

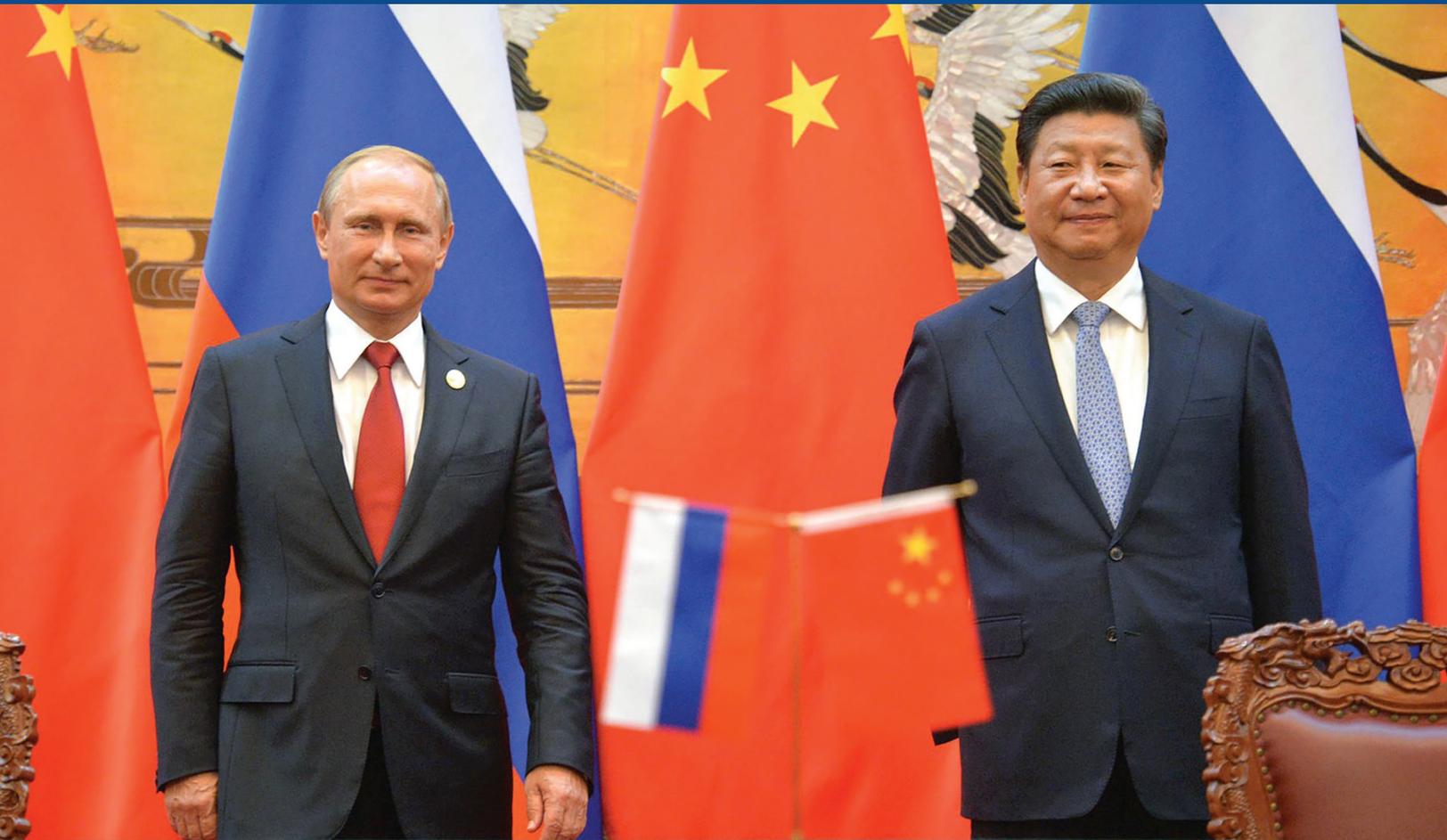
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# Uneasy Triangle:

*China, Russia, and the United States in the New Global Order*

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Stephen Blank, Alexander Lukin, Gilbert Rozman



