



Parahyangan Catholic University
Faculty of Social and Political Sciences
Department of International Relations

Accredited A

SK BAN-PT NO: 3095/SK/BAN-PT/Akred/S/VIII/2019

**The External and Internal Factors of China's Polar Silk
Road Initiative**

Thesis

By

Sharon Sebastian Effendy

6091801081

Bandung

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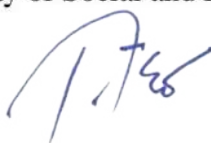
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Hereby assert that this thesis is the product of my own research, and it has not been previously proposed by any other academics or parties in order to attain an academic degree. The works or opinions gained and gathered from other parties are officially and academically cited in accordance with valid scientific writing methods.

I make this statement with my fullest intent and responsibility, and am willing to accept any consequences under applicable regulations that may arise as a result of future discoveries that prove this statement otherwise.

Bandung, December 27th, 2021



Sharon Sebastian Effendy

Abstract

Name : Sharon Sebastian Effendy
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Title : The External and Internal Factors of China's Polar Silk Road Initiative

Deemed as an economic powerhouse, China has now become the second-largest economy and one of the most powerful countries in the world today. This was believed to be made possible by China's continuous increase in power and influence throughout the globe, especially through its Belt and Road initiative. Along with the two main elements of the Belt and the Road, China added yet another element to the BRI framework back in 2018 through its Arctic Policy, which is now popularly known as the Polar Silk Road in the Arctic region. This decision then comes as a surprise to several parties, which then raises the question of factors influencing China in initiating the PSR - which becomes the main focus of this thesis. In answering the question, it is believed that this decision was fueled by the increasing geographic accessibility of the region due to global warming and climate change. For this thesis, the aforementioned argument is further elaborated and segmented into the internal and external factors and identifies that there are several factors contributing to influencing the making of this specific foreign policy from China. These factors include the strategic importance of the Arctic region as the eminent external factor and three internal factors which are: (1) the Xi Jinping factor, (2) search of a new geoeconomic zone, as well as (3) regional and economic development.

Keywords: China, Arctic, Polar Silk Road, internal factors, external factors, foreign policy

Abstrak

Nama : Sharon Sebastian Effendy

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Judul : Faktor Eksternal dan Internal Inisiatif Polar Silk Road oleh Tiongkok

Republik Rakyat Tiongkok kini telah menjadi ekonomi terbesar kedua dan salah satu negara paling kuat di dunia, khususnya karena adanya peningkatan dalam kekuatan dan pengaruh Tiongkok yang terus menerus di seluruh dunia, terutama melalui Belt and Road Initiative (BRI). Seiring dengan dua elemen utama BRI, Tiongkok menambahkan elemen lain ke kerangka kerja BRI pada tahun 2018, yang sekarang dikenal sebagai Polar Silk Road di Arktik. Keputusan ini kemudian mengejutkan beberapa pihak dan kemudian memunculkan pertanyaan tentang faktor yang mempengaruhi Tiongkok dalam menginisiasi PSR, yang merupakan fokus utama dari skripsi ini. Dalam menjawab pertanyaan tersebut, keputusan ini dipicu oleh meningkatnya aksesibilitas geografis Arktik akibat pemanasan global dan perubahan iklim. Untuk tesis ini, argumen tersebut dijabarkan lebih lanjut di bawah kerangka faktor internal dan eksternal, dan mengidentifikasi bahwa ada beberapa faktor yang berkontribusi dalam mempengaruhi Tiongkok dalam pembuatan kebijakan luar negeri ini. Faktor-faktor tersebut meliputi kepentingan strategis kawasan Arktik sebagai faktor eksternal yang paling dominan, dan tiga faktor internal yaitu: (1) faktor Xi Jinping, (2) pencarian zona geoekonomi baru, serta (3) pembangunan regional dan ekonomi.

Kata kunci: Republik Rakyat Tiongkok, Arktik, Polar Silk Road, faktor internal, faktor eksternal, kebijakan luar negeri

PREFACE

It is only by the blessing, grace, and guidance of God Almighty that the author was able to finish and present this thesis titled “The External and Internal Factors of China’s Polar Silk Road” as a prerequisite for the completion of her undergraduate degree in the International Relations Department, Faculty of Social and Political Sciences, Parahyangan Catholic University, Bandung, Indonesia.

This research was aimed to dig deep into the Polar Silk Road which was initiated by the People’s Republic of China, specifically on the factors influencing the East Asian country to establish said initiative back in 2018. It is hoped that this research could also serve as an insight into the study on the making of a country’s foreign policy and/or economic strategies in international relations.

