

Great Power Competition in the Arctic?

A Comparative Analysis of China's, Russia's and the US' Arctic Policy

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Martin Brochstedt Olsen (Study Number: 20171385)

MSc Development and International Relations, University of Aalborg

Ass. Prof. Fuzuo Wu

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Abbreviations

BRI	Belt and Road Initiative
CPC	Communist Party of China
CLCS	Committee on the Limits of the Continental Shelf
EEZ	Exclusive Economic Zone
GDP	Gross Domestic Product
IMF	International Monetary Fund
INF	Intermediate-Range Nuclear Forces
JCPOA	Joint Comprehensive Plan of Action
NSR	Northern Sea Route
NSS	National Security Strategy
TPP	Trans-Pacific Partnership
UNCLOS	United Nations Convention on the Law of the Sea

Dedicated to my beloved brother.

Abstract

On May 6, 2019, US Secretary of State Mike Pompeo held a speech at the annual Arctic Council Ministerial in Rovaniemi, Finland. This speech was unprecedented in several ways: First, it centered around security policy, although the Arctic Council is duty-bound not to discuss security issues. Second, it brought external disputes into the Arctic, which has notoriously been shielded from the ups and down in international politics. Third, the speech underlined that the US is invigorating security as a key US priority in Arctic could be on the verge of increased tensions.

This purpose of this thesis is to analyze which factors shape China's, Russia's and the US Arctic policy. Because domestic and systemic concerns are instrumental in understanding these three countries' foreign policy behavior towards the Arctic, the thesis seeks to utilize a theoretical framework that incorporates both dimensions. Therefore, neoclassical realism will constitute the theoretical foundation of this thesis.

The countries' Arctic policy will be analyzed based on three different factors. First, the systemic factors, that is, the distribution of power, which will include an analysis of the countries general foreign policy, their economic strength and their military power. At the domestic level, this thesis will analyze the three countries perceptions of the Arctic, and their commercial interests and resource needs. In the course of the analysis, it becomes evident that all three factors – to varying degrees – shape China's, Russia's and the US Arctic policy. For instance, partly as a result of the systemic China applies a somewhat confident, but conservative approach to the Arctic. Russia pursues a very active policy towards the Arctic in order to revive its economy and reinstitute itself as a great power. Lastly, the US has applied a rather hesitant Arctic policy since 2013, but is increasing its presence in the region, and is likely to continue doing that to counter increased presence from Russia and China. The examination of elites' perceptions indicate that the US perceives the Arctic through a security lens, while China and Russia perceive the region as an opportunity. Furthermore, the analysis shows that China's and Russia's Arctic policy is largely a result of their commercial interests and resource needs, while that is not the case for the US.

Based on three scenarios, it is concluded that the Arctic will become increasingly tense in the years to come, but since neither China, Russia and the US have anything to gain from a conflict, they will likely continue to follow the path of cooperation, although tension in the region increases.

1. Introduction

With its more than eight million square kilometers of land, and over 13 million square kilometers of ocean corresponding to eight percent of the world's surface, the Arctic is hard to overlook. However, for many years one had the impression that the Arctic was an overlooked region assessed to be inaccessible, hostile and somewhat unimportant. Back in the days, the Arctic represented both the unknown and a fairy-tale like area to many people who thought of it as a peaceful and virgin region delimited from all the conflicts and disputes that reigned in other parts of the world.

Over the course of the last decades, however, the Arctic has become a symbol of one of the greatest challenges that currently faces the world – global warming. There is consensus among most scientists that the pace of warming in the Arctic has been underestimated so far, and that we are only just starting to understand the global impact of climate-driven changes. In fact, a 2018 Arctic report published by the American scientific agency National Oceanic and Atmospheric Administration (NOAA) states that the temperatures in the Arctic warm at twice the rate of the rest of the world, while stating that the sea ice extent is lower than ever before.¹

While many see challenges in the Arctic, others see possibilities. Because of the warming of the Arctic, the region gets much more accessible. The richness of resources in the Arctic is indisputable as the region is thought to conceal 13 % of the world's undiscovered conventional oil resources and 30 % of the its undiscovered conventional natural gas resources,² thus making the Arctic highly attractive to energy and resource dependent states like e.g. Russia and China. Likewise, the receding sea ice in the region – thought to reduce shipping routes by up to 40% from Asia to Europe – give high hopes to the same two countries that great things can be expected from being present in the Arctic.

Russia and China have engaged in what appears to be a perfect collaboration between one of the world's largest energy exporters and one of the world's largest energy importers. However, the relationship is moving slowly and is characterized by mistrust. One of the reasons for this mistrust is that Russia – an Arctic state by definition – is reluctant to allow non-Arctic states to play a role in Arctic governance. On the other hand, China – a non-Arctic state, or “near-Arctic-State” as it prefers

¹ “Arctic Report Card 2018”, *National Oceanic and Atmospheric Administration*, 2018.

² “Assessment of undiscovered oil and gas in the Arctic”, *Geology and Geophysics Science Center*, 2009.

to call itself – is working to consolidate its position as a legitimate regional actor. And so, while the two countries have mutual interests in the Arctic, contradicting interests exists as well.

China's interest in the Arctic indicates that the region is subject to a growing interest among the world's great powers. While China can be characterized as the newcomer in the Arctic, Russia - with vast parts of its territory located within the Arctic region - has focused a lot on the area for years hoping for it to develop into one of the mainstays of Russia's future resource industry. This might explain why Russia applies a slightly more cooperative approach to the Arctic compared to other regions around the world where Russia is less inclined to cooperate.

While both China and Russia show great interest in Arctic affairs, the U.S.' approach to the Arctic is probably best characterized as 'hesitant'. Its 2013 Arctic Strategy indicated that the U.S. was looking to take more responsibility in the region by mentioning responsible U.S. stewardship as a key priority in the Arctic. However, apart from the U.S. chairmanship of the Arctic Council between 2015-2017, there have been few signs of such stewardship. In addition, the U.S. has yet to accede to the United Nations Convention on the Law of the Sea (UNCLOS), meaning that it cannot formally make any territorial claims in the region, thus possibly inhibiting its ability to assume leadership in the Arctic. However, recent actions and statements from the current administration suggest a US that is invigorating a more active Arctic policy amid security concerns over growing Chinese and Russian presence in the region. Indeed, the Trump-Administration is drafting a new Arctic defense strategy that reportedly will focus heavily on competition with China.³

Increased activity in the Arctic seems inevitable as the receding ice provides better opportunities to develop the region through infrastructure projects, commercial shipping, and resource exploitation. An increased level of activity increases the risk of misunderstandings and could ultimately lead to a more contested region. Additionally, the presence of China, Russia and the US sets the scene for potential disputes, competition and possible conflict in the region. The fact that each of them have various regional priorities further increases the risk of tension.

³Dan Lamothe, "Trump administration's new Arctic defense strategy expected to zero in on concerns about China", *The Washington Post*, 15 March 2019, https://www.washingtonpost.com/national-security/2019/03/15/trump-administrations-new-arctic-defense-strategy-expected-zero-concerns-about-china/?noredirect=on&utm_term=.7842bc3b1210

On the other hand, China, Russia and the US have all indicated that the Arctic shall remain a region guided by cooperation, stability and peace. So far, the countries have managed to maintain the Arctic a low-tension area insulated from external disputes and conflicts.

Regardless of how the geopolitical situation in the Arctic plays out, it is worth examining the factors that shape China's, Russia's and the U.S.' Arctic policy in order to gain an understanding of what their Arctic policies could mean for the future geopolitical situation in the region. Such Arctic policies are subject to both domestic and systemic influence, which leads to the natural question of how domestic factors and the international systemic pressure contribute to shaping China's, Russia's and the U.S.' policy towards the Arctic. As a result, it has been decided to ask the following question as the problem formulation:

What factors shape China's, Russia's and the US' policy towards the arctic, and what are the implications of those policies for the geopolitical situation in the Arctic.

2. Literature Review

The Arctic is currently subject to increased interest from the world's great powers, hoping that a presence in the Arctic will eventually benefit their nation. Much of the Arctic research focuses on Russia's, China's and the U.S.' approach to the region, and the opportunities that these countries see in arctic presence. Stating that the literature on the Arctic is scarce would be erroneous. However, the area is not yet fully researched. Nonetheless, several scholars have carried out thorough and in-depth research within the field. The amount of accessible literature about the three countries varies quite a lot in the way that e.g. the Russian-Arctic related literature is more extensive than for instance the China-Arctic related literature. Besides academic research, the national governments in Washington, Moscow and Beijing regularly publishes national strategic papers and reports outlining their policy priorities in the region. The following section offers a review of the general geopolitical literature on the Arctic, including China's recent focus on the region, the Chinese-Russian cooperation in the Arctic, the three countries' motives for Arctic presence, and the general geopolitical development in the region.

Starting with the latter, a main point often subject to interest from scholars relates to the future geopolitical situation of the Arctic, and whether the region can be retained as an area of low-tension. In his 2008 Foreign Affairs article, Arctic expert Scott G. Borgerson presents a rather pessimistic view expressing concerns that increased competition in the Arctic could lead to an "armed brinkmanship."⁴ Borgerson points to the absence of overarching political and legal institutions as an explanation as to why the geopolitical situation in the Arctic could get tense.⁵ This view is opposed by Michael Byers in the book *Who Owns the Arctic? Understanding Sovereignty Disputes in the North*, in which he argues in favour of a peaceful Arctic due to – among other things – the acceptance of international rules among the Arctic states. Byers goes as far as stating that "if humanity cannot cooperate in the Arctic, it cannot cooperate anywhere." In line with Byers, Peter Hough argues that the pessimistic and realist view presented by Borgerson is somewhat misplaced stating that the Arctic is characterized by "intergovernmental cooperation and (...) inclusive discourse".⁶

⁴ Scott G. Borgerson, "The Coming Arctic Boom", *Foreign Affairs*, July/August, 2013, <https://www.foreignaffairs.com/articles/global-commons/2013-06-11/coming-arctic-boom>.

⁵ Borgerson, "The Coming Arctic Boom".

⁶ Peter Hough, *International Politics of the Arctic – Coming in from the cold*, Routledge, 2013, 137.

Although scholars are disagreeing regarding the future geopolitical development of the Arctic, there seems to be consensus that the Arctic geopolitical environment is changing rapidly⁷. A natural consequence is that a growing number of states find the region increasingly interesting and see opportunities in Arctic presence. One of them is Russia. The literature - in the form of national strategies and academic contributions - agrees that the Arctic is indeed high on Russia's foreign policy agenda. In the literature, there are two overriding narratives regarding Russia and the Arctic. There are those inspired by a realist school of thought who see Russia as driven by nationalism, expansionism and aggression. These scholars describe Russia as an assertive state, which hopes the Arctic can help gain back its great power status, and that Russia uses the Arctic to demonstrate military capabilities⁸. The scholars adhering to the neoliberal institutionalism-inspired group argues that rather than being a revisionist state, Russia is a status-quo state⁹.

Some scholars, however, including Stacy Closson,¹⁰ Jørgen Staun,¹¹ Märta Carlsson & Niklas Granholm¹² and Pavel Devyatkin¹³ agree that Russia's approach to the Arctic reflects a mix of both. In his article *Russia's Strategy in the Arctic*, Danish Russia-scholar Jørgen Staun argues that Russia follows two overriding tracks in the Arctic, a realism/geopolitical-oriented track characterized by a patriotic and somewhat nationalistic rhetoric, and a liberalism/international law-inspired track through which Russia urges other Arctic states to cooperate and respect international law.¹⁴ Stacy Closson reinforces this argument in her research contribution *Russian Foreign Policy in the Arctic: Balancing Cooperation and Competition* by pointing to Russia's 2007 flag plant at the sea floor of the North Pole as an example of Russia's somewhat competitive and realism-inspired approach. On the other hand, Closson draws attention to the fact that Russia and Norway signed an agreement in 2010 to delineate its maritime boundaries in 2010 as an example of Russia's cooperative and international law-inspired approach.¹⁵ Pavel Devyatkin supports the view that Russia's Arctic approach can be analysed through the lens of competition and cooperation. In his article *Russia's Arctic Strategy: Aimed at Conflict or Cooperation*, he states that "*the majority of academics and*

⁷ For example; "The New Arctic: Navigating the Realities, Possibilities, and Problems", *Walsh School of Foreign Service*, 2018; or Niklas Granholm, Märta Carlsson, and Kaan Korkmaz, "The Big Three in the Arctic – China's, Russia's and United States' strategies for the Arctic", *Swedish Defence Research Academy*, 2016.

⁸ For example: 1) Shane C. Tayloe, "Projecting Power in the Arctic: The Russian Scramble for Energy, Power and Prestige in the High North" *Pepperdine Policy Review*, 2015; and 2) Ekaterina Piskunova, "Russia in the Arctic: What's lurking behind the flag?", *International Journal*, p. 852, 2010; or 3) Pavel Devyatkin (a), "Russia's Arctic Strategy: Aimed at Conflict or Cooperation, [Part 1]", *The Arctic Institute*, 2015.

⁹ Devyatkin (a), "Conflict or Cooperation?"

¹⁰ Stacy Closson, "Russian Foreign Policy in the Arctic: Balancing Cooperation and Competition", Kennan Institute, No. 4, June 2017.

¹¹ Jørgen Staun, "Russia's Strategy in the Arctic", *Royal Danish Defence College*, 2015.

¹² Märta Carlsson & Niklas Granholm, "Russia in the Arctic – Analysis and Discussion of Russian Strategies", *Swedish Defence Research Agency*, 2013.

¹³ Devyatkin (a), "Conflict or Cooperation?"

¹⁴ Staun, "Russia's Arctic Strategy", 8.

¹⁵ Closson, "Russia's Arctic Foreign Policy", 1.

mainstream journalists (...) have either reduced Russia's Arctic strategy to its security dimension or declared that Russia is solely concerned with economic development", and that is – according to him – a mistake. Devyatkin argues that the Russian Arctic strategy is “*multifaceted and cannot be solely reduced to its military or economic development component.*”¹⁶

There is agreement among Arctic scholars, researchers and pundits that the economic dimension of the Arctic – predominantly resource extraction and maritime shipping – are key drivers in Russia's Arctic strategy. Moreover, it is a Russian stated goal to make “*use of the Arctic zone of the Russian Federation as a strategic resource base*”, according to the Russian government's 2008 Arctic Strategy (The Foundation of the Russian Federation's State Policy in the Arctic until 2020 and Beyond).¹⁷ However, since extraction of natural resources in the Arctic is both a complex and an expensive task, this is an area where Russia has proved willing to cooperate. Camilla T. N. Sørensen and Ekaterina Klimenko have examined the Russian-Chinese relationship in their article *Emerging Chinese-Russian Cooperation in the Arctic*. They note that it would make sense for Russia, one of the world's largest energy exporters, and China, one of the world's largest energy importers, to “*work closely together and have complementary interests*”. However, Sørensen & Klimenko points to the fact that the relationship is challenged by mistrust thereby hindering a close relationship.¹⁸

China is not an Arctic state but presents itself as a “near-Arctic-state” as stated in its first-ever Arctic white paper, published in January 2018. In this, the Chinese government, justifies its Arctic ambitions by outlining its history of Arctic research, and the challenges and opportunities that climate change in the Arctic presents China.¹⁹ However, China faces a challenge with respect to how it best legitimizes its Arctic presence due to the simple fact that it is not an Arctic state, and China's Arctic white paper is an attempt to legitimize Chinese presence in the Arctic. Sørensen & Klimenko note that China's Arctic presence is motivated by four overall drivers: 1) a desire to build polar research capability; 2) to gain access to resources; 3) to develop Arctic sea routes; and 4) to ensure China has a say in the evolving Arctic governance regime.²⁰ The last of the four drivers - ensuring a say in Arctic governance - is interesting in the way that it reflects an unusual foreign policy approach from China. Scholars such as Elisabeth Wishnick²¹ and Jianchao Peng & Njord Wegge²² observe that this

¹⁶ Pavel Devyatkin (b), “Russia's Arctic Strategy: Maritime Shipping [Part 4]”, *The Arctic Institute*, 2015.

