A MACDONALD-LAURIER INSTITUTE AND KONRAD ADENAUER STIFTUNG PUBLICATION

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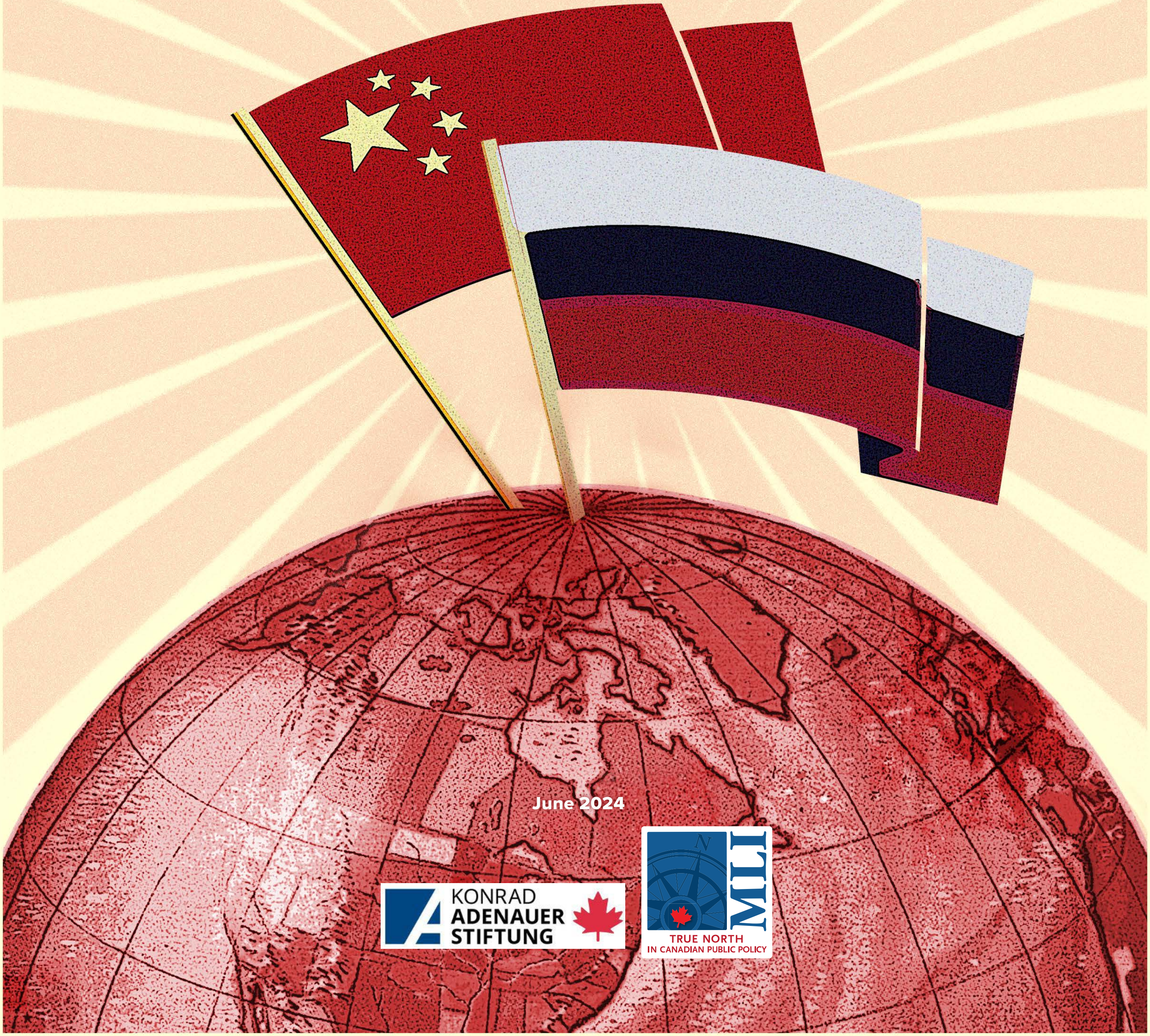
EURASIAN NORTH

The Geopolitics of Russia and China in the Arctic



June 2024

KONRAD ADENAUER STIFTUNG

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Cover design: Renée Depocas

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What should be our expectations of the China-Russia relationship in the Arctic? Media tends to tout the "no-limits partnership" announced by President Xi Jinping and President Vladimir Putin in 2022 and the vision of an exuberant strategic relationship trending towards an anti-American alliance. Meanwhile, much of the specialist community is occupied with talking down this narrative, pointing to the many inhibitors to the full flowering of the relationship. These studies voice well-founded perspectives, and analysts of geopolitics will have little problem accepting that China and Russia have different interests and goals – and that these diverge profoundly at their deepest roots and in their ultimate aims.

But this should not hide that the overall China-Russia co-operation is trending upwards and that this co-operation will likely include an expanding Arctic component over the next decade. Many of their interests in the Arctic currently align and reinforce one another. The Arctic is core to Russia's rebalancing of its foreign politics and trade towards China and Asia, both for the maritime route it provides and the natural resources it contains, and core to Russian identity and influence. For China, Russia's Arctic is about diversification and global prominence, a place where it can find more of the minerals and energy it needs for a resilient economy, develop transit routes to lower dependence on other maritime choke points and where it can express the politics of a "polar power" when its options to do so in the North American and Nordic Arctics have dried up. Their co-operation mutually reinforces both countries in their rivalry with the US; and as long as both see the US, Europe, and Canada as adversaries, the Arctic will be a place where Russia and China will negotiate an expanding relationship.

The thresholds to reverse the upward trajectory are high. To upset a mutual dynamic in the Arctic, China will need to vigorously and forthrightly contest Russia's narrative of national sovereignty over the Northern Sea Route (NSR) and special status as a circumpolar state. Similarly, to reject a growing Chinese commercial, investment, and (bounded) state presence in the region, Moscow will have to begin to perceive China as such a threat in the Arctic that it supersedes the current perception of the United States and Europe as fundamental threats to Russia's most central foreign goals in Ukraine and Belarus. These appear extremely unlikely in the next ten years.

The current situation provides ample room for China and Russia to avoid the worst outcomes and pursue very many pragmatic ones. Applying a geopolitical lens resolves some of the questions that in other circumstances might plague the China-Russia relationship. As a geopolitical bloc, shaped by their elites' perceptions of national interest and benefitting from political and geographical similarities and complementary comparative advantages, China and Russia do not need a maximally aligned relationship or one characterized by deep mutual trust. Deficits in these areas will prevent a full alignment, but it will not prevent advancing their highest-priority strategic needs. In pragmatic terms, they are likely to find many points where their respective Arctic politics converge.

This paper will contend that those convergences are found in implications of competition and conflict with Canada, the US, and their allies. The intersections are strongest in the Northern Sea Route, where calculations in a still ice-strewn waterway show a greater readiness to accept risk. While China has less need to buy Russian natural resources than Russia has reasons to sell them, the attractions of a massive proximate Eurasian resource base resilient to geopolitical and security shocks will be conducive to Russian opening of development offers and Chinese follow-through on a greater number of investments in Russia's north.