However, fully acknowledging that this thesis is still flawed and far from perfection, the author is very much open to feedback and constructive criticism from all readers for the betterment of this thesis.

Bandung, January 10th, 2022

Sharon Sebastian Effendy

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CHAPTER I

INTRODUCTION

1.1. Background

In today's interdependent world, it becomes nearly impossible to completely distinguish and separate the economic and political aspects of a certain action or behavior from one another. This condition is understood as a commonly known term of international political economy (IPE), in which economic and political aspects of a country are undoubtedly intertwined, mutually affecting each other. According to IPE theorists, the concept covers the relationship between economic activities and state interests, encompassing the intersection of politics and economics as goods, services, money, people, and ideas move across borders.¹ In this sense, economic strategies are also often used as a tool for states to fulfill their national and/or political interests both in the domestic or international scope, which is often found to also be the case for the People's Republic of China.

Today, China can be regarded as one of the most powerful countries in the world, especially in regards to its economic aspects, which at times subsequently also translates to the country's political aspects. The country has also further become the second-largest and one of the fastest-growing economies in the world, to the point that it is often described as an economic powerhouse.² Averaging nearly

¹ Renée Marlin-Bennet and David Johnson, "International Political Economy: Overview and Conceptualization," *International Studies Association and Oxford University Press*, January 22, 2021, Retrieved from <https://doi.org/10.1093/acrefore/9780190846626.013.239>

² Shaun Breslin et al, "China's Geoeconomic Strategy," *LSE Ideas Special Report* 12 (2012): 8-9, Retrieved from <https://www.lse.ac.uk/ideas/Assets/Documents/reports/LSE-IDEAS-Chinas-Geoeconomic-Strategy.pdf>

10% a year in GDP growth since its reform back in 1978, China was recorded to rank first in regards to purchasing power parity basis, value-added manufacturing, merchandise trade, and foreign exchange reserves.³ Utilizing the economic power it possesses, China is often presumed to be projecting the power it has to be translated into political power to further fulfill its national interests to other countries, causing several parties to be aware, cautious, and concerned over the country's increasing power and influence.

Under the leadership of President Xi Jinping, economic strategies China proclaimed are manifested in four key elements which are: (1) reformation towards the country's economic marketization, (2) 'Made in China 2025', (3) the Belt and Road Initiative (BRI), and (4) a new model of China-US relations.⁴ In terms of international cooperation and trade, it is safe to say that China is one of the leading countries. Through numerous projects and initiatives, China has successfully expanded and broadened its reach especially in regards to infrastructure, trade, investments, and economic development to almost all regions in the world, including Asia, Africa, Europe, the Middle East, and even the Arctic.

One of China's economic strategies that becomes paramount to highlight is the grand and ambitious Belt and Road Initiative (BRI) known in Chinese as the One Belt One Road established in 2013. As of 2020, the project covers China's cooperation with 138 countries with some already underway and some still in the

³ Vida Macikenaite, "China's economic statecraft: the use of economic power in an interdependent world," *Journal of Contemporary East Asia Studies* 9, No. 2 (2020): 108-126, Retrieved from <https://doi.org/10.1080/24761028.2020.1848381>

⁴ Jade Guan and Yinhong Shi, "China's economic strategy: when theory meets practice," *Australian Journal of International Affairs* 74, No. 4 (2020): 348-354, Retrieved from <https://doi.org/10.1080/10357718.2020.1749558>

planning stage. The countries involved in the project account for 61% of the world's population and a total of US\$ 29 trillion combined GDP.⁵ This megaproject established under Xi's leadership aims to strengthen China's interconnectivity with the rest of the world, improve regional integration, as well as to increase trade, and encourage global economic growth.⁶ The aforementioned is then put into reality by China based on its established 2015 action plan to focus on improving intergovernmental communication, strengthening the coordination of hard infrastructure networks such as transportation systems and power grids, encouraging the development of soft infrastructure to decrease barriers between countries, and invigorating people-to-people connections.⁷

While partner countries reap concrete benefits such as investments and infrastructure development, China is often reciprocated in a form of the country's fulfillment of interests, such as imports and exports of specific commodities, contributing to China's energy security, or other benefits.⁸ This project is believed to have benefited China in the sense that developing hard and soft infrastructure throughout the globe will help reduce transport times and costs, including for China's international trade, as well as to reduce regulatory hurdles for the country to conduct its business.⁹ BRI is mainly manifested into two main components,

⁵ "How Will the Belt and Road Initiative Advance China's Interests?" *China Power CSIS*, Retrieved from <https://chinapower.csis.org/china-belt-and-road-initiative/> (accessed on April 19, 2021)

⁶ Loc.cit.

