistan Economic Corridor (*Zhongguo–Bajisitan Jingji Zoulang* 中国–巴基斯坦经济走廊) or CPEC, and associated transportation and communication routes planned across the Central Asia/Caucasus region. It is very likely that Siberia will play an expanded part in the 'Belt' via new transportation and communication links, given the potential of expanding Chinese trade with Northern Europe and the greater Arctic.

The 'Road' is, more specifically, a set of sea routes connecting the Chinese coastal regions with economies in the Indian Ocean, the Mediterranean and the Pacific Ocean, all the way to Latin America. Connected to the development of these routes has been Chinese investment in ports throughout the Indian Ocean region, including in Pakistan, Sri Lanka and Myanmar as well as in Greece (Piraeus) (Kynge et al., 2017). At present, there are over sixty countries, including Finland, that are involved in some fashion with the building of the Belt and Road via regional and bilateral agreements.

In 2017, the Arctic was formally added to the Belt and Road as a result of a Chinese governmental report that designated the Arctic Ocean as a 'blue economic passage' (*lanse jingji tongdao* 蓝色经济通道) that could be used for enhanced Chinese trade between Asia and Northern Europe. Although it is unlikely that the Arctic will be a primary conduit for the BRI, especially compared to Eurasia and the Indian Ocean, the addition of the Arctic does underscore Chinese interests in utilizing the region for future economic projects in addition to scientific ones (see Chapters 4, 6, and 7).

2.6. Aspects of continuity in Chinese foreign policy

Even if many changes have occurred, there are also stable aspects in current-day Chinese foreign policy. Many internal elements are still very much the same, such as the state-guided capitalism, nationalism and the ongoing economic growth that collectively serve as the drivers behind the wide acceptance of the country's political system, and, indeed, the acceptance of a communist one-party system. All of these internal dynamics still manifest in many areas of foreign policy as stable elements. At the same time, it is evident that China is hardening its stance on a number of security issues that are related to its "core interests" and there is increasing evidence that China is utilizing its economic leverage, or debt-trap practices, to interfere with other countries' internal affairs, thus challenging the much cherished non-interference principle of Beijing (Mattlin and Nojonen 2015; Pattey, 2017).

China has been consistent in its reliance on the fundamental principles of public international law ever since the start of the reform era in the 1980s, and this view was exemplified in its first ever Arctic policy. Territorial sovereignty, the equality of states, non-interference in the internal affairs of other states and non-use of force against other states have been constant features of China's foreign policy since as far back as the Mao era, notable in the ongoing status of the 'Five Principles of Peaceful Co-existence' (*Heping Gongchu Wuxiang Yuanze* 和平共处五项原则) left over from that period. However, in practice the approach to these features has been open to interpretation. For example, Beijing has become more accepting of humanitarian intervention in the case of civil conflicts, such as in the case of the East Timor conflict and more recently in the civil wars in Mali and South Sudan. Beijing has also been sensitive to any international policies that affect areas viewed by the Chinese

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government as strictly domestic affairs, including the status of Taiwan, the territories of Tibet and Xinjiang, as well as security in the East and South China Seas.

As one of the permanent members of the United Nations Security Council (UNSC), China has been generally against military interventions into sovereign states, especially if there is no clear Security Council authorization, and especially if these interventions are conducted by military alliances. Two major examples are the American and North Atlantic Treaty Organization (NATO) actions against Yugoslavia in 1999, and the Washington-led 'coalition of the willing' against Iraq in 2003. In the case of the Arctic, Beijing has also affirmed that it respects the sovereignty and sovereign rights of Arctic States, a requirement that all Observers needed to fulfill as part of the Council's 'Nuuk Criteria' (Graczyk & Koivurova, 2014).

Beijing has also been a fairly strong supporter of regulatory action in many other fields of international policy such as the law of the sea, international environmental law or indigenous people's rights (internationally) — all areas that are of importance from the viewpoint of the Arctic.