In short, China-Russia collaboration will be a growing component of Arctic geopolitics and will almost certainly make their relationship stronger over the next decade. For policy-makers in other northern circumpolar countries and beyond, this will demand attention and calibrated response. The Arctic countries of North America and Europe, their Indigenous peoples, and allies like Germany will need to strive for integrated postures to ensure their Arctics are at a collective advantage in this competition. As a consequence, the imperative of transatlantic security in the Arctic will not just be a matter of defence but of extending a robust North America-European economic cooperation. MLI

***Que devons-nous attendre des relations** entre la Chine et la Russie dans l'Arctique? Parfois, les médias encensent le partenariat « sans limite » annoncé par les présidents Xi Jinping et Vladimir Poutine en 2022, ainsi qu'une exubérante vision de cette relation stratégique en voie de se transformer en alliance anti-américaine. Parallèlement, la plupart des spécialistes s'efforcent de contredire ce discours, en soulignant les multiples obstacles au plein épanouissement de ces relations. Leurs recherches présentent des points de vue solides, que les analystes géopolitiques n'auront aucun mal à admettre en ce sens que la Chine et la Russie défendent des intérêts et poursuivent des objectifs différents – et très éloignés en ce qui a trait à leurs causes profondes et leurs visées ultimes.*

Cependant, il ne faut pas oublier que la coopération globale entre la Chine et la Russie tend à progresser et regroupera probablement, au cours des dix prochaines années, de plus en plus de forces en Arctique. Bon nombre de leurs intérêts dans l'Arctique se rejoignent et se renforcent. L'Arctique occupe une place centrale dans le rééquilibrage de la politique étrangère et commerciale russe avec la Chine et l'Asie, tant en raison de la route maritime que des ressources naturelles offertes. L'Arctique joue un rôle essentiel dans l'identité et l'influence russe. Pour la Chine, l'Arctique russe est un lieu de diversification et de prédominance mondiale : un lieu où trouver les minéraux et l'énergie nécessaires à la résilience de son économie, où développer les voies de transport pouvant réduire sa dépendance à d'autres goulets d'étranglement maritimes et où faire valoir sa « puissance politique polaire » après le tarissement de ses options dans l'Arctique nord-américain et nordique. Cette collaboration permet aux deux pays de se rapprocher pour mieux rivaliser avec les États-Unis; tout au long de la période où les États-Unis et l'Europe seront perçus comme des ennemis, l'Arctique sera un espace où la Russie et la Chine pourront négocier une relation en expansion.

Les seuils à dépasser pour inverser la trajectoire ascendante sont élevés. Afin de perturber la dynamique mutualiste dans l'Arctique, la Chine devra contester vigoureusement et ouvertement le discours de la Russie quant à sa souveraineté nationale sur la route maritime du Nord et sur son statut spécial d'État circumpolaire. De la même manière, afin de contenir la présence croissante de la Chine dans la région sur le plan du commerce, de l'investissement et de l'État (limité), Moscou devra commencer à considérer la Chine comme une menace suffisamment importante pour supplanter celle encore plus cruciale qu'il perçoit de la part des États-Unis et de l'Europe pour ses objectifs étrangers les plus centraux en Ukraine et en Biélorussie. C'est très peu probable dans les dix prochaines années.

Grâce à la situation actuelle, la Chine et la Russie disposent d'une marge de manœuvre adéquate pour éviter les pires résultats et obtenir de nombreux succès concrets. Le contexte géopolitique leur permet de résoudre certaines questions qui, dans d'autres situations, pourraient faire obstacle à leurs relations. En tant qu'ensemble géopolitique défini par l'intérêt national perçu par leurs élites, leurs similitudes politiques et géographiques et leurs avantages comparatifs complémentaires, ces pays n'ont pas besoin d'une relation parfaitement alignée en tous points ni basée sur une confiance mutuelle profonde. Quelques lacunes dans ces domaines rendront impossible un alignement complet, mais elles n'empêcheront pas la réalisation de leurs besoins stratégiques essentiels. En termes pragmatiques, ces pays trouveront sans doute de nombreux points communs leur permettant de faire converger leurs politiques arctiques respectives.

Le présent document affirme que ces convergences découlent des effets de la concurrence et des tensions avec le Canada, les États-Unis et leurs alliés. Les carrefours les plus importants se trouvent sur la route maritime du Nord, où on fait état d'une plus grande disposition à accepter le risque, la voie d'eau étant encore couverte de glace. La

Chine n'a pas besoin de toutes les ressources naturelles que la Russie a besoin de vendre, mais l'attrait d'une base de ressources eurasiennes massive et proche, résistante aux chocs géopolitiques et sécuritaires, encouragera la Russie à défricher des possibilités d'exploitation et la Chine, à investir, à son tour, davantage dans la Russie du Nord.

En somme, la coopération sino-russe sera de plus en plus importante dans la géopolitique de l'Arctique et renforcera très certainement les relations entre ces partenaires dans la décennie à venir. Les dirigeants politiques du reste des pays du Nord et d'ailleurs devront faire preuve d'attention et de réponses adaptées. Les pays arctiques de l'Amérique du Nord et de l'Europe, leurs peuples autochtones et leurs alliés comme l'Allemagne devront s'efforcer d'adopter des positions intégrées pour assurer à leur Arctique un avantage collectif sur le plan concurrentiel. Par conséquent, l'impératif de sécurité transatlantique dans l'Arctique ne se limitera pas à une question de défense, mais devra aussi solidifier la coopération économique entre l'Amérique du Nord et l'Europe. MLI

Introduction

The burgeoning China-Russia relationship will have a profound effect on Arctic geopolitics. The deterioration of Russia's relationships with the advanced democracies and economies of the transatlantic and Indo-Pacific regions since 2014, much exacerbated by its full invasion of Ukraine in 2022, makes the Arctic even more important to Russia's readjustment of its trade and politics, and gives China new openings in the Far North to articulate its polar politics. Building on efforts over the last two decades, Russia's aggression in Ukraine is forcing it to concentrate more intensely on the economic potential and security of its Arctic reaches, and it is granting China more strategic latitude in its development.

This occurs when the main protagonists of the defining strategic rivalries of our times will all have a pronounced Arctic dimension. The competition of the US, China, and Russia brings an increasing dose of hard-interest geopolitics to the Arctic, one that includes the high-stakes geoeconomics of supply-chain security in a radical energy transition, and a revolution in the digitization of business and society (Park and Tiberghien 2023; Ciuriak 2023). The Arctic sees the US, China, Russia, and the European Union (EU) all active in integrating the Arctic into geopoliticized conceptions of supply and value chains, the "nearshoring" and "friendshoring" of Western strategic parlance. Actors in strategic economic sectors, such as computer and telecommunications hardware and non-carbon energy technologies, will find the Arctic a potential secure source for critical minerals and rare earth elements (REEs) needed for their economic security, a factor that may tip the odds in favour of these investments in what is otherwise an expensive environment for resource extraction.

This is the first of a three-part series that examines three core political geographies of the Arctic and how they are interacting politically and economically over the next ten years. These three geographies are a China-Russia Eurasian Arctic, characterized by a complex transactional relationship; a Nordic Arctic, integrated into NATO and the EU defence and economic politics; and a North American Arctic at the centre of intersecting geopolitical contests (Huebert 2019). Across the papers, not only the politics and security of these geographies will be explored, but also the economic effects of the digital and decarbonization revolutions in them. At the end, each paper will provide some high-level recommendations from a Canadian and transatlantic perspective about Arctic geopolitics and potential lines of response.