⁷ The State Council of the People's Republic of China, "Full Text: Action plan on the Belt and Road Initiative," *english.gov.cn*, March 30, 2015, Retrieved from http://english.www.gov.cn/archive/publications/2015/03/30/content_281475080249035.htm

⁸ "Belt and Road Initiative (BRI)," *European Bank for Reconstruction and Development*, Retrieved from <https://www.ebrd.com/what-we-do/belt-and-road/overview.html> (accessed on April 19, 2021)

⁹ "How Will the Belt and Road Initiative Advance China's Interests?" *China Power CSIS*, Op.cit.

namely the Silk Road Economic Belt (the “Belt”) and the 21st Century Maritime Silk Road (the “Road”). The Belt mainly represents the vision to promote infrastructural development and connectivity, as well as to stimulate economic integration, linking China to Central and South Asia and onwards to Europe.¹⁰ Meanwhile, under the Maritime Silk Road (MSR), China builds three ‘Blue Economic Passage’ to link China with the rest of the world, spanning throughout Southeast Asia, the Gulf, East and North Africa, to Europe.¹¹

In addition to the two components aforementioned, through its 2018 published white paper titled “China’s Arctic Policy”, China officially outlined its ambition to build a Polar Silk Road (PSR) to further facilitate connectivity and sustainable economic and social development of the Arctic region as part of BRI.¹² This decision comes quite as a surprise to the world, especially since the Arctic is widely known as simply a region full of ice. **Thus, this research further seeks on the factors influencing China in initiating the Polar Silk Road.**

1.2. Problem Identification

This research attempts to comprehend the reasoning behind the establishment of China’s Polar Silk Road which spans throughout the Arctic region, adding to the components included in the massive BRI project as a form of economic strategy

¹⁰ Richard Ghiasy and Jiayi Zhou, “The Silk Road Economic Belt,” *Stockholm International Peace Research Institute Friedrich Ebert Stiftung* (2017): 1-2.

¹¹ Keyuan Zou, Shicun Wu, and Qiang Ye, *The 21st Century Maritime Silk Road: Challenges and Opportunities for Asia and Europe* (London: Routledge, 2020).

¹² “China’s Arctic Policy,” *The State Council Information Office of the People’s Republic of China*, January 26, 2018, Retrieved from http://english.www.gov.cn/archive/white_paper/2018/01/26/content_281476026660336.htm

issued by the Chinese government under Xi Jinping's leadership in the year 2018. This subchapter elaborates more on the problem, establishes a research focus, and raises a research question for the research.

1.2.1 Problem Description

The Arctic region is popularly known as a cold and simply a place full of ice. However, global warming and climate change which results in the melting of ice in the Arctic region have subsequently led to changing conditions for Arctic development. This includes the possibility to commercially utilize its maritime trade routes, exploration and exploitation of natural resources, or scientific research.¹³ Its geostrategic importance has resulted in the growing attraction from several countries, including the United States, Russia, Canada, Norway, China, and other Arctic countries, even to the point of leading to overlapping territorial claims by surrounding countries.¹⁴

In the case of China, the country's presence in the Arctic can be traced back to the early 20th century. In 2013, China was also accredited as an observer of the Arctic Council, which allows the country to participate in the main body determining the future of Arctic policies.¹⁵ In September 2013, President Xi Jinping at the Polar conference at the Chinese Academy of Science specifically stated that *"Polar affairs have a unique role in our marine development strategy and the*

¹³ "China's Polar Silk Road," *Belt and Road Initiative*, Retrieved from <https://www.beltroad-initiative.com/arctic-policy/> (accessed on April 20, 2021)

¹⁴ Frederic Lasserre, Jerome Le Roy, and Richard Garon, "Is there an arms race in the Arctic?" *Journal of Military and Strategic Studies* 14 (2012).

