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Arctic Frontier: Ice Silk Road and Its Role in China's Advance to the Arctic *

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Abstract. In recent circumstances of world climate change, Arctic zone has become of great interest for those countries actively involved in its development. With the constant climate warming, deglaciation and increasing of sea-level, commercial transport ways through the Arctic Ocean become a possible economic solution for large exporting countries. Due to importance of north passage for China, Beijing proclaimed itself as a "near-circle State" to get advantages from the development of Northern Sea Route (NSR) that can provide direct access to the Arctic zone and its natural resources. Considering this, China has recently published its White Paper on Arctic Policy, where it announces "Ice Silk Road" to be the official Arctic strategy of China. This article underlines the major intentions and interests of China in its Arctic strategy. One of China's intentions is an enhancement of the Northern Sea Route, that still raises concerns from the specialists whether it can be applicable part of Arctic strategy of China. This article approves that according to Ice Silk Road's connotation Russia should play an indispensable role in China's advancement to the Arctic zone through NSR. Moreover, the author investigates the influence of "Ice Silk Road" on Sino-Russian relations. Both China and Russia appear to prioritize this strategy to ameliorate economic situation and infrastructure in less-developed regions of two countries. Though, economic development of Arctic coastal cities is one of the priorities of the Russian Federation, it remains to be attentive to the involvement of China in the development of the region, mainly out of fear that it will influence its legal position in the Arctic region. Meanwhile, it stays important that two governments come to a consensus concerning the legislative basis of NSR usage and have a deep assessment of advantages and disadvantages that come out as a result of their partnership.

Keywords: Arctic, China, Ice Silk Road, Arctic strategy of China, Sino-Russian relations, Northern Sea Route.

Introduction

New Ice Silk Road strategy mostly aiming to explore and exploit northern marine passages by China jointly with Russia was announced by Mr Xi Jinping on July 4th 2017 during his visit in Moscow and further was named as "Ice Silk Road" ("bingshangsichouzhilu")¹. The following publishing of "Chinese Arctic Strategy" in White Book of China on January 26th 2018 only strengthened this position of the Chinese Government upon the Arctic. The initiative is partly arising from the well-known Chinese initiative "One Belt-One Road" (Yi dai - Yi lu) that implies the expanding of Chinese presence not only on the way of ancient silk road but all over the world.

Publishing its strategy in the official document is a historically important moment for China that wished to announce its interests in the Arctic exploration for all the world. In its desire to obtain economic profit from cooperation with Nordic countries and the Russian Federation in Arctic zone, China wants to be in the forefront of environmental, social, technological and regional activ-

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¹ "Xi's Moscow Visit Witnesses Stronger China-Russia Ties". URL: http://www.chinadaily.com.cn/world/2017xivisitgermany/2017-07/05/content_30001609.htm (accessed 11 November 2019).

ities in the region. Therefore, the Arctic strategy of China is a complexity of all aspects of possible cooperation of China in various Arctic fields. Notably, open announcement of its Arctic strategy is China's answer to bipolar logic where two worlds exist as antagonists: "Arctic Countries vs. Non-Arctic countries"[1, Liu G., Yu T., p. 93].

With the first-ever publishing of the document presenting its Arctic intentions, China is stepping onto the new path of the cooperation with other countries, especially the Russian Federation, that is to become its significant partner in commercialization of Arctic routes and deepening its knowledge about the Arctic region.

For a long period, Arctic region has been considered by distinct countries as a remote land, but these days have been showing a gradually arising geopolitical and economic interest to this region from different sides of Globe. The People's Republic of China (henceforth PRC) became one of these interested sides. Its increasing role in the Arctic is dictated by multiple interests: including strategic, economic, environmental, scientific. Having such enormous interest in Arctic exploration and exploitation is typical for China since in its more than 5000 year-history Chinese nation has been always having such traits as a friendly curiosity in matters that seemed to be interesting either in economic aspects or strategic ones. During a long-term trade war with the United States of America (USA), Chinese geopolitical interests have become prioritized as well as a result of China's eager to play a significant role in the power balance of that region along with Russia and the USA. In so doing, Arctic will become another "place of arms" for China in showing its strategic importance for another world.

What is "Ice Silk Road" ² Initiative?