¹⁷ “The Foundation of the Russian Federation's State Policy in the Arctic until 2020 and Beyond”, *The Russian Government* (a), 2008: <http://government.ru/info/18359/>

¹⁸ Camilla Tenna Nørup Sørensen & Ekaterina Klimenko, “Emerging Chinese-Russian Cooperation in the Arctic”, *SIPRI*, 2017.

¹⁹ State Council “China's Arctic Policy”, *The State Council Information Office of the People's Republic of China*, 2018.

²⁰ Sørensen and Klimenko, “Emerging Chinese-Russian Cooperation”, 1.

²¹ Elisabeth Wishnick, “China's Interests and Goals in the Arctic: Implications for the United States”, *U.S. Army College*, 2017, 49.

²² Jianchao Peng & Njord Wegge, “China's bilateral diplomacy in the Arctic”, *Polar Geography*, 2015.

approach is quite different from how China typically behaves in other parts of the world e.g. Africa and Latin America where bilateralism tends to be the go-to tool in the Chinese foreign policy toolbox. Peng & Wegge presents an explanation in their article *China's bilateral diplomacy in the Arctic* stating that China fears “*big power dominance*” in the Arctic from states such as Russia and the U.S. At the same time, China has been unsuccessful in persuading the smaller Arctic states that they need China to inhibit such dominance in the Arctic.²³

To this end, it makes sense for China to engage itself in Arctic multilateralism. Whether this reflects a pragmatic approach or a change in Chinese foreign policy remains unknown. Peng & Wegge further state that China's Arctic policy could go two ways: 1) try to lock Arctic states into more economic interdependence aimed at exerting influence on Arctic governance through economic pressure, or 2) continue a somewhat low-profile policy with the purpose of avoiding conflicts and disputes with Arctic governments.²⁴ According to Elisabeth Wishnick, China plays the long game in the Arctic because in the short term it is “limited by its observer status in the Arctic Council and its technological/military capability.” Along the same lines, David Curtis Wright opines that China is likely to become “much more assertive” should the Arctic prove valuable with regards to resources and maritime shipping.²⁵

China's deepening interest in Arctic affairs combined with Russia's comprehensive activities in the region leads many scholars to argue that the geopolitical environment in the Arctic is rapidly changing. In addition, while the timing might be good for China, its entrance come at a time of flux in the U.S. understanding of its role in the region.²⁶ Several scholars concur that it is imperative for the U.S. to decide how it wishes to play a role in the Arctic, particularly in a region that changes as quickly as the Arctic currently does. According to a 2018 report by the Walsh School of Foreign Service, the current changes in the Arctic are significant with comprehensive environmental, economic and strategic implications for the U.S., and so the U.S. needs to emphasize the critical importance of the Arctic region and invest commensurately with the level of importance.²⁷ If the U.S fails to do so, it could eventually find itself in a position where it needs to invest a significant amount of money just to catch up with countries like Russia and China. An example is the icebreaker capability where the U.S. already lacks behind Russia, while China intends to invest in advanced

²³ Ibid, 14.

²⁴ David Curtis Wright, “A Dragon Eyes the Top of the World: Arctic Policy Debate and Discussion in China”, 2011, 38.

²⁵ Wishnick, “China's Interests and Goals”, 61.

²⁷ Walsh School of Foreign Service, “The New Arctic”, 31.

additional icebreakers.²⁸ The authors of the article *The Big Three in the Arctic – China's, Russia's and United States' strategies for the Arctic* argue that the U.S. has applied what they call a 'wait-and-see-policy' towards the Arctic. According to them, however, the U.S. took “concrete steps to further develop its Arctic policies and implement them in order to meet an emerging new Arctic”, they note.²⁹

These “further steps” refer to the U.S. National Strategy for the Arctic Region released in 2013. This strategy underscores the importance of strengthening “*international collaboration and cooperation*”, while also underlining that the U.S. must work to “*advance U.S. national security interests [and] pursue responsible stewardship*” in the Arctic region³⁰. Although indicating that the U.S. back in 2013 was prepared to pursue stewardship in the Arctic the signs of that are still limited. Nonetheless, there are indications that the U.S. is currently producing an updated Arctic strategy, the focus areas of this new strategy, however, remains unknown.³¹ David J. Hayes notes that at a general level the U.S.' top priorities in the Arctic are science, infrastructure, energy development and indigenous people.³² Based on the findings of her article *The United States and the making of an Arctic nation*, Annika E. Nilsson³³ notes that “*access to resources has provided the major political incentive*” for U.S. Arctic presence. Because some U.S. priorities in the Arctic overlap with the ones of China and Russia scholars such as Conley et al. and Conley & Zagorski argue that there are possibilities for future cooperation between the three great powers present in the Arctic.³⁴

While scholars, pundits and journalists have attempted to predict the future of the Arctic – some arguing that it would develop into a contested area, others arguing the opposite – nobody knows exactly how the geopolitical situation of the Arctic will evolve. Notwithstanding that it is difficult to predict about the future, the Arctic remains an interesting and relevant case to study. The Arctic is one of the few regions in the world in which China, Russia and the U.S. are present alongside each other. While they have overlapping and similar interests in the region, they also have contradicting priorities. As reviewed above, quite a lot of research have been done regarding the Arctic, but the vast majority of it fails to apply a comparative research design to the analysis of China's, Russia's

²⁸ Congressional Research Service, “Changes in the Arctic: Background and Issues for Congress”, 2019.

²⁹ Granholm, Carlsson & Korkmaz, “The Big Three in the Arctic”, 2016.

³⁰ The White House (a), “National Strategy for the Arctic Region”, 2013.

³¹ “The United States' Missing Arctic Policy”, *Over the Circle*, 2018.

³² Conley, H. A et al.: “US-Sino Relations in the Arctic – a Roadmap for Future Cooperation” *Center for Strategic and International Studies (CSIS)*, 2017, 3.

³³ Annika E. Nilsson, “The United States and the making of an Arctic nation”, *Cambridge University Press*, 2018.

³⁴ For example; Conley et al., “Roadmap for Future Cooperation”; or Heather A. Conley & Andrei Zagorski. in *A Roadmap for U.S.-Russia Relations*, ed. Andrey Kortunov & Olga Oliker, Center for Strategic and International Studies, 2017.

and the U.S' policy. By carrying out a comparative research study, which applies the theoretical approach of neoclassical realism, this thesis aims to fill a gap in the literature.

3. Methodology

3.1 Case Selection – Comparative Case Study

In order to answer the problem formulation of this thesis most thoroughly, a comparative case study has been assessed the most sufficient methodological approach. Comparative studies are – as the name indicates – useful when conducting research aimed at comparing event, actors or units. In this sense, comparative studies aim to outline differences and similarities between the units in question. Comparative studies are widely used as a methodological tool within a range of scientific fields and it has also been an important part of the methodological discussions within social sciences.³⁵ Some scholars note that there are two overriding approaches dominating the field today, that is, a variable-oriented approach and a case-oriented approach; the former seeks to establish a relationship between a set of variables, while the latter aims at understanding e.g. certain phenomena or complex units such as countries.³⁶ In this sense, the wording of my problem formulation stages for the case-oriented approach since it seeks to examine “what factors shape China’s, Russia’s and the US’ policy toward the Arctic”. Had the wording instead been something along the line of “what are the common factors that shape China’s, Russia’s and the US’ policy towards the Arctic”, then the variable-oriented approach would have been more fitting. Due to the relatively limited amount of cases that will be examined in this thesis (China, Russia and the US), a case-oriented approach has been chosen precisely because it predominantly focuses on a small amount of cases, which are then analysed in-depth on a range of dimensions with the purpose of offering rich descriptions and contribute to the understanding of the units in question.³⁷ Another distinction between the two approaches can be made based on the level of generalization, which is somewhat limited with respect to the case-oriented approach, and so it can be argued that essentially the two approaches deviate in the way that the variable-oriented approach aims at generalization, while the case-oriented approach is concerned with creating a dense knowledge of the cases in question.³⁸

China, Russia and the US have been chosen as cases in this thesis due to their position in the international system and their Arctic presence. It is my assessment that as the most prominent powers in the world, the behaviour of these three countries in the Arctic is instrumental in understanding the future geopolitical situation in the region. In addition, the Arctic represents a rare case as a region

³⁵ Donnatella Della Porta and Michael Keating, eds. “Approaches and Methodologies in the Social Sciences: A Pluralist Perspective”, *Cambridge University Press*, 2008, 199.

³⁶ *Ibid.*, 198.

³⁷ *Ibid.*, 207.

³⁸ *Ibid.*, 206-207.

where the world's three great powers are expected to meet head-to-head, thus further underscoring the reason that these three countries were chosen as cases. However, this is not to disregard the importance of other nations that too have clear interests in the Arctic, and who too influence Arctic affairs. In that sense, a comparative study of for instance the geopolitical considerations in the Arctic of the five Arctic coastal states, or the eight members of the Arctic Council could have been carried out. However, in both cases China would have been left out of the equation thus disregarding a key country. Furthermore, one could have chosen to carry out a single-case analysis of either the US, China or Russia, which would undoubtedly offer a more in-depth analysis of that one country. However, because the comparative aspect of such an analysis would be non-existing, this approach was never given much thought. In addition, one could have chosen to do a dual-case analysis of for instance the already ongoing China-Russia relationship in the Arctic, the US-China Arctic relationship in the light of the currently increasing rivalry between the two countries, or the examine the US-Russia Arctic relationship. However, while all of which are interesting topics the aim of this thesis is to use the findings to analyse the future geopolitical situation in the Arctic, and so the I found it insufficient to examine only two of the three countries that are likely to affect the future of the Arctic.

As aforementioned, China, Russia and the US were chosen as cases partly due to their shared status as great powers. Consequently, this could induce the reader to wonder whether this stages for the use of a most-similar system design in which the researcher compares similar cases. The *most-similar* and the *most-different* system designs are the two dominating research approaches within comparative studies. Basically, a most-similar system design compares similar units, while a most-different system design compares dissimilar units. For instance, different units do not share a common geographical area, historical traditions or economic development as is the case for similar units, and then a most-different system design also provides the researcher an opportunity to check for correlations and patterns.³⁹ Moreover most-different system designs typically aim at “generalizing beyond a restricted area”,⁴⁰ that is, findings regarding country X's behaviour in Africa might prove applicable in e.g. Latin America or somewhere else.

For the purpose of this thesis, the I have decided to use the most-different system design, simply because the units in question are very different from each other in many respects. While it could be argued that in the international system China, Russia and the US share a somewhat similar influential

³⁹ Ibid, 214-215.

⁴⁰ Ibid, 214.

position relative to other nations, there are not many other similarities justifying the application of the most-similar system design in this thesis. China, Russia and the US are located on at least two different continents (depending on whether one sees Russia as a European country or an Asian country), and while Russia and the US are Arctic coastal states, China is not seeing itself as only a near-Arctic state. Moreover, they do not share historical traditions, nor do they share cultural traits. Although they are all very big countries China's population by far overshadows the combined size of the American and the Russian population. In terms of military strength, they are also very dissimilar. With respects to institutional participation and representation, China is not an official member of the Arctic Council, while both Russia and the US are members. Furthermore, China, Russia and the US have three different political systems and state structures, likewise, the level of affluence in the three countries differ remarkably. Lastly, the three countries see each other as rivals and so they have three different views on international politics.

Although a most-different system design would typically be looking for correlations among units or aim at generalizing based on its findings as stated above. But the purpose of this thesis is not to find patterns among the factors shaping Russia's, China's and the US's Arctic policy, or to be able to apply the findings on another case. The aim of this thesis is to explain what factors are shaping the three countries' policy towards the Arctic and then assess the implications for the future geopolitical situation in the region. But the resulting by-product is the occurrence of similarities and differences, which will inevitably strengthen the analysis.

3.2 Choice of Theory

Neoclassical realism will be used as the theoretical foundation of this thesis to examine what factors shape the Arctic policy of three chosen nation-states, and what these policies mean for the future geopolitical situation in the Arctic. Neoclassical realism has been chosen as the theory due to its rather multifaceted approach, which include more analytical dimensions compared to some of the other similar theoretical approaches that exists. Essentially, neoclassical realism argues that a country's foreign policy is driven primarily by its position in the international system, but such systemic pressure must be filtered through intervening variables at a unit-level.⁴¹ Therefore, neoclassical realism touches upon two levels of analysis; the systemic level and the domestic level. This underscores neoclassical realism's multifaceted approach to the analysis of foreign policy thus making it particularly relevant for the analysis to be conducted in this thesis.

⁴¹ Gideon Rose, "Neoclassical Realism and the Theories of Foreign Policy", *World Politics*, Vol. 51, No. 1, 1998.

Analytically, this thesis wishes to dig deeper than the structural level and go beyond unit level. The theoretical approach of neoclassical realism enables the researcher to incorporate more than solely the systemic level or the domestic level and probe the interplay between the two levels of analysis. Thus, it has been deemed crucial to examine both levels to be able to analyze the factors shaping China's, Russia's and the US' foreign policy toward the Arctic as thoroughly as possible. For example, assessing Russia's foreign policy approach towards the Arctic without including decision-makers' perception of its position in the international system or Russian economic trends would be insufficient. Likewise, the analysis would be somewhat weak if a researcher excluded systemic variables from an analysis of Russia's approach towards the Arctic. The same applies for China and the US. Consequently, the core argument for using neoclassical realism in this thesis is the conviction that China's, Russia's and the US' approach to the Arctic can best be explained and analyzed by applying a multifaceted theoretical approach that incorporates both the domestic and the systemic dimension. That argument asserts itself regarding the second part of the problem formulation as well, which aims at explaining what China's, Russia's and the US' Arctic policy means for the geopolitical situation in the region. In order to sufficiently examine that it is instrumental to apply a theoretical approach that takes both the systemic and the domestic level into account.

In order to further strengthen the argument for choosing neoclassical realism, it is relevant to briefly look at what other theoretical options were available, and why these were disregarded. Naturally, it was considered to use other varieties of realism, for example neorealism or classical realism. However, offensive realism was disregarded as theoretical framework because it fails to recognize domestic factors as an important factor, arguing that "*domestic differences between countries are considered to be relatively unimportant, because pressures from the international system are assumed to be strong and straightforward enough to make similarly situated states behave alike, regardless of their internal characteristics.*"⁴² Therefore, offensive realism would not be able to do the job when that it to look at both domestic and systemic factors. Although sharing the view with neoclassical realists that the human dimension plays a substantial role in international politics, classical realism puts too much emphasis on the biological aspect, while failing to recognize the important role of structures in the international system. Defensive realism and neoclassical realism do indeed have overlapping areas e.g. the recognition of domestic factors when assessing a country's

⁴² Ibid, 149.

foreign policy, but as Gideon Rose puts it, defensive realism “*overlooks the fact that one’s perception of threat are partly shaped by one’s relative material power*”.⁴³

Summed up, neoclassical realism has been chosen as the theoretical framework in this thesis due to its emphasis on both systemic and domestic factors, which I deem highly relevant when assessing the incentives, factors and reasons that shape a country’s foreign policy. In addition, both the systemic and domestic factors are crucial in understanding how a country’s foreign policy influences the development of an entire region.

