

## SHANGHAI FORUM 2017

«Cross-border Cooperation: Dialogue and Cooperation between  
Northeast Asia and the Nordic Region in a New Global Order»  
Fudan University  
Shanghai, China  
28 May 2017

### ***“Nordic Cooperation and Sustainable Development the Norway”***

by

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Before we discuss the future, let us go back a thousand years in history. Let us imagine the Shanghai Forum as a prestigious meeting place during the Tang Dynasty. And that you have invited me, a Norwegian Viking, a “barbarian”, from the opposite side of the Eurasian continent to China to highlight Viking competence and experience. I would proudly have shown this slide to illustrate our state-of-the-art shipbuilding, our pleasure in adventure tourism and attitude towards regional cooperation.

#### ***Slide 2: Viking Maritime Tradition- earlier times***

These wooden long-ships of Vikings enabled visa-free, surprise visits to other countries. The Vikings stepped ashore with an axe as their business-card eager to chop the head off any local resistance. Please believe me when I say that this is not the attitude of Norwegians to regional cooperation today! Nor, should you expect it to reemerge as Norway’s approach tomorrow.

#### ***Reviewing the World Order***

While we are discussing the potential for cross-regional cooperation, the current world order is being challenged by calls for de-globalization. These calls are fueled by increasing nationalist, populist, protectionist and anti-integration sentiment in the very countries that have spearheaded, and perhaps benefitted the most from, that world order. Established venues for multilateral co-operation will increasingly be under review. New venues of forward-looking vision will be established, such as President Xi Jinping’s “Belt and Road Initiative” initiative, as geopolitics evolve and the global community seeks to define what is desirable and possible in terms of global governance.

When global solutions to global problems are difficult to find, cooperation within regions becomes all the more important. As does cooperation between regions. This applies not least to cooperation within and between the Nordic Region and Northeast Asia.

#### ***A “Long March” to Nordic Integration and Happiness***

Today, the Nordic countries are closely integrated, that by peaceful means and not by conquest, I should probably add. A world leader when it comes to transparency and trust in political system and when it comes to gender equality and environment. Our regional

political, societal and people-to-people cooperation is one of the most wide-ranging in the world. The Nordic countries are peaceful democracies and welfare states in a globalizing world. Individually each Nordic country is small. Together, we are bigger, in fact the 12<sup>th</sup> largest economy in the world with a population of almost 27 million people. But still small, very small in Chinese terms.

We are proud of our common Nordic identity and values. And we are also very proud of our individual national identities. Our nationalism and regionalism is cooperative, not confrontational.

***Slide three: The Happiest People on Earth***

The UN-backed “World Happiness Report” for 2017 ranks the five Nordic countries among the nine happiest countries in the world. You can yourselves see how happy my fellow Danish and Swedish colleagues in this panel are when I mention that Norway tops the happiness list ahead of them. According to the Report, Norwegians are even happier than both Danes and Swedes. The criteria used in the report to determine the degree of happiness are: healthy life expectancy, freedom, generosity, social support, per capita GDP and absence of corruption.

But times have not always been “happy”. Nordic history has been a rather “Long March” from wars against each other, internal armed conflict and poverty of yesterday to Nordic integration and our welfare society of today. Our Nordic experience is that longstanding animosity through history need not last forever, nor preclude future peaceful cooperation and integration. Wise political leadership can turn things around to a peaceful and cooperative win-win tomorrow. Our experience is also that political isolationism and economic protectionism is not the way to go forward.

Realizing that every region has its unique historical context, I mention our Nordic backdrop also with the history of Northeast Asia in mind. Currently, political tension in Northeast Asia is running quite high with global consequence. Also rest of the world is nervous about developments among countries in Northeast Asia.

***Nordic Cooperation Institutionalized***

***Slide four: Nordic Cooperation***

History and World War Two experience gave strong impulse to post-war Nordic cooperation at a time of peace and as a new world order was being established. The new awareness of a special Nordic identity in a world that was rearranging itself prompted the establishment in 1952 of the Nordic Council. This was at the height of the Cold War and when the Nordic countries had opted for different security policy affiliations. Norway, Denmark and Iceland had joined NATO, Finland pursued neutrality based on a Friendship and Cooperation Agreement with the Soviet Union and Sweden in the Nordic geographical centre was pursuing a policy of non-alignment with the objective of neutrality in event of a future war among the great powers. For wider economic cooperation, all five Nordics joined EFTA, the European Free Trade Association. Later, three Nordics – Denmark, Finland and Sweden – left EFTA to become members of the European Union. Norway and Iceland remained in EFTA and associated themselves with the EU as members of the European Economic Area.