On 26th January 2018, China's State Council published one of the most essential geopolitical assets, which was named "White Paper on China's Arctic policy" (Chinese: "baipishu"). This date can signify a watermark moment for China's history of Arctic exploration. China had proclaimed the building of "Ice Silk Road" almost six months before publishing its significant document during the meeting of Chinese President Xi Jinping and Russian Prime Minister Dmitrii Medvedev. Mr Xi strengthened that elaboration of Northern Sea Route, which is an important channel of "Ice Silk Road" (henceforth ISR) initiative ³. This strategy has become one of the extensive branches of China's "Belt and Road Initiative" (henceforth: BRI) that has important economic value for the country. Globally speaking, ISR was proposed by Chinese and Russian leaders for the sake of cooperation and development in Arctic regions ⁴. From China's perspective it can be only completed with the

²In White Paper this Initiative is called Polar Silk Road, while the author considers "Ice Silk Road" translation to be more accurate and appropriate for its Chinese appellation.

³China, Russia agree to jointly build "Ice Silk Road". URL: http://www.xinhuanet.com/english/2017-07/04/c_136417241.htm (accessed 15 April 2020).

⁴Zhang Y. Ice Silk Road Framework Welcomed by Countries, Sets a New Direction for Arctic Cooperation. URL: [http://www.globaltimes.cn/content/1144928.shtml#:~:text=In%202013%2C%20China%20proposed%20the,and%20Road%20Initiative%20\(BRI\).&text=After%20a%20long%20period%20of,and%20development%20in%20the%20Arctic](http://www.globaltimes.cn/content/1144928.shtml#:~:text=In%202013%2C%20China%20proposed%20the,and%20Road%20Initiative%20(BRI).&text=After%20a%20long%20period%20of,and%20development%20in%20the%20Arctic) (accessed 28 June 2020)

cooperation of different countries in the facilitation of Northern Sea Route through Arctic Ocean⁵. In this matter, Northern Sea Route is becoming one of the key assets for implementing ISR strategy of China. This corridor (it is also called Arctic Blue Corridor) will be linking China with Northern Europe, North America, and Canada [2, Erokhin V., Gao T., Zhang X., p. 4].

Initially, this concept was proposed by the Russian side at a conference “The Arctic: Territory of the Dialogue”, but was neglected by the Chinese side [3, Tillman H., Yang J., Nielson E.T., p. 347]. Russia, knowing its wide potential of natural resources hidden in Arctic region and growing importance of NSR’s development as the main commercial artery in the future, was the first country to trigger its concept in the mind of the PRC government. Russia has been promoting its shipping lane along the NSR from 1980, but with not much success due to the climate conditions in Arctic, poor seaports conditions, and mainly because of its extremely high charges [4, Hong N.]. After China had obtained its permanent observer status in the Arctic Council, the interest in the Sino-Russian cooperation in Far North has begun more evident. In summer 2013, a commercial vessel of China Ocean Shipping Company (COSCO) took its first trip from Chinese port Dalian to Rotterdam using NSR. The traversing took 33 days – about 2/3ds of the time the voyage normally takes⁶. This voyage had proven the possibility of developing commercial trips through NSR.

The initiative was also welcomed by Arctic countries, especially small ones like Iceland or Denmark. Though the latest has started to worry about the recent growing presence of China in Greenland, they still were willing to discuss future opportunities that can be provided by closer cooperation with China in Arctic [Tillman H., Yang J., Nielson E.T., p. 350]; [5, Sorensen C.T.N., p. 8]. Though Arctic Council remained more conservative in the matter of deciding vote of non-Arctic countries, the economic benefits and development in environmental and technological issues that cooperation with China can bring was the frame of expressed willingness of Arctic countries to cooperate with China.

With the publication of White Paper China strengthened its desire to assert China’s position about the presence in the Arctic. The country had stated that there is no single comprehensive treaty so far that can unite Arctic Affairs in one piece⁷. Near this time China had started to penetrate the idea of being “Near-Arctic State” geographically, pointing out that its territory is situated very close to the Arctic circle. Therefore, nowadays ISR initiative is becoming more than just mutual economic cooperation of China and Arctic states. But to go deeply into this concept we need to start from the NSR as the fundamental asset of China’s desire to cut its way to North.

⁵ The State Council “Full Text: China’s Arctic Policy”. URL: http://english.scio.gov.cn/2018-01/26/content_50313403_5.htm (accessed 20 February 2020).

⁶ Lily Kuo. “A Chinese Cargo Ship is Sailing Across the Melting Arctic to Europe”. URL: <https://qz.com/114206/a-chinese-cargo-ship-is-sailing-across-the-melting-arctic-to-europe/> (accessed 29 May 2020).

⁷ The State Council “Full Text: China’s Arctic Policy”.