**CGI** CENTER ON GLOBAL INTERESTS

October 2015



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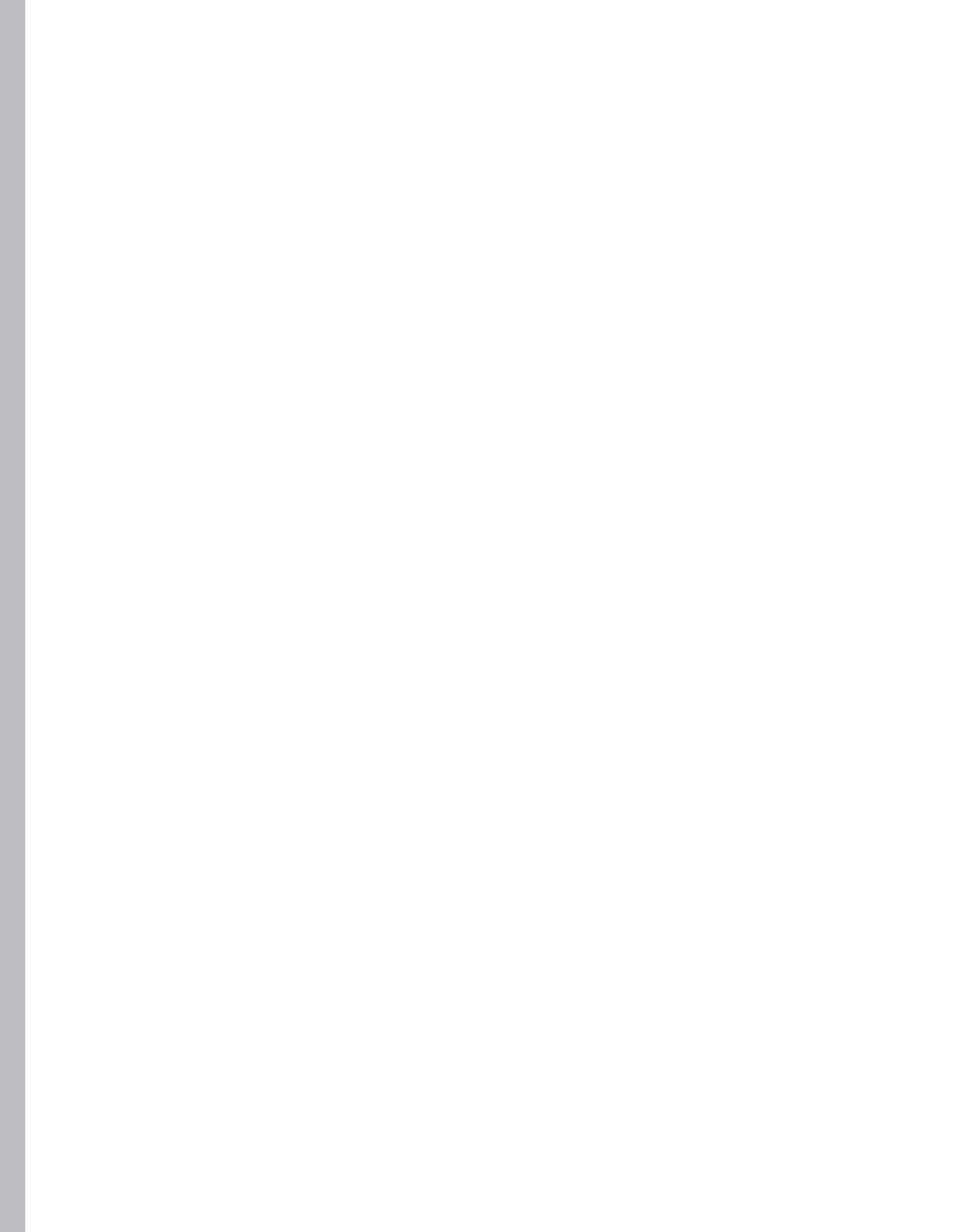
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# UNEASY TRIANGLE: AN INTRODUCTION

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**I**n March 1982, Leonid I. Brezhnev gave a speech in Tashkent, a few hundred miles from the Chinese border, proposing to discuss “possible measures to strengthen mutual trust” between the Soviet Union and China. The purpose of the speech was to mitigate tensions exacerbated by the Soviet invasion of Afghanistan, while establishing a foundation from which to begin mending the troubled Sino-Soviet relationship.<sup>1</sup> To the disappointment of hardliners in the Kremlin, Brezhnev took a conciliatory tone towards China, emphasizing the need for improved ties between the two communist superpowers. The General Secretary demonstrated the Soviet position by stating that Moscow would continue to support Beijing’s interests in Taiwan, rejecting Washington’s “two Chinas” approach. However, the three obstacles to stronger Sino-Soviet ties, namely the removal of Soviet troops from the Sino-Soviet border, the end of the Soviet-backed occupation of Cambodia, and the end of the Soviet occupation of Afghanistan, remained entrenched without clear recourse.