The **Nordic Council** is a unique forum for cooperation among Nordic parliamentarians across nation-state dividing lines, but along common political party lines. It did not start with a grandiose scheme for cooperation. It started with small steps of integration, picking low-hanging fruit that were successively added over the years to the growing cooperative Nordic body through dialogue and harmonizing laws, rules and regulations. Later, in 1971, the **Nordic Council of Ministers** was established with overall responsibility for cooperation lying with the Prime Ministers. Each Nordic country has appointed a Nordic Cooperation Minister to coordinate. The various sector Ministers of the five Nordic countries, e.g. Ministers of Environment, Transport, Energy, Health, Social Affairs etc meet in eleven individual Councils of Ministers to cooperate on issues of common concern, draft Nordic conventions and fund projects.

### ***Slide five: Flagship Projects***

Nordic Prime Ministers have indicated **five flag projects** for cooperation. These might be of interest also to Northeast Asia; Sustainable cities, Climate and energy solutions, Food and nutrition, Welfare solutions, Gender equality, Business and Work. These are issues for societal development and sustainable economic growth. We are already sharing experiences bilaterally with countries of Northeast Asia. Why not on a region to region basis as well?

Norway currently holds the chairmanship of the Nordic Council of Ministers. The Norwegian Prime Minister will host an informal meeting of Nordic Prime Ministers tomorrow (29-30 May). They will discuss the further development of the Nordic region as the most integrated in the world and touch upon issues such as environment, combating extremism, transformation, digitalization and UN affairs, where the Nordic countries are keen to coordinate positions. They will launch an initiative called “***Nordic Solutions to Global Challenges***” as a central part of the Nordic response to the UN’s Sustainable Development Goals.

Let me mention that the Secretary General of the Nordic Council of Ministers, Mr. Dagfinn Høybråten, is a member of the International Advisory Board of the Shanghai Forum. Two days ago, he gave a public lecture at the Nordic Centre here at Fudan University on “*How the Nordic countries can contribute to a better world*”.

It is, of course, for countries in Northeast Asia themselves to determine both the utility and scope of any regional cooperation and integration. Countries of Northeast Asia might for a number of reasons not be looking for the degree of integration to which the Nordic countries have aspired. Conditions in your region differ from those in the Nordic countries in many ways. My hope is that you might find things in our experience that could help enhance a feeling of regional identity and solidarity also in your region that could reduce the probability of any conflict getting out of hand. Regional stability and security is dependent on sustainable economic development and mutually beneficial cooperation.

### ***By the Sea, Off the Sea***

The concept of sustainable development is in the gens of Norwegians. We have traditionally lived by the sea and off the sea. Most of our sea area is located north of the Arctic Circle. Today, fishing and offshore petroleum activities are the very foundation of Norway’s open economy and prosperity. Two-thirds of the value of Norway’s exports comes from ocean-related activity.

***Slide five: Environment-Conscious Energy-Producer***

The Norwegian petroleum saga is the story of a welfare state seeking to manage new wealth created by extracting finite offshore oil and natural gas resources in a wise and long-term way. This new wealth has been a “blessing” and not a “curse”. Being a major exporter of oil and natural gas, revenue from petroleum activity has enabled Norway to establish what is now the world’s largest single sovereign wealth fund for the benefit also of future generations. Its value this morning was almost Yuan 6 trillion (*USD 935 billion*), all of which is invested in equity, fixed assets and real estate abroad. The Fund owns on average 1.3 % of all the world’s listed companies. It holds equity investments in fifty-five Chinese companies to a value of more than Yuan 90 billion (USD 14.7 billion) and in eight fixed income assets valued at almost Yuan 20 billion (USD 2.9 billion), two-thirds of which in Government of China bonds.

***Norway and China – Hand in Hand***

International cooperation for global sustainable development and good governance has top political priority for Norway. We take pride in sustainable management of our natural resources. We value the dialogue that we have had with China over the years. I have been fortunate to see some of this first hand.

***Slide six: Vice-Premier KANG Shi-en visits Norway***

Vice-Premier KANG Shi-en, a Long March Hero, visited Norway in 1981 to study and learn from the Norwegian petroleum experience. How Norway within a very short period of time had become a leading exporter of oil and natural gas and developed state-of-the-art offshore technology. He was especially interested in how Norway, a small country of five million people, was able to manage and profit from opening its doors to the major international oil companies. He was also interested in how the government was managing the relationship between this new rapidly expanding sector of the economy and the rest of society.

At the time, I was Political Adviser to Norway’s Minister of Petroleum and had the honour to be Vice-Premier KANG’s travelling companion during his week-long stay in Norway. You can see us in this slide on the helicopter deck of a platform in the North Sea. I learned a lot about the challenges facing China from him. Our Ministry of Petroleum and Energy worked closely as advisers to Chinese authorities. Our state oil company Statoil has established an office in Beijing and works closely with Chinese petroleum companies.

***Slide seven: Prime Minister Gro Harlem Brundtland visits China***

Norway’s former Prime Minister Dr. Gro Harlem Brundtland chaired the UN Commission on Environment and Development. The Commission’s report “Our Common Future” published in 1987 brought the concept of “*sustainable development*” to the fore.