¹⁵ Richard Milne, "China wins observer status in Arctic Council," *Financial Times*, May 15, 2013, Retrieved from <https://www.ft.com/content/b665723c-bd3e-11e2-890a-00144feab7de>

process of becoming a polar power is an important component of China's process to become maritime great power", indicating its ambitions and interest in the future of the Arctic.¹⁶

China's prominence, however, is especially evident in the year 2018 when it published the white paper titled "China's Arctic Policy" as the first formulation of an official Chinese Arctic policy of any kind.¹⁷ Within the said paper, China describes itself as a "near-Arctic state", stating that the conditions happening in the Arctic will further impact China's environment, climate, and economic interests, which is why the region holds significant importance for China.¹⁸ Moreover, it also mentioned China's interest in the development and use of Arctic maritime routes, conservation and utilization of fisheries and other living resources, exploration and exploitation of oil, gas, minerals, and other non-living resources, development of tourism resources within the region, enhancement of the Arctic's digital connectivity, as well as scientific research and expeditions.¹⁹ The notion of establishing a Polar Silk Road throughout the Arctic and the regions surrounding it is also first outlined within the paper.²⁰

When operational, the Polar Silk Road is believed to start from Dalian, China, and would cover the whole Pacific Ocean to the Arctic Ocean, to then meet Rotterdam in the Netherlands.²¹ Within this initiative, three oceans, namely the

¹⁶ "China's Polar Silk Road," *Belt and Road Initiative*, Op.cit.

¹⁷ Trym Aleksander Eiterjord, "China's Busy Year in the Arctic," *The Diplomat*, January 30, 2019, Retrieved from <https://thediplomat.com/2019/01/chinas-busy-year-in-the-arctic/>

¹⁸ "China's Arctic Policy," *The State Council Information Office of the People's Republic of China*, Op.cit.

¹⁹ Loc.cit.

²⁰ Loc.cit.

²¹ Thomas S. Axworthy, "The Polar Silk Road," *China Daily*, September 1, 2019, Retrieved from http://www.chinatoday.com.cn/ctenglish/2018/ii/201902/t20190221_800157319.html

Pacific, Arctic, and the Atlantic Ocean, will be covered.²² The PSR will also serve as a shipping route connecting three major economic centers of North America, East Asia, and Western Europe.²³

The launch of the Polar Silk Road then becomes interesting to figure out why China decided to follow through with the plan, and further even pledging to build the PSR over 2021-2025, especially since there has been little activity within the region in the past years and though other countries have also shown its interests, there has been little to no significant change within the region. This condition is also perpetuated by the fact that the East Asian country has zero territorial sovereignty within the region, despite its claim of being a near-Arctic state. In this sense, it is highly likely that the PSR is used as a means for China to fulfill its national or political interests, and economic needs, be it for energy and rare minerals within the region, or any other factors.

1.2.2 Research Focus

Acknowledging the broadness of the topic, the writer establishes several focuses, namely in terms of issue, actor, and time. The main issue which is discussed in this research is regarding the establishment and implementation of China's Polar Silk Road as one of the country's economic strategies under the ambitious BRI project. In this sense, the main focus of actors within this research is solely the People's Republic of China. Meanwhile, in regards to the time, this

²² Loc.cit.

²³ Liu Caiyu, "China's role in Arctic governance cannot be ignored," *Global Times*, November 22, 2018, Retrieved from <https://www.globaltimes.cn/content/1128626.shtml>

research focuses on the factors influencing China in establishing the Polar Silk Road in 2018, under the leadership of Xi Jinping. The year 2018 is chosen as it was the time when China started to intensify its presence and prominence in the region by outlining its ambitions on creating a Polar Silk Road within its white paper titled “China’s Arctic Policy” published in the said year as the first-ever formulation of an official Chinese Arctic policy. Moreover, since this is still an ongoing issue, the research is limited only up until the 3rd Quarter of 2021 to avoid inconsistencies and occurrences happening onwards that might affect the result of this research.

1.2.3 Research Question

Based on the aforementioned elaboration, this research focuses on answering the research question of: **“What are the factors that influenced China in initiating the Polar Silk Road in 2018?”** Through this question, it is hoped that this research will be able to find out and elaborate further on the factors influencing China in initiating the Polar Silk Road as one of its economic strategies and a form of its foreign policy back in 2018.

1.3. Objective and Practical Usage of Research

The subchapter 1.3 elaborates on the objective and practical usage of this research.

1.3.1 Objective of Research

The main objective of this research as previously mentioned within the research question is to be able to discover and elaborate on the factors influencing the People's Republic of China in initiating the Polar Silk Road as an economic strategy and part of its Arctic policy.

1.3.2 Practical Usage of Research

Through this research, several practical usages are provided. It is hoped that through this research, readers will be able to acquire a deeper understanding of the factors influencing China in initiating the Polar Silk Road, be it internal or external. This research is also hoped to be able to provide further information and analysis on China's Polar Silk Road strategy and its prominence in the Arctic region that is not often addressed. Moreover, this research is expected to be used as a reference for readers with an interest in the topic as well as other writers looking to research upon similar topics with this research.