China is a party to the United Nations Convention on the Law of the Sea (UNCLOS), unlike the United States. The US does accept most of UNCLOS to be legally binding as customary international law. Even if many accuse China of violating UNCLOS in the South China Sea, the country itself perceives that it is behaving on the basis of the law of the sea. China questioned the jurisdiction of the Permanent Court of Arbitration (PCA) that was established on the initiative of the Philippines (on the basis of UNCLOS) and dismissed the ruling of the PCA in 2016 that decided, to a large extent, against Chinese interests in the SCS (Panda, 2016). The Philippines challenged the historic rights of China in the South China Sea, as many other countries have done, given that Beijing's alleged historic rights, as exemplified by the 'nine dashed line',

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overlapped with those sovereign rights of the Philippines. Chinese claims to the SCS have also overlapped claims made by Vietnam as well as Malaysia and Brunei (Hayton, 2014).

China did not participate in the proceedings of the PCA. The arbitral tribunal did not accept the historic rights claim of China. China sees that its historic rights over the South China Sea are firmly grounded in the customary law of the sea, and that the arbitral tribunal did not have jurisdiction to even examine the dispute. From a general point of view, China has placed a lot of emphasis on observing UNCLOS. Beijing has also been strident in its claims to the Diaoyu (also known as the Senkaku in Japanese) Islands in the East China Sea despite overlapping Japanese claims. In 2013, China implemented an 'air defence identification zone' (ADIZ) over the East China Sea, which further underscored the seriousness of its claim (Burke & Cevallos, 2017).

Beijing has also actively participated in international environmental policy and law-making (see Chapter 5). For example, after the Trump government decided in 2017 to unilaterally withdraw the US from the Paris Climate Agreement, China found itself as one of the largest remaining supporters of the deal, and the Xi government has since reached out to the EU and specific European leaders in the hopes of perpetuating the agreement. China is also party to a large number of international environmental treaties, including many that are relevant in the Arctic (such as the 2001 Persistent Organic Pollutants Convention) and also the most recent fisheries agreement related to the Central Arctic Ocean (CAO).

2.7. China as an actor in regions outside of its immediate neighborhood

During the early reformist period in China under Deng Xiaoping and during the 1990s under President Jiang Zemin, Beijing's foreign policy concerns were primarily limited to

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the surrounding Asia–Pacific region as well as great power relations with the United States and the Soviet Union and later the Russian Federation. Under Jiang, China was especially concerned about resolving, or at least calming, numerous border disputes remaining from the Cold War. During this period, Beijing opened diplomatic relations with former regional adversaries, including Singapore, South Korea and Vietnam, and sought to resolve border disputes including with Russia and Central Asia. China also sought to improve relations with many Southeast Asian governments that had previously been concerned about Beijing's previous support for communist movements. Jiang was primarily interested in *zhoubian* (peripheral) diplomacy in order to allow China to concentrate on delicate internal reforms, including economic reforms but also the restructuring of the Communist Party itself. After decades of poor regional relations and Cold War border conflicts with the Union of Soviet Socialist Republics (USSR), India and Vietnam, China needed a period of calm with its neighbors.

Under Hu Jintao, China began the first steps of adaptation as a great power, although there was still some sensitivity towards being seen as potentially revisionist. The Hu government initially put forward a foreign policy based on the concept of 'peaceful rise' (*heping jueqi* 和平崛起). However, after some internal debates, the concept was changed to the more politically palatable 'peaceful development' (*heping fazhan* 和平发展). Nonetheless, the Hu government began to engage in extensive summit diplomacy in many parts of the world, including in Africa and the Middle East, to demonstrate China's emerging role as a developmental and economic partner, especially given China's own history of being a developing state and a former victim of colonialism. These policies were greatly assisted by the growing unpopularity of US policy under then–President George W. Bush, which was seen as increasingly

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unilateralist and focused to an excessive degree on anti-terrorism policies and the conflict in Iraq after 2003.