The aim is to get readers thinking more geopolitically about Arctic issues, a lens particularly important in Canada, where its Arctic has often been seen as a uniquely North American space, exempted from the external world by ice, snow, and a politics of exceptionalism. This is even more urgent with the publication of the 2024 defence policy update in Canada, which puts the Arctic at the centre of Canadian grand strategy and places it clearly in the context of transatlantic relations as a "northern flank" of the NATO alliance (Department of National Defence 2024). The Arctic, disrupted by a rapidly warming climate and the attendant rises in ice melt and sea level, will be a complex operating environment (Pincus 2024). However, the region is becoming increasingly more accessible – more so than any other time in recent human history – and the Arctic will fit into coming geopolitical developments more dynamically and diversely than the last three decades. For non-Arctic countries like Germany, who have relied primarily on scientific and research endeavours for their Arctic policies, the implications of a dynamic Russia-China relationship in the Arctic will call for creativity in how it pursues its own influence and interests in the region (German Federal Government 2019).[1]

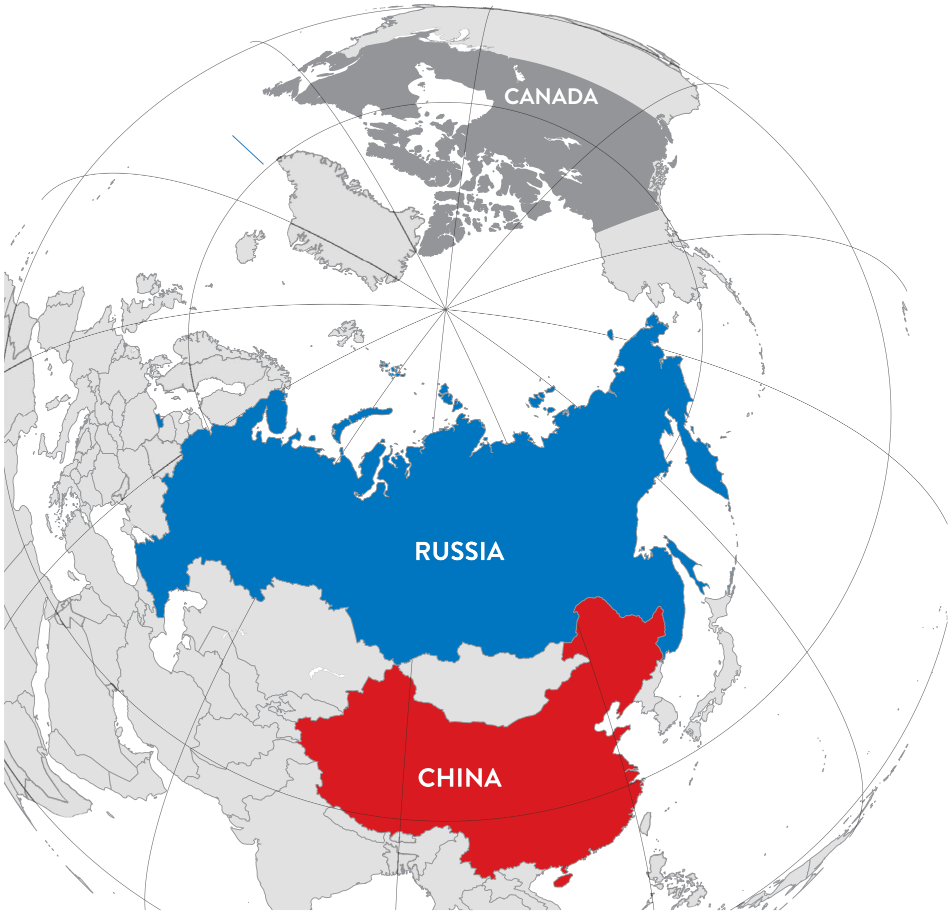
I make two underlying assumptions in my assessment. First, geography matters. The rise of a territorially massive geopolitical bloc stretching across the continuous territory of the world's largest and fourth-largest countries is a formidable consideration, creating unparalleled strategic depth across the spectrum of their national resources. The effectiveness of this bloc does not depend on the likelihood of a linear, unified trajectory and shared policy foundation between the People's Republic of China (PRC) and the Russian Federation, but will be a process of active, continual negotiation. Border disputes appear to have been resolved, and sharing a long border now appears an asset to the relationship, not a detriment.

Second, transactional, non-alliance relationships can matter greatly in geopolitics. Elements of the media frequently exaggerate the nature of China-Russia ties and the extent to which this will lead to conflict in the Arctic (for a recent example, see Euractiv 2024 and MSN 2024). I agree with the many assessments that China and Russia's announcement of a "no-limits" partnership in early 2022 has rhetorical purposes and that strategic misalignments (see Section 3.3.2) in their relationship are unlikely to be soon if ever overcome (for trenchant examples, see Lajeunesse, Dean, and Lackenbauer 2022; and Lackenbauer and Lanteigne 2024). These could one day lead to a break down.

Nonetheless, their mutual interests do not need to fully and completely align for them to become a potent force in the Arctic (Mastro 2024, 3–4, 34–36). Transactional relationships such as they currently share have considerable strategic potential (Leoni and Tzinieris 2024). This factor is regularly underestimated in the advanced democracies of Europe and North America since their world view is shaped by a heritage of institutional arrangements centred on collectivized security and integrative economics. From this perspective, Western analysts and leaders often look for things the Chinese and Russian themselves are not trying to achieve, most importantly in this case, a mutual defence alliance. Not "shacking up" in such an alliance, as American political scientist Oriana Mastro puts it (Mastro 2024, 3), does not mean that the two cannot undertake very significant ventures in an emerging and converging relationship.

This means that Eurasia's Arctic will have consequences for transatlantic security and prosperity. For countries like Canada and Germany, the Eurasian Arctic warrants more attention amid these geopolitical currents. The transatlantic community has seven circumpolar members of NATO, as well as transborder Indigenous communities like the Inuit and Sami, and abundant natural resources. Because the North Atlantic and Baltic Sea regions, in both of which Canada and Germany have security interests – Canada as a leader of the NATO mission in Latvia, Germany as a littoral state – are interconnected to the Arctic in myriad ways, Ottawa and Berlin will need to integrate Arctic considerations into their approaches to allied relations and international action.

Figure 1: The Arctic: a Northern-Eurasian perspective



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Overarching geopolitics

The Arctic sits amid an overarching geopolitical and geoeconomic contest, shaped by the intensifying US-China strategic rivalry, Russia's tensions with the transatlantic community, and forward momentum in the China-Russia relationship. The paper will now provide a short assessment of the outlooks for these dynamics.

The US-China rivalry is almost certain to be a fixture for the next decade. This contest is not simply about military strength and territorial sovereignty, such as in the South China Sea and Taiwan, or about the PRC's aggressive use of cyber tools or media interference, or the US's commitment to freedom of navigation. Alongside these, it is a geoeconomic competition over access to the raw materials and manufacturing fundamental to high-tech competitiveness in the digital and decarbonized energy sectors (Park and Tiberghien 2023; Ciuriak 2023). Economic matters top the political agendas in both countries. The single-mindedness of the Chinese Communist Party (CCP) to position China as a world-leader in these fields and the at times protectionist character of US industrial policies embed this competition at the heart of their interactions and behaviours (Leoni and Tzinieris 2024).