1.4. Literature Review

This research is highly influenced and strengthened by previous works and research done by different scholars and academics that help give insights and cast a light on the issue of China's presence in the Arctic region, or specifically in regards to the establishment of the Polar Silk Road and the factors influencing the strategy.

First of all, it becomes important to highlight the reason behind the making of a Chinese foreign policy. Fei Ling-Wang through his paper titled “Preservation, Prosperity, and Power: what motivates China’s foreign policy?” elaborated on the motives behind the making of Chinese foreign policy and identifies a 3P incentive structure that is stable and overlapping with each other.²⁴ He explains that the making of Chinese foreign policy is based on the preservation of the CCP regime, China’s economic prosperity, and Beijing’s pursuit of power and prestige. Furthermore, he stated that it is most likely that Beijing will be motivated by these three factors over the years, although internal and external developments may change these motives. Considerations made based on a sense of political insecurity and a desire for economic growth have led Beijing to state the top objective of stability at home and abroad, coloring the process of decision-making within the country. In regards to preservation, notion on the stability of the overall sociopolitical condition within the country, a one-party rule or monopoly of political power by the CCP within PRC, and providing an effective, rational, and efficient governance amid the rapidly changing country is also addressed. On prosperity, globalization, economic growth, and economic development was also noted as the top policy agenda of the CCP since the 1980s since it is believed to be the key in realizing the dream of rejuvenating the Chinese nation and civilization to subsequently reach the ideals of “Fu Min Qiang Guo” which loosely translates to “rich people and strong nation”. Meanwhile, on power, Wang stresses that though

²⁴ Fei-Ling Wang, “Preservation, Prosperity, and Power: what motivates China’s foreign policy?” *Journal of Contemporary China* 14, No. 45 (2005): 669-694, <https://doi.org/10.1080/10670560500206033>

China is in a “comfortable” position as a country as one of the great powers in the world, it is undeniable that the feeling of frustration, insecurity, and victimization still seems to linger, especially in relations to Western powers – making China seem to produce a relatively self-preservation-driven, conservative, reactive, and risk-averse foreign policy. Although the three aforementioned motives have different goals and may naturally develop among themselves, Wang stated that the CCP determination of political preservation will carry the making and implementation of Chinese foreign policy, even if most Chinese agree that China’s national interest, reputation, and economic gains are a matter of utmost importance. Although the article itself was published in 2005, and understanding that issues concerning China have undoubtedly changed over time, the three factors may still have an impact on today’s China decision-making.

The second literature that is analyzed for this research is one concerning China’s major Belt and Road Initiative and the reason behind its launch. Y.-Y. Chang through the paper titled “Understanding the Belt and Road Initiative: An Initiative to Make China Great Again?” reexamines China’s BRI in regards to its historical and philosophical narratives.²⁵ Chang argues that BRI is not as altruistic as it claims to be by helping and aiding other countries for economic development, but rather is a form of self-interested proposal aiming to restore China’s past grandeur and influence. It further looks into the concepts of the ‘Chinese Dream’ and the concept of Tiānxià which translates to ‘all under heaven’ to reveal BRI’s strategic

²⁵ Y.-Y. Chang, “Understanding the Belt and Road Initiative: An Initiative to Make China Great Again?” *European Journal of East Asian Studies* 18 (2019): 7-35, Retrieved from <https://doi.org/10.1163/15700615-01801005>

importance for China. It is then found that the BRI is colored by the political philosophy of Tianxia, also influenced heavily by the ancient Silk Road that has prospered since the Han Dynasty, added by economic, strategic, and security concerns. This is believed to be the very foundation of BRI in seeking to centralize China's status and realize the Chinese Dream, supported by the speech made by President Xi Jinping in September 2013, in which the president stresses the role of BRI to achieve win-win and shared development among mankind. There have also been notions stating that China will reshape international order by implementing the BRI, with hopes from Chinese authorities that the BRI will eventually lead to a situation where Europe becomes a mere peninsula at the end of the Asian continent, integrated and dependent economically towards China, and the United States will be in a position of a distant island, simply floating between the Atlantic and the Pacific. Moreover, Chang also noted that while the initiative tends to enhance economic growth throughout the globe, it can also possibly be a double-edged sword, in which the initiative may also include China's geopolitical goals to further increase the country's political leverage over its partners – making it safe to say that the BRI is not simply an economic initiative per se. This is also possible due to the economic resources China possesses, which includes exporting goods, migrating production facilities, and building infrastructure, among others. This understanding of the historical, philosophical, as well as geoeconomic, and geopolitical reasoning behind the implementation of the Belt and Road Initiative becomes paramount for this research as it may translate to be the same foundation implemented for the Polar Silk Road as well.