At first, China's cross-regional diplomacy was focused on bilateral agreements, including with large and medium powers such as India, Pakistan and Russia. One exception, however, was the European Union (EU), which Beijing recognized as a key economic partner and a potential alternative pole to the United States. However, China-Europe economic relations have been hampered by strong differences between European governments regarding how to engage with Beijing, as well as the EU's unwillingness to recognize China as a market economy, which is a prerequisite for FTA talks. Nonetheless, the development of the Belt and Road Initiative has added another layer to Chinese diplomacy in the EU, in particular in Central and Eastern Europe (CEE) via the '16+1' talks, which have brought together China and sixteen CEE governments since 2012 to discuss BRI-based economic cooperation (Bachulska, 2018).

China's interests in being viewed as a developmental partner has been especially prevalent in Africa, where Beijing has invested in several economies on the continent, including in resource-rich states such as Angola, the Republic of Congo (Congo-Brazzaville), the Democratic Republic of the Congo (DRC), Equatorial Guinea, Sudan, South Sudan and Zambia. Developmental diplomacy has also been active in Latin America, especially in countries that have run afoul of US policy, such as Venezuela, as well as countries experiencing economic trauma since the financial downturn of a decade ago, including Brazil and Argentina. More recently, the Pacific Islands region has also been a major beneficiary of Chinese aid, to the point where Beijing is widely seen as an alternative donor to the traditional powers in the region, namely Australia and New Zealand (Lanteigne, 2012).

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Unlike Africa and other developing regions, China's cross-regional diplomacy in the Arctic is less overtly based on resource-based interests. Although the potential resources of the Arctic, including raw materials and fossil fuels, are of concern to Chinese Arctic diplomacy, Beijing is also seeking greater usage of the Arctic as a transit corridor. Notably, China has also put forward the idea of the Arctic as a *de facto* 'international space', whereby non-Arctic States can have a voice in regional governance while also avoiding being seen as a 'spoiler' in the region, going against the status quo. Therefore, understanding that the Arctic is a distinct region and that Beijing is at a disadvantage compared to the Arctic Eight, China seeks to take on the persona of a 'norm entrepreneur' (Lanteigne, 2017).

At present, the Arctic is not as high a priority for Beijing in comparison with other regions, and much of its Arctic policy is still in development (see Chapter 3). Additionally, of the two polar regions, Antarctica has been given more attention in terms of scientific projects and funding. In 1983, China signed on to the primary Antarctic Treaty, and shortly afterwards it began to construct its own research stations on the continent, the first being the Great Wall Station (*Changcheng zhan* 长城站), on the Fildes Peninsula, completed in 1985. Also in 1985, China became a consultative party to the Antarctic Treaty and it was made a full member of the Scientific Committee on Antarctic Research (SCAR) in 1986. Four Chinese bases are currently in operation, with the latest, Taishan Station (*Taishan zhan* 泰山站) on Queen Elizabeth Land in Eastern Antarctica, opening in February 2014. A fifth base is to be situated on Inexpressible Island near the shore of the Ross Sea. Unlike Taishan, it will be built to stay operational through the entire winter season, and is expected to be fully operational by 2022 (Liu, 2018). In October 2018, Beijing announced that it was also seeking to build an airstrip on the continent to assist with Chinese scientific missions

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as well as accommodating the *Snow Eagle 601* aircraft used for research purposes (Feng, 2018).

Since 2006, Beijing has been a member of the Convention for the Conservation of Antarctic Marine Living Resources (CCAMLR), which oversees the waters surrounding the Antarctic continent. China's first Antarctic expedition took place in 1984, and since then the country has conducted subsequent missions on the continent via the Chinese Arctic and Antarctic Administration (CAA *Guojia Haiyangju Jidi Kaocha Bangongshi* 国家海洋局极地考察办公室), which operates under the aegis of the government's State Oceanic Administration (SOA *Guojia Haiyangju* 国家海洋局), an agency which, in turn, was incorporated into the newly-created Ministry of Natural Resources (Reuters, 2018, March 19).

In May 2017, Beijing hosted an Antarctic Treaty Consultative Meeting for the first time (Straits Times, 2017, May 24), and the Chinese government used that opportunity to outline its growing interests on the continent but also to demonstrate its status as an important contributor to multilateral Antarctica policy. Beijing also took that opportunity to publish its first Antarctic White Paper, which outlined China's growing scientific capabilities in the region. As with its dealings with the Arctic, over the past decade China has been seeking to develop a distinct identity in the Circumpolar South, noting the possibility that both polar regions may encourage greater scientific, and potentially economic, activities in the coming decades.