3.3 Selection of Data

This thesis will make use of a qualitative method in order to explain the factors shaping China’s, Russia’s and the US’ Arctic policy and the implications of these policies on the geopolitical situation in the Arctic. With its focus on meanings and processes that make up international politics - e.g. by analysing countries in-depth - the use of the qualitative method is helpful in generating a better understanding of the world.⁴⁴ In this sense, the qualitative method is well in keeping with the case-oriented approach mentioned above, which also underscores the importance of in-depth analysis of cases. Furthermore, Lamont notes that case studies and the qualitative method can sometimes be conflated, thus underscoring the relevance of using qualitative methods in this thesis.⁴⁵ Before explaining how the qualitative method will be utilized in this thesis, it is imperative to define the sources that are used within the qualitative method. Basically, qualitative method refers to the collection of *non-numeric* data, ranging from interviews over internet-based research to official documents.⁴⁶ Qualitative data will be the main data source in this thesis, which will be relying heavily on primary sources in the form of official documents, that is for instance, documents released by a state or a government institution such as policy statements, research reports, official government strategies, speech transcripts, etc. Another equally important data source is going to be secondary source documents, which are basically the documents analysing and referring to primary source documents.⁴⁷ Examples of such documents are academic journals and books, research reports and news articles.

⁴³ Ibid, 150.

⁴⁴ Christopher Lamont, *Research Methods in International Relations* (SAGE Publications, 2015), 78, Kindle.

⁴⁵ Ibid, 78.

⁴⁶ Ibid, 79.

⁴⁷ Ibid, 80.

Lamont introduces the concept of triangulation as an important tool to ensure validity and guard against inconsistency in the data collection.⁴⁸ Triangulation refers to the variation in data collection, and so the idea is to use multiple data sources when possible in order to strengthen the research. In this sense, while underscoring that qualitative method is the chief method of research, I will attempt to vary the data collection to an extent that makes this thesis as profound and comprehensive as possible. As a result, some of the data used in this thesis will be quantitative data, referring to *numeric data* (typically statistics and survey data) that is used to find out whether a relationship exists between two or more variables.⁴⁹ The data collection approach used in this thesis might somewhat resemble the one of mixed-methods where qualitative and quantitative data are used jointly to generate insight. However, I argue that I am using a qualitative method rather than the mixed-method due to the simple fact that qualitative data will be the superior source of data in this thesis, thus “reducing” quantitative data to play a supporting role, and to back up the qualitative data collection. In any case, however, this approach will give me the possibility to illuminate the factors shaping China’s, Russia’s and the US’ Arctic policy in a way that generates a more complete understanding. In addition, the approach of adding quantitative data sources was done with an eye to neoclassical realism, which is the theoretical framework of this thesis. That is, neoclassical realism examines systemic factors as well as domestic factors, and so a data collection approach that somehow incorporate both types of data are deemed preferable.

More specific, the data sources used in this thesis will be both primary and secondary sources. With respect to the qualitative data, official government documents such as national Arctic strategies, statements or quotes from speeches, media reports and academic journals and books will all make up the qualitative data sources of this thesis. These sources are going to be instrumental in understanding and explaining particularly the domestic factors that shape China’s, Russia’s and the US’ policy toward the Arctic. For instance, Russia’s national Arctic strategy is crucial in determining the state’s behaviour, preferences and perceptions, and thus the factors shaping Russia’s strategy toward the Arctic. The same thing applies for national strategies in the two other countries.

Analysing systemic factors that shape China’s, Russia’s and the US’ Arctic policy would be somewhat insufficient without quantitative data. The concept 'relative material power capability', which refers to a nation’s power capabilities is a key concept within the neoclassical realist school of thought. To this end, in order to examine the distribution of power in the international system, one

⁴⁸ Ibid, 79.

⁴⁹ Ibid, 97.

would need to assess e.g. military capabilities and economic strength. For instance, numeric data such as GDP-figures say something about the state of the US economy and its economic strength, while military expenditure, including nuclear capabilities etc. say something about the military power of the US. Since such statistics can be misleading, they must be analysed with caution. For instance, sudden changes in the absolute numbers of e.g. Russia's military expenditure might be due to a growing economy rather than expressing a deliberate choice to increase military spending. Conclusively, the qualitative method supported by quantitative data offers a fitting approach for a thesis like this that aims at examining the overarching systemic factors as well as domestic factors.

3.4 Limitations

A thesis like this is difficult to narrow down to a specific time period; it could be argued that Scott Borgerson's 2008 article *The Coming Arctic Boom* really shed light on the region, others would say that China's 2018 Arctic White Paper (hereinafter "China's Arctic Strategy") made a lot of people and nation-states take Arctic matters seriously, while others again might be of the impression that Arctic has been of geopolitical interest since the Cold War. Therefore, the scope of activity of this thesis will not be demarcated to a certain time period. Though it will focus on recent Arctic developments particularly – but not limited to – the last 5-6 years.

As mentioned in previous sections, the *geopolitical* situation in the Arctic is going to be a central element in this thesis. However, while the analysis will focus primarily on the *factors* shaping China's, Russia's and the US' Arctic policy, these findings will be used in the conclusion to elaborate on the potential implications for the geopolitical situation in the Arctic. All three countries in question in this thesis outline an array of priorities in the Arctic, but I do not intend to analyse them all in-depth. For example, the countries' priorities related to scientific research and indigenous people will be subordinate to security, economics and resources priorities. With respect to the definition of "the Arctic", this thesis defines the Arctic not only as the area north of the Arctic Circle, but as any territory in the area that has Arctic-like conditions.

Limitations apply also to the use of empirical data. Since I do not speak either Chinese nor Russian, the language barrier will affect my ability to utilize official Chinese and Russian documents, thus relying on English translations or secondary sources. In that sense, US government documents will be used in its original language. Naturally, this causes a risk of discrepancy between US governments and translated Chinese government, but I am confident that the prevailing part of the non-English documents used in this thesis expresses the true meaning of the original document. Furthermore, the

number of sources available for each country is uneven, that is, e.g. Russia and the US has released more Arctic-related official documents than China. Consequently, the reader may feel that at times the description of one country exceeds that of another. In this sense, it is important for me to stress that I do not, in any way, intend to favour one country over another.

The first part of the analysis will not have its main focus on the Arctic, but rather examine the overall distribution of power by including economic and military features, while at the same time examining their general foreign policy behaviour.

Lastly, it is important to underline that this thesis does not intend to draw generalizing conclusion to be used in other contexts. The intention here is solely to analyse the factors shaping China's, Russia's and the US' policy towards the Arctic, and then to find out what implications these policies might have on the future geopolitical situation of the Arctic. Since predictions always involve an aspect of uncertainty, the reader should not expect definite answers regarding the future of the geopolitical situation in the Arctic. Instead the reader should expect a discussion of the possible scenarios that could take place in the Arctic based on China's, Russia's and the US' Arctic policy.

4. Theory

4.1 Neoclassical Realism

Neoclassical realism stems from realism, one of the grand theories of international relations. Realism emerged victorious in the field's first Great Debate between idealism and realism, which took place in the years leading up to the Second World War.⁵⁰ Some realist scholars, however, argue that realism traces its roots back as far as Thucydides in the fifth century BC who famously wrote the *History of the Peloponnesian War*,⁵¹ which is still today perceived as a key work within realism. To understand realism, one must understand why realists identify the sovereign *state* as the key actor in international politics. The state is thought to be the legitimate representative of the collective will of the people, and that is what empowers the state to exercise authority within its boundaries.⁵² Yet outside its boundaries, realists argue, *anarchy* reigns as a result of the state considering itself the highest authority in the collection of sovereign states. In the absence of an overarching authority in the international system, the primary objective of the state's leaders is to ensure its own *survival*, since nobody else can guarantee it.⁵³ In this sense, states rely on *self-help* more than anything, and a way for a sovereign state to help itself ensure its perpetuate existence is through *power* and dominance. States are aware that an unequal distribution of power is likely to result in the fall of one state and the continued survival of another. According to realists, there are a few options with which a state can increase its power, thus its chances of survival.⁵⁴ One way of increasing a state's power is by augmenting its military capabilities, which might, however, prove insufficient in some cases where the relative strength between two states is clearly favouring the one state over the other. Such a case could be a conflict between Estonia and Russia, the former would not stand a chance against the latter, and so the better solution for the weaker state - in this case Estonia - would be to *balance the power* to the strong state - in this case Russia - through the establishment of alliances with likeminded states. As an intermediate conclusion, it can be said that realists perceive states as the principal actors in international politics, and that the ultimate goal of a state is to ensure its survival in an anarchical world. In order to ensure its perpetuate being, the state must maintain a power advantage e.g. by increasing its military capabilities or forming alliances with other states. Due to the lack of an

⁵⁰ John Baylis, Steve Smith & Patricia Owens. *The Globalization of World Politics – An Introduction to International Relations*, Oxford University Press, 2014, 100.

⁵¹ Ibid.

⁵² Ibid, 100-101.

⁵³ Christopher Hill and Michael Smith. *International Relations and the European Union*, Oxford University Press, 2011, 28.

⁵⁴ Baylis, Smith and Owens, *Introduction to International Relations*, 101.

overarching authority in the international system, states must resort to self-help. While the above represents the overall realist approach, there are other versions of realism as well.

One of these is classical realism, which is characterized by its focus on human nature in explaining state behaviour. Classical realism concurs that the ultimate goal of states is survival and that international politics is a struggle for power among states, arguing though that the essential features of international politics such as competition and fear are basic components of human nature.⁵⁵ It could be argued, however, that classical realism does not consist of one common approach, but rather several different approaches. For instance, Michael Doyle argues that the work of the founders of classical realism deviate quite substantially from one another in their assumptions and focus of analysis. Doyle distinguishes four varying directions of classical realism, that is; 1) Machiavelli's 'fundamentalism' that focuses on individual leadership and ambition; 2) Hobbes' 'structuralism' that underscores the importance the international system; 3) Rousseau's 'constitutionalism', which emphasizes the importance of unit-level factors, and then the one that the other three originates from; 4) Thucydides' 'complex' realism, which includes elements of each of the other.⁵⁶ In line with Doyle, Gideon Rose argues that "(...) there is no simple, straightforward classical realism."⁵⁷

Neorealism, also called structural realism, agrees with classical realism that international politics is indeed a struggle for power, but neorealism deviates from classical realism in stressing the importance of the structures of the system for the struggle of power. That is, the lack of an overarching authority creates a struggle for power. Kenneth Waltz who coined neorealism, defines the structures of the international system according to three guiding principles; 1) the ordering principle; 2) the character of the units; and 3) the distribution of capabilities.⁵⁸ More specific, Waltz uses two different ordering principles (1) as he argues that the domestic systems are hierarchic, while the international system is anarchic. Moreover, Waltz states that (2) units of the international system are functionally similar, thus variation at the unit level is deemed insignificant. According to Waltz, what fundamentally changes a system are changes in (3) the distribution of capabilities across the system's units, which is key in understanding outcome of international politics⁵⁹. Waltz argues that in order to counter such changes in the distribution of capabilities among units: "The first concern of states is not to maximize power but to maintain their positions in the system", thus rather than maximizing power states seek

⁵⁵ Baylis, Smith and Owens, *Introduction to International Relations*, 104.

⁵⁶ Doyle, M. "Ways of War and Peace", *W.W. Norton & Company* 1997, 45-48.

⁵⁷ Rose, G. "Neoclassical Realism and the Theories of Foreign Policy", In *World Politics*, 1998, 153.

⁵⁸ Waltz, K. *Theory of International Politics*, Waveland Press Inc., 1979, 88-99.

⁵⁹ Kenneth Waltz. *Theory of International Politics*, Waveland Press Inc., 1979, 88-99.

to maximize their security.⁶⁰ The reason is that states can seldom afford to make it their goal to maximize power because it is likely to trigger a counter-balancing coalition of states.⁶¹

Neorealism can be subdivided between offensive and defensive realism, both of which subscribing to the overall neorealist perception that anarchy reigns in the international system.⁶² However, they part ways in their view on how much power states want. As aforementioned, Waltz' neorealist theory (frequently termed defensive realism) argues that states are security seekers, assuming that the international system is somewhat benign, and that security is plentiful thus inciting states to balance against threats rather than maximizing their power.⁶³ John Mearsheimer who termed offensive realism, argues that great powers pursue possibilities to gain power over their rivals with hegemony being the final goal. Offensive realism is defined through five assumptions, according to Mearsheimer.⁶⁴ These assumptions are imperative in understanding why states seek to maximize their power, which is one of the main differences between offensive and defensive realism. Offensive realist sees the international system as Hobbesian, that is, security is somewhat scarce thus compelling states to maximize their power, however, states are prone to behave in a way that can lead to conflict with others.⁶⁵ Offensive realists argue that the examination of relative capabilities and the external environment are key to understand state behavior. Moreover they argue that such factors "will be translated relatively smoothly into foreign policy (...)".⁶⁶ Neoclassical realists concur that relative capabilities and a state's position in the international system are paramount in deciding a state's foreign policy but believes that the significance of intervening factors must not be underestimated. Therefore, according to neoclassical realism, offensive realism is misguided because it fails to recognize the importance of the domestic level.⁶⁷

4.2 Basic Assumptions of Neoclassical Realism

Neoclassical realism originates from the realist school of thought. The theory was termed by Gideon Rose in 1998 in his article *Neoclassical Realism and Theories of Foreign Policy*. First and foremost, Rose in his article makes a distinction between theories of international politics, that is, theories aimed at explaining state interactions. Realism and neorealism are theories of international politics. Theories of foreign policy are theories aimed at explaining what states try to achieve in the external

⁶⁰ Ibid, 126.

⁶¹ Baylis, Smith and Owens, *Introduction to International Relations*, 105.

⁶² Ibid, 104-105.

⁶³ Rose, "Neoclassical Realism", 149.

⁶⁴ John Mearsheimer, *The Tragedy of Great Power Politics* W.W. Norton & Company, 2001.

⁶⁵ Rose, "Neoclassical Realism", 149.

⁶⁶ Ibid.

⁶⁷ Ibid.

environment⁶⁸. The *raison d'être* of foreign policy theories is the gap that theories of international politics leave unaccounted, for instance states' foreign policy objectives. Rose outlines four theories of foreign policy, that is, offensive and defensive realism (both *can* be theories of foreign policy), Innenpolitik theories and neoclassical realism. While the first two have already been accounted for elsewhere in this thesis, Innenpolitik theories emphasize the importance of domestic factors when analyzing states' foreign policies. Neoclassical realism is different than the theories of foreign policy in the way that it includes systemic variables as well as domestic variables⁶⁹.

The adherents of neoclassical realism are convinced that a state's foreign policy is driven first and foremost by its relative material power capabilities, and thus its position in the international system, which explains why they are 'realist'. The adherents of the neoclassical realist approach are 'neoclassical' because they believe that systemic pressure on states is indirect and complex because it must be translated through intervening variables at the unit level.⁷⁰ Relative material power capabilities can be defined as "capabilities or resources with which states can influence each other".⁷¹ The concept of relative material power capabilities plays a significant role in neoclassical realism and refers to, among other things, military, political and economic capabilities, that is, capabilities are explanatory as to how powerful as state is.

In order to understand the causal logic of neoclassical realism, one needs to understand the importance of the intervening variable. The intervening variable refers to unit-level variables placed between the independent variable (systemic incentives) and the dependent variable (foreign policy outcome). Such unit-level variables are e.g. decision-maker's perception and domestic state structure, that is, the variables through which the systemic pressure is filtered. In line with this, foreign policy choices are made by actual political leaders' perception of a state's relative power rather than simply the amount of physical resources in being.⁷² Rose explains it well with an analogy: "*(...) the influence of systemic factors may often be (...) limiting the menu of foreign policy choices considered by a state's leaders at a particular time, rather than forcing the selection of one particular item on that menu over another.*"⁷³

⁶⁸ Ibid, 145.

⁶⁹ Ibid, 146.

⁷⁰ Ibid.

⁷¹ Ibid, 151.

⁷² Ibid, 146.

⁷³ Ibid, 147.