The third literature that will be used for this research focuses on China's presence and prominence in the Arctic region. Olga Alexeeva and Frédéric Lasserre through their paper titled "China and the Arctic" elaborate on China's Arctic ambitions and reviews China's scientific, economic, and political interests in the region.²⁶ The article stresses the impact of climate change and melting of sea ice within the Arctic region which subsequently causes commercial and strategic implications in drawing the attention of numerous states, both Arctic and non-Arctic states to participate in the region despite having zero territorial access. It notes that since the 1990s, China has been taking part in the Arctic, especially in regards to its biological and environmental studies. It notes that back in 2012 in which China has not yet published any form of official Arctic strategy the Chinese government stipulated that it has no particular agenda for the region, taking on a very cautious approach and denying having any sort of aggressive ambition or strategic intentions towards Arctic potentials, including opportunities towards its shipping or natural resources. Alexeeva and Lasserre then conclude that China is increasing its presence in the Arctic and that the country has more to gain by engaging in cooperation with Arctic countries and buying energy from Arctic EEZ-based projects rather than taking an aggressive and confrontational approach towards the region. This past understanding regarding China's position, interests, and intentions for the Arctic region, which is different from what is happening now from 2018 up until today, further prompts the question of why is the country now taking much interest in the region and is doing so in a non-ambitious manner.

²⁶ Olga Alexeeva and Frédéric Lasserre, "China and the Arctic," *Arctic Yearbook* (2012): 80-90, Retrieved from <http://hdl.handle.net/20.500.11794/855>

Based on the three pieces of literatures elaborated above, it can be seen that though the literature on the basis or reason behind the making of China's foreign policies throughout the year and that several scholars that have reviewed the reasoning behind the establishment of the Belt and Road Initiative as well as China's presence within the Arctic throughout the years, there has been lack of literature that discusses upon the factors that may have influenced China in initiating the Polar Silk Road. In this sense, though several scholars have talked about the obvious strategic importance of the region for the world, not much has been addressed about the importance of the region for China or the domestic factors that may have influenced the making of said strategy. Thus, this research highlights the fact that the factors that influenced China in initiating the Polar Silk Road are multifaceted and multidimensional in the sense that there are numerous and various factors taken into account before taking the historic step of establishing a Polar Silk Road in the Arctic region, under the BRI framework. Multifaceted and multidimensional in this sense also refers to both the international and domestic environment surrounding China which further acts as the external and internal factors influencing the foreign policy.

1.5. Theoretical Framework

To have an appropriate understanding and ability to comprehend the issue at hand better, several theoretical frameworks are used to further analyze the factors influencing China in initiating the Polar Silk Road. Within this subchapter, the writer explains and elaborates on several concepts and frameworks that are used in

this research. Acknowledging the Polar Silk Road as a form of China's economic strategy and foreign policy, it becomes important to understand theoretically the factors that may or may not influence China's actions.

It is believed that there are several determinants that may have influenced the making of a certain foreign policy, which is one of the methods used by states in engaging and interacting with one another politically, socially, economically, or even militarily.²⁷ It is also understood that analyzing foreign policy requires the understanding on the country's specific interests – which in this sense refers to a country's national interest, which may refer to both the external and internal factors that may have influenced a country or decision-maker in establishing a set of foreign policies.

In this case, the concept of national interest becomes paramount to address, especially since Hans J. Morgenthau has previously mentioned that states can be deemed as a unitary actor and national interest can be considered the key concept in foreign policy.²⁸ Morgenthau specifically defined national interest as survival, in the context of “protection of physical, political, and cultural identity against encroachments by other nation-states”.²⁹ Subsequently, the term itself is stipulated as synonymous with power, and achieving its objectives and maximizing power is

²⁷ Nabin Kumar Khara, “Determinants of Foreign Policy: A Global Perspective,” *IJRAR* 5, No. 3 (2018): 105-115.

²⁸ Stefano Guzzini, *Realism in International Relations and International Political Economy* (London: Routledge, 1998).

²⁹ Hans J. Morgenthau, “The Primary of the National Interest,” *The American Scholar* 18, No. 2 (1949): 207-212.

the most sensible way to attain said interest.³⁰ Meanwhile, Vernon Van Dyke defined national interest as “in which states seek to protect or achieve in relation to each other” and “desires on the part of sovereign states”.³¹ In this sense, the term “interest” within “national interest” can be distinguished into several classifications, which encompasses political, security, economic, and cultural interests among others and commonly promoted and secured by methods such as diplomacy, alliances and treaties formation, coercive measures, propaganda, and economic means.