Nomenclature is also important in the understanding of Chinese diplomacy at both poles. *Polar* is translated in Chinese as the compound word *jidi* (极地); the two characters in the word being *ji* ('extreme') and *di* ('earth'), or in other words, 'the extremes of the earth'. Thus, in Chinese, the Arctic is the "Northern Extreme" (*Beiji* 北极); the Antarctic is the "Southern Extreme" (*Nanji* 南极); while the Tibetan Plateau, which

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contains the world's highest mountains, is the "Third Extreme" (*Disanji* 第三极) or 'Third Pole', referring to the Himalaya region. According to Chinese international law specialist Zou Keyuan (邹克渊), China and Antarctica's close links were forged millions of years ago as a part of the history of the ancient supercontinent of Gondwana. These claims are not made lightly; the implication is that although the two continents are now far apart, China has as much right to make a claim on the territory as other nations that currently are physically closer. From the Chinese government's perspective, the geographical connection between China and "the poles" gives added cogency and legitimacy to its claim for rights and interests in the polar regions and China's "right to speak" on polar affairs (Brady, 2017).

However, China is also aware that it is a relative neophyte to Antarctic affairs as compared with veterans including the United States, Russia, Western Europe, Latin America, and of course Australia and New Zealand. Therefore, the Xi government has taken steps to present its Antarctic agenda as one that stresses partnerships and respect for regional laws and norms. At the same time, China is also underscoring its determination to be recognized as an Antarctic player, keeping in mind that the political situation on the continent may change considerably if the various treaty networks in the region either change or fall into abeyance.

While there are some similarities in China's policies at both poles, there are also significant differences, not least because the Arctic, unlike the Antarctic, has a permanent population and is a predominantly maritime region. Yet, there are also commonalities, as are reflected in the interest that China expresses in all three polar regions (including the 'Himalayan Pole') and its increasing presence and scientific expertise in all those regions. In addition, according to some scholars, research

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activities provide China with more legitimacy and give cogency to its claim for rights and interests in the polar regions (Bertelsen, Li & Gregerson, 2017).

While scientific diplomacy will probably continue to be the vanguard of Chinese Arctic interests, economic concerns are starting to attain importance as well, given China's ongoing need for energy and raw materials as well as new shipping lanes. This has led to questions about whether China may develop stronger security interests in the Arctic as its investment in the region grows, along similar lines as in the Indian Ocean, where increased Chinese trade interests were a factor in the opening of a logistics center in Djibouti in 2017.

Although there have been no open discussions as to whether China would seek to open military bases in the Arctic Ocean, some scholars view the increasing involvement of China in the Arctic in unfavourable and hostile terms, and they interpret Chinese actions in the region predominantly in security and military terms. They point to the potential of the 'dual-use' of Chinese facilities in the Arctic – a concern that was also expressed by Denmark regarding the establishment of Chinese research stations in Greenland – and warn against China's silently expanding its influence and dominance throughout the means of scientific and economic engagement. Other scholars, however, find this approach highly reductionist and limited in its nuanced analysis of Chinese Arctic policy. They note that such concerns have much to do with the fact that China is a great power and therefore is seen as having a strategic agenda in much of its activities in the Far North. Most of all, in light of very high international scrutiny that any actions of China in the Arctic receive in the media, among experts and state officials, it appears highly improbable that China could significantly extend its reach silently and thereby increase its power in the region.

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2.8. Conclusion

China has now become a great power, via a process that has been moulded both by the country's internal politics and also through the actions of other states, including other great powers. At the same time, as China has risen in power, its foreign policy has not only affected the Asia-Pacific but also numerous other regions. The Arctic is but the latest part of the world to be affected by Beijing's increasingly confident cross-regional diplomacy, as this book makes clear. Overall, it can be concluded that Beijing is no longer content to be a norm-taker in international politics but it is more comfortable with becoming a norm-maker. However, there are noteworthy differences between China's Arctic engagement and its diplomacy in other parts of the world.

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