At the same time, China was realizing the momentous economic and foreign policy shifts undertaken by Chairman Deng Xiaoping during the 1970s. The collective result of this period of reform was the grand opening of China’s global ambition, especially in regard to the West. Leaders in Beijing looked to the north as well, seeking to find a willing partner in Moscow to resolve the three obstacles, and, more broadly speaking, to forge an anti-Western consensus.

Speaking in Baku in September 1982, Brezhnev continued to posture towards Beijing, but also noted in the larger context of international détente that the Soviet Union had “deeper roots” in Europe than any other region.<sup>2</sup> Despite these and continued nods at Sino-Soviet rapprochement under successive Soviet leaderships, the relationship continued to be one of convenience, imbalance, and mistrust through the end of the Cold War Era, a state of affairs often referred to as the “Sino-Soviet Split.” Moreover, it was clear that while the Soviet Union was keen on opening its door to its socialist neighbors, at least one eye remained focused on bridging the gap with the West.

<sup>1</sup> Milt Freudenheim and Barbara Slavin, “The World in Summary; Siren Song Is Heard In Tashkent,” *The New York Times*, March 28, 1982, <http://www.nytimes.com/1982/03/28/weekinreview/the-world-in-summary-siren-song-is-heard-in-tashkent.html>.

<sup>2</sup> For a survey of Soviet/Russian relations with China through the Yeltsin era, see: Elizabeth Wishnick, *Mending Fences: The Evolution of Moscow’s China Policy from Brezhnev to Yeltsin* (University of Washington Press: Seattle and London, 2001).

Through these concurrent processes, the closing decades of the 20th century witnessed a profound redrawing of the geopolitical map on the Eurasian continent. This was a period of seeming paradox, wherein each player aligned itself according to the specific needs at hand, with the frequent production of out-of-character partnerships (e.g., the U.S.-Sino alliance in Afghanistan). In June 1985 Armand Hammer, the American industrial tycoon, found himself in the middle of the churning U.S.-Sino-Soviet relationship, simultaneously being denounced by the Chinese Foreign Ministry for dealing with the Kremlin, while personally meeting with Deng to discuss mining opportunities in Shanxi Province.<sup>3</sup>

From these fault lines the “Uneasy Triangle” between China, Russia, and the United States was born, and with it a new era of great power politics. Today, in the midst of numerous global challenges, including Russia’s actions in Ukraine, the implications of the Iran Nuclear Deal and the crisis in Syria, Sino-Russian relations have assumed a renewed prominence in the international arena.

The present publication looks beneath the surface of the contemporary iteration of the triangle to discuss the fundamental bilateral foreign-policy motivations of each respective country, before placing them in the broader context of 21st-century geopolitics. In the first piece, Alexander Lukin of Moscow’s Higher School of Economics and the Moscow State Institute of International Relations (MGIMO) presents the Russian justification for increasing its ties with Beijing. His essay, while largely mirroring the Russian official discourse on China, is useful for its explanation of the underlying thinking of Russian decision makers, and allows the reader to gauge for himself the validity of their approach. Gilbert Rozman of Princeton University discusses the triangle from the Chinese perspective, tracing the significance of Russia in Chinese domestic politics over the previous decades, and identifies the rather limited role that Beijing has in mind for Russia in its own future economic development. Finally, Stephen Blank of the American Foreign Policy Council presents the view from Washington in his response to both preceding texts. With this format we hope to have sparked a substantive three-way discussion on American, Chinese and Russian strategic approaches to the “uneasy” triangle, a relationship whose further development will have profound consequences for global stability.