Neoclassical realism deviates from the other theories of foreign policy that Rose mentions in different ways. The key assumption of neoclassical realism is to put emphasis on both the systemic factors and the domestic factors. That is, a state's foreign policy is driven primarily by its position in the international system, which is decided by its relative material power capabilities, but rather than outlining a certain foreign policy direction, the state's relative power capabilities are filtered through decision-makers perception, state structure etc. it results in a foreign policy outcome. Contrary to offensive realism, defensive realism and Innenpolitik theories, neoclassical realism assumes the international anarchy is "neither Hobbesian nor benign but rather murky and difficult to read."⁷⁴ Furthermore, rather than seeking security, neoclassical realists assume that states seek to control their external environment. Hence, neoclassical realism occupies somewhat of a middle ground between structural theorists who sees a direct causal relationship between the systemic level and the unit-level behavior, and Innenpolitik theories, which do not ascribe any importance to the systemic level⁷⁵.

4.3 Theoretical Limitations

Although neoclassical realism is a somewhat multifaceted theoretical approach there are, as is the case with all theories, limitations to it. Norrin Ripsman argues that neoclassical realism is flawed on four points.⁷⁶ First, he argues, states do not always perceive systemic pressures correctly, but at the intervening variable level human beings frequently get their calculation of relative power wrong. Second, even if decision-makers do perceive systemic stimuli, they may not always respond rationally to them. The consequence is that states end up with flawed responses to the systemic requirements, risking that its foreign policy outcome might likewise end up flawed or otherwise insufficient.⁷⁷ Ripsman's first two limitations underscores that to some extent the intervening variables - often seen as one of neoclassical realism's strengths – do not make neoclassical realism the perfect theory, since it particularly the human dimension can be perceived as a weakness.

Furthermore, the international system does also pose limitations to the theory of neoclassical realism. The reason, which is Ripsman's third limitation, is that the international system does not always present clear signals with respect to threats and opportunities. He argues that when states are faced with clear and imminent threats – or opportunities for that matter – it is then easier to determine how to respond appropriately.⁷⁸ But in reality, there is great ambiguity over the challenges and

⁷⁴ Ibid, 152.

⁷⁵ Ibid, 146.

⁷⁶ Norrin M. Ripsman, "Neoclassical Realism" *Oxford Research Encyclopedia of International Studies*, 2017, 3-6.

⁷⁷ Ripsman, "Neoclassical Realism", 6.

⁷⁸ Ripsman, "Neoclassical Realism", 6.

opportunities that the international system presents. Fourth, political and economic circumstances prevent states from behaving as the international system requires. That is, if a state faces a conflict with another state, it might then want to balance the power of that other state. However, domestic restraints often make it difficult for a state to mobilize the required manpower and resources to counter such a threat from another state. To this end, Ripsman argues that neoclassical realism requires states to be perfectly flexible and able to identify systemic requirements correctly and respond accordingly.⁷⁹ However, states have a hard time responding appropriately due to both human, domestic and systemic weaknesses.

⁷⁹ Ibid.

5. Analysis

Comparison of China's, Russia's and the US' Arctic Policy

In order to find out what factors shape China's, Russia's and the US' foreign policy towards the Arctic, I will start by comparing the similarities and differences of their Arctic policies.

The chief difference between China, Russia and the US with respect to the Arctic is geographic; Russia and the US Arctic State, while China is not. Consequently, China, as a non-Arctic State, does not have the same possibilities to influence Arctic governance that Russia and the US do. There are two overarching frameworks that govern the Arctic: Arctic Council and the UNCLOS. China's 2018 Arctic Policy identifies participation Arctic governance as a key priority. Though, due to institutional limitations for non-Arctic States, China is forced to seek alternative ways to influence the Arctic. Consequently, China prioritizes its bilateral engagement with Arctic states by utilizing its Arctic priorities i.e. scientific research, resource exploration and development of shipping corridors to create strong relationships. China has chiefly been preoccupied with the smaller Arctic States but is aware of Russia as a crucial gatekeeper for China to consolidate its role as a responsible Arctic stakeholder.⁸⁰ Russia is very active in its own part of the region and seeks to develop it to its own benefit. Thus, Russia is currently investing a lot of money in the region to ensure that. The US on the other hand has been rather hesitant and applied somewhat of a wait-and-see-strategy where the region has been low on the US' foreign policy agenda.

Additionally, there are different perceptions of the Arctic among the elite in China, Russia and the US. With respect to China, the Arctic is merely perceived as an opportunity to get a long-term foothold in a strategically important region. To this end, China makes use of bilateral relationships as seen in the case of Iceland, Norway and Greenland where China's so-called science and resource diplomacy has been utilized to gain access. The same applies for the relationship with Russia where China's economic diplomacy has been the key to influence. For Russia, the Arctic is perceived as a resource base that has the potential to benefit Russia's economy in the future. Unlike China, Russia does not need to gain access to the region, since vast parts of its territory is already located in the Arctic. Thus, Russian politicians is chiefly concerned with figuring out how to develop the Arctic and make it economically profitable. It is indisputable that there is also somewhat of a security dimension in Russia's approach to the Arctic, exemplified by a substantial military build-up in the Russian part

⁸⁰ Sørensen and Klimenko, "Emerging Chinese-Russian Cooperation", 11.

of the Arctic, while also Russia's elite mentions security regularly. The security dimension is particularly distinct in the case of the US whose military and political elite increasingly perceive the Arctic through a security policy lens and as a new front line of defence.⁸¹ Especially Russia's military build-up is monitored and the same applies for Chinese investments in US-friendly countries e.g. investments in Greenland is being closely monitored. In that sense, it could be argued that the US attempts to move the great power competition narrative into the Arctic arguing that increased Russian and Chinese presence calls for increased American presence. And so, while China and Russia mainly perceive the Arctic as an opportunity, there are indications that the US might be increasing its focus on security matters in the region. An indication hereof is a recent speech by US Secretary of State Mike Pompeo who underlined that tension is growing in the Arctic.

While there are clear differences both in terms of perceptions and action, there are also overlapping interests and similarities in the three countries' foreign policy towards the Arctic. China, Russia and the US all mention exploration of the resources as a motive for Arctic presence. In practice, however, the US is not showing much interest in exploring these resources, but the collaboration between China and Russia is growing in the region. At first sight the Sino-Russian relationship seems like an obvious and mutually beneficial relationship, with Russian companies lacking capabilities, money and technological knowhow to explore the region and Chinese companies offering exactly that. However, mistrust exists between the two countries, and Russia - although interested in Chinese infrastructure solutions and investments - is generally hesitant in allowing non-Arctic States a greater role in Arctic governance.⁸² As illuminated above, the current Arctic institutional structures favor the Arctic states, and nothing indicates neither Russia nor the US are interested in granting non-Arctic states more decision-making power. In that sense Russia and the US have a shared desire to limit non-Arctic states' influence on Arctic governance.

Another similarity in the three countries approach to the Arctic is their common desire to maintain the Arctic as region where peace, stability and cooperation reign. To this end, all three countries have something to win from a low-tension Arctic that is dominated by cooperation and stability. Essentially, Russia is the country with most at stake in the region, and its dream of turning the Arctic into a resource base would be hampered by increased tensions in the region. In addition, Russia has submitted a rather modest claim to the UN's Committee on the Limits of the Continental Shelf

⁸¹ Terrence O'Shaughnessy, "Look North to Find the Front Line of North America's Defense", *Defense News*, May 10, 2019: <https://www.defensenews.com/opinion/commentary/2019/01/29/look-north-to-find-the-front-line-of-americas-defense/>

⁸² Sørensen and Klimenko, "Emerging Chinese-Russian Cooperation", 2.

(CLCS), indicating that rather than trying to maximize its claims, Russia is interested in an orderly territorial division of the region. Likewise, a conflict in the Arctic could impede China's opportunity to eventually reap economic benefits from the Arctic, and the same applies for the US. The fact that all the countries have so far refrained from applying an assertive arctic policy underlines their shared interest in maintaining the Arctic a peaceful and stable region.

Generally, it could be argued that Russia has somewhat of an aggressive approach to the Arctic, in the sense that it is eager to develop the region economically, and so that is what guides Russia's approach to the Arctic. China applies a rather conservative approach, hoping to present itself as a responsible proponent for Arctic development, rather than an assertive big country seeking to drain the region for resources. With an eye on the growing global scrutiny towards its economic and resource diplomacy, China's 2018 Arctic Strategy seeks to justify its Arctic presence by pointing to the global implications of e.g. climate change. In this sense, China hopes to present itself as a legitimate and responsible actor in the Arctic by treading cautiously and applying an approach mainly focused on soft areas. Lastly, since presenting its Arctic Strategy in 2013, the US has been rather hesitant with respect to its presence in the region. That said, there are recent signs that a change could be underway, and that the US' future presence in the region could be guided by security policy.

So what causes these varied approaches to the Arctic? It is clear that the dynamics of the international system i.e. a country's relative rise or decline plays a role. China's rise in the international system is to a large extent a result of tremendous economic growth over a number of years. China seeks to continue this development and the Arctic offers interesting perspectives in that sense. In addition, as China rises it will seek more influence abroad, and the Arctic is an example of that. Contrary, Russia's decline materializes itself in a rather offensive approach to develop the region. Russia's economy is stagnant and highly dependent on access to resources to turn around the current rather grim prospect. Russia has high hopes that the Arctic will lead to economic revival, thus eventually ensure Russia's great power aspirations. Although the US is scaling down its international influence, it seeks to maintain its current position as the most influential country in the world. In order to maintain that position the US must somehow halt China's rise. In this sense, the US is currently in the midst of shifting from a wait-and-see policy in the Arctic to a more active Arctic policy. The logic is that, US retreat leaves a vacuum for Russia and China to fill, while increased US presence limits or halts Chinese and Russian influence in the region. Thus, the US will likely do the latter.

To this end, I argue that the distribution of power is an important factor in explaining the three countries' Arctic policy. Below follows a detailed analysis of the distribution of power among the three countries examining among other things economic issues, military features and a general assessment of their overall foreign policy behavior.

5.1 Systemic Factor – The Distribution of Power

The first factor shaping China's, Russia's and the US' Arctic policy is the distribution of power, which neoclassical realism argue is the independent variable. According to neoclassical realism, the systemic factor creates a "pressure" on a state and this systemic pressure may shape the general foreign policy direction. China's rise, Russia's decline and the US' relative decline are thus somehow reflected in their foreign policy towards the Arctic, and so it is instrumental to understand each country's position in the international system.

5.1.1 The International System - Rise of China, Decline of the US and Russia?

China and the international system

China's rise is spectacular in many ways, and in just 40 years, the country has managed to catapult itself right into the centre of international politics. Over the past 40 years, more than 850 million people have been lifted out of poverty thanks to China's exceptional economic development, which has seen China increase its GDP by unprecedented figures, corresponding to an average annual GDP growth rate of almost 10% between 1978-2017.⁸³ China has grown tenfold since 2000 to become the second largest economy in the world in 2017 with a GDP of 12.2 trillion US dollar.⁸⁴ Its GDP per capita has grown from 960 US dollar to 8,800 US dollar in 2017.⁸⁵ Looking at purchasing power parity (PPP) GDP figures, China is now the largest economy in the world with a PPP GDP of 23.3 trillion US dollar in 2017, against 3.7 trillion US dollar in 2000.⁸⁶ However, there are signs of the Chinese economy slowing down these years. According to the International Monetary Fund (IMF) the Chinese economic growth is expected to decrease from 6.6% in 2018 to 6.3% this year and 5.5% in 2024. Some even argue that China's growth is overstated, and that its economy is 12% smaller

⁸³ Ross Garnaut, Ligang Song and Cai Fang *China's 40 Years of Reform and Development*, (Australian National University Press, 2018): 117; and "The World Bank in China", The World Bank(a): <https://www.worldbank.org/en/country/china/overview>

⁸⁴ "GDP", The World Bank (d): <https://data.worldbank.org/indicator/NY.GDP.MKTP.CD?end=2017&locations=US-CN-RU&start=2010>

⁸⁵ GDP Per Capita", The World Bank (c): <https://data.worldbank.org/indicator/NY.GDP.PCAP.CD?locations=RU-US-CN>

⁸⁶ "GDP, PPP (current international \$)", The World Bank(b) :<https://data.worldbank.org/indicator/NY.GDP.MKTP.PP.CD?end=2017&locations=US-CN&start=1961>

than what current official figures show.⁸⁷ Additionally, China's demographic prospects are grim where in the sense that its population is expected to age and diminish through the century.⁸⁸

Notwithstanding the potential challenges, China is still the second largest economy in the world. With money comes power, and China is aware of its growing global influence. At the 19th National Party Congress of the Communist Party of China in October 2017, Xi Jinping - referring to China's international role - stressed that: "*It will be an era that sees China moving closer to center stage and making greater contributions to mankind*", while also emphasizing that "*China's international standing has risen as never before.*"⁸⁹ To this end, it has been argued that Xi Jinping applies a rather aggressive foreign policy, which deviate from former president's inclination to pursue a "low profile" approach to international politics⁹⁰. When looking at foreign policy initiatives coming out of China, it is evident that China has ambitions reaching beyond its borders. In 2013, China presented a massive infrastructure plan, the Belt and Road Initiative (BRI) aimed at improving trade through ensuring efficient and well-functioning, cross-continental transportation routes. Moreover, when the BRI is completed, China will have invested in numerous ports, railways, roads etc. across several continents providing the country with a strategically important "infrastructure network" from Asia to Europe. However, while numerous countries showed interest in participating in the BRI in the initial phases a growing concern reigns now as countries fear the consequences of China's economic diplomacy.⁹¹

For instance, the establishment of the Asian Infrastructure Investment Bank (AIIB) in 2016 could also be seen as another attempt at trying to influence its global influence. Regardless of the intentions it is indisputable that the establishment of the AIIB offers an alternative to the traditional US-led financial institutions. An additional example of China seeking international influence is the industrial strategy "Made in China 2025" (MIC 2025). While the BRI and AIIB are of economic and strategic importance, the purpose of MIC 2025 is to transform China into a technological and manufacturing

⁸⁷ Chen, Wei, Xilu Chen, Chang-Tai Hsieh and Zheng (Michael) Song, „A Forensic Examination of China's National Accounts“, (BPEA Conference Draft, Spring), 2019, 1.

⁸⁸ "World Population Prospects – The 2017 Revision", United Nations (b), 2017.