Advantages of Northern Sea Route for China

- **Shrinkage of transport routes distance and reduction of transport costs, subsequently.** Nowadays, the only used sea routes for China are those through Malacca strait, Suez Canal and the Indian Ocean. If the vessel is overweighed, it needs to pass through Cape of Good Hope and only then reach Western world. These long-distance travels lead to increased time and transportation costs. Usage of Northern Sea Route would substantially relieve transportation costs by reducing the distance by 1/3 of the existing routes [6, Cui, Shi, Geng K., Zhang R.,p.30]. According to author-transport route from Shanghai to ports of Northern Europe could be shortened by minim. 25% and max. 55% that will help to save from 53 bln to 127,4bln USD every year. Moreover, using this route may shorten transportation time by 40% [7, Schøyen H., Bråthen S.]
- **Security enhancement for passing vessels.** Existing religious and cultural disputes in the regions where transport routes are currently located cause much of the risk for transport vessels. There are multiple unstable factors such as: piracy in the regions between the Indian Ocean Mediterranean Sea, terroristic attacks etc. Considering that cargo ship should pass a certain number of countries where these complex issues have not been settled yet, PRC bears the heavy economic risk. In this case, NSR provides more safe options since territories by the Arctic Ocean have homogeneous cultural and religious aspects, thus are safer for passing ships. Consequently, "Ice Silk Road" would to a certain extent diminish transport risk and increase transport safety, thereby contributing to the development of China's external trade with Western countries.
- **Providing better conservation of imported perishable products in Arctic weather conditions and reduction of equipment costs, subsequently.** While the transportation of some perishable goods can be difficult in the conditions of southern waters, Northern Sea Route would provide better preservation of goods such as fish or meat shipped from Northern countries to China. Recently, Danish shipping operator Maersk has completed several trials of sending cargo through NSR to Russia's port Saint-Petersburg from the Far East. The company admitted that in circumstances of increased demand for perishable goods to be transported to China and vice versa the alternative of NSR may be viable in the nearest future⁸. Though Maersk has been taking the position of not considering NSR to be a feasible commercial alternative to existing east-west routes, recent development in investigating the possible advantages of this route promises that more and more companies could be interested in its usage.
- NSR possesses high potential for countries to use, though for now remains useful only in case of high fuel price. In a view of low fuel price, Suez Canal and the Indian Ocean are yet to be used within the most foreseeable future. Nevertheless, the attractiveness of NSR is left on China's agenda. One of the main challenges for using this route is its high costs for convoy vessels' assistance and other supplementary fees, such as ice pilot assistance, for example. Yet, the attractive

⁸Shipping company Maersk to return to Arctic Northern Sea Route This Summer. URL: <https://www.highnorthnews.com/en/shipping-company-maersk-return-arctic-northern-sea-route-summer> (accessed 16 April 2020).

feature is NSR's unfixed tracks. Considering weather conditions tracks can be changed in favor of cargo ships.

- Another advantage is belonging of this route to the country which has close friendship ties with PRC – Russia. It means that China and Russia must maintain their friends' bond on the highest level since developing and exploiting this Route would bring huge benefits for both in the future.

China's Concerns in the usage of Northern Sea Route

- **Environmental concerns.** The Arctic Ocean is the shallowest and the most severe Ocean on the planet. Its link to the Pacific Ocean through narrow Bering strait can pose problems for cargo ships. Hence, for enhancing commercial routes through NSR the types of ships should be specified.
- Further still, rapid climate changes have worsened the problem of deglaciation making the natural environment of Arctic too frangible. If the deglaciation continues with high-speed it will damage environmental balance that in its turn will influence economic stability and development of the whole world. For that reason, it stays important to research the possible negative influence of commercialization of NSR on the existing environment in the Arctic.
- **Weather challenge.** It is impossible to neglect the temperature factor of Arctic and its vast ice-coverage within almost 8 months in a year. According to the Danish Meteorological Institute within the lowest temperature in 1958 amounted to - 40°C in January. In 2019 January temperature was substantially higher (- 23°C) , which supports the fact of possible using NSR in the nearest future. Nevertheless, weather conditions in the Arctic remain an obstacle for technological and economic aspects.
- **Geopolitical issues and legislative obstacles.** To enhance the smooth passage through Arctic Ocean China's need to regulate legislative moments with its counterparts. Nowadays, the existing complex geopolitical system is one of the significant challenges for China to promote its "Ice Silk Road". Though the number of countries along the Arctic Ocean is significantly less than its number along southern waters, and there are no obvious cultural and religious disputes between countries near-Arctic circle, geopolitical tension cannot be ignored in the light of the recent increase of attention to the Arctic. Within recent years, large Arctic countries such as Canada, Russia and the USA have already announced their policies towards continuous exploitation of Arctic region, but from a geopolitical point of view they didn't come up with the possible solution for mutual peaceful exploitation and exploration of Arctic. Moreover, while China confers the right on freely using Arctic water areas, even using military assistance for supporting its potential infrastructure objects , Arctic-circle countries are taking steps for protection of their geopolitical interests. For example, President Putin issued the executive order of March 5th 2020 that is called "Basic Principles of Russian Federation State Policy in the Arctic to 2035" . This Order lists challenges for national security in the Arctic and provides the ways to ensure it. One of the listed concerns of the Russian Federation is building up a military presence in the Arctic by some foreign states and an increase of conflict potential in the region. Taking into account increasing geopolitical tension in