## BILATERAL TIES

Through the first half of 2015, China accounted for \$30.6 billion of Russia’s exports and imports, making it Moscow’s largest single trade partner, a superlative Beijing has held since 2010.<sup>4</sup> Indeed, as Alexander Lukin argues in his essay for this collection, Sino-Russian rapprochement has been driven by “a mutual reliance as trade and economic partnership.” For Moscow, recent agreements, exemplified by the much-discussed \$400 billion gas deal in May 2014, reflect a growing confidence in opportunities in non-Western markets, of which China holds primary billing.<sup>5</sup> Meanwhile, Gilbert Rozman contends that the Chinese have been patient benefactors of Russia’s economic drive east, securing transportation routes, investment opportunities in Siberian energy projects, preferential commodity prices, leased

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<sup>3</sup> “Armand Hammer has Meeting with Gorbachev,” *The New York Times*, June 18, 1985, <http://www.nytimes.com/1985/06/18/world/armand-hammer-has-meeting-with-gorbachev.html>

<sup>4</sup> Jack Farchy, “Russia Struggles to Shrug Off China Slowdown,” *Financial Times*, Aug. 17, 2015, <http://www.ft.com/intl/cms/s/0/a4356246-44ca-11e5-af2f-4d6e0e5eda22.html#axzz3l5oUbMDa>.

<sup>5</sup> Jane Perlez, “Russia and China Reach 30-Year Gas Deal,” *The New York Times*, May 21, 2014, <http://www.nytimes.com/2014/05/22/world/asia/china-russia-gas-deal.html>.

agricultural lands, and access to advanced weapon systems, such as the S-400 air defense system, all of which Moscow was, until recently, reluctant to place on the negotiating table.<sup>6</sup>

Both governments have also prioritized fostering economic and infrastructure development along their shared border. In October 2015, Russia hopes to unveil Tigre de Cristal, a mega casino and hotel complex in Vladivostok, as a headline example of Moscow's ability to commercially develop its eastern reaches. The project's major funding has come from Chinese investors, and while 80 percent of the clientele is expected to be Russian, 80 percent of projected revenues will come from Chinese pocketbooks. Yet while project backers look to signal that economic opportunities abound in the resource-rich Far East, numerous problems, including construction delays and excessive red tape, have already twice postponed the casino's opening.<sup>7</sup>

As the Tigre case demonstrates, the substantive results of these myriad partnership projects remain tentative at best. Economic uncertainties and business environment weaknesses will likely undermine the short-term successes of any Sino-Russian facilitation of regional cooperation. In the long run, Moscow and Beijing's demonstrated reluctance to cede influence to one another in the Far East, coupled with China's economic preeminence, will likely result in more antagonism than agreement along the Pacific.

While the Sino-Russian economic relationship will likely continue to grow, the degree to which Russia is negotiating from a place of strength—or the extent to which China possesses an insatiable appetite for foreign direct investment opportunities—is less certain. Indeed, as Stephen Blank notes in the afterword, Russia's dismal business climate and stagnating economy have thus far inhibited Chinese investment by 25 percent in 2015 compared to the previous year. Meanwhile, China's own economic problems are likely to curtail economic optimism towards Russia in the near future.

The bilateral picture is further complicated from the perspective of global governance, with analysts on all sides pointing to a number of disparate factors that motivate Moscow and Beijing's respective approaches to foreign policy. Generally speaking, however, at least a superficial thread of continuity emerges. Russian President Vladimir Putin and Chinese President Xi Jinping have both repeatedly voiced congruent visions of creating a less Western-orientated, multipolar world through what Rozman describes as "anti-hegemonism." Chinese leadership and Russian partnership in the creation of the Asian Infrastructure Investment Bank (AIIB) and the BRICS New Development Bank (BRICS Bank) provide examples of this trend, in the context of creating alternatives to the Western-dominated international financial system.

Blank contends that these similarities in strategic vision diminish as one wades further into the details. In short, the Kremlin views its turn to China, as partly the result of "the hostile policies of the West," in the broader narrative of a widening value and cultural gap. This approach emphasizes the external push of the West and the pull of China as primary factors at the cost of neglecting the internal character of Russia's present dilemma, specifically the failure to pursue the untried alternative of reforming the domestic system.

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<sup>6</sup> Manoj Joshi, "Now a Chinese Pivot to Russia," *India Today*, April 1, 2013, <http://indiatoday.intoday.in/story/now-a-chinese-pivot-to-russia-manoj-joshi/1/260112.html>.