The following year, Prime Minister Brundtland paid an official visit to China. She came to learn about developments in China accompanied by a big business delegation to explore exciting commercial opportunity. I was then her International Affairs Adviser. The high-point of the Prime Minister’s visit was meeting with Chairman DENG Tsaio-ping. I remember vividly how Chairman DENG in a very humble way said that he “was getting old and would soon leave the stage of history”. Having said that, he went eagerly on for two hours to tell us

about his vision and plans for China's development the next fifty years. Far beyond the usual perspective of European politicians.

*Slide eight: Prime Minister Erna Solberg visits China*

Issues of sustainable development were top-agenda when Norway's present Prime Minister, Ms. Erna Solberg, last month paid an official visit to China. She highlighted the close cooperation between Norway and China on Arctic issues in her meeting with President Xi Jinping as she did here in Shanghai, where she spoke at an event organized by the Shanghai Institute of International Studies and Polar Research Institute of China. Our Arctic partnership is especially strong in the field of research. The Prime Minister welcomed China's interest in looking to the Arctic and was confident that Norway and China would enjoy even closer cooperation now that diplomatic and political relations have been normalized.

Noting that the Arctic is mostly ocean, Prime Minister Solberg emphasized in particular the great promise offered by the "**Blue Economy**" for new investments, growth and employment. Supporting UN Sustainable Development Goal number 14 to "**Conserve and use the world's oceans and marine resources**", the Government presented in March this year its first White Paper on "The Place of Oceans in Norwegian Foreign and Development Policy".

**Norway and China in the Arctic**

The world will need more energy to fuel sustainable social and economic development. It is estimated that one-fifth of the remaining undiscovered reserves of oil and natural gas could be found in the Arctic. The Paris Agreement, strongly supported by the Northeast Asian and Nordic countries, sets ambitious targets for a sustainable and low-carbon global energy future. Sustainable development in the Arctic means finding that right balance between commercial and industrial activity on the one hand, while safeguarding the environment on the other.

*Slide nine: The Arctic Coastal States*

Last week I attended the annual symposium of The China Nordic Research Cooperation in Dalian (CNARC). I was impressed by China's interest in the Arctic and knowledge that you have systematically built up in cooperation with Nordic countries. The Arctic is a region where Europe, Asia and North America meet and where climate change is taking place at an accelerating pace. Melting of Arctic ice opens a new, but environmentally vulnerable frontier for exploitation of resources. Navigating the Northeast Passage shortens transport routes between the Nordic countries and North-East Asia substantially.

The Nordic countries have sovereign rights and jurisdiction in the Arctic from international law and cooperate with the other Arctic countries – the United States, Canada and Russia – in the **Arctic Council**. The Arctic Council presents an interesting model for regional cooperation across political and economic dividing lines in addressing regional challenges that have global impact. Developments in the Arctic affect interests also of Northeast Asia. The Nordic countries were strong supporters of China, Japan and Republic of Korea gaining observer status in the Arctic Council in 2013.

The Arctic Council is the only circumpolar forum for government level, political discussions of common challenges in the Arctic. It is "policy shaping" and not "policy making" in the sense that the Council as such does not make agreements that are legally-binding on members.

Agreements can be drafted in the Arctic Council framework. It is the member states who subsequently make legally-binding agreements among themselves. The Council makes consensus-based recommendations and decisions on Arctic issues with a main focus on scientific research. Member states have negotiated agreements on cooperation in scientific research, search and rescue and on oil spill preparedness and response. A new Arctic institution, the **Arctic Economic Council**, was established two years ago by representatives of business and industry of all Arctic Council member states.

In their declaration from the biannual meeting of **Arctic Council Ministers** two weeks ago in Fairbanks, Alaska, Ministers reaffirmed their commitment to sustainable development through harmonizing economic development, social development and protection of the environment in an integrated way. They recognised that “*activities taking place outside the Arctic region, including activities occurring further south in Arctic States, are the main contributors to climate change effects and pollution in the Arctic*”. Ministers noted the entry into force of the Paris Agreement on Climate Change and its implementation, and it reaffirmed the UN SDGs and the need for their implementation by 2030.

Important to mention here today is that Ministers “*recognized the positive contribution of the Observers to the work of the Arctic Council*”. There should, no doubt, be potential for stepping up dialogue and cooperation between the Nordic countries and countries of Northeast Asia within this wider group of Arctic Council Member States and Observers. The priorities for Finland’s chairmanship 2017-2019 include environmental protection, connectivity, meteorological cooperation and education.

***Slide ten: Climate Refugee***

In conclusion, Ladies and Gentlemen, let me leave you with this slide that shows a Norwegian “Climate Refugee”, a polar bear, standing on a melting ice flake and feeling the impact of global warming in the Arctic first hand. My guess is that he would like to see countries strengthen international cooperation to mitigate climate change. Perhaps something also for us humans in Nordic and Northeast Asian countries to think more about. Cooperation and joint approaches for sustainable development regionally and globally can be a powerful vehicle for successful win-win cooperation. And here in Northeast Asia, joint approaches for sustainable development might contribute to easing of regional political and economic tension as well.