In terms of the domestic or internal factors that may have influenced or pushed a country in establishing a foreign policy, Christopher Hill through the chapter “The Domestic Sources of Foreign Policy” in his book titled “Foreign Policy in the Twenty-First Century” asserts that domestic entities, society, and/or domestic pressure play a significant role in the formation of a country’s foreign policy.³² Robert Putnam (1998) describes the relationship between domestic and foreign environments as a ‘two-level game’, meaning that governments will always play at two different levels of domestic and international at the same time.³³ Furthermore, Putnam also suggests the making of a ‘win-set’ to increase the number of potential agreements as well as to decrease the probability of defecting from domestic interests, reckoning that it is important for a foreign policy to be based on

³⁰ J. Peter Pham, “What is in the National Interest? Hans Morgenthau’s Realist Vision and American Foreign Policy,” *American Foreign Policy Interests* 37, No. 4 (2015): 188, Retrieved from <https://doi.org/10.1080/10803920.2015.1080073>

³¹ Farah Naaz, *Role of National Interest in International Politics: Concepts, Theories and Issues* ed. Rumki Basu (New Delhi: SAGE Publications, 2012), 54.

³² Christopher Hill, *Foreign Policy in the Twenty-First Century* (London: Palgrave Macmillan, 2015), 228.

³³ Loc.cit.

domestic interests and societies.³⁴ There are mainly four major domestic aspects that might affect the decision-making process of a country's foreign policy, namely interaction, constitutional structure, the regime factor, and social factors.³⁵ It is, however, important to note that though these factors do have an impact upon the making of a certain foreign policy, it is impossible to define or generalize the degree of significance of said impact, especially due to the unpredictability of international factors. Moreover, Hill also emphasized that it cannot be deduced that domestic conditions are the primary factors impacting a certain foreign policy, indicating that these factors will help give the appropriate understanding of the purpose of said policy but does not necessarily serve as the main or only factor, nor it is an indicator for the decision-making process for a foreign policy.³⁶

In regards to interaction, Pitirim Sorokin (1937) stated that essentially domestic and international pressures are often unrelated and in contrast with each other.³⁷ However, due to states' limited resources and power, policy-makers are often caught in a state of dilemma to choose between domestic or international pressure to fulfill first.³⁸ That said, Sorokin stated that it is important for policy-makers to interact with actors of domestic and transnational to address issues to further formulate an effective and balanced foreign policy.³⁹ Meanwhile, in regards to the constitutional structure, which is related to the executive-legislative relations of a country will subsequently affect the quality of foreign policy outcomes

³⁴ Ibid., 229.

³⁵ Ibid., 228-257.

³⁶ Ibid., 256.

³⁷ Ibid., 234.

³⁸ Ibid., 237.

³⁹ Ibid., 238.

produced as well.⁴⁰ In this sense, the different structure offers different ways of implementation, style, and substance of the foreign policy itself.⁴¹

In terms of regime, Tarak Barkawi and Mark Laffey (2001) imply that when governments change, there may be an impact on foreign policy and that certain regimes evolve historically through both domestic and international forces.⁴² This factor especially focuses upon the link or relations between foreign policy and the actual character of a certain regime. For instance, Barkawi and Laffey notes the difference between a democratic and non-democratic regime in relation to the foreign policy it produces and found, among others, that democratic states do not tend to fight each other compared to non-democratic states.⁴³

Moreover, Ted Hopf (2002) also asserts that foreign policy cannot be fully understood if it is engrossed from the society and productive system it serves especially since civil society now has a transnational dimension, hence it is majorly influenced by social forces.⁴⁴ These social forces include nationalism and development among others. In regards to nationalism, Alya Göl (2013) asserts that foreign policy and nationalism always feed off each other. An example used is that campaigns or nationalism of parties, especially xenophobic ones, are believed to undermine attempts of international cooperation and/or the making of a country's foreign policy.⁴⁵ Meanwhile, in terms of development, an example used is on least-developed countries (LDCs), indicating that there is a significant difference in how

⁴⁰ *Ibid.*, 239.

⁴¹ *Ibid.*, 244.

⁴² *Ibid.*, 248.

⁴³ *Loc.cit.*

⁴⁴ *Ibid.*, 249.

⁴⁵ *Ibid.*, 251.

LDCs and other countries conduct their foreign policy. In this sense, since most LDCs tend to lack the resources to actively engage in international affairs, it is hard for said countries to protect themselves against external interference. Hence, foreign policies of least-developed countries often revolve around economic development, financial assistance, conflict resolution, and nation-building, different from what other developed countries tend to make.⁴⁶

In this case, it is believed that all the aforementioned factors have a contribution towards a country's decision-making in terms of foreign policy, which may also be the case for China and its government before establishing its official Arctic policy and initiating the Polar Silk Road.