<sup>7</sup> Kathrin Hille, "Russia Gambles On Casino to Revive Fortunes of Far East," *Financial Times*, Sept. 13, 2015, <http://www.ft.com/intl/cms/s/0/d6d64902-57e1-11e5-a28b-50226830d644.html#axzz3liVxIBC5>.

China's primary motivation to deepen ties with Russia stems from domestic issues, most important of which is protecting the strength of Communist party rule. Beijing seeks Moscow to be a valuable major-power partner in bolstering its position in the Asia-Pacific region, as well as a balance against the United States. Under these assumptions, China has been able to overcome a less than friendly history with Russia through a relationship of opportunity and convenience, ultimately in the pursuit of bolstering the party's power at home and abroad.

## REGIONAL COOPERATION

### *Central Asia*

Over the last two decades, Eurasia has become the global epicenter of regional development as well as economic and security initiatives, including the Shanghai Cooperation Organization (SCO) and, more recently, the AIIB, the BRICS Bank, and the Eurasian Economic Union (EEU). The Sino-Russian relationship has been at the heart of the creation, implementation, and operation of these multilateral organizations. As in the bilateral relationship, the motivating premise of pursuing respective state interests by establishing alternatives to Western-led structures remains a central tenet to understanding Sino-Russian relations in the context of regional cooperation. Both states have found a timely confluence of ideologies and interests in the Eurasian crossroads. As Rozman notes, "China has elected to march to the West at the same time that Russia has chosen to turn to the East."

Central Asia's natural-resource wealth and geographic proximity have expectedly lured Moscow and Beijing's interests. President Putin and President Xi's pet economic development projects, the EEU and the Silk Road Economic Belt, are focused within the Central Asian corridor. While potential collaborative opportunities in the economic and security space abound, Moscow has been overly sanguine toward Sino-Russian cooperation in a region that will likely become dominated by Beijing. As Rozman notes, "the EEU will be handicapped by Russia's economic weakness, allowing China increasingly to dictate the terms of economic relations in Central Asia." Indeed, China has eclipsed Russia's economic footprint in the region, increasing trade with the five post-Soviet central Asian states — Kazakhstan, Kyrgyzstan, Tajikistan, Turkmenistan and Uzbekistan — from \$1.8bn in 2000 to \$50bn in 2013.<sup>8</sup> Due to its own economic situation, Moscow has had to tacitly accept less economic influence in the region, preferring to lead on security initiatives.

### *East and Southeast Asia*

Though Central Asia has been the traditional space for Sino-Russian interests to intersect, the relevance of East and Southeast Asia is quickly rising. At the end of August 2015, the Russian and Chinese navies participated in joint exercises in the Sea of Japan. In the same month, Russian Prime Minister Dmitri Medvedev visited the Kuril Islands, an archipelago situated north of Japan to which both Moscow and Tokyo have asserted territorial claims, to tour infrastructure projects and speak at a youth forum.<sup>9</sup>

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<sup>8</sup> Jack Farchy, "China's Great Game: In Russia's Backyard," *The Financial Times*, October 15, 2015, <http://www.ft.com/intl/cms/s/0/d35d34ca-6e70-11e5-ac99-d87542bf8673.html#axzz30eA4zkF2>

<sup>9</sup> "Japan Angry At Russian PM Medvedev's Visit To Disputed Kuril Islands," *Deutsche Welle*, Aug. 22, 2015, <http://www.dw.com/en/japan-angry-at-russian-pm-medvedevs-visit-to-disputed-kuril-islands/a-18665634>

Beijing, of course, has its own territorial disputes and vested interests in East and Southeast Asia. A closer Sino-Russian relationship is an important potential footing from which China could build its future foreign policy toward states like Japan and Vietnam. These considerations will prompt more joint military exercises in the region, as well as mutual affirmations of sovereignty in regard to respective territorial claims. To underscore this point, Moscow has already announced joint naval exercises in the South China Sea with Brunei and China in 2016.

Overall, East and Southeast Asia will be a testing ground for the Sino-Russian relationship's ability to coordinate and achieve its shared foreign-policy objective of multipolar order. Numerous challenges, including the decreasing capacity to project power due to the domestic economic constraints discussed above, the lack of commensurate priorities, and geography loom as substantial barriers to greater Sino-Russian engagement in the Asia-Pacific.