the Arctic region and the fact that NSR also includes exclusive economic zones, territorial and internal waters, it seems unlikely that Chinese free presence will be welcomed there. According to national and international laws China will still need to even ask for authorization for using waters of Arctic littorals for its cargo vessels, therefore we can't talk about the presence of Chinese military activities in the foreseeable future in this region. Therefore, usage of NSR for external trade has not been yet secured for Chinese vessels, posing difficulties and challenges for "Ice Silk Road" initiative.

- **Problems for heavy-tonnage ships.** The passage which China needs to use is going through the narrow Bering strait and other Arctic straits along the coast of Russia. It is suitable only for vessels with the maximum draft of 12 meters, as several straits like Sannikov Strait or the area near Medvezhyi Islands can't be navigated by the vessels with deeper drafts. Heavy-tonnage ships could sail through more northern passages situated at higher latitudes, but those paths are still uninvestigated for commercial use and require more profound surveys.
- **Bureaucratic obstacles.** Even considering potential advantages of using NSR we can't neglect the fact that there is still no improvement in bureaucratic sphere upon the usage of this route. The processing time for submission to obtain permission for navigation through NSR is relatively long. The waiting time for icebreaker assistance can vary as well. In this stance, NSR can't be seen as a route with economic potential for China. Though, China has started to build its own icebreaker fleet, the position of Russia that considers NSR as "historically shaped national transportation corridor" where all vessels should navigate under Russian control will still pose bureaucratic difficulties to China.

What benefits can China obtain from Ice Silk Road initiative?

Importance of the Arctic region for the PRC has been dictated by several explicit factors. Firstly, the Chinese government is highly interested in searching **for new oil and natural gas springs**. The Arctic possesses a vast deposit of natural resources: it is estimated that it owns 1/4th of world undiscovered reserves of natural resources (along with metals and precious metals), 1/4th of world deposits of natural gas and 10% of hidden oil reserves [8, Gao T.]. The Arctic is estimated to provide up to 60% of the country's ever-growing need for fuel. Chinese companies are involved in barely every project in the Arctic region in various countries. PRC has an interest in buying shares in extracting companies like project Yamal, Nexen in Canada, Elkem in Norway, Kvanefjeld project in Denmark etc. In this case, the most ambitious project that could benefit from the implementation of ISR strategy is the integrated project "Yamal LNG", conducted by Russian independent natural gas producer NOVATEK (owns 50,1%), French conglomerate Total (holds 20%), Chinese National Petroleum Company (CNPC – owns 20%) and China's Silk Road Fund (holds another 9.9% of shares)⁹. Further elaboration of ISR along with NSR development will contribute to the faster natural gas extraction and its shipment to Chinese and East Asian market.

⁹All information on Yamal LNG project can be obtained at its official web page: <http://yamallng.ru/en/>.

Secondly, 90% of all world trade goes between Asia, Europe and North America, hence for China which controls the largest piece of this trade, the Arctic Ocean has currently the highest value since the cost of shipping through it could be much lower for Chinese vessels [9, Kalfaoglu R., p. 113]. For this reason, in the perspective of the ongoing process of Arctic's development, Northern Sea Route (NSR) could become an important transport link that connects Asia, Europe and North America. This fact has much significance for the PRC since having an alternative link to the main importers of Chinese goods and exporters of oil and gas is crucial nowadays for fast-growing economic needs of China. In 2014 the amount of transported cargo via NSR amounted to 3982 tons, in 2015 this quantity increased to 5432 tons, in 2016–7266 tons. In 2020 according to estimates the amount of transported cargo should reach 31 000 tons, and in 2030 – 51100 tons¹⁰. During these times when China Southern sea is a matter of dispute between the PRC and its neighbours in the context of islands sovereignty and Suez Canal regional instability, this alternative route of shipping is of fundamental importance for China.