Meanwhile, Russia's antagonism towards North America and Europe is extremely unlikely to dissipate over this period. The implications of its invasion of Ukraine will continue to unfold. It is unclear if any likely resolution of the war in Ukraine – which at the time of writing looks far distant – would mend the deep breakdown in the relations of the transatlantic community and Russia in the next 10 years, with key previously sustaining factors severed, most notably in the unyoking of the European energy market from Russian suppliers. Without political change in Russia, this division will almost certainly persist. Strategically, Russian aggression has consolidated Europe's commitment to transatlantic solutions involving North America and national investments for its defence. Adding to this dismal prognosis, most scenarios for a post-Putin Russia do not see a revival of the country's short-lived 1990s liberal democratic trajectory but instead likely portend the maintenance of a Putinist status quo, a turn to chauvinistic nationalism, or a downward trend in internal instability (Michel 2024; Galeotti 2023; Newlin and Lohsen 2022). Finally, European efforts to reduce its overreliance on trade with China and establish a resilient decarbonized and high-technology economy will intensify competition with China (Pohl, Buchanan Ponczek, and Wigell 2023).

These factors combine to impart a strong boost to China-Russia strategic alignment. The relationship is likely to be durable and mutually enhancing over the next ten years (Brands 2022; Lin 2023; Gabuev 2021 and 2023a; Mastro 2024). A mutual sense of threat from the US is the overriding motive. Moreover, the relationship is grounded in a secure border and the complementarity of Russia's natural resources and China's investment and manufacturing assets. Although China has a stronger overall position in the relationship, Beijing has displayed sensitivity to Russia in regions where Moscow has objectives dating from Soviet times, for instance in Central Asia (Umarov and Gabuev 2023). Traditional popular issues inhibiting the relationship have abated, for instance

Russian fears of a demographic surge of Chinese migrants overwhelming its Far Eastern region (Mastro 2024, 21; Gabuev 2023b). As Zeno Leoni and Sarah Tzinieris observe, "the constellation of shared interests" of China and Russia are the engine of a Eurasian bloc in contemporary geopolitics (Leoni and Tzinieris 2024, 41).

However, Russia finds itself with lessened strategic autonomy vis-à-vis China and is relying on it heavily to alleviate pressure on its supply chains from sanctions (Snegovaya et al. 2024). For example, more than a quarter of its total trade is now with China, whereas only around 3 percent of China's is with Russia (Fong and Maizland 2024). China is now a major source of technology for Russian strategic sectors, such as the military and telecommunications (Snegovaya et al. 2024). Historically, Russia was reluctant to give China undue presence in Arctic politics, a position which the Arctic Council, collaboration between the Arctic Five (A5) nations (Canada, Norway, Russia, Denmark/Greenland, and the US), and Barents Euro-Arctic Council buttressed. Russia's aggression against Ukraine has left this framework in tatters, with the foundations of A5 cooperation and Arctic Council much weakened, and Russia's departure from the Barents Sea Council. Russia no longer has some of the political tools it once had to balance China's interests in the Arctic, regardless of the near certainty that it continues to harbour concerns about China's ultimate goals (Lackenbauer and Lanteigne 2024; Staun and Sørensen 2023).

A range of behaviours illustrates their strengthened relations. They are conducting military exercises together in the East China Sea and the Baltic Sea. Russia is offering China access to some of the remaining sectors of its military industrial base, such as jet engines, where it still enjoys a technological lead (Gabuev 2021; Umarov and Gabuev 2023). Meanwhile, China is lending Russia rhetorical, economic, and increasing material support in its war in Ukraine (Snegovaya et al. 2024; Sher 2024; Christensen 2023). Russia's openness to China is unprecedented in their relations in post-Soviet history (Gabuev 2023b), and the relationship of Xi Jinping's China and Vladimir Putin's Russia is at a height last seen in the early 1950s between Mao Zedong's fledgling PRC and Joseph Stalin's Soviet Union (Radchenko 2024). Most significantly for the argument of this paper, the situation both countries now find themselves in is likely to see the Arctic contribute significantly to shaping and defining their relationship (Snegovaya et al. 2024, 34; Staun and Sørensen 2023, 30; Mastro, 34; Gabuev 2023a).

Russia, China, and the Eurasian Arctic

The Arctic, therefore, will become a more prominent component of the authoritarian world's most powerful partnership. China is in a leading position to advance the Russian Arctic's development, and as Chinese interests there grow, its geopolitical significance to Beijing will rise accordingly. Russia sees an urgent need to integrate the Arctic into its pivot to the Asia-Pacific, and China wants to shore up its security in Eurasia and raise its profile in the Arctic. In this section, we will look at where the Arctic fits in Russian and Chinese strategies and factors, convergent and divergent, that will shape the relationship over the next decade.

Russia's strategy and the Arctic

The Arctic is central to Russia's geopolitics. It sits at the heart of Moscow's evolving vision of itself as a maritime and natural resources power, interconnected into an economic and political concept of Eurasia and the Asia-Pacific. Russia is defining itself through its Arctic Ocean frontage, seeing it as key to realigning towards the Asia-Pacific. These are merged in a comprehensive view of national security that embraces economic development, sovereignty, and national interest.

This image emerges strongly from Russia's most recent strategic documents, in particular the 2023 *Foreign Policy Concept* (FPC), the 2022 *Maritime Doctrine* (MD), the 2021 *National Security Strategy* (NSS) and the 2023 update to the 2020 *Arctic Policy*. These build on an emerging picture elaborated since the establishment of the Russian Federation of the country's Arctic priorities.

Russia's overarching goals of reorienting trade to Asia, asserting maritime power, and sustaining its status as a natural resources superpower intersect in the Arctic. The pivot northwards is, along with its many land borders, the core justification of Russia's ongoing geopolitical relevance. That shift has been taking shape for much of this century. This refocusing on the north is captured in the MD, which gives the Arctic Ocean top priority, deeming it the only ocean "vital" to Russia. In the FPC, the Arctic is listed second in priority only to what Russia calls the "near abroad" (countries once part of the Soviet Union).

The principal components of this pivot are the Northern Sea Route and the Arctic Ocean continental shelf. The two main shaping factors for this effort will be decreasing sea ice and increasing Russian risk appetite. While unlikely to soon displace the Suez or Red Sea routes, the route is likely to be used more as a China-Russia link over the next decade. The MD and the updated Arctic strategy lay out an ambitious agenda in the Arctic Ocean, built around developing the NSR as a global transport artery and harnessing seabed energy and mineral deposits. We will now turn to these factors.

The Northern Sea Route has harsh environmental conditions versus other international shipping routes and very low volumes of trade currently ply it (Pincus 2024). It remains a high-risk route subject to unpredictable weather and ice conditions, factors that climate change is exacerbating in some cases (Todorov 2023). Nonetheless, the viability of the NSR is slowly increasing. In general, sea ice is decreasing, with significant annual and geographic variability. The potential for a period of ice-free navigation within the next 20 years is real (Kim et al. 2023). Moreover, the NSR is experiencing the reduction in ice faster than the Northwest Passage and Central Arctic Ocean (Bush et al. 2022, 9, 25, 34). To address the persistent navigational challenges of the route, Russia is increasing the size of its ice breaker fleet and adding search and rescue resources.