### *Ukraine*

The Ukrainian crisis has so far played a lightning-rod role in Moscow's framing of Russia's pivot to Asia. As Lukin describes, "the events in Ukraine led the West to initiate the scaling back of its cooperation with Moscow...this has resulted in a growing understanding [among the Russian elite] that when it comes to building ties with Asia, Russia increasingly faces no other choice." In other words, according to Lukin, Moscow feels that it has been pushed towards China by the West's policies of alienation.

Beijing has walked a more nuanced line towards the geopolitics of the situation in Ukraine. On one hand, China has held back from criticizing Russia's actions and has joined in the pejorative characterization of the EuroMaidan as a color revolution, but it has been careful not to legitimize Russia's declared right to intervene abroad to protect co-ethnic populations due to its own domestic issues, most prominently in Tibet and Xinjiang Province.

Taken together, it is clear that the Ukrainian crisis has added another layer of complexity to the Sino-Russian relationship. In the short term, it has been advantageous, especially for Moscow, to cite the West's reaction to Ukraine as justification for further engagement with Asia on both material and ideological levels. However, we should be reminded that the fundamental drivers of greater cooperation, for both Moscow and Beijing, predate and are independent of the events in Ukraine.

### **UNEASY TRIANGLE**

The Sino-Russian relationship in 2015 may well be recalled by posterity as the year of the parade. On the 70th anniversary of the allied victory, Presidents Putin and Xi placed great importance on attending their counterpart's respective military tributes to World War II victory-day celebrations, in the notable absence of other prominent global leaders. These memorials were important markers of the past, but perhaps more significantly, they served as indications of how the future Sino-Russian relationship is likely to be symbolized. For now, significant differences continue to define the fledgling partnership. This is not to suggest that the relationship does not hold critical importance to shaping the international order. On the contrary, leaders in both Russia and China have overcome long-standing hostilities and structural barriers to forge a larger shared economic, security, and institutional footprint on the edges of the world's fastest-growing region.

Many questions in this delicate tripartite interaction remain unresolved. However, by beginning to acknowledge and understand the respective Chinese and Russian perspectives presented here, we are better prepared to grasp the complicated foundation on which the uneasy triangle is presently built.



# RUSSIA AND CHINA AFTER THE UKRAINIAN CRISIS: THE FUTURE OF THE RELATIONSHIP

**Alexander Lukin**

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## THE UKRAINIAN CRISIS AND RUSSIA'S PIVOT TO ASIA

**I**t is hard to overstate the impact of the Ukrainian crisis on the structure of international relations. One of its main consequences has been the acceleration of Russia's much discussed "pivot" to Asia. This trend began long before the crisis. Russia's initial goals in its reorientation to the East were to broaden the scope of cooperation with the states of the Asia-Pacific region, an area that is quickly becoming a global political and economic center; to attract technology and investment from the most developed Asian states in order to speed up the development of Russia's own territories in that region; and to diversify Russia's political and economic relationships so as to decrease its dependence on the West, in accordance with its concept of a multipolar world.

Prior to the outbreak of the Ukrainian crisis, the Russian leadership consistently emphasized that developing Russia's ties with Asia should occur not at the expense of weakened ties with the United States and Europe, who would remain Russia's central partners, but as a complement to these relationships. In the end, the events in Ukraine led the West to initiate the scaling back of its cooperation with Moscow in the hopes that doing so would force Russia to change its approach. This has resulted in a growing understanding among many in the Russian elite that when it comes to building ties with Asia, Russia increasingly faces no other choice.

## EVALUATING THE RUSSIAN-CHINESE RAPPROCHEMENT

One aspect of Russia's pivot to Asia has been the continued rapprochement between Moscow and Beijing. On this issue, observers both in Russia and abroad have expressed many differing and sometimes opposing views. Russia's domestic supporters of the Western orientation have raised concerns that this rapprochement threatens to turn the weaker Russia into a "satellite" and a "raw materials appendage" of the more powerful and aggressive China. By contrast, those who welcome confrontation with the West have written about the necessity and inevitability of building an alliance with China, which in their view would strengthen Russia's position in its effort to chart an independent course. Both positions ultimately stem more from personal ideological preferences than from a sober analysis of the situation.