Fig. 1. Northern Sea Route vs. Existing route¹¹.

Another and third aspect that binds the PRC with its engagement into the Arctic is climate change – a phenomenon which has recently become of the highest rank in China's internal policies. By proclaiming itself a "near-circle" State PRC underlines that climate fluctuations in the Arctic could negatively affect China's North-East, thus emphasizing it aspires to combat climate change consequences with other players. Apart from that, China declared itself to be closer to Arctic with the aspiration to win from drastic climate fluctuations in the nearest future. According to studies [10, Mokhov I., Khon V., p. 94], climate change may affect the conditions of navigation in arctic waters, that can lead to the prolongation of navigation period. It is estimated that by the second half of XXI century the Arctic Ocean could be free from ice¹². For the PRC it is a chance to implement its strategy of creating alternative route for its bulk cargo ships. In these circumstances, the

¹⁰ Zhang T., Chen X. Why did the "Ice Silk Road" is Becoming Popular? URL: http://www.china.com.cn/opinion/think/2017-12/23/content_50157099.htm (accessed 24 April 2020).

¹¹ What is the Northern Sea Route? *The Economist*, 24 September 2018. URL: <https://www.economist.com/the-economist-explains/2018/09/24/what-is-the-northern-sea-route> (accessed 06 June 2020).

¹² Ratnikov A. From the North. Will Russia Be Able to Use Advantages of the Northern Sea Route. URL: <https://lenta.ru/articles/2016/03/15/northsearoute/> (accessed 14 May 2020).

environmental factor is incorporated into economic interests of China that is eager to develop NSR with the help of the Russian Federation (Fig. 1) Environmental implications are not only seen in the ice melting and changing conditions for sea Routes that bring more benefits than losses but more evidently climate change is the key idea for China for remaining an active member of Arctic community as a "near-Arctic" country¹³. By naming itself so China is planting an idea that climate change affects its lands more than we could have imagined.

The environmental factor is also playing its enormous role in the further development of Chinese tourism. Thus, China will benefit from the vast deglaciation of Arctic zone in its eagerness to develop Arctic tourism. Chinese tourists have long ago become one of the important profit sources for the whole world. Engagement between Chinese actors and Nordic and Russian communities is already happening not only on the base of economic development and trade deals but also in the tourist domain that is a strong driver for economic development. With the economic rise of Asia and broad shift of power from the West to the East [11, Smith P.] have led to the fact that more and more Chinese families have resources to travel around the globe. Correspondingly, Chinese tourism is playing more and more significant role in Nordic countries, especially in the Russian Federation where tourism from the East Asia (mostly, China and South Korea) has become a stimulus for market and infrastructure development recently. China's embeddedness into Arctic development will not only attract investments into tourism development but also contribute into economic diversification of Nordic states and Russia - those countries that highly depend on natural resource extraction [12, Jørgensen M.T., Bertelsen R.G., p. 167].

Apart from economic benefits, Chinese interest in Arctic development is going far beyond its monetary gains. The recent engagement of China in cooperation with Nordic countries has raised a high attention of the world to implicit drivers of Chinese Arctic interest. Geopolitical agenda is awaited to be one of them. Rising confrontation of the U.S. and China accompanied by the tendency of rivalry between Russia and the U.S. make these estimations of Chinese crave to stand on the firmer position in Arctic balance of powers more feasible. Certain scientists express opinions that China needs the development of NSR not only due to its strong economic needs but also in eager to enhance its strategic geopolitical position and future military role in the region¹⁴. China has raised its interest in the geopolitical activity in the Arctic region only in the mid-2000s, though it has been a member of the Spitsbergen Treaty from 1925. This immediate turn to the High North can be explained by the recent rising global powers status of China that allows the PRC to start dictating its conditions on the world scene. Escalation of the Sino-US rivalry amid Trade War and further aggressive views of the US towards "Chinese Virus" is linking the PRC to its firm cooperation with the Russian Federation, which has the longest and the most stable shipping passage in its waters. Though geopolitical aspirations of China have become one of the recent

¹³ Hallding K. "China's Arctic Ambitions – Actors, Drivers and Strategies? Stockholm Environment Institute." Sweden. 05 March 2013. URL: <http://www.arcticfutures.se/?tag=stockholmarctic-Seminar> (accessed 14 June 2020).