⁸⁹ "Full text of Xi Jinping's report at the 19th CPC National Congress", *China Daily*, April 11 2017.

http://www.chinadaily.com.cn/china/19thcpcnationalcongress/2017-11/04/content_34115212.htm

⁹⁰ Tim Rühling, "A 'New' Chinese Foreign Policy Under Xi Jinping? – Implications for European Policy-Making" *Institute for Security and Development Policy*, March 2 2018, <http://isdpeu/publication/new-chinese-foreign-policy-xi-jinping-implications-european-policy-making/>

⁹¹ Lily Kuo, "Belt and Road forum: China's 'project of the century' hits tough times" *The Guardian*, April 25, 2019, <https://www.theguardian.com/world/2019/apr/25/belt-and-road-forum-chinas-project-of-the-century-hits-tough-times>

leader by focusing on ten specifically outlined high-tech sectors ranging.⁹² The MIC 2025 has been criticized for its preferential treatment of Chinese companies over foreign companies.⁹³

China has indisputably gained more influence on the developments of international politics throughout the past decade, where its economic strength and political influence have grown. To this end, China's array of foreign policy projects speaks volumes about its global ambitions and its willingness to go to great lengths to ensure its economic foundation. However, over the last couple of years, scrutiny towards China has intensified remarkably. The US has taken the lead in trying to halt China's rise e.g. by warning its European allies against engaging with certain Chinese technology companies, most noticeable Huawei. Moreover, the trade disputes between China and the US is another clear example of the US trying to curb China's rise. In addition, EU's rhetoric is getting increasingly tough with respect to China, which the EU now sees as a "systemic rival" and an "economic competitor in pursuit of technological leadership."⁹⁴

The United States and the international system

In its latest National Security Strategy (NSS), the US assesses both China and Russia as "*revisionist powers*" that want to shape a world, which is incompatible with US values and interests.⁹⁵ Additionally, the US' 2018 National Defense Strategy states that "*Inter-state strategic competition [...] is now the primary concern in U.S. national security.*"⁹⁶ Both strategies underline that the US is applying a tougher approach to Russia, and particularly to China under Donald Trump's presidency. At the same time, they underscore that the US' foreign policy under the current administration is guided chiefly by great power competition. The US has been the most powerful and influential nation in the world since the end of Second World War and has used its capabilities and powerful position to assume global leadership. To this end, the US was instrumental in establishing the overall institutional framework that continues to shape international politics today. This array of institutions ranges from NATO and the UN to the World Bank and IMF – all of which shaped to create a safer and more prosperous world. Since the collapse of the Soviet Union in 1991, the US global leadership has been uncontested. However, the general assessment is that the US' status is diminishing at the expense of among other things the rise of China. With a country rising as quickly as China does, it is

⁹² "Made in China 2025", Institute for Security and Development Policy, June 2018, <http://isdsp.eu/publication/made-china-2025/>

⁹³ "Made in China 2025: Global Ambitions Built on Local Protections", *U.S. Chamber of Commerce*, 2017, 6.

⁹⁴ *European Commission*, "EU-China – A Strategic Outlook", 2019.

⁹⁵ The White House (b), *National Security Strategy of the United States of America*, 2017.

⁹⁶ Department of Defense (a), *2018 National Security Strategy*, 2018, 1.

inevitable that the power gap between the two diminishes, thus equalizing the global distribution of power.

Typically, the US economy is referred to as an example of the US' relative decline. For example, between 2000 and 2017 the US has not even doubled its GDP, while China has increased its GDP tenfold in the same period. However, while the US remains the largest economy in the world with a GDP of 19.5 trillion US dollar in 2017.⁹⁷ The US affluence as measured according to GDP per capita underlines that the US remains the wealthiest of the countries in question in this thesis with a GDP per capita of 60,000 US dollar in 2017.⁹⁸ Looking at PPP GDP, the US is now the second largest economy with a PPP GDP of 19.5 trillion US dollar in 2017.⁹⁹ This is a clear emphasis that the US economic power has declined relative to China over the past decades, and that the US is no longer the sole economic power in the world. The fact that China is catching up is a consequence of modest growth rates in the US whose economy has grown consistently at an average annual rate of around 2% since the beginning of this millennium.¹⁰⁰ According to IMF, the US economy grew at 2.9% in 2018, and is expected to grow 2.3% this year, 1.9% in 2020 and 1.6% in 2024.¹⁰¹ However, while the US' economic power is diminishing relative to the US, several deliberate actions carried out by the US itself adds to the impression of the US as a somewhat declining – or at least less influential – power.

In 2012 the Obama-Administration made a decisive foreign policy shift as it sought to rebalance its foreign policy to Asia - the prophesied centre for economic development – and away from costly wars in the Middle East. To this end, it was a sensible decision to “pivot to Asia” and focus on future opportunities rather than sticking to hopeless presence in the Middle East. However, some argue that by pivoting to Asia the US somewhat neglected Europe and the Middle East, thus creating a vacuum in the Middle East that ISIS successfully utilized to create its caliphate and reinvigorate international terrorism.¹⁰²

The incumbent US-administration has explicitly underscored the importance of putting “America First” and its withdrawal from several international agreements underpin the US is merely acting according to its self-interest as seen with the Iran Agreement (JCPOA) and the Paris Agreement. The

⁹⁷ “GDP”, The World Bank (d): <https://data.worldbank.org/indicator/NY.GDP.MKTP.CD?end=2017&locations=US-CN-RU&start=2010>

⁹⁸ “GDP per capita”, The World Bank (c): <https://data.worldbank.org/indicator/NY.GDP.PCAP.CD?locations=RU-US-CN>

⁹⁹ “GDP, PPP”, The World Bank (b): <https://data.worldbank.org/indicator/NY.GDP.MKTP.PP.CD?end=2017&locations=US-CN&start=1961>

¹⁰⁰ “United States”, International Monetary Fund (b): <https://www.imf.org/en/Countries/USA#atagance>

¹⁰¹ Ibid.

¹⁰² John Ford, “The Pivot to Asia Was Obama’s Biggest Mistake”, *The Diplomat*, January 21 2017: <https://thediplomat.com/2017/01/the-pivot-to-asia-was-obamas-biggest-mistake/>

withdrawal from the Trans-Pacific Partnership (TPP) trade deal offered a unique opportunity to put pressure on China to play by the rules, and to engage allies to work closer with the US rather than China. Thus, by withdrawing from TPP the US pulls back from global trade leadership and leaves somewhat of a vacuum for China to fill.¹⁰³ Moreover, US regional allies might turn their attention to China who now has an opportunity to reassure regional partners it can provide stability and prosperity.¹⁰⁴

The US' relative decline has left a geopolitical void that both China and Russia seek to fill. The current US administration is eagerly trying preserve US superiority by calling China and Russia out as its main adversaries.¹⁰⁵ The US is aware that China is more likely to challenge US global leadership in the long-term compared to Russia. And so, the so-called 'trade war' with China could be analysed a way for the US to curb China's rise, and at least ensure that the two countries compete on a level playing field. To this end, Washington's anti-Huawei campaign and lashing out on China's MIC 2025 could be analysed as two pawns in the global competition between China and the US, where the US tries to counter Chinese technological supremacy to ensure that the US preserves its economic and technological edge over China.¹⁰⁶ These actions against China are perfectly in line with the American understanding of the international system, which is seen as a competition between great powers.

Russia and the international system

Russia is familiar with being at the epicentre of international politics. For almost half a century after the Second World War and through the Cold War, the international system was dominated by bipolarity, with the Soviet Union and the United States being the two superpowers. With the collapse of the Soviet Union in 1991, the country lost its position as a world superpower, and it has not yet managed to reinstate itself as a great power, which remains Moscow's long-term goal.¹⁰⁷ At the end of the 1990s, in its endeavours to regain its position in the international system, Russia invigorated the economy and exports of energy supplies as key areas.¹⁰⁸

¹⁰³ Ikenson, Daniel, "TPP, R.I.P?", *Foreign Affairs*, November 22, 2016: <https://www.foreignaffairs.com/articles/americas/2016-11-22/tpp-rip>

¹⁰⁴ Kucik, Jeffrey and Rajan Menon, "China will miss the TPP", *Foreign Affairs*, February 6, 2018: <https://www.foreignaffairs.com/articles/asia/2017-02-06/china-will-miss-tpp>

¹⁰⁵ White House (b), "National Security Strategy",

¹⁰⁶ Robert Williams, "Is Huawei a Pawn in the Trade War?", *Foreign Affairs*, January 30, 2019: <https://www.foreignaffairs.com/articles/china/2019-01-30/huawei-pawn-trade-war>

¹⁰⁷ For example: Andrea Kendall-Taylor, "The Building of Russia's Geopolitical Momentum", *Georgetown Journal of International Affairs*, March 30, 2019: <https://www.georgetownjournalofinternationalaffairs.org/online-edition/2019/3/30/the-building-of-russias-geopolitical-momentum>; and Staun, "Russia's Arctic Strategy", 14.

¹⁰⁸ Sarah Gandrup & Christian Holm, "Ruslands Udenrigspolitiske Dispositioner under Putin 1999-2015", *Danish Defence College*, 2016, 19.

Russia's affluence increased greatly after Putin took office in 1999 from a GDP per capita of around 1,330 US dollar to a GDP per capita in 2013 of 16,000 US dollar.¹⁰⁹ This impressive growth was chiefly a result of a simultaneous rise in energy prices e.g. crude oil prices, which went up from around 15 dollar per barrel in 1999 to more than 100 dollar per barrel in 2013.¹¹⁰ This serves to underscore Russia's dependence on energy sources, which in the first half of 2018 amounted to almost 64% of Russian export.¹¹¹ However, energy prices have dropped significantly since peaking in 2013, thus plunging Russia's affluence to a level of 10,750 US dollar per capita in 2017.¹¹² Russia is often thought of as a declining power, and both economic and demographic outlooks are disheartening as the economy is stagnant, and the population expected to dwindle. Russia's economy has grown significantly from 260 billion US dollar in 2000 to 1.6 trillion US dollar in 2017.¹¹³ When measuring economic power according to PPP GDP, Russia lacks far behind both the US (19.5 trillion US dollar) and China (23.3 trillion US dollar) with 3.8 trillion US dollar in 2017.¹¹⁴ While Russia economy grew with annual rates of 5-10% between 1999-2007, it is currently somewhat stagnant as IMF expects the Russian economy to grow less than 2% on an annual basis through 2024.¹¹⁵ Additionally, similar to China, the Russian population is expected to age and dwindle over the course of the next century where a smaller workforce will have to provide for a larger group of elderly¹¹⁶ Moreover, emigration is a serious concern for Russia as a significant amount of people – especially well-educated, young people – leave Russia every year.¹¹⁷

A stagnant economy and grim demographic outlooks have not made Russia retreat the global stage. Contrary, Vladimir Putin has significantly enhanced Russia position in the international system since returning to power in 2012, which is perfectly in line with Russia overall desire to restore its great power status.¹¹⁸ Putin has managed to navigate the international system impressively, utilizing geopolitical voids and conflicts to advance Russian influence, thus securing Russia a seat at the table in the international system. Although its economy is somewhat stagnant, Russia has managed to increase its influence “on the cheap” by utilizing low-cost options such as cyber tools, small-scale

¹⁰⁹ The World Bank (c), “GDP Per Capita”: <https://data.worldbank.org/indicator/NY.GDP.PCAP.CD?locations=RU-US-CN>

¹¹⁰ Daniel, R. Coats, *Worldwide Threat Assessment of the US Intelligence Community*, 2019, 36.

¹¹¹ Paul Goble, “Russia More Dependent on Raw Materials Exports Now Than in 2008”, *Eurasia Daily Monitor*, Volume 15, no. 132, September 2018.

¹¹² The World Bank (c), GDP Per Capita”: <https://data.worldbank.org/indicator/NY.GDP.PCAP.CD?locations=RU-US-CN>

¹¹³ The World Bank (d), “GDP”: <https://data.worldbank.org/indicator/NY.GDP.MKTP.CD?end=2017&locations=US-CN-RU&start=2010>

¹¹⁴ The World Bank (b), “GDP, PPP”: <https://data.worldbank.org/indicator/NY.GDP.MKTP.PP.CD?end=2017&locations=US-CN-RU&start=2000>

¹¹⁵ International Monetary Fund (c), “Russian Federation”: <https://www.imf.org/en/Countries/RUS#countrydata>

¹¹⁶ United Nations (b), “World Population”, 40.

¹¹⁷ Ilan Berman, “Russia's Fraught Demographic Future”, The Jamestown Foundation, September 13, 2016: <https://jamestown.org/program/ilan-berman-russias-fraught-demographic-future/>

¹¹⁸ Kendall-Taylor, “Russia's Geopolitical Momentum”.

military operations, influence campaigns etc.¹¹⁹ Since 2012, Russia has successfully projected power beyond its borders exemplified with its annexation of Crimea in 2014, and Russia's entry in the Syrian civil war significantly altered the battlefield dynamics in favour of the incumbent Bashar Al-Assad.¹²⁰

An essential pawn in Russia's projection of international influence is its ability to exploit changing dynamics and polarization in different parts of the world. To this end, Russia is likely to capitalize on Donald Trump's somewhat isolationist approach to foreign policy and utilize the power vacuums that it leaves behind.¹²¹ By filling the void that the US is ceding, Russia is building a geopolitical momentum that can be used to undermine US foreign policy interests, thus advancing Russia's own foreign policy objectives.¹²² To this end, according to the American NSS, Russia "*is using subversive measures to weaken (...) European institutions and governments,*"¹²³ and so Russia is likely to view with pleasure the increased socio-economic polarization and division that reign in France, Germany and Italy, the increasingly dysfunctional political system in the UK and the increasing division within the EU.

5.1.2 Comparison of Military Power Capabilities

This section serves to elaborate on the three countries' military power capabilities, which will enable me to make a more profound and comprehensive analysis of the overall distribution of power. To this end, the following will compare China's, Russia's and the US' military spending, nuclear capabilities and briefly touch upon their conventional military capabilities.

Military Spending and Nuclear Weapons

Comparing military capabilities of the three countries, it is evident that they have different capabilities. More specific, in terms of military expenditure, it is evident that Russia spends the least amount of money on military of the three countries in question. According to the Stockholm International Peace Research Institute (SIPRI), Russian military expenditure accounted for 64.1 billion US dollar in 2018, corresponding to 3.9% of GDP, which is down from 66.5 billion US dollar in 2017.¹²⁴ Consequently, Russia now ranks outside the top five as the sixth biggest military spenders

¹¹⁹ Ibid.

¹²⁰ Ibid.

¹²¹ Coats, "Worldwide Threat Assessment", 36.

¹²² Kendall-Taylor, "Russia's Geopolitical Momentum".

¹²³ White House (b), "National Security Strategy", 47.

¹²⁴ Stockholm International Peace Research Institute (b), "World military expenditure grows to \$1.8 trillion in 2018", SIPRI, April 29, 2019: <https://www.sipri.org/media/press-release/2019/world-military-expenditure-grows-18-trillion-2018>

in the world for the first time since 2006.¹²⁵ Despite lower spending over the past years, Russia's military 2018 spending is 27% higher than in 2009.¹²⁶ China's military spending is more than five times bigger than Russia's and amounted to 250 billion US dollars in 2018 equalling 1.9% of the Chinese GDP. Alongside its economic growth, China's military spending has increased by 83% since 2009, making China the second-largest military spender in the world behind the US.¹²⁷ The US' military spending amounted in 2018 to 649 billion dollars, which equals 3.2% of GDP.¹²⁸ Thus, the annual military spending of the US is more than two times that of China and more than ten times that of Russia. For the first time in seven years, the American military budget increased by 4.6% in 2018, however, since 2009, the US' military spending has diminished by -17%, whereas Russia and China increased their spending in the same period as shown above. Because military spending is often a percentage of a country's GDP, the US – with a larger GDP in absolute numbers – is able to allocate more money to military purposes compared to Russia and China. For Russia to spend the same amount of money as the US on its military, Russia would have to allocate more than 40% of its GDP to military spending, which would be unsustainable for the Russian economy. Matching the US' military spending is somewhat doable for China who would have to allocate 5-6% of its GDP to military purposes. These figures underscore the correlation between economic power and military power.

Though, military spending is not necessarily explanatory of the actual military strength. In order to assess the relative strength between Russia, China and the US one could assess their nuclear arsenal as a point of reference. Whether or not a state is a nuclear power speaks volumes about its military strength. According to accessible figures from January 2018, the US and Russia makes up 92% of the global nuclear weapons; Russia is in possession of 6,850 nuclear warheads, the US has 6,450 nuclear warheads, while China only has 280 warheads at its disposal.¹²⁹ The US and Russia are the only two out of nine countries to have a nuclear arsenal in the thousands. Generally, nuclear weapons offer a country an enormous advantage against enemies that do not command nuclear capabilities, and so it speaks volumes about the distribution of power among China, Russia and the US. With respect to their conventional military capabilities the populous China has an advantage over Russia and the US

¹²⁵ Nan Tian et al. "Trends in the World Military Expenditure, 2018", *SIPRI*, April 2019, 3.

¹²⁶ *Ibid*, 9.