That has in turn demanded a higher risk appetite on the NSR, one that seemingly aligns with a more positive perspective in Beijing about the route's prospects (Sørensen 2024). For a country urgently shifting its primary trade flows eastwards (*The Economist*, 2024), the NSR is, despite the many hazards its navigation presents, the most logistically feasible route to reach markets in China and Asia. Rail and pipeline infrastructures, as we will see, are currently insufficient, and what plans that exist to expand them are slow to come to fruition. Russia's full invasion of Ukraine in 2022 have necessitated that Russian policy switch the directionality of NSR shipping from destinations predominately in Europe to destinations in Asia and increase the intensity of its use (Gunnarsson and Moe 2021). As studies have identified, the lack of year-round shipping via the NSR to markets in Asia is a deficiency in the route (Gunnarsson and Moe 2021), one Russia has been taking steps to address. Thus, it is promoting it as a year-round route, permitting a wider range of ships with limited or no ice capabilities to ply the route without icebreaker escort (Humpert 2023a).

In addition, the NSR is a means to access and develop natural resource deposits in Russia and its waters. This reflects Russia's doubling down on the natural resource sector to remain a global natural resource power. Domestically, state revenues and elite rents depend heavily on exports from these sectors. The Arctic is a "strategic resource base" for Russia's continued relevance in this regard. Similar to regulations on the NSR, on land it has lowered regulatory impediments to encourage exploration and exploitation of natural resources (Zelenaya 2022). And the perspective on resource development in this area is thoroughly integrated into Russian national security thinking (NSS 2021, Sections 16, 47.3). The MD, for instance, talks about the Arctic Ocean and its seabed as of "predetermined" importance to replace supposedly depleted terrestrial sources of natural resources (MD 2022).

The centrality of the Arctic to Russia's future plans is exemplified in the strong, at times bellicose, language on defending its interests. Arctic strategy is being made in a context where Moscow perceives pronounced hostility from European and North American countries. Accordingly, the updated Arctic strategy downgrades the Arctic Council and other platforms of regional cooperation.[2] It believes itself to be the target of a "hybrid war" from Europe and the US. Its development in the Arctic is being "obstructed" (a reference to sanctions regimes on northern oil and gas projects) (FPC, Section 13; NSS, Section 16). Russia is strongly asserting that it has sovereign rights beyond its Exclusive Economic Zone (EEZ) to the limits of the Arctic Ocean's continental shelves and it is "stepping up" efforts to demarcate the jurisdictional boundaries of the Arctic Ocean in its favour (FPC, Section 23.6). Shorn of trust in its Arctic neighbours, Russia is forced to reach elsewhere for partnerships if it is to maintain its position in the Arctic.

Russia portrays its posture as defensive but states that its mitigations and responses will be robust and comprehensive. Force, the FPC, MD, and NSS observe, is of "growing significance" in international relations, as is the "power factor" (FPC, Section 8; MD, Section 21). Moreover, the MD and Arctic strategy cast doubt on the robustness of international law for dispute resolution (FPC, Section 9; Arctic 2035, Section 8.A; MD, 23.5). "Militarization" in the Arctic, apparently conducted by the other regional countries and their partners, is something Russia will "neutralize," (Russian: нейтрализация; a word that does not have as ominous a resonance in Russian as it does in English); it is accompanied by talk of the "prevention" (Russian: предотвращение) of foreign military threats in the Arctic, a lower categorization than "deterrence" (Russian: сдержание) (Charap et al. 2022) that indicates a full sweep of tools, including diplomacy, will be employed.

Against the US-centred alliance networks, Russia is fusing the Arctic into a Eurasian geopolitics. Russian official Eurasianism has taken many forms since 1991. Now branded as a "Great Eurasian Project," it draws particular attention to Russia's relations with India and China. It seeks a Eurasian interconnectivity that links the Arctic and Russia's eastern continental land mass to these countries, and the broader Asia-Pacific (to differentiate it from ascendant concept of the Indo-Pacific among the US and its allies). Russia's Eurasia is one enriched and enabled by Arctic assets. Moreover, Moscow is embedding its north in an appeal to the wider world to develop it, emphasizing its openness to bilateral engagement and scientific cooperation with Russia-friendly countries outside of the region (FPC, Sections 54.3, 55; MD, Sections 52–52, 104; Arctic 2023, Sections 16.A, 16.F). As we will see in the next section, China is at the forefront of those displaying such an interest.

China's Arctic strategy

The Communist Party of China is keen to establish the PRC as a recognized player in the Arctic. National aspirations and geopolitics are giving it more prominence in the PRC's strategic thinking. Unlike Russia, China does not give precedence in its foreign or economic policies to the Arctic Ocean and its coasts. It is but one of many domains in which it plays – and in which it believes it has a right and obligation to play. Nonetheless, as political scientist Anne-Marie Brady of New Zealand has argued, the CCP believes that China's stature in the Arctic tracks its ability to claim to qualify as a truly global power (Brady 2017, 262). It fits at least four geopolitical objectives of China and its ruling Communist Party. These are: asserting its place in global governance; diversifying maritime transportation options; expanding the natural resource base it can draw upon; and managing geopolitical competition with the US.

Influence in the Arctic is a mark of global relevance and influence for China. PRC strategic thinkers integrate the Arctic into a larger polar concept including Antarctica (Brady 2017, 1–8). *China's Arctic Policy* (CAP), released in 2018, delineates the official position. Consistent with Communist Party rhetoric under General Secretary Xi Jinping, it calls for "respect, cooperation, win-win result[s] and sustainability" in Arctic affairs. Most strikingly, as reflected in its self-labelling as a "near Arctic state" and "important stakeholder" in the CAP, Beijing advocates for the internationalization of Arctic affairs due to the region's climatological consequences, scientific significance, and economic opportunities for the international community. As a "responsible major country," the PRC advocates for its involvement in international and regional governance bodies, as well as for multifaceted multilateral, regional, and bilateral relationships to build frameworks and projects for development (State Council of China 2017; Economy 2022,183). China sees its participation in polar affairs as a symbol of legitimacy and international status (Doshi 2021, 3–5).

More tangibly, Chinese interests in access to international shipping lanes and the diversification of its sourcing of energy and minerals are key motives. China sees itself as having a "major role" in developing these economic assets as an investor and innovator with the Arctic's "coastal states" (CAP, Section II). The Polar Silk Road (PSR) component of the Belt and Road Initiative (BRI), announced in 2017, embeds China's willingness to invest in infrastructure along these routes and test their commercial visibility (CAP, Section IV.2.1), although carrying the label of Polar Silk Road is not in and of itself necessary for Chinese investments along the NSR (Lamazhapov, Stensdal and Heggelund 2023).

Arctic maritime routes (the NSR, Northwest Passage, and Central Arctic Ocean) top the list of China's Arctic economic goals. The focus will be on the NSR as sea lanes in the Central Arctic Ocean remain ice locked. (Brady 2017, 63–64; Economy 2022, 176). Studies of China's official and media communications reinforce the primacy of commercial shipping and especially the NSR in its thinking about economic opportunity in the Arctic (Lajeunesse, Dean, and Lackenbauer 2022). According to the CAP, they have the potential to become "important transport routes for international trade" and to have a potentially "huge impact on the . . . economic development of China" (CAP, Sections II, IV.3.1). According to American political scientist Elizabeth Economy, Beijing sees the NSR and trans-polar routes as the most favourable (Economy 2022, 176); and as Danish political scientist Camilla Sørensen points out, China seems to have an optimistic take on the viability of the NSR (Sørensen 2024).