¹⁴ Trenin D. Russia and China in the Arctic: Cooperation, Competition, and Consequences. URL: <https://carnegie.ru/commentary/81407> (accessed 18 June 2020).

«perils» between members of Arctic Council, notably Russia, it's highly unlikely to see Chinese Naval Forces in Arctic waters in the most foreseeable future. China's eager to participate in activities of this region are mostly dictated by a peaceful economic desire to fulfil its needs and serve its interest.

I cannot neglect Chinese aspiration to boost its scientific and technological research in the terms of Arctic aspect, though from the nearest perspective it cannot be a key driver for China's Arctic ambitions. The most prominent strategy that China wants to stick to is to develop its ice-breaking fleet, that will surpass Russian icebreakers in its technological equipment and technical power. This is rather the area of cooperation of China with Northern European countries, Canada and the USA than the aspect of Sino-Russian cooperation [13, Kobzeva M., p. 100]. However Chinese company COSCO has already shown its unveiled interest for NSR shipping lane. In 2019 it planned to conduct 14 voyages via NSR in a period of July-October¹⁵, and this figure will be increasing from year to year. COSCO aims to be a major partner in the transporting LNG through NSR, investing in projects for building cargo ships with other companies. In 2017 it ratified a plan to build a joint fleet with Mitsui OSK that will deliver cargoes from Yamal LNG [Tillman H., Yang J., Nielson E.T.]. Development of Chinese own icebreaker fleet and the most prominent cargo fleet is the signal of Chinese growing interest and belief in future of NSR shipping, even though nowadays the majority of experts still doubt the possibility of economic advantages of this route. Indeed, to date, the approximate cost of Russian icebreaker is 4.5 mln rubles per day (around \$ 7 000 USD). That is why, the Chinese place a stake on its fleet development, that can reduce shipping costs while using Northern passage.

The last but not the least aspiration of the PRC is the development of its North-East region by being actively involved in ports rejuvenation and building transport corridors connected to the NSR. In this case, China not only seeks profits from the development of Russian ports along the Route but also to provide better conditions for its ports in the North-East region, so-called «rust region» of the country, which is not considered as well-developed one. According to estimates, the opening of the prospective corridor that leads to energy resources of the Arctic will contribute to the diversification of energy supply patterns for the North-East region [14, Feng Y., p. 91]. Such northern ports as Dalian, Tianjin, Qingdao, and transport links of Hunchun and Harbin which have been closely connected to Russian border will get a natural boost for further development [15, Pan Z., Zheng L., p. 120]. Moreover, due to specific conditions of the NSR, requirements for icebreakers are high. The involvement of North-East regions of China could boost the development of shipbuilding in these regions that are not famous for being the main technological and scientific bases of China.

¹⁵Malte Humpert. "Chinese Shipping Company COSCO to Send a Record Number of Ships through the Arctic". June 13, 2019. URL: <https://www.highbnorthnews.com/en/chinese-shipping-company-cosco-send-record-number-ships-through-arctic> (accessed 16 June 2020).

Role of ISR initiative on Sino-Russian cooperation

In 2016 Sino-Russian cooperation in Arctic region reached a historical breakthrough, when two sides conducted first joint scientific Arctic research¹⁶. In 2018 Sino-Russian joint scientific investigations were conducted for the second time, signifying the beginning of joint assessment of “Ice Silk Road”¹⁷. With the increase of the shaping of Chinese Arctic policy in media and scientific theses, it becomes obvious that each entity of China (whether it is autonomous region or province or large 1-tier city) can play its role in implementing it. North-eastern region is the one most interested region especially Heilongjiang province that will benefit from the improvement of transport and load base infrastructure as it is situated in the border region with Russia – a country which has autonomous rights for NSR. Since the local governments are active actors in China's legislative power they already plan to participate in the Arctic developing by helping build ports of Murmansk and Arkhangelsk¹⁸.