Moreover, in addressing the issue which concerns a specific region which is the Arctic, the concept of geoeconomics will also be utilized. Being closely related to both geographical and economic aspects of things, there are several definitions of geoeconomics. Introduced back in 1990 through Edward Luttwak's article, the most common definition is that geoeconomics is the use of economic tools to advance one's geopolitical objectives, or vice versa, showcasing geopolitical muscle for it to be used for economic results.⁴⁷ It is mentioned as well that there are specifically two aspects that are important within geoeconomics, that is to have more economic resources at disposal through the revival of state capitalism and state-owned enterprises, as well as making geoeconomic tools to become more powerful through the integration of global trade links and financial markets.⁴⁸ In

⁴⁶ Ibid., 254.

⁴⁷ Marianne Schneider-Petsinger, "Geoeconomics explained," *Chatham House*, December 9, 2016, Retrieved from <https://www.chathamhouse.org/2016/12/geoeconomics-explained>

⁴⁸ Loc.cit.

this sense, tools to support geoeconomics may include trade and investment policies, economic and financial sanctions, energy and commodities, financial and monetary policies, etc.⁴⁹

The aforementioned theories and concepts are then used to analyze the factors that may have influenced China in initiating the Polar Silk Road back in 2018 through its Arctic policy. Acknowledging that there are various and numerous factors that may have been taken into account by China as part of its foreign policy decision-making process, it can be concluded that there are both external and internal factors from the East Asian country in propelling the decision to push forward the initiative. In this sense, external factors can be identified as the condition outside China or the international environment, especially in the targeted region of the PSR – which is the Arctic. Meanwhile, the internal factors are the domestic environment of China that may have pushed the initiative to establish the Polar Silk Road.

1.6. Research and Data Collecting Method

This subchapter explains the methodology and data collection method that will be used in conducting this research.

1.6.1 Research Method

The methodology that is used for this research is the qualitative method. According to Creswell, this method is generally used to explore and comprehend

⁴⁹ Marianne Schneider-Petsinger, Op.cit.

the meaning of something by paying close attention to human elements, objects, institutions, as well as relationships between said elements.⁵⁰ This is done to have a proper understanding of a certain event, behavior, or phenomenon. Moreover, this method starts with a question to build a general and specific analysis and ends with data interpretation by the researcher.⁵¹ The qualitative method is chosen to be able to provide a more comprehensive and coherent elaboration as well as to provide further meaning and context on the topic of the external and internal factors of China's Polar Silk Road initiative. Furthermore, for this research, numerical measurements and analysis are believed to be inadequate as it is unable to describe the issue at hand holistically.

1.6.2 Data Collecting Method

As specified by Creswell, several data collection methods can be utilized within research, namely observation, interview, audio-visual review, and literature review.⁵² Based on the aforementioned, this research uses the literature review data collection method. This method gathers documents such as books or literature, newspapers, official publications and reports, articles and journals, as well as official speech transcripts as its source. In specific, this research makes use of books, articles, and journals concerning China's presence and prominence in the Arctic region, specifically its pledge to build a Polar Silk Road throughout the

⁵⁰ Todd Landman, *Issues and Methods in Comparative Politics: An Introduction* (New York: Routledge, 2003).

⁵¹ John W. Creswell, *Research Design: Qualitative, Quantitative, and Mixed Method Approaches* (London: Sage Publications, 2009), 40.

⁵² John Creswell, *Op.cit.*, 179-180.

region and the factors influencing the country to do so. Meanwhile, for the analysis part of the research, content analysis is carried out to properly analyze the existence, meaning, context, and the relationship between elements, themes, and concepts contained within the research.⁵³

1.7. Research Structure

This research is divided into a total of five chapters. **Chapter I** elaborates on the issue background, problem identification, objective and usage of the research, literature review, theoretical framework, research methodology, and data collection method for the research. **Chapter II** elaborates on the People's Republic of China and its Polar Silk Road initiative, and **Chapter III** describes the Arctic region's status quo and its strategic importance as the external factors influencing China in establishing the initiative. **Chapter IV** then provides further analysis on internal factors that influenced China in initiating the Polar Silk Road. Meanwhile, **Chapter V** as the last chapter contains a conclusion from the elaboration and analysis made within previous chapters.

⁵³ Alan Bryman, *Social Research Methods* (United States: Oxford University Press, 2012).