As part of China's attempts to enhance its geoeconomics competitiveness and resilience, the Arctic also furnishes the PRC with an option to diversify its sources of energy and raw materials. Acknowledgement of natural resource exploitation has been growing in Chinese policy and investment behaviour over the last decade (Brady 2017, 87–100; Economy 2022, 179–181). Consistent with CCP foreign policy language, the CAP and PSR communicates a vision of Chinese partnership in exploiting these natural resources for "win-win" outcomes for all parties. To that end, it encourages Chinese businesses to collaborate there. It notes that China enjoys rights under international law to exploit resources in the Arctic high seas. Energy resources there, it contends, could have a "huge impact" on its energy strategy (CAP, Sections II, III, IV.3.2).

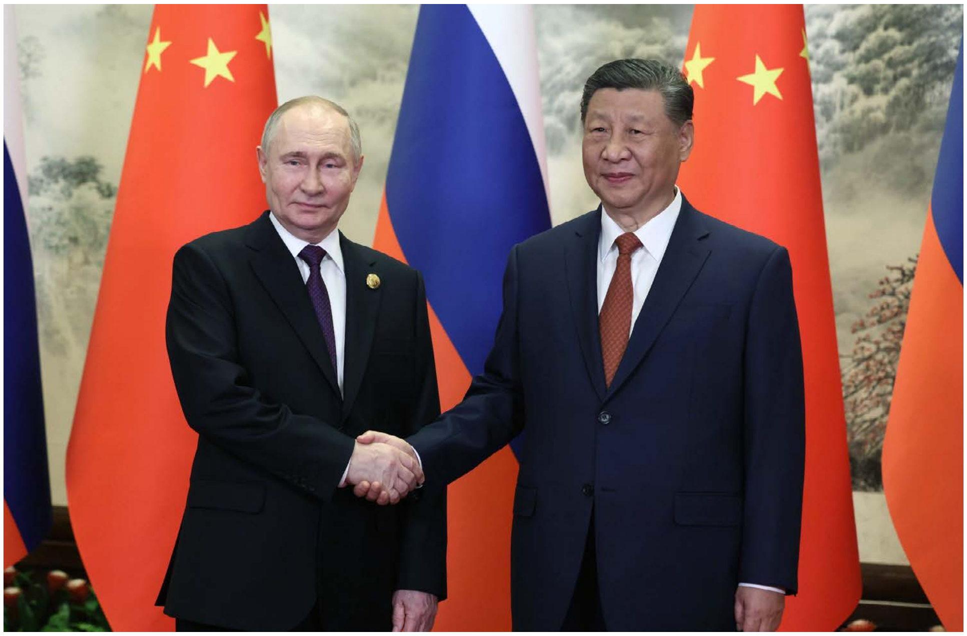
"The Arctic is also likely to become a theatre that China uses to balance the US.

The Arctic is also likely to become a theatre that China uses to balance the US. Overtly, the CAP contains little language that can be read as implying China would use armed force to back up its ambitions, and it currently lacks the access and assets needed to do so. That is consistent with how the Communist Party of China speaks about the world officially. But there is good reason to conclude that China sees the region as part of its power projection. Chinese strategists, who do not necessarily reflect top-level PRC decision-making, have spoken about the matter in more depth and range. The concept of "Military-Civil Fusion" (MCF) portrays a richer vision of the association of power and the Arctic region, which can extend across the range from deniable hybrid actions to the ability of the People's Liberation Army-Navy (PLA-N) to posture on North America's northern flank (Pezard et al. 2022, 5, 14, 16, 25–26; Puranen and Kopra 2023, 247–248). As other analysts have observed, economic opportunities and expressing sovereign rights are the main objectives of Chinese policy, but with these is an associated and burgeoning capability to back up these interests with military assets (Brady 2017, 70–71, 102–103). And pure science is seen both as a way to justify China's presence in regional decision-making and to establish the basic navigational and climatic knowledge to project military power through exercise and presence (Economy 2022, 180–181).

Beijing sees presence as is its own argument for a right to influence. By increasing its commercial traffic, scientific activities, and resource prospecting and exploitation, China strengthens its case to have a say in the Arctic (Urbina 2023). It has stated emphatically that the Arctic Ocean is not the preserve of its littoral states, but part of a "shared future for mankind" (CAP, Section III). Within that framework, it is seeking to create facts on the sea (it clearly recognizes the sovereignty of Arctic countries) to maximize whatever rights are available to it in international law. That implies the tectonic force of China in global political and economic systems will be brought to bear in contributing to norm setting in the Arctic through regularizing economic and scientific activities and having a regular presence at the relevant institutional bodies, such as the Arctic Council. (Brady 2017, 67–68, 94, 100, 102–103). It stands as a good example of how trade, investment, and scientific research fit into a model of asymmetric competition with the US and the Arctic countries, by developing a presence less extensive but no less global than the US's (Doshi 2021, 294–295).

China's rise as a player in the Arctic has been rapid (Brady 2017, 138). Now, however, because of its strategic rivalry with the US, it finds its prospects to build relationships and invest in the Nordic and North American Arctics curtailed. That has thrown the Polar Silk Road initiative into doubt and forced China to adapt a "wait and see approach" to reactivating polar relations with the other Arctic countries (Sørensen 2024, 154, 159). For now, China wants to be seen as an Arctic player, and Russia is the only available option it has for a multidimensional presence.

Figure 2: Vladimir Putin meeting Xi Jinping in 2024



Source: kremlin.ru

China and Russia: Convergence and divergence in Arctic Eurasia

The paper will now turn to looking at the convergences and divergences in Russian and Chinese approaches to the Eurasian Arctic. On balance, the convergences are likely to have the most effect over the next decade. While strategic misalignments in the Arctic – most notably over whether the NSR constitutes an international or national sea lane – have not disappeared, China and Russia have mutually compatible strategic interests that are likely to characterize an advancing relationship for as long as their respective perceptions of threat from the US persist (Puranen and Kopra 2023, 240). Moreover, and most importantly, Russia at a time of war and economic distress is having to rebalance its relations and put aside some of its strategic caution by opening to China as a primary alternative source of foreign interest and investment. Priority strands of Russia's and China's geopolitics merge in the Arctic. These dynamics of convergence and divergence in the Arctic dimensions of a Eurasian geopolitical bloc will be the subject of the following section.

China offers Russia a crucial source of trade and investment to spur economic growth and development in the country generally and the Arctic specifically. At the same time, Russia offers China a diversified set of natural resources and maritime passages to the Atlantic Ocean. In these relations, China enjoys the stronger position, as Russia is to an extent dependent on China. However, Russia gives China its only viable partner in the region, and for now it is crucial to China's having a maritime presence (Chen 2023; Sørensen 2024, 158–159; Lanteigne and Lackenbauer 2024).

Geopolitical dynamics are enabling the growth of Chinese presence in the region. But Russia has cards to play.

Convergences

The main convergences are around exploiting strategic natural resources and diversifying global maritime shipping routes. Because of the lack of pipeline and transport infrastructure through terrestrial Eurasia to these markets, the NSR is an increasingly valuable, and slowly increasingly viable transport option. For Asian markets, Arctic resources are geographically well-positioned via the NSR. Because sanctions limit Russia's financing and technological options for developing its Arctic, sources from elsewhere in the world become essential. Attracting Chinese business has become an express policy (*TASS* 2023; Hayley 2023).