Despite concerns of the RF the economic benefits and support of the Chinese initiative is strongly needed. Before the Ukrainian crisis, Russia had been reaching agreements with respected extracting firms of the Western countries, such as French Total, American ExxonMobil, Norwegian oil companies etc. But after Ukrainian crises and economic restrictions imposed by the majority of the Western countries, cooperation in Arctic projects became under the threat [16, You Y., p. 78]. Since then, Russian Turn to the East and Chinese BRI initiative became one of the main interlinks of Sino-Russian cooperation. Involvement of China in the gas extraction projects is essential to Russia, especially during the continuing tensions between Russia and Western countries, when sanctions are not easing up but keep tightening with the highest degree¹⁹. With the increasing interest of China in providing secure commercial passage through the Arctic Ocean and diversifying energy supply role of Russia in Chinese economic initiatives had taken an important place. In the shade of recent circumstances when NATO forces are threatening the stability of the region and the USA is occupying more and more explicit position towards Russian military presence in the Arctic, Chinese new ISR initiative could be much of use for the securing Russia's position in this region. Therefore, Russian reluctance should be revised and adapted to the new circumstances.

¹⁶Wang Zhonghui. Zhongshoucilianhekekaoyuanmanjieshuhuofengshuokekaochengguo [The First Sino-Russian Joint Arctic Expedition Was Successfully Conducted with Fruitful Results]. URL: <http://www.chinanews.com/gn/2016/10-12/8028900.shtml> (accessed 24 May 2020).

¹⁷Yin Shijie. 2018nianZhongbeijilianhekekaoqude duo xiangchengguo [The joint Sino-Russian Arctic expedition of 2018 achieved multiple results]. URL: http://www.xinhuanet.com/politics/2018-10/30/c_1123637355.htm (accessed 24 May 2020).

¹⁸Silk Road Briefing. “China's Arctic Passage Ambitions Grow with Arkhangelsk Port Development”. April 3, 2017. URL: <https://www.silkroadbriefing.com/news/2017/03/29/china-artic-passage-ambitions-grow-with-arkhangelsk-port-development/> (accessed 03 August 2020).

¹⁹Timothy Gardner, Patricia Zengerle. U.S. Senators Move to Tighten Sanctions On Delayed Russia-to-Germany Gas Pipeline. 04/06/2020. URL: <https://ru.reuters.com/article/africaTech/idAFL1N2DG22G> (accessed 12 June 2020).

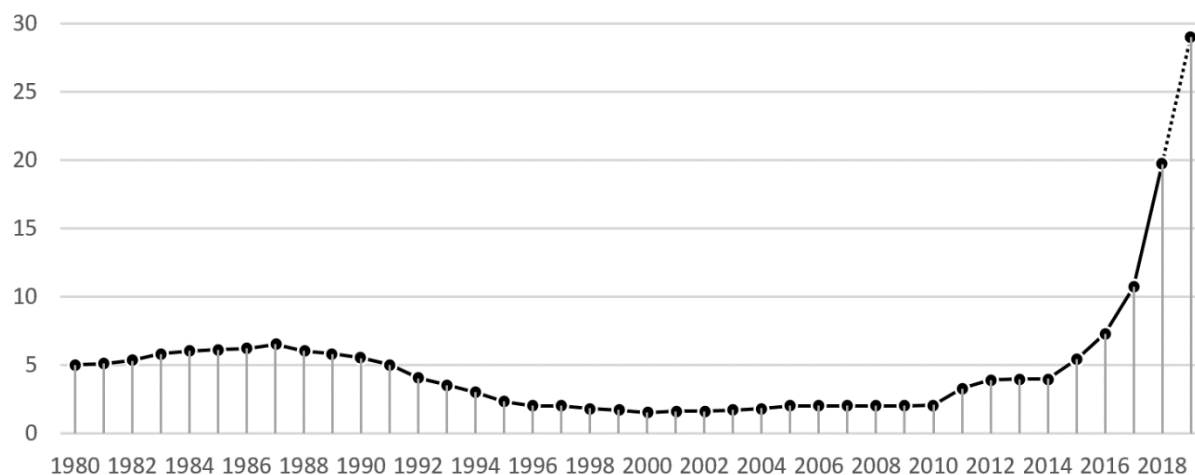


Fig. 1. Annual freight traffic on the Northern Sea Route, in mln tonnes²⁰

It is needless to say, that economic factor of Chinese Arctic strategy will be playing the most significant role in Sino-Russian cooperation since Russia is in the strong need of seeking a stable investor into its Arctic explorations and infrastructure development. ISR initiative will focus mainly on the development of the Yamal LNG project and facilitation of infrastructure of Russian seaports along the NSR shipping line. According to preliminary estimates shipping in the region will increase

