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## **Chinese Dragon in the Arctic and Its Influence on the Policy of Norway and Denmark in the Baltic Sea Region**

**The growing influence of China on the global international order and the Euro-Atlantic security system will be a challenge for many states. This process has been recognized in the foreign and security policy strategies of Denmark and Norway, which are particularly interested in China's policy and developments in the North Atlantic area and the Arctic. Both regions have a strategic importance to them. Considering the current priorities and defence spending planned in the budgets of both states, this may result in a change in the scale of involvement in the Baltic Sea Region (BSR).**

**Military engagement of Denmark and Norway in the BSR.** Security in the BSR and the North Atlantic area plays a strategic role in Denmark's security policy. In the light of the Foreign and Security Policy Strategy 2019–2020 (2018), Russia's aggressive policy in this part of the world, along with the instability in the Middle East and cyber-attacks, is the main source of security threats to Denmark. The BSR's importance for Norway is slightly different. A white paper titled 'Setting the course for Norwegian foreign and security policy' (2017) has clearly indicated the North Atlantic area and the Arctic region as the main geographic spaces of Erna Solberg's government. At the same time, it was emphasized that the BSR remains an important element of cooperation between European states and the US.

However, despite a noticeable difference in treatment of the BSR, several similarities (which arise from the international position and role of both states) between the strategies of Denmark and Norway can be observed with regard to security of the BSR. Firstly, both states emphasize the importance of the US as the most important ally and, at the same time, a guarantor of their security (through NATO). Defence industries cooperation is important in this context – Denmark (Terma, Multicut) and Norwegian (Kongsberg) armament firms are involved in the construction of a 5<sup>th</sup> Generation fighter the F-35 Lightning II. Still another example of the US's significance is a gradually increasing defence spending after the 2014 Wales NATO Summit.

Secondly, both small states share a conviction that multilateral solutions would be better than bilateral ones. A sense of responsibility for strengthening the Alliance's credibility as a prerequisite for effective deterrence of potential aggressors is related to this. Therefore, both states have been participating in the NATO's Enhanced Forward Presence (eFP) from the beginning. The Danish Armed Forces (about 200 soldiers) are deployed to Estonia as a part of the UK-led multinational battalion-size battle group, while the Norwegians (about 120 soldiers) are a part of the battalion deployed to Lithuania. Both states also believe that despite frequent tensions in the BSR between NATO and Russia, Russia will not deliberately take military action that could result in an armed conflict with NATO.

Thirdly, both states place great emphasis on the need to comply with international law and the proper functioning of international institutions. At the end of 2019, like other European NATO's member states, Denmark and Norway agreed to change their contribution in financing common NATO costs between 2021 and 2024 (an increase of just under 8%).

**China's growing presence in the Arctic and the reaction of Denmark and Norway.** The foreign and security policies of Denmark and Norway (the so-called "small states") are more determined by changes in the international system and competition between great powers than by internal factors. The growing rivalry between China and the US is shaping Denmark's and Norway's foreign and security policies in the BSR. During the 55<sup>th</sup> Leangkollen Security Conference 2020 organized by the Norwegian Atlantic Committee, Norwegian

Foreign Minister Ine Eriksen Søreide stated that we were facing a gradual shift of the world's political and economic centre of gravity from Europe towards Asia. Assessing China's impact on the international order and the Euro-Atlantic security system, she emphasized that the rise in power of China would be a challenge for NATO, thereby reflecting the London Declaration of 4 December 2019.

China's growing economic and military activity in Africa was noticed ("new colonialism"), although it was considered by the Danish and Norwegian governments as too distant. And, consequently, they did not perceive China's policy in the Arctic region as a threat to their economic, foreign and security interests. The change coincided with publication of China's first Arctic policy strategy in January 2018, which stated that the region is playing an increasingly global role. It's due to the global consequences of climate change, as well as growing of the Arctic's strategic and economic position. All these factors justify China's more active and multidimensional policy in this region of the world: economic ("Polar Silk Road"), foreign (activity in regional organizations) and military (establishment of military bases, military exercises). Therefore, there has been a change in the very moderate policy to date, thanks to which China received in 2013 the observer status in the Arctic Council.