A similar picture has emerged in the West, where observers have largely split into two groups. The first draw attention to the incompatibilities between Russia and China, often times exaggerating them. This

group consists mainly of those who support the current anti-Russian tone in Washington and Brussels and who want to disprove the notion that it will encourage the creation of a China-Russia axis that is hostile to the West. This group breaks down further into two distinct factions: one recognizes the potential dangers of such a bloc and argues that the West should leverage Russia-China differences in order to get closer to Beijing at Russia's expense. The other wants to mend ties with Moscow and use that as a counterbalance to China — the country which, in their view, presents a greater danger in the long run.

The second group altogether criticizes Washington's current policy for already having brought about the creation of a Russia-China axis, one they see as being founded on a similar interpretation of current geopolitical realities and similar ideologies of their ruling regimes, and which has formed "seriously and for the long haul."<sup>1</sup>

## THE REAL MOTIVES BEHIND THE RAPPROCHEMENT

The problem with these arguments is that they largely stem from the political leanings of their authors and not from an objective analysis of the actual positions and motivations of the main actors involved. This primarily concerns the motivations of Moscow and Beijing. First, it is necessary to underscore that this rapprochement began long before the Ukrainian conflict and has continued for more than 30 years. The reasons behind it are mainly fundamental in nature, and include a gradual understanding between Russia and China that they share similar and even overlapping basic views on the international system and the modern-day geopolitical situation.

***The Russia-China rapprochement began long before the Ukrainian conflict and has continued for more than 30 years.***

The collapse of the Soviet Union brought about a parallel collapse of state ideology within Russia. During that same period, ideology in China also underwent a significant shift. The result was that both countries stopped setting goals of a global nature — the building of communism across the entire world, for example, or even within Asia. Their politics became

more pragmatic and rooted in their own understanding of their national interests. It was precisely this confluence in understanding that became the basis for their renewed ties.

Thus, in agreement with the thinking of Fyodor Lukyanov and Gilbert Rozman<sup>2</sup> on the ideological nature of the rapprochement, it is important to emphasize that "ideology" in this case does not mean the former totalitarian ideology — the goal of which was to change the world to fit a particular image, and for the sake of which it was possible to sacrifice traditionally-held national interests (for example, by providing massive assistance to politically allied regimes to the detriment of one's own population) — but rather the ruling elite's *perception and embrace* of their national interests. Meanwhile, the competing ideology of democratization professed by the United States and the European Union has developed and

<sup>1</sup> Gilbert Rozman. "Asia for the Asians. Why Chinese-Russian Friendship Is Here To Stay," *Foreign Affairs*, Oct. 29, 2014, <http://www.foreignaffairs.com/articles/142305/gilbert-rozman/asia-for-the-asians>.

<sup>2</sup> See Fyodor Lukyanov, "Консерватизм сближает" (Conservatism Makes Closer), *Gazeta.ru*, Sept. 11, 2014; and Rozman, *Ibid*.

strengthened to such an extent that it has practically become the sole shaping force of their foreign policy.

The common interests underlying the Russia-China rapprochement can be summarized as follows:

1. *A general aim to transition from a unipolar to a multipolar, or multicentric, world.* Russia and China do not see the possibility of securing their strategic and economic interests in a global system that is dominated by the United States and its Western allies. As two major countries with their own approach to international relations, Russia and China could more freely implement their policies in a global environment with not one but several leaders, and where a singular center of power cannot impose its conditions in a monopoly-like fashion.
2. *A commitment to preserving the current system of international law based on the principle of state sovereignty, at the core of which lies the United Nations and its Security Council.* As the only representatives of the non-Western world in the UNSC, both Moscow and Beijing are interested in maintaining a leading role for this body, where the veto power renders their influence equal to that of the West. The UN guiding principle of absolute sovereignty prohibits the leading center of power from imposing its will on the domestic politics of other states. For this reason both Russia and China, which differ from Western states in their internal political structure and face significant pressure from the West as a result, are extremely wary of concepts that undermine sovereignty and justify such acts as “humanitarian intervention” (through the concept of “responsibility to protect”).
3. *A similar or identical official position on regional conflicts.* This is reflected in Russia and China’s unified voting in the UN on issues such as nuclear weapons in North Korea, the nuclear program in Iran, and the conflicts in Libya and Syria, as well as by their closely coordinated approaches to these and other regional topics.
4. *A desire to shift global financial weight from the West to other parts of the world.* Russia and China are interested in reforming the international finance system, increasing the role of non-Western countries in the World Bank and the International Monetary Fund, and increasing the use of regional currencies in international trade.
5. *A mutual reliance as trade and economic partners.* Since 2010 China has been Russia’s largest trading partner, supplying the Russian market with consumer goods but also increasingly with machinery and equipment. China accounts for more than ten percent of Russia’s foreign trade and ranks among the top ten investors in the Russian economy. Russia’s share in Chinese foreign trade is relatively small, at only about two percent. However, China receives a number of goods from Russia which it cannot purchase from other suppliers (e.g., weapons due to sanctions by the West). Russia also supplies some goods — primarily energy — that China cannot yet get from other countries in sufficient quantities, at a reasonable cost and from maximally diversified sources.
6. *A joint regional development effort along the Russo-Chinese border.* The rapidly growing cooperation between the border regions of the two countries plays a significant role in the development of Siberia and the Far East regions of Russia, as well as the North East of China.
7. *A common approach to Central Asia.* Russia and China actively cooperate in Central Asia, primarily within the framework of the Shanghai Cooperation Organization (SCO), where they work toward the