Geoeconomic factors are creating China-Russia economic alignments in the Eurasian Arctic. Sanctions and restricted market access in Europe, formerly Russia's largest energy customer, present a fundamental structural economic challenge for a Russia heavily dependent for state revenues from the energy sector. Russia's predicament is compounded in particular by US sanctions that target natural resources and transport infrastructure development in the Arctic (Humpert 2024c). The trade weakness aggravates its investment weakness, reflected in its flagging ability to maintain current levels of oil production; to maintain a leading position in global oil and gas markets through 2035, it will require substantial investment from abroad (Brodt 2021, 3).

First, Chinese interests in diversifying its resource base intersect with Russia's diminished economic options in Europe and North America and Russia's desire to develop northern resources for eastern markets. The value of Russia's resources to China gets a further boost in being geographically proximate at a time when security of supply is a geoeconomic imperative. Russia has potential to expand China's resource base, as it holds significant critical mineral deposits, in addition to petroleum resources. According to the Geological Survey of Norway, Russia's Kola, Arkhangelsk, Norilsk, Taymyr, Yakutia, and Chukotka regions, which all extend into the Arctic, have dominant shares of Russia's deposits of nickel, copper, platinum, and REEs (Geological Survey of Norway 2016, 83). In terms of petroleum, the untapped reserves are large; in excess of 316 billion barrels of oil equivalent (bboe) are thought to be under Arctic waters.[3]

These resources complement China's already dominant global position in the mining and refinement of critical minerals and REEs and Chinese investment will almost certainly be structured to perpetuate that dominance. On its own territory, China has the world's largest geological endowments of critical minerals and REEs, estimated at some 161.13 million metric tonnes. Russia is second, with an estimated 72.26 million metric tonnes (Mered 2019).[4] China's expertise in the extraction and processing of REEs will be useful to a Russian sector that has made slow progress to date (Goble 2023).

"China and Russia hold a very significant allotment of the planet's critical mineral deposits and processing.

Indeed, this trend is already in place, as over the last decade Chinese interest in Russian Arctic deposits has been growing. For example, it has invested in copper mining in the Norilsk area and titanium in the Komi Republic. These initiatives are paralleled elsewhere by Chinese investment in eastern Siberia, for instance in uranium mining (*Financial Times* 2015; *World Nuclear News* 2018). China will find Russia's investment climate in the Arctic more open. The significance of this should for China's geoeconomic position is not to be ignored, as combined, China and Russia hold a very significant allotment of the planet's critical mineral deposits and processing.

When it comes to energy critical minerals and REEs, China has an extremely strong hand in negotiations with Russia, because of its own mineral deposits and the range of options it has to import oil and natural gas from other countries. In addition, it is unclear how much more investment appetite China will have to invest in expensive offshore petroleum ventures in the Arctic Ocean. Furthermore, it has the capital and industrial capacity that Russia lacks. This means China can be patient.

Second, Russian plans and Chinese goals align in the Arctic as a potential maritime transport route. The NSR over the next decade will be the focus. For China, the NSR's advantages will complement (but will not replace) routes crossing the Indian and Pacific oceans. In the NSR, China has a more secure route to Europe and the Atlantic Ocean that, depending on ice conditions, is some 5,500 kilometres shorter than routes via the Suez Canal – reducing travel times by approximately 10 days (American Bureau of Shipping 2014). More significantly, the NSR is absent the threats of political instability, piracy, and criminality that can exist in the Red Sea and the Strait of Malacca (which connects the Pacific and Indian Oceans), while the Panama Canal faces its own climate-change induced difficulties. Despite the persistent harshness of the NSR's weather and sea conditions, as well as new factors such as sea level rise and dynamic ice conditions, a steadily upward trend of growing traffic is likely.

Eyeing this opportunity, Russia is working to make the NSR available year-round and more competitive for transit cargo (i.e., cargo crossing the route end to end) versus other routes. Cargos are now being moved outside of the regular shipping season. Total transit cargo tonnage reached over 2 million tonnes in both 2021 and 2023. Russia aspires to see total annual cargo shipments (including shipments originating from Russian ports along the route) grow to 160 million tonnes by 2035, up from over 35 million tonnes in 2023 (Humpert 2023c and 2024b; The Maritime Executive 2023; Russian Federation 2023). To support this ambition, it is investing in port infrastructure and icebreakers. Chinese involvement in Novatek's recently approved plan to build a floating Murmansk LNG terminal (Staalesen 2023) and the development of rail links to a new deep-water port in Indiga are two examples of how Russia is working with China to open its Arctic coast and interior. Farther east, Russia has announced it is seeking investment in the ports of Pevek and Tiksi. Year-round shipments of LNG are planned as early as 2024 (*Port News* 2023; Humpert 2023b and 2024).

Another trend relates to a higher Russian risk tolerance about the number and sort of vessels that transit the NSR. In 2023, non-ice class container ships and oil tankers began to ply these waters, sometimes without an icebreaker escort. What they are shipping is also significant: some of these tankers were transporting Urals crude for the first time via this route; more worryingly, another vessel carried nuclear materials, despite not meeting the specialized requirements for vessels conducting for such activities. Russia aims to have LNG transiting the NSR all year by 2024 (in waters that are only navigable for most cargo 3 months of the year) (Humpert 2023a, 2023b and 2023c). Moreover, a diminishing regulatory environment in the Russian Arctic will present fewer barriers to investment. Russian actions at the regulatory level suggest flagging commitment to reaching its climate goals, and its protection of the fossil fuel sector remains strong (Davydova 2023; Averchenkova 2022, 184–186; Zelenaya 2022).

> *A diminishing regulatory environment in the Russian Arctic will present fewer barriers to investment.*

The maritime NSR will likely be the primary corridor for Arctic economic cooperation, but there are geopolitical merits for China in enhancing terrestrial infrastructure links to the Russian north. These would serve as a crucial hedge against a conflict with the US, where maritime routes would be blocked or hindered by US naval power. Such infrastructure can also act to bind Russia more tightly in China's orbit. One limiting factor will be the challenge of melting permafrost which will complicate terrestrial infrastructure projects in northern Russia (Arctic Council 2021), which likely gives China more incentive to concentrate on the NSR.

Some terrestrial projects are likely to advance in the period under consideration. Discussions about a Power of Siberia 2 project linking Russia's Yamal gas fields to China are ongoing, and industry analysts think that, if it goes ahead, it will be online by the early 2030s (Vakulenko 2023a and 2023b; Soldatkin 2023; Lu 2023). Terrestrial rail links already connect parts of the

Russian Far East and China, and a new railway bridge over the Amur River opened in 2022. A larger project being discussed would see China build a railway in Russia's Sakha Republic that would extend all the way to the far northeastern city of Magadan over the coming decade (Goble 2023a).

Sanctions do affect risk calculations in Beijing but increasingly workarounds are being found – an example of the "wait and see" approach mentioned by scholars in China's Arctic affairs (Sørensen 2024). For instance, a drop in Chinese investment and sensitive exports in 2022 has since rebounded to where China is a significant component of sustaining the Russia Federation's war effort in Ukraine. Direct arms shipments still appear off limits, but a vigorous trade in dual-use goods such as semi-conductors has taken off since March 2023 (Snegovaya et al. 2024). Similarly, a steep drop in shipping in the NSR in 2022 has since rebounded (Humpert 2024). Chinese companies and their Russian counterparts are finding workarounds, often through third-party intermediaries to screen the Chinese side from penalties (Sher 2024). In the case of the Arctic, sanctions may constrain the scale and pace of investment in larger projects, but smaller ones are certainly viable, and even larger ones, such as the Novatek LNG 2 project, moving forward with Chinese participation undeterred (Humpert 2024a; Strider 2024).