¹²⁷ SIPRI (b), "Military Expenditure Grows in 2018"

¹²⁸ Stockholm International Peace Research Institute (a), "Military expenditure by country as percentage of gross domestic product, 1988-2018", *SIPRI*, 2019:

<https://www.sipri.org/sites/default/files/Data%20for%20all%20countries%20from%201988%E2%80%932018%20as%20a%20share%20of%20GDP%20%28pdf%29.pdf>

¹²⁹ Stockholm International Peace Research Institute (c), "World Nuclear Forces", in *SIPRI Yearbook 2018 – Armaments, Disarmaments and International Security*, Oxford University Press, 2018, 235.

in terms of manpower: China has 2.3 million active personnel; Russia has 771,000 and the US has 1,3 million.¹³⁰ From a numerical perspective Russia has the largest amount of 'land forces',¹³¹ the US dominates the air, while China has a numerical advantage at sea.¹³² However, all things considered it can be argued that with by far the largest military budget, cutting-edge technology, largest aircraft fleet, strongest naval fleet and the world's second largest nuclear arsenal. However, US military superiority is not a matter of course anymore as both China and Russia are working hard to reduce the gap to the US.¹³³

Conclusively, it can be argued that Russia, under the leadership of Vladimir Putin, has successfully exploited the power vacuums that the US leaves, thus asserting itself on the global stage. Clever use of low-cost foreign policy tools enables Russia to punch above its weight despite a declining economic power. Russia remains one of the strongest military powers in the world, and its large arsenal of nuclear weapons makes Russia a noteworthy player in international system, and is an important step on the way towards its desire to achieve great power status. The US remains the most powerful country in terms of economic and military strength, although its relative power is declining as a result of China's rise, and due to own foreign policy decisions. The US has identified China and Russia as its two main adversaries and is thus trying to push back on their growing influence and presence. China's economic and military power is growing, and the same applies for its global ambitions. Under the leadership of Xi Jinping, China is acting confidently in the international system as it aims to extend its political and economic power, which will further strengthen its position in the international system.

5.1.3 The Role of the Arctic Institutional Framework

Arctic Council

There are two overarching frameworks that govern the Arctic, that is the Arctic Council and UNCLOS. While they have different purposes, the Arctic Council and UNCLOS remain the two dominating frameworks shaping Arctic governance. The Arctic Council was established in 1996 as a result of the Ottawa Declaration, and defines itself as “*the leading intergovernmental forum*” for Arctic stakeholders.¹³⁴ It comprises a mix of eight permanent member states, six indigenous

¹³⁰ Armed Forces (a), “Armed Forces of the World”: <https://armedforces.eu/>

¹³¹ Armed Forces (b), “Land Forces”: https://armedforces.eu/land_forces

¹³² Armed Forces (c), “Naval Forces”: <https://armedforces.eu/navy>; and Armed Forces (d), “Air Forces”: https://armedforces.eu/air_forces

¹³³ Elbridge Colby, “How to Win America's Next War”, *Foreign Policy*, May 9, 2019: <https://foreignpolicy.com/2019/05/05/how-to-win-americas-next-war-china-russia-military-infrastructure/>

¹³⁴ “Arctic Council (a): A backgrounder”, last modified 13 September 2018: <https://arctic-council.org/index.php/en/about-us>

permanent participant organizations and six working groups. The permanent member states are, Iceland, Sweden, Norway, Finland, Denmark, Canada, United States and Russia. Additionally, thirteen non-Arctic states, including China, as well as several organizations have been given observer status. The bulk of the work in Arctic Council is carried out in six so-called Working Groups, which have a specifically defined focus area such as reduction of emission, protection of Arctic marine environment etc.¹³⁵

Arctic Council has successfully promoted “cooperation, coordination and interaction among Arctic States” since 1996 to remain the Arctic region’s principal institutional body. Although Arctic Council’s decision-making process is consensus-based it has managed to stay relevant and effective, albeit lacking real enforcement instruments.¹³⁶ The current structure of the Arctic Council provides the permanent member states an exclusive right to make decisions, leaving little room for non-Arctic states to influence Arctic governance directly through Arctic Council. However, observer states may present proposals indirectly through an Arctic state.¹³⁷ Therefore, as an observer state in Arctic Council, China does not have the same opportunities to influence Arctic governance as Russia and the US do by virtue of their status as Arctic states.

However, in its 2018 Arctic Strategy, China expresses interest in participation in the governance of the Arctic.¹³⁸ Though, due to the beforementioned institutional limitations for non-Arctic states, China is seeking alternative ways to influence Arctic regional governance. Therefore, China uses its other Arctic priorities e.g. scientific research, resource exploration and development of shipping corridors to create strong bilateral relationships with Arctic states. To this end, some argue even that China showcases a science, economic and resource diplomacy in the Arctic, as shown with respects to Iceland, Norway, Greenland and Russia.¹³⁹ As accounted for earlier, China has growing ambitions of becoming a global actor and rule-maker, and its Arctic engagement and presence must be viewed accordingly. China eyes an opportunity to influence Arctic governance because the political and legal framework in the region is not fully established.¹⁴⁰ To this end, it makes sense for China to pursue a seat at the table in a region that might be subject to future institutional adjustments, especially when bearing in mind the potential benefits that China might harvest from that. Though, as illuminated

¹³⁵ Ibid.

¹³⁶ Walsh School of Foreign Service, “The New Arctic”, 14.

¹³⁷ Arctic Council (b), “Observer”, *Arctic Council*, last modified 4 April 2019: <https://arctic-council.org/index.php/en/about-us/arctic-council/observers>.

¹³⁸ State Council “China’s Arctic Policy”.

¹³⁹ Sørensen and Klimenko, “Emerging Chinese-Russian Cooperation”, 6-8.

¹⁴⁰ Ibid, 9.

above, the current Arctic institutional structures favor the Arctic states, and nothing indicates that Russia and the US are particularly interested in giving non-Arctic states more decision-making power. Specifically, Russia is generally hesitant in allowing non-Arctic states a greater role in Arctic governance.¹⁴¹ And judging from recent statements by the US Secretary of State with respect to China's role in the Arctic, there are also no indications that the US is prepared to integrate China deeper into the Arctic decision-making process.¹⁴²

UNCLOS

UNCLOS is the overarching legal framework governing activities in the Arctic. UNCLOS is an international law outlining nations' responsibilities and rights with respect to the world's seas. UNCLOS stipulates a division of the sea into several parts, including an exclusive economic zone (EEZ) and the continental shelf. UNCLOS stipulates that the EEZ is an area of 200 nautical miles from a state's coastline, and that the coastal state in question has sovereign right for the purpose of exploring and exploiting (Article 55).¹⁴³ Furthermore, UNCLOS stipulates that the outer limit of the continental shelf must not exceed 350 nautical miles from a coastal state's coastline, and that the coastal state has the sovereign rights to explore it and exploit its natural resources (Article 76 & 77)¹⁴⁴. In addition, no other state is allowed the right to explore the continental shelf or exploit its natural resources without express consent from the coastal state, stipulates Article 77.¹⁴⁵

As the prime legal framework of the Arctic, UNCLOS seeks to ensure an orderly development of the region. In addition, a framework exists that provides mechanisms to manage disputes about the outer continental shelf, this framework is the Commission on the Limits of the Continental Shelf (CLCS). Before a country can claim sovereign rights over a territory, it must submit its claim to the CLCS, which is responsible for assessing the data that a country bases its claim on.¹⁴⁶ CLCS cannot make the final demarcation, since it is ultimately a matter of bilateral negotiations between countries with overlapping claims. The fact that overlapping claims are to be negotiated bilaterally was agreed upon by Denmark, Norway, Canada, Russia and the US, the five Arctic coastal states, in the 2008 Iluliussat Declaration¹⁴⁷. Both China and Russia have acceded the UNCLOS, while the US' Senate has declined

¹⁴¹ Ibid, 2.

¹⁴² Mike Pompeo, "Looking North: Sharpening America's Arctic Focus", *U.S. Department of State*. Rovaniemi, Finland, May 6, 2019: <https://www.state.gov/looking-north-sharpening-americas-arctic-focus/>

¹⁴³ United Nations (a). *United Nations Convention on the Law of the Sea* (UNCLOS), 1982, Article 57.

¹⁴⁴ Ibid, Article 76.

¹⁴⁵ Ibid, Article 76.

¹⁴⁶ "Commission on the Limits of the Continental Shelf Purpose, functions and sessions", United Nations. Accessed May 17, 2019: https://www.un.org/Depts/los/clcs_new/commission_purpose.htm

¹⁴⁷ Jon Rahbek-Clemmensen and Gry Thomasen, "Learning from the Iluliussat Initiative", 2018.

to ratify the Convention fearing that it would restrict US' sovereignty.¹⁴⁸ Although China has acceded UNCLOS, it has no legal right to claim territory in the Arctic as a non-Arctic state.

Russia's 2016 extended continental shelf claim is viewed as a realistic claim rather than an attempt to maximize. This indicates that Russia has submitted a claim to CLCS that it hopes the other Arctic coastal states can accept in a subsequent negotiation.¹⁴⁹ For Russia, the Arctic is seen as a potential resource base, and most of the resources are within Russia's EEZ, but substantial deposits are expected within Russia's 350 nautical mile territory¹⁵⁰. Because UNCLOS grants Russia the sovereign right to the resources within its EEZ, and because overlapping claims are ultimately subject to bilateral negotiations Russia has everything to gain from following a cooperative and international law-oriented approach to the Arctic. Russia's 2016 Foreign Policy Concept confirms that assumption by underscoring that: "*The Russian Federation believes that the existing international legal framework is sufficient to successfully settle any regional issues through negotiation, including the issue of defining the outer limits of the continental shelf in the Arctic Ocean*".¹⁵¹

Unlike Russia and China, the US has yet to ratify the UNCLOS, and so is unable to submit any claims to CLCS. There is widespread support in the US to accede the Convention, but the US Senate has successfully opposed it albeit recommendations from the President to accede UNCLOS.¹⁵² Since UNCLOS is widely recognized as the legal framework of the Arctic and supported and ratified by the other Arctic states who can legally submit claim under the UNCLOS framework, the US is somewhat sidelined. Furthermore, ratification of the Convention would provide the US legal backing when claiming territory in a region like the Arctic where UNCLOS is widely recognized for defining, deciding and resolving maritime territorial disputes.¹⁵³

Conclusively, the Arctic Council remains the most important regional forum to discuss Arctic matters. It aims at promoting cooperation and coordination between the Arctic states and stakeholders with a specific focus on environmental issues and sustainable development of the region. The Arctic Council is somewhat of a consensus-based "policy-shaper" rather than a "policy-maker" without enforcement mechanisms. UNCLOS makes up the regional legal framework providing the states sovereign rights

¹⁴⁸ Staun, "Russia's Arctic Strategy", 11.

¹⁴⁹ *Ibid.*

¹⁵⁰ *Ibid.*, 7.

¹⁵¹ "The Foreign Policy Concept of the Russian Federation", The Embassy of the Russian Federation to the United Kingdom of Great Britain and Northern Ireland, November 30, 2016: https://www.rusemb.org.uk/rp_insight/

¹⁵² White House (a), "Arctic Strategy", 2.

¹⁵³ Jon D. Carlson, Christopher Hubach, Joseph Long, Kellen Minter, and Shane Young. "Scramble for the Arctic: Layered Sovereignty, UNCLOS, and Competing Maritime Territorial Claims." SAIS Review of International Affairs. Vol. 33, No. 2, 2013, 41.

in specific parts of the Arctic. China's possibilities of influencing Arctic governance through the Arctic Council is limited, and so China applies a more pragmatic approach to the region utilizing its other Arctic priorities to advance its bilateral cooperation with individual Arctic states. On the other hand, Arctic Council gives the Arctic states the opportunity to directly influence Arctic governance, while the UNCLOS framework ensures an orderly and fair division of the Arctic. This framework is especially beneficial to Russia who for that reason is interested in preserving the current Arctic institutional structures. This is exemplified by Russia's hesitation to allow non-Arctic states a greater say in Arctic governance, and its continued call for cooperation and respect for international law in the region. Likewise, by virtue of being an Arctic state, the US benefits from the framework of Arctic Council, while its lack of ratification of the UNCLOS restricts the US from submitting legal territorial claims of the outer continental shelf.

5.2 Domestic Factors

Neoclassical realists argue that the systemic pressure, which the previous chapter analyzed, is filtered through several intervening variables at the unit-level before resulting in specific foreign policy behavior. I have identified two intervening variables that is thought to shape the countries' Arctic policy. The following chapter will analysis the perceptions of the Arctic in the three countries as well as their commercial interests and resource needs.

5.2.1 Elite Perception of the Arctic

China's Perception of the Arctic

China, Russia and the US have all outlined their priorities for the region in their respective Arctic strategies. These strategies give an impression of how the countries' elite (decision-makers, government officials, military leaders etc.) perceive the Arctic and what priorities they have in the region.

Beijing's decision-makers have identified four policy goals in its 2018 Arctic Strategy. That is 1) to engage in Arctic governance, 2) improve scientific capabilities, 3) to respond to climate changes in the Arctic, and 4) to utilize resources and develop shipping routes.¹⁵⁴ In China's Arctic Strategy, "cooperation" is mentioned 46 times, "research" 41 times, "resources" 24 times and "shipping" 11 times indicating that China perceives the Arctic as an opportunity within research, resources and

¹⁵⁴ State Council "China's Arctic Policy".

shipping, while applying a cooperative approach to the region. The strategy further specifies Beijing's view on the potential benefits of engaging in the Arctic: "*The utilization of sea routes and exploration and development of the resources in the Arctic may have a huge impact on the energy strategy and economic development of China*".¹⁵⁵ This could be analyzed as a confirmation that the China has two overriding goals in the Arctic i.e. commercial interests and resource needs.

Up until 2013 where China obtained observer status in the Arctic Council, its approach to the Arctic could be described as hesitant and somewhat underplayed.¹⁵⁶ In line with this hesitant approach, Chinese elite persons' public comments on the Arctic from before 2013 remain scarce. However, China's Arctic Strategy definitely indicates a more confident approach to the Arctic, which is in line with Beijing's rather confident behavior on the global stage. In 2014, president Xi Jinping ignited this shift by confidently stating that China was not far from "*joining the ranks of the polar great powers*," he added that "*becoming a polar power is an important component of China's process to become a maritime great power*".¹⁵⁷ This confident rhetoric was followed up in October 2015 by the Chinese Foreign Minister Wang Yi who stated that "*China is an important stakeholder in the Arctic*," and that the rights of non-Arctic states and the collective interests of the international community should be respected.¹⁵⁸ Albeit a shift in rhetoric, China has refrained from including security policy in its strategy, and Chinese decision-makers are not very vocal about that either. Although a change in rhetoric, China has kept a somewhat conservative approach aimed at slowly and carefully advancing its activities in the Arctic in order to establish legitimacy around itself as an Arctic stakeholder. China's 2018 Arctic Policy states that: "*China hopes to work with all parties to build a Polar Silk Road*,"¹⁵⁹ which first of all indicates that China has long-term ambitions in the region, while underlining Beijing's perception of the Arctic as an opportunity to utilize the region in China's overall foreign policy initiatives. The fact that China seeks to "*[...] advance Arctic-related cooperation under the Belt and Road Initiative*," underscores China's long-term ambitions as well. Second, the 2018 Arctic Strategy is an attempt to present China as a "*responsible major country*", and as a proponent for Arctic development that benefits everybody, and not only China.

¹⁵⁵ State Council "China's Arctic Policy".

¹⁵⁶ Camilla T. N. Sørensen, "China as an Arctic Great Power – Potential Implications for Greenland and the Danish Realm", *Danish Defence College*, February 2018, 2.

¹⁵⁷ Anne-Marie Brady, *China as a Polar Great Power*, Cambridge University Press, 2017, 15. Kindle.