Today, China is one of the most important trading partners of Denmark and Norway. According to the UN Comtrade database, it is the eighth biggest importer of Danish exports, the value of which rose to USD 3.16 bln (2.9% of the total) in 2018 and the fourth largest goods provider to Denmark (USD 7.21 bln, 7.1%). In the same period, China was the tenth largest importer of Norwegian export (USD 2.58 bln, 2.1% of the total) and the third most important exporter to Norway (USD 8.78 bln, 10%). It is also important, that in recent years (compared to 2009), the mutual trading is characterized by an increase of over 40% (Denmark) and almost 55% (Norway). However, both countries have recognized that in the case of China, trade interests are often associated with security issues. As a result, Chinese entities were not allowed to invest at Greenland and the Huawei's offers to build a 5G network were also rejected (telecom operators in both states had picked Sweden's Ericsson).

**Revision of strategies and defence plans of Denmark and Norway.** All political forces in Denmark supported the government's plan to increase defence spending from USD 3.8 bln in 2017 to USD 6.3 bln in 2023 (in 2019 defence spending accounted for 1.32% of GDP). Despite nominally enormous growth – over 65% – this expenditure will account for around 1.5% of GDP, therefore still below the 2014 Allies commitment. In the light of the deteriorating security environment, particular importance is given to the strengthening deterrence (joint defence cooperation agreement of the Nordic countries of April 2015) and protection against cyber-attacks (based on the Danish National Cyber and Information Security Strategy of December 2014). Denmark's armed forces must also be ready to support civil authorities in matters of national security. Therefore, the vast bulk of the funding is allocated to investments in new technologies (the decision to purchase 27 F-35 fighters). In addition, it is planned to establish a heavy brigade equipped with ground-based air-defence capabilities and a light infantry battalion to support the police in patrolling and security missions.

Norway is currently spending about 1.8% of GDP on defence spending (less than NOK 59 bln in 2019), and plans to slightly increase its defence expenditures to NOK 61 bln in 2020 (USD 6.6 bln). This is in line with the Long Term Defence Plan for 2017–2020, adopted by the Norwegian parliament, the Storting, in November 2016. Norway will not reach the goal of contributing 2% of GDP towards defence spending by 2024 (Norway would have to allocate an additional NOK 25 bln, compared to the 2020 budget, to achieve this goal). Moreover, this plan highlighted the need for a long-term investment to ensure that the armed forces will be well-prepared to respond effectively to new security challenges, especially in the immediate vicinity of the High North. The plan also emphasizes that, in the long run, Norway needs to obtain new, and therefore more advanced, weapon systems (F-35 fighters, 4 new submarines), to improve its combat readiness, logistics support and combat support services (maintenance of a compulsory conscription), as well as to increase its involvement for the maintenance of the US forces (rotational presence).

**Conclusions.** Denmark and Norway have different security and defence priorities than Poland and the Baltic States. Therefore, they do not perceive the position of certain NATO states (e.g. France, Turkey) or the recent discussion within NATO (more about that: "IEŚ Commentaries", No. 97) as a threat to the security of the eastern flank of NATO and the BSR. Although both states will maintain their commitment to the NATO's eFP, the Arctic

and the ongoing competition of global powers are playing an increasingly important role for them. This is due to the growing importance of China as a global power that is increasingly shaping the international order, which is a huge challenge for small states. A long-term effect of this process might be a relative decline in the importance of the NATO's eastern flank and the BSR security for both states. This process is accompanied by a growing importance of the NATO's 360-degree approach. It stresses the importance of a "multidirectional threats" approach, which is stated that not only Russia is a problem for NATO (but also, for example, China, international terrorism, or the situation in the Middle East).