China's trade with European countries from 10.95% to 20%. Opening of NSR stable lane will contribute to ensuring energy security due to diversification of fuel supply routes [Kobzeva M., p. 99]. That is why China strongly desires to participate in ports construction, railways and infrastructure building. The key onshore Russian ports include Sabetta, Igarka, Dikson, Tiksi, Pevek and Providenie. They are NSR's mostly undeveloped assets due to its poor investing. ISR initiative can become one of the most attractive resources of funds and promote Arctic ports upgrading and renovation. Not only undeveloped sites of Arctic would receive benefits from Sino-Russian cooperation in Arctic zone. Cross-border regions (Far East of Russia and North-East of China) of two countries might be those mostly involved on account of them being interconnecting bases of ships passing. Hence, China's Arctic strategy will affect increasing cargo turnover and freight shipping on the borders and improve the infrastructure situation of two regions that remain to develop at a slow pace. Significant traffic growth has been already seen from 2010 when petroleum and gas large projects had started, reaching its maximum in 2016. Nowadays, with the active implementation of Chinese strategy cargo traffic volume passing through Sino-Russian borders can be expected to increase (Fig. 1).

Nevertheless, an increasing role and interest of the PRC in the Arctic region is causing concerns and anxiety from the Russian side. Despite mutual economic interest two countries seem not to reach a feasible agreement on the issues other than the Yamal project in the coming future.

²⁰ Shipping and the Northern Sea Route, KBNN: Business Cycle Barometer. 28 February, 2019. URL: <https://www.kbnn.no/en/article/shipping-and-the-northern-searoute> (accessed 03 August 2020).

Russian policy towards the Arctic region is linked with questions of state sovereignty and geopolitical and military presence in the region. While economic development of Arctic coastal cities is one of the priorities of the Russian Federation, it remains to be reluctant to the involvement of China in the development of the region, mainly out of fear that it will influence the regional balance of power and legal institutions that ensure the rights and sovereignty of the Arctic powers [17, Sorensen C.T.N, Klimenko E.]. Therefore, in this stance, China is more seen as a competitor of the Russian Federation than its ally [18, Gutenev P., p. 150; 19, Gudev M., p. 174].

Conclusion

“Ice Silk Road” initiative has appeared in times when it seemed that all international dialogues have their limits. China has shown a new twist in its famous Belt and Road initiative and turned its eyes on the region that has become one of the most strategically and economically interesting areas of the world – Arctic. In its march to the resources and benefits of this region, China may cooperate with its old ally Russia under the new terms. This new cooperation seems to be prosperous for both countries.

Both China and Russia appear to prioritize China’s Arctic strategy to ameliorate economic situation and infrastructure in less-developed regions of two countries, but meanwhile, it stays important that two governments come to a consensus concerning several issues upon NSR usage, especially legislative basis of the matter. By developing its onshore ports with the help of the PRC Russia will receive multiple economic gains from increasing ship freighting to China. China in its turn will strengthen its direct access to oil and gas resources of Russian Arctic and become an important player in Arctic zone where the expanding of NATO forces is becoming more evident. Cooperation with the Russian Federation along the NSR and joint assessment of Ice Silk Road Initiative may ameliorate diversification of energy supplies and energy security for China. At that rate in the light of recent circumstances and the unremitted Trade war with the USA China is becoming not the only economic partner of Russian Federation but also a claimant to raise its voice in the geopolitical arena of the Far North.

Russia is losing capital in the face of continuing economic sanctions imposed by the USA and several EU countries that led to closing up cooperation with large petrol companies, ex. Exxon Mobil case. In these circumstances, support of Asian countries which have their interests in the Russian Arctic is indispensable for the RF. In return, it is economically and strategically beneficial for the PRC, that should focus on improving relations with one counterpart for reaching Arctic vast deposits of natural resources and other benefits for the Chinese nation. This reciprocal approach shows China's abidance by three pillars that were mentioned by Erokhin, Gao and Zhang (2018) in their studies: "respect", "cooperation", "win-win" approach. To peacefully approach the Northern natural welfare, China is ready to respect territories belonging to other countries, build up strong cooperation with the RF developing NSR and improving Russian ports along with it and adapt "win-win" concept to ensure two parties can both achieve their goals.

ISR strategy is the component of economic and diplomatic ties of the PRC with the countries situated on the Far North. In the future, it can become the fundament of the international dialogue between China and the Northern countries. But if we look deeper into the nature of this concept we can observe the more sizeable endeavor to be equal to those who had proclaimed itself the rulers of the world long ago and remained to be the powers splitting it. Arctic race with Chinese participation has just begun and it will undoubtedly affect the balance of powers in the future. In its turn, Russia must come to the solution of how not to lose one of its strategic and economic allies and meanwhile strengthen its legitimate position in the Arctic.

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