¹⁵⁸ "Wang Yi: China's Participation in Arctic Affairs Is Guided by Three Major Principles of Respect, Cooperation and Win-win Results", *Ministry of Foreign Affairs of the People's Republic of China*, October 2015: https://www.fmprc.gov.cn/mfa_eng/zxxx_662805/t1307451.shtml

¹⁵⁹ State Council "China's Arctic Policy".

Russia's Perception of the Arctic

Russia's 2008 Arctic Strategy outlines four Russian national interests: 1) to use the Arctic zone as a resource base, 2) to maintain the Arctic as a zone of peace and cooperation, 3) to save the unique Arctic ecological systems, and 4) to use the Northern Sea Route (NSR) as a national transportation route.¹⁶⁰ In line with the Arctic Strategy, Russia's president Vladimir Putin has pointed to the significance of the Arctic to ensure Russian prosperity: "*The Arctic is a region of great importance, it will provide for the future of our Russia*".¹⁶¹ Russia is predominantly interested in reaping up the economic benefits of the region, as confirmed by Putin in a speech in April: "[...] *I am convinced that the importance of the Arctic factor in the Russian economy will only grow further*".¹⁶² Moreover, in his 2018 'State-of-the-Nation' speech to the Russian people, Putin once again emphasized the crucial role that the Arctic plays for Russia, calling it "*a strategically important region*".¹⁶³ In addition, he underscored the potential of the NSR: "*The Northern Sea Route will be the key to the development of the Russian Arctic and the regions of the Far East. By 2025, its traffic will increase tenfold, to 80 million tons*," stated Putin.¹⁶⁴ To this end, Putin perceives the Arctic as an enormous economic opportunity to strengthen the Russian economy substantially.

It is clear from examining Russian elite perceptions of the Arctic, that there is a security dimension as well. In a televised Q&A in June 2017, Putin underlined that to Russia the Arctic is not merely an economic opportunity, but also a symbol of power: "*With certainty, we can say that our power and opportunities will grow with the expansion into the Arctic*," he said, before lashing out at the US: "*American submarines are on guard outside the coast of Norway and their missile will need only 15 minutes to hit Moscow*".¹⁶⁵ Russia's Minister for Foreign Affairs Sergei Lavrov used similar rhetoric in April 2019 as he defended Russia's military build-up: "*We ensure sufficient defense capabilities given the political and military situation around our borders*," before adding: "*We will always be ready to defend our security, interests and territorial integrity*".¹⁶⁶ Moreover, in the end of 2017 Russia's Minister for Defence Sergey Shoigu stressed that Russia's military build-up has a defensive character, but adding: "*At the same time, we do not recommend anybody to test the strength of our*

¹⁶⁰ "The Russian Federation (a), "Arctic Strategy".

¹⁶¹ Alte Staalesen (c), "Putin: Our Future Lies in the Arctic", *The Barents Observer*, June 16, 2017:

<https://thebarentsobserver.com/en/arctic/2017/06/putin-our-future-lies-arctic>

¹⁶² "Putin: The Arctic Account for over 10 percent of all Investments in Russia", *The Arctic*, April 9, 2019:

<https://arctic.ru/forumarctica/20190409/845565.html>

¹⁶³ Thomas Nilsen, "Putin Vows Tenfold Arctic Shipping in 2025", *The Barents Observer*, March 1, 2018:

<https://thebarentsobserver.com/en/arctic/2018/03/putin-vows-stronger-arctic-military-science-and-transport>

¹⁶⁴ Nilsen, "Tenfold Arctic Shipping in 2025".

¹⁶⁵ Staalesen (c), "Future Lies in the Arctic".

¹⁶⁶ "Russia Defends Arctic Military Expansion Amid Tensions with the U.S.", *Moscow Times*, April 9, 2019:

<https://www.themoscowtimes.com/2019/04/09/russia-defends-arctic-military-expansion-amid-tensions-with-us-2-a65161>

military capacity".¹⁶⁷ These statements from Russian top ministers could be analysed as a testimony of how important the Arctic is to Russia.

However, Russia's Arctic and foreign policy strategies mention the importance of peace, stability and cooperation in the Arctic. For instance, the 2016 Foreign Policy Concept states: "*Russia pursues a policy aimed at preserving peace, stability and constructive international cooperation in the Arctic*".¹⁶⁸ In addition, Russia's Arctic Strategy from 2008, and the 2013 Strategy for Development of the Russian Arctic Zone present similar language, underscoring that to "*maintain the Arctic a zone for peace and cooperation*" and "*international cooperation in the Arctic*" are key Russian priorities, respectively.¹⁶⁹ Russia's National Security Strategy from 2015 paints a similar picture of a cooperation-seeking Russia: "*The development of equal and mutually beneficial international cooperation in the Arctic is of particular significance.*" This rather cooperative approach, I argue, is still the dominating Russian approach to the Arctic, albeit current Russian military build-up. Russia continues to follow a cooperative track because the cost / benefit calculations of conflict are not advantageous for Russia.

The US' Perception of the Arctic

The US' 2013 Arctic Strategy outlines three American priorities 1) advance US' security interests, 2) pursue responsible stewardship, and 3) strengthen international cooperation.¹⁷⁰ However, based on more recent comments and statements regarding the Arctic, I argue that the US elite perception of the Arctic is increasingly concerned with security policy and that the US is invigorating it as a focal point in its Arctic policy. Mike Pompeo's speech from the Arctic Council Ministerial in May has been subject to a lot of attention, and it speaks volumes about the increased role of security in the Trump administration's approach to the Arctic. First, his speech is noteworthy in the way that he uses the Arctic Council – an institution duty-bound not to discuss security issues – to present statements on exactly that. Second, his speech indicates the US is prepared to bring external disputes into the Arctic region, which is remarkably as it has typically been insulated from the general peaks and valleys of international politics since the Cold War.¹⁷¹ Third, Pompeo's speech indicates that the US will increase its presence in the Arctic.

¹⁶⁷ Alte Staalesen (a), "Defence Minister Shoigu sums up a year of Arctic buildup", *The Barents Observer*, January 2018: <https://thebarentsobserver.com/en/security/2018/01/defense-minister-shoigu-presents-year-arctic-buildup>

¹⁶⁸ The Embassy of the Russian Federation to the UK, "Foreign Policy Concept 2016"

¹⁶⁹ The Russian Federation (a), "Arctic Strategy"; and "The Strategy for the Development of the Arctic Zone of the Russian Federation and National Security Efforts for the Period up to 2020", *The Russian Government* (b), 2013: <http://government.ru/info/18360/>

¹⁷⁰ White House (a), "Arctic Strategy", 2.

¹⁷¹ Staun, "Russia's Arctic Strategy", 16.

In the speech, Secretary Mike Pompeo argues that the Arctic is developing into “(...) *an area for power and competition*”, and he refers to China’s activities in the Arctic as being part of a well-known pattern: “*China’s pattern of aggressive behavior elsewhere (...) should inform what we do and how it might threat the Arctic.*”¹⁷² Furthermore, Pompeo is concerned about Russia’s behavior, mentioning the NSR and the plan to connect it to China’s Maritime Silk Road as reasons to concern, while also lashing out on Russian military build-up, arguing that: “(...) *it is all part of aggressive Russian behavior here in the Arctic.*”¹⁷³ Thus, Mike Pompeo’s speech is perfectly in line with the Trump administration’s overall understanding of contemporary international politics as being dominated by great power competition as I have accounted for earlier in this thesis. China and Russia are perceived as the main adversaries and in that sense the Arctic is yet another “battlefield”, and an opportunity to denounce their behavior.

This security-focused perception of the Arctic is echoed within the US military. In June 2018, then-Defense Secretary James Mattis said that the Arctic is becoming increasingly important, and that the US had to do more: “*Certainly America’s got to up its game in the Arctic.*”¹⁷⁴ The secretary’s comment was supported by Alaska’s Senator Dan Sullivan who said: “*I agree with the secretary, I think we’re behind, but I think we are finally starting to catch up.*”¹⁷⁵ Such concerns were already raised in November 2017 as then-Secretary of State Rex Tillerson noted in an address that “[...] *We’re behind all the other Arctic nations ... We’re late to the game.*”¹⁷⁶ A couple of month earlier Admiral of the US Coast Guard Paul Zukunft even said that Russia had the US “checkmate”¹⁷⁷ These comments are testimonies of a perception among US leadership that the region has been neglected, and as Mike Pompeo stated in another speech in February 2019 as he visited Iceland: “*We know that when America retreats nations like China and Russia will fill the vacuum*”.¹⁷⁸ The fact that Washington is starting to see the Arctic in a security context is clear from a comment by Terrence O’Shaughnessy, US commander of the U.S. Northern Command, which is tasked with ensuring the defense of Canada and the US, he said: “*The Arctic is a potential approach for our adversaries to conduct strikes on North America and is now the front line in our defense.*”¹⁷⁹ Such perceptions of

¹⁷² Pompeo (a), “Sharpening America’s Arctic Focus”.

¹⁷³ Ibid.

¹⁷⁴ “America’s Got to up its Game in the Arctic’: Mattis”, Reuters (a), June 25, 2018: <https://www.reuters.com/article/us-usa-military-arctic/americas-got-to-up-its-game-in-the-arctic-mattis-idUSKBN1JL2W4>

¹⁷⁵ Ibid.

¹⁷⁶ Walsh School of Foreign Service, “The New Arctic”, 27.

¹⁷⁷ Robbie Gramer, “U.S. Coast Guard Chief Warns of Russian ‘Checkmate’ in Arctic”, *Foreign Policy*, May 3, 2017: <https://foreignpolicy.com/2017/05/03/u-s-coast-guard-chief-warns-of-russian-checkmate-in-arctic-military-high-north/>

¹⁷⁸ Mike Pompeo (b), “Press Availability With Icelandic Foreign Minister Gudlaugur Thor Thordarson”, U.S. Department of State, February 15, 2019: <https://www.state.gov/press-availability-with-icelandic-foreign-minister-gudlaugur-thor-thordarson/>

¹⁷⁹ O’Shaughnessy, “Front Line of North America”

the Arctic from US political and military elite feed right into the great power competition narrative that currently reigns in Washington. It also underscores that with respect to the Arctic, security is currently the prime concern for American elite persons.

5.2.3 Commercial Interests and Resource Needs

Russia's Commercial Interests and Resource Needs in the Arctic

For an economy like the Russian that depend so greatly on energy exports, the Arctic represents a unique possibility. With 60% of the undiscovered oil and gas in the Arctic thought to be within Russia's EEZ. To this end, it is understandable that Russia is keenly investing in its Arctic region.¹⁸⁰ Russia is the largest overall exporter of gas with 20% of the world's export of gas coming out of Russia.¹⁸¹ And the second largest producer of crude oil after the US.¹⁸² In 2016, the combined revenue from oil and gas exports made up 36% of the Russian federal budget,¹⁸³ while in the first half of 2018, energy exports accounted for as much as 63.9% of Russia's total exports.¹⁸⁴ These figures prove that Russia's need for resources is indisputable, and nothing indicates that this will change in the foreseeable future, simply because Russia has failed to diversify its economy enough for other sectors to compensate for the resource revenues. As elaborated on in the previous chapter, Russia's elite expect great things from Arctic development. Already in 2003, the Kremlin designated the energy sector as "strategic", which made the sector subject to extensive state control.¹⁸⁵

State control of the energy sector has significantly limited the number of companies allowed to operate in the Arctic, and so the Russian giants Gazprom and Rosneft remain the dominating actors.¹⁸⁶ However, both have limited experience from operating in the Arctic offshore, and the significant investments required for geological prospecting have forced Russian companies to look West for investments and technologically capable partners. Russian state-owned companies have had promising partnerships with several Western companies, including Statoil, Total and ExxonMobil, but they came to an end in 2014 as the Western countries deemed it difficult to operate under the sanctions regime that the US and the EU had imposed on Russia amid the Ukraine conflict.¹⁸⁷ In this

¹⁸⁰ Staun, "Russia's Arctic Strategy", 7.

¹⁸¹ Michael Ratner, "Gas Exporting Countries Forum (GECF): Cartel Life?", *Congressional Research Service*, 2018.

¹⁸² Heather L. Greenley, "The World Oil Market and the U.S. Policy: Background and Select Issues for Congress", *Congressional Research Service*, 2019, 11.

¹⁸³ "Country Analysis Brief: Russia", U.S. Energy Information Administration, 2017.

¹⁸⁴ Goble, "Russia's Raw Materials Dependence"

¹⁸⁵ Staun, "Russia's Arctic Strategy", 13.

¹⁸⁶ Staun, "Russia's Arctic Strategy", 13.

¹⁸⁷ Sørensen and Klimenko, "Emerging Chinese-Russian Cooperation", 15-19.

sense, China has become a crucial partner for Russia in its endeavours to develop the Arctic region, including to develop the NSR, which both countries have a shared interest in developing.

To this end, Russia's commercial interest and resource needs put the country in somewhat of a tight spot. On the one hand, Russia perceives the Arctic as a strategically important region that can ensure Russia's economic revival. On the other hand, Russia's decision to reserve the exploitation rights to state-owned companies with only limited exploration capacities has led to reluctant partnerships with Chinese companies. As a result, Russia's plan to utilize the economic potential in the Arctic now depend – to some extent - on its partnership with mainly Chinese companies, even though Russia is notoriously cautious with letting non-Arctic states play too big of a role in the region. To this end, it can be argued that Russia's commercial and resource needs have reluctantly caused Russia to let China in, albeit essentially opposing such non-Arctic state involvement.

China's Commercial Interests and Resource Needs in the Arctic

China has developed into one of the world's largest energy consumers amid its spectacular growth over the past decades. Its overall energy consumption grew at around 3% in 2017, making China the largest growth market for energy for the 17th consecutive year.¹⁸⁸ China's gas consumption grew 15% in 2017, corresponding to 6.6% of the world's consumption.¹⁸⁹ In addition, China's oil consumption grew 4% in 2017, corresponding to 13% of the world's total consumption.¹⁹⁰ China's domestic energy production does not commensurate its energy consumption, and so China imports nearly 70% of all oil consumed in the country, which speak volumes about China's dependence on imported energy.¹⁹¹ While access to resources is a crucial part of supporting China's economic growth, the transportation of goods is another. Most of the global trade is transported by sea and as the world's largest exporter of goods, China has a natural interest in maintaining well-functioning and save shipping corridors in order to ensure the best possible conditions for Chinese shipping companies.¹⁹² Moreover, Arctic sea routes is thought to shorten shipping between Asia and Europe by as much as 4.000 miles, while it has been argued that China could save as much as a trillion US dollar per year by using the NSR.¹⁹³

¹⁸⁸ "BP" Statistical Review of World Energy", BP, June 2018, 2.

¹⁸⁹ Ibid, 29.

¹⁹⁰ Ibid, 15.

¹⁹¹ Pierre Noël (a), "China's Ever-growing Dependence on Oil Imports", *International Institute for Strategic Studies*, February 13, 2019: <https://www.iiss.org/blogs/analysis/2019/02/powerlines-us-china-oil-imports>

¹⁹² Virginia Marantidou, "Shipping Finance: China's New Tool in Becoming a Global Maritime Power", *China Brief* Volume 18, Issue 2, 2018: <https://jamestown.org/program/shipping-finance-chinas-new-tool-becoming-global-maritime-power/>

¹⁹³ Brady, *Polar Great Power*, 130.

China's Arctic priorities require a significant presence of Chinese state-owned companies since they have capabilities, money and technological knowhow to realize China's policy goals.

