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China's Arctic policy. A win-win for Canada? New School of Public Policy report

Calgary — China has declared itself a "near-Arctic state" and is determined that it has rights to use the Arctic waters belonging to Canada for certain activities, namely shipping, fishing and resource development. On Jan. 26, 2018, China's vice-minister of foreign affairs, Kong Xuanyou, unveiled his country's new policy for the circumpolar Arctic: China's Arctic Policy. This document marks an important milestone in China's engagement with the North. It is the first ever white paper issued by Beijing on a region outside its own territory and signals a long-term commitment to working with Arctic powers and contributing to a rapidly changing Arctic.

Today, The School of Public Policy in collaboration with CGAI and author Adam Lajeunesse, released a report that breaks down the critical elements of Chinese policy and what they mean for Canada.

According to Lajeunesse "Understanding this policy and its implications for the North should be a priority for Canadian policy-makers. As climate change reduces the Arctic ice cover and provides new incentives for shipping and development, non-Arctic states will play an increasingly important role in the region. Given its economic clout and its position as a global trading power and consumer of vast quantities of imported natural resources, China will be the most important of these new Arctic actors. Tens of billions of dollars in Chinese capital have flowed into oil and gas projects in Siberia and the Russian Arctic offshore, new shipping routes are being tested, and state-owned mining companies have acquired rich mineral deposits in Greenland and to a lesser extent Canada. These resources and the sea lanes that connect them have been labelled the "Polar Silk Road," a maritime trade and shipping route supported by Chinese infrastructure spending (theoretically) running through the Northwest Passage and other circumpolar channels."

China's increasingly confident posture in the North represents real opportunities — and challenges — for Canada. Managed properly, Chinese money can support the decades-old Canadian dream of developing the Northwest Passage as a usable sea route, decreasing shipping costs, supporting development and improving the quality of life for Arctic residents. Managed incorrectly, Chinese activity might leave the Asian power with a degree of de facto control over the Arctic, damaging Canadian sovereignty and imperilling Canada's ability to manage this increasingly important region on Canadian terms.

Proper enforcement capacity is a requirement not simply in anticipation of increased Chinese activity, but in preparation for a more open Arctic generally. Thankfully, the Arctic is unlikely to emerge as a region of conflict and Canadian-Chinese interactions in the North will likely be governed by well-defined legal frameworks. This is the underlying message of China's Arctic Policy, which foresees an Arctic future based on collaboration and mutual respect. This is a vision that Canada should be able to live with and embrace. China is coming into the Arctic with long-term strategic ambitions. Canada should not fear this development, but it must be prepared for it.

The paper can be downloaded at https://www.policyschool.ca/publications/

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