Divergences

These convergent forces on balance are likely to contribute significantly to the Arctic's role in the Russia-China relationship over the next 10 years. However, there are divergences that shape the contours of what is possible in the relationship. Notable among these are China's geopolitical risk considerations and Russia's interest in retaining a decisive say in its Arctic affairs.

Despite the rhetoric of no-limits partnership (Standish 2023) and its willingness to work around elements of sanctions, Beijing likely perceives risks in dealing with a Russia that has less effectively managed its relations with Europe and North America. Indications of a desire to manage risk exposure to Russia include China's endorsement of the concept of the Middle Corridor, a proposed rail corridor between the PRC and Europe (World Bank 2023), the slowness of the Power of Siberia 2 negotiations, as well as China's stated intentions to construct a nuclear icebreaker, which would lower its dependencies on Russian capabilities (Brady 2017).

To some extent, the act of prioritizing the NSR itself signals China's caution and aim to keep its options opened. For Beijing, maritime routes are flexible – and lower commitment. Maritime interactions require less in upfront investments to initiative and a portion of the assets – the ships – are more easily repurposed than those for railroads and pipelines, which can lock in economic and energy interdependencies that strengthen Russia's position vis-à-vis China. Ships can reroute whereas a pipeline or railway cannot. Russia is more manageable as a geopolitical risk for China when trade is conducted via the sea. China wants NSR to get to the Atlantic, but Russia wants the NSR for China to get to Russia. This is an asymmetry in interests.

"For Russia, the concerns are more strategic, and involve preserving and where possible accentuating its position as a core Arctic player.

For Russia, the concerns are more strategic, and involve preserving and where possible accentuating its position as a core Arctic player. What is not said in the strategic documents is that Russia almost certainly considers China to be a strategic challenge as well as an opportunity in the Arctic. It does not want to grant China a perpetual stake in the Arctic – or, at least, not one that does not depend on Russia. These suggest both a desire to leave the door open to interest-guided discussions with the other Arctic states and efforts to manage the extent of Chinese presence in the region. Hints of this can be found in Russian strategic documents, where language about Russia's sovereignty and rights in the Arctic Ocean can as be read as signals to Beijing. In addition, repeated emphasis on the NSR as a being a "national" waterway is likely intended to reinforce to Beijing as much as the other Arctic countries that Russian interests are not to be ignored. So far, China is amenable, seeking Russian clearance for each voyage. And Russia knows that as long as North American and Nordic countries are looking warily at Chinese investment, research, and presence, then Beijing's best options to implement an Arctic policy are via Moscow.

Conclusion and recommendations

The Arctic was a geopolitical space in the Cold War. It is again a geopolitical space in US-China strategic rivalry, and more directly, in the transatlantic community's handling of Russia. The most active shapers of today's geopolitics all have a stake in the Arctic. It will affect their security considerations. It will affect how they design their most important supply chains. The Arctic's natural resources offer a path to more resilient supply chains for digital hardware, energy security, and decarbonized energy options – the primary geo-economic issues of our era; all parties will want to take advantage of that. Finally, the Arctic and its waterways will be the scene of a wider range of human activity due to climate change.

A Eurasian region that integrates the Arctic will be a source of Chinese and Russian power and be a competitor to European and North American plans to develop and secure their own territories and supply chains. Considering the relationship as a function of a geopolitical dynamic, one that emerges from their geography and natural resources in Eurasia, and not solely as a function of the unexplained preferences of their leaders lens points to the strong mutual advantages and strategic dependencies that are likely to evolve between China and Russia in the next decade (Gabuev 2023a; Pezard et al. 2022; Lo 2022) become more obvious. These will make both more resilient geopolitical players. As one observer puts it, enhanced motives for developing the China-Russia minerals complex would be "highly problematic" for the US and its allies if they want a stronger position in these supply chains (Johnston 2022). Russia and China's shared perception that the US is the prime threat to each regime's political continuity overrides most strategic issues in their relationship. Over the next decade, these factors are likely to persist and give momentum to their collaboration. It will contribute to defining their international image and status, their security, and their prosperity.

Transatlanticism can provide a counterweight to the rise of an authoritarian Eurasian Arctic. Through the leadership of the Arctic 7 (A7) countries – Canada, the US, Iceland, Norway, Sweden, Finland, and Denmark/Greenland, and their northern Indigenous communities – North America and Europe have numerous advantages in their historical and active ties and their democratic development models and increasing awareness of the importance of indigenous reconciliation to national economic competitiveness. With some adjustments, these can form a bloc as formidable as the Eurasian.

Two high-level considerations will steadily improve the geopolitical and geoeconomic fundamentals. The first recommendation is to intensify the transatlantic dialogue to map the intersections in the security of the North American and Nordic Arctics. Smaller powers play an important role, and Canada and the Nordic countries have an opportunity to communicate to Washington an Arctic burden-sharing approach – and to signal to the PRC and Russian Federation that a robust, resilient security posture is in place to preserve peace and stability in the Arctic region. They also increasingly need to look to where they can draw in other smaller players, such as Germany, France, Japan, South Korea, and the UK to amplify their politics in the Arctic.

Second, North America and the European Union will be stronger if they strive to harmonize supply-chain policies and pool investment for resilient extractive sectors, in order to combine their economic power. For both, friendshored supply chains will depend on building the critical minerals and REE sector, from source to consumer. The Arctic territories and peoples of the US, Canada, and the Nordic countries are almost certain to play a crucial role in meeting these economic security objectives. The broader the resource base, the greater the competitiveness that can be achieved.

The era of Arctic exceptionalism is over. The advances in Chinese and Russian relations herald a Eurasian Arctic dynamic that will be a facet of growing relevance to the capitals and institutions of the transatlantic community over the next decade. It is incumbent on that community to take account of the geopolitics of a changing Arctic. The ability to compete in the geopolitics of the Arctic will be a prerequisite of success on the world stage for Canada and its allies. Transatlanticism remains an essential element in that success. MLI

About the author

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Endnotes

1 A note on the definition of the Arctic in this paper. It will not adhere strictly to the Arctic Circle as a divider between what is Arctic and what is not, as contemporary politics, meteorology, and northern societies render this usage inadequate. For its purposes, Russia's Arctic will consist of the entirety of those administrative entities which extend above the Arctic Circle. For reflections on definitions of Arctic space, see Gjørv 2021.

2 Moscow, however, still lists the other Arctic countries as "challenges" (Russian: вызовы), rather than elevating them to threats (Russian: угрозы), retaining this lower assessment of threat from the original 2020 version of the document – a sign that interest in "Arctic 8" (A8) diplomatic mechanisms has not subsided entirely in Moscow, a point echoed in the FPC. (Arctic 2023, Section 8; FPC, Section 50.1)

3 This is against USPC 525 bboe total for Arctic, with 316 bboe in Russian jurisdictions; see United States Geologic Survey 2008; U.S. National Petroleum Council 2019.

4 To note, this compares with Greenland's 41.69 and the Canadian Arctic's 14.31; Mered's are higher-end estimates, as contrasting numbers of China having 44 million to Russia's 20 million appear in Nguyen and Onstad 2023.

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