Thus, China has increased its investments in Arctic infrastructure and resource exploration projects through a strengthened collaboration with Russia, making Russia one of the biggest beneficiaries of Chinese Arctic investments. For instance, the Yamal LNG project which is exporting gas primarily to the Asian market is partly owned by the Chinese state-owned CNPC (20 percent) and the Chinese Silk Road Fund (9,9 percent).¹⁹⁴ Furthermore, in April 2019, the Russian natural gas company Novatek signed two deals with two Chinese companies for a 10 percent share each in Russia's major upcoming gas project Arctic LNG 2.¹⁹⁵ Therefore, while helping Russia realize its ambitious Arctic plans, such investments also adds to China's regional presence. Chinese companies are also present in Canada, Greenland, Iceland and Norway.¹⁹⁶

Greenland has been subject to much interest from Chinese companies that are currently involved in a range of mining projects on the island. China has shown interest in purchasing an old naval base and in constructing Greenland's new airports.¹⁹⁷ So far, Chinese presence in Greenland is limited to the beforementioned mining projects. Generally, China's commercial interests and resource needs call for a long-term perspective on the region, enabling long-lasting relationships with the Arctic states. With respect to Greenland it makes sense to try to establish a strong relationship at an early stage with the independence-seeking, autonomous part of the Danish Kingdom.

The Arctic could be argued to represents a more difficult environment for China to navigate compared to other regions where it also has a presence. In this sense, the Arctic states are generally well-developed, modern societies that are also generally fiscally fit. To this end, the Arctic states could prove more difficult to entice with Chinese investments since they are likely to have better preconditions to assess potential risks of China's economic and resource diplomacy compared to e.g. an African country. For example, this was illustrated just last year when the Danish government decided to invest a substantial amount of money in Greenland's new airports to ensure that Greenland was not going to end up in a Chinese debt trap.¹⁹⁸ Therefore, the international scrutiny and anxiety

¹⁹⁴ "Yamal LNG: The Gas That Came In From the Cold", *Total*, accessed May 20, 2019: <https://www.total.com/en/energy-expertise/projects/oil-gas/lng/yamal-lng-cold-environment-gas>

¹⁹⁵ Alte Staalesen (d), "Putin Steps Up Talks With Beijing Over Arctic Shipping", *The Barents Observer*, April 30, 2019: <https://thebarentsobserver.com/en/2019/04/putin-steps-talks-beijing-over-arctic-shipping>

¹⁹⁶ Sørensen and Klimenko, "Emerging Chinese-Russian Cooperation", 8.

¹⁹⁷ Hans Lucht, "Chinese Investments in Greenland Raise US Concerns – Strictly Business", *Danish Institute for International Studies*, November 20, 2018.

¹⁹⁸ "Greenland Picks Denmark as Airport Project Partner Over Beijing", *Reuters* (b), September 10, 2019: <https://www.reuters.com/article/us-china-silkroad-greenland/greenland-picks-denmark-as-airport-project-partner-over-beijing-idUSKCN1LQ2BX>

towards China's economic and resource diplomacy forces China to apply a non-assertive approach to the region.¹⁹⁹

Generally, it can be argued that the commercial interests and resource needs of China influence its Arctic policy in two ways. First, it causes China to apply a long-term perspective in the Arctic since exploitation of resources, infrastructure projects, development of sea lanes etc. are long-term projects. Furthermore, China's actions can be analyzed as seeking to slowly increase its Arctic diplomacy because Beijing is aware of the growing international scrutiny and reputation attributed to especially its economic and resource diplomacy, and so rather than applying an impetuous approach to the region, China follows somewhat of a long-term, conservative approach motivated by usual Chinese interests such as commercial and resource needs.

The US' Commercial Interests and Resource Needs in the Arctic

The US also depend highly on energy supplies, however, contrary to China, the US produces a lot of it itself. For instance, the US produced around 14% of the world's total share oil in 2017, while consuming 20% of total world consumption in 2017.²⁰⁰ Furthermore, in 2017, the US produced 20% of the world's total production natural gas, while consuming the same amount.²⁰¹ This US oil import dependence is at a 60-year low given increased domestic production of shale oil, which has resulted in the dramatic decline in US oil imports.²⁰² Although the US' Arctic waters in Alaska are estimated to conceal 27 billion barrels of oil and 132 trillion cubic feet of natural gas, the US has neglected investments in Arctic infrastructure.²⁰³

The increased US production of unconventional oil and gas over the past decade have changed the outlook for US oil production from expected scarcity to abundance.²⁰⁴ The increased domestic production of shale oil and gas is thought to be the reason why Russia's Gazprom abandoned the otherwise promising project in the Shtokman field.²⁰⁵ To this end, the US' increased domestic production of shale gas and oil could be analyzed as an explaining factor as to why the US has refrained from investing in its Arctic offshore industry. Additionally, Arctic offshore drilling is expensive, and the process from geological prospecting to extraction is a troublesome process.

¹⁹⁹ Sørensen and Klimenko, "Emerging Chinese-Russian Cooperation", 8.

²⁰⁰ BP "Review of World Energy, 15.

²⁰¹ Ibid, 28-29.

²⁰² Pierre Noël (b), "US Oil Import Dependence Reaches 60-year Low", *International Institute for Strategic Studies*, Last Modified December 11, 2018: <https://www.iiss.org/blogs/analysis/2018/12/powerlines-us-oil-imports>

²⁰³ Charles K. Ebinger, "The U.S. Still Needs Arctic Energy", *Brookings*, September 14, 2015: <https://www.brookings.edu/blog/order-from-chaos/2015/09/14/the-u-s-still-needs-arctic-energy/>

²⁰⁴ Greenley, "The World Oil Market", 1.

²⁰⁵ "The Emerging Arctic", *Council on Foreign Relations*: https://www.cfr.org/interactives/emerging-arctic?cid=otr_marketing_use-arctic_Infoguide%2523!#/emerging-arctic?cid=otr_marketing_use-arctic_Infoguide%2523

Adding to that, US energy companies are predominantly private companies operating autonomously from the state, which increases the financial consequences of failed investments in Arctic offshore projects compared to e.g. Gazprom or China National Petroleum Corporation that both have some degree of state backing. Moreover, energy drilling is contrasting with environmental protection, which is one of the US's official Arctic priorities.²⁰⁶ To this end, in 2016, then-president Barack Obama banned new oil and gas drilling in most of the Arctic and Atlantic for environmental reasons.²⁰⁷ However, several actions from the incumbent US administration suggest that climate and environmental issues have been sidelined. For example, the US' decision not to accept an Arctic Council joint declaration that mentioned global warming speak volumes how it views climate-driven changes.²⁰⁸ In addition, the Trump administration in 2017 has – unsuccessfully - attempted to restore oil and gas leasing in vast parts of the Arctic after President Obama's prohibition²⁰⁹. These actions could indicate that the US is seeking to reinvigorate its focus on exploring and exploiting resources in the Arctic.

Unlike China and Russia, the US' commercial interests and resource needs are not driving factors in its Arctic policy. To this end, commercial interests and resource needs are shaping the three countries' Arctic policy differently. Russia and China have increased their Arctic presence partly as a consequence of economic interests and resource needs, whereas the US has not. Domestic oil and gas production have reduced the US' dependence on foreign import, meaning that the US does not have the same incentive to pursue resources and economic interests in the Arctic compared to Russia and China.

²⁰⁶ White House (a), "Arctic Strategy", 2.

²⁰⁷ David Smith, "Barack Obama Bans Oil and Gas Drilling in Most of Arctic and Atlantic Oceans", *The Guardian*, December 20, 2019: <https://www.theguardian.com/us-news/2016/dec/20/barack-obama-bans-oil-gas-drilling-arctic-atlantic>

²⁰⁸ Martin Breum and Siri Gulliksen Tømmerbakke, "First Ever Arctic Council Ministerial Meeting Without Joint Declaration", *High North News*, May 7, 2019: <https://www.highnorthnews.com/en/first-ever-arctic-council-ministerial-meeting-without-joint-declaration>

²⁰⁹ Juliet Eilperin, "Federal judge declares Trump's push to open up Arctic and Atlantic oceans to oil and gas drilling illegal", *Washington Post*, March 30, 2019: https://www.washingtonpost.com/climate-environment/2019/03/30/federal-judge-declares-trumps-push-open-up-arctic-atlantic-ocean-oil-gas-drilling-illegal/?utm_term=.028b1178b93f

The Future Geopolitical Situation in the Arctic

Some observers of the Arctic argue that the region is bound for future conflict and point to the scramble for resources and minerals, undecided border delimitations and Russian military build-up as ingredients that will increase competition and potentially result in conflict. Indeed, there are some truth to these observations; Russia has identified the utilization of the resources and commercial shipping routes as key priority. At the same time, Russia is reviving old Arctic military bases under the pretext of ensuring its economic interests in the region. Alongside Russia, China is joining the game hoping that the region's economic potential will prove beneficial. Lastly, the US perceive Russia's and China's presence in the Arctic as part of an aggressive pattern. In this regard, the US is increasingly viewing the Arctic through a security policy lens and will likely strengthen its presence in the years to come. These actions could indicate that the Arctic might be changing into a region of increased tension after years of stability and peace.

Based on the findings in this thesis, I identify three overriding scenarios for how the geopolitical situation in the Arctic could evolve:

The first scenario resembles the "Cold War" where growing security concerns made Russia and the US increase their military capabilities to be able to counter a potential attack from the other. In this sense, both the US and Russia have bases and military installations that could be used in this scenario. Additionally, the Arctic is strategically important to both as it essentially constitutes a natural barrier between Russian and the US. In this sense, both Russia and the US are highly aware of what is going on in the region with respect to military build-up, and so it is difficult to envision that either of the two would come to terms with just watching the other increase its military capabilities. Increased military exercises, installment of advanced missile systems etc. could ignite such a security dilemma.

The second scenario is that the Arctic gets increasingly tense but remains more or less stable. The thawing Arctic ice attracts newcomers such as China. And as the Arctic gets increasingly accessible, the number of actors could grow, thus increasing the risk of misunderstandings and disputes. In this scenario external geopolitical tensions could be drawn into the region thus resulting in increased intra-regional tensions. Such tensions could also be ignited by conflicting territorial claims. Though in this scenario the Arctic Council could become a forum to discuss security policy as well, while at the same time promoting a continued stable and cooperative Arctic.

The third scenario is one where the Arctic is preserved as a low-tension, stable and peaceful region shielded from geopolitical conflicts elsewhere, and where security policy is not on the agenda. In this

case, the countries would not engage in further military build-up and would refrain from discussing security policy in the Arctic Council.

I present these three scenarios based on the findings of my analysis in which I see contours of all three scenarios. However, based on my findings, I argue that China's, Russia's and the US' Arctic policy favor a geopolitical situation in the Arctic that evolves according to scenario two. This is primarily based on the US' and Russia's Arctic policy. With respect to the US, it does not - to the same extent as Russia and China - have commercial interests and resource needs in the Arctic, while environmental issues remain a triviality for the current US administration. This leaves security as the prime objective for the US.

Russia's Arctic policy has a security dimension as well as exemplified by its extensive military build-up in the region. Russia's elite argues that it is necessary in order to ensure national interests. Furthermore, Russia elite perceives the Arctic as a resource base that might potentially ensure Russian economic revival and the reinstatement of Russia as a great power. To this end it is unlikely that Russia will let anything, or anybody come in its way. However, Russia has anything to gain from playing by the rules in the Arctic, and the same applies for the US and China. But as the Arctic ice recedes, it is likely that a growing number of actors will find the region enticing, thus increasing regional tension and the risk of misunderstandings.

As a newcomer who is very aware of the increased scrutiny towards its foreign policy actions, it is unlikely that China will deliberately step up a potential conflict in the Arctic. However, it is not unlikely that China will increase its security commitment in the region as its investments grow. Based on these findings, I argue that in the long-term the geopolitical situation in the Arctic is likely to follow scenario two.

6. Conclusion

The purpose of this thesis was to analyse what factors that shape China's, Russia's and the US' Arctic policy, and what their Arctic policies mean for the future geopolitical situation of the Arctic. Since this topic is largely concerned with a combination of systemic and domestic factors, I deemed it relevant to utilize a theory that included both factors. Therefore, neoclassical realism was chosen as the theoretical framework of this thesis. The methodological foundation of this thesis is a comparative case study analysing each country as a case based on a most-different system design. This approach provided the possibility to compare three factors that were thought to shape China's, Russia's and the US' Arctic policy, and proved that these factors lead to different Arctic policies.

China's Arctic policy is shaped to a large degree by its rise in the international system where it is behaving increasingly confident exemplified with specific initiatives aimed at disseminating its political, economic and potentially military reach. This approach spills over into the Arctic where China's 2018 Arctic Strategy is a testimony of such confident behaviour. Although confident, global scrutiny and anxiety towards China's foreign policy result in a conservative Arctic policy that is guided by typical Chinese interests. The institutional framework of the Arctic makes it difficult for China to influence Arctic governance, and so it seeks to do so through bilateral relationships with Arctic states. The perception of the Arctic among Chinese elite persons is somewhat unclear. Though, both its official Arctic strategy and comments from Chinese ministers indicate that the Arctic is perceived as an opportunity to China, and that China has a legitimate right to be present in the region. Lastly, China's commercial interests and resource needs are shaping China's Arctic policy in the way that China is actively engaging with regional gatekeepers such as Russia to gain access to such needs. Moreover, such engagement constitutes the possibility for China to increase its influence in the region in the long-term.

Russia is a declining power that strives for great power status. To achieve that, Russia needs to improve its economic power. Russia's economy is stagnant and the outlook for the energy-dependent economy is disheartening. However, Russia's elite perceives the Arctic as an opportunity for economic revival, and a return to great power status. From the examination of Russian elite's perception of the Arctic, it is evident that there is a security dimension to its Arctic policy. These elite persons argue however, that Russia's military build-up in the Arctic is solely to protect Russian interests in the region, thus underscoring the importance of the region to Russia. Moreover, Russia's commercial interests and resource needs is a driving factor in shaping its Arctic policy. Russia invests

heavily in developing the Arctic, but its companies depend on foreign investment to be able to develop the Arctic. Russia is notoriously against providing non-Arctic states too much decision-making power in the Arctic, and so its dependence on predominantly foreign companies puts Russia in a tight spot.

Although remaining the strongest economic and military power, the US is declining relative to China. In line with its global retreat, the US has followed somewhat of a wait-and-see approach to the Arctic. But the US is increasingly seeing the international system as a competition between Russia, China and itself, and the US is afraid that its retreat leaves room for them to fill. Thus, the US' relative decline is forcing it to apply a more active policy towards the Arctic. Such an increasingly active Arctic policy will likely be guided by security concerns, which my analysis shows is the prime concern for US elite persons' perception of the Arctic. This argument is underscored by the fact that commercial interests and resource needs have been somewhat sidelined, while environmental concerns appears to be a triviality to the incumbent administration. By invigorating security as the guiding priority in its Arctic policy, it is likely that the US will increase its presence in the region in the years to come. To this end, it can be argued that all three factors examined in this thesis are shaping China's, Russia's and the US' Arctic policy to some degree.

So, what are the implications of those Arctic policies on the future geopolitical situation in the Arctic? Based on my findings, I argue that the geopolitical situation will get more tense. However, I do not foresee a major conflict occurring, since none of the three countries in question have anything to gain from a conflict. Russia is typically seen as the aggressor in international politics, however, due to the importance of the Arctic to Russia, the cost/benefits calculations does not favour a conflict. Moreover, the institutional framework in the Arctic benefits Russia, which further underlines why Russia is unlikely to engage in a conflict. The US is likely to increase its presence but unlikely to engage in a conflict since it would not be beneficial so close to the American homeland. For now, China does not have any security interests in the region, and since other region around the world e.g. the South China Sea are more important than the Arctic, China is not interested in engaging in a conflict. To this end, I argue that the likely implication of the three countries' Arctic policy on the geopolitical situation in the Arctic is that the region will become increasingly tense in the future, but since nobody is interested in a serious conflict, cooperation and peace will continue to reign in the Arctic.

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