shared goals of promoting the economic development of the region, maintaining political stability, and preserving the rule of secular regimes.

8. *A shared skepticism toward Western values.* Both Russia and China increasingly reject the values that the West promotes across the world as “universal.” In Russia, we are witnessing a rise in popularity across all traditional religious confessions, whose leaders sharply criticize the retreat of the dominant Western secular ideologies for retreating from their Christian roots. In China, which sees itself as the leader of a developing “South,” the idea of “universal” values comes under particular criticism for being an ideological cover for the West in its attempt to maintain dominance over former colonial and quasi-colonial states. Meanwhile, traditional morals based on Confucian values are becoming increasingly popular in China. And while Confucianism differs significantly from the orthodox Christianity observed in Russia, the mutual rejection of Western ideologies brings Russia and China closer together.<sup>3</sup>

These common interests provide the basis for the sustained rapprochement between Beijing and Moscow. The combined influence of the Ukrainian conflict and Western sanctions on the rapprochement should be viewed within the overall context of this process, which has a long and complex history.

## THE PUSH FOR CLOSER RELATIONS

Many observers have argued that what pushed Moscow toward Beijing is the recent cooling in relations between Russia and the West. Most likely Russia and China would have continued to draw closer even without the Ukrainian crisis, but Moscow’s rift with the West has served to quicken and deepen this process.

For example, the negotiations on the export of Russian gas to China, which had been going on for many years — and resulted in the conclusion of two major agreements in 2014 — would have sooner or later resulted in an agreement anyway. Previous negotiations on the export of Russian oil to China had continued for similarly long periods of time, and agreements were eventually reached without any connection to external events. At the same time, we can’t deny that Western sanctions have accelerated the pace of Russia-China negotiations. The same can be said about all the smaller contracts and agreements that were signed during President Vladimir Putin’s visit to Beijing in May, Chinese Premier Li Keqiang’s trip to Moscow in October, Putin’s participation in the summit of Asia-Pacific Economic Cooperation (APEC) countries in November 2014, and Xi Jinping’s visit to Moscow in May 2015.

***Whether or not they are tied to the Ukrainian crisis, the 2014 gas agreements hold enormous significance.***

Whether they are independent of or tied to the Ukrainian crisis, the latest gas agreements hold enormous significance. Notwithstanding the fact that actual gas deliveries to China won’t begin for another few years, the signing of the agreement itself is a signal to the West — and above all to Europe — that Russia has other options. If the EU states were to significantly reduce gas imports from Russia, as some have proposed to do, the result

<sup>3</sup> 安乐哲 (Roger T. Ames), 从西方个人主义转向儒家伦理 (From Western Individualism to Confucian Ethics), July 11, 2014, *Renmin Ribao*, p.7.

would be an increase in European spending on more expensive gas from other exporters. However, it would not inflict any serious damage to the Russian budget. In addition, this move would seriously distance Russia from Europe. Russia's cancellation of the South Stream gas pipeline project reflects its new confidence in alternative markets, of which China holds the top position.

At the same time, the significance of the recent gas contracts with China should not be overestimated. They are only a small part of the total scope of Chinese-Russian bilateral trade and cooperation, which is multifaceted and not directly conditioned upon Moscow or Beijing's relations with third parties. In 2010, long before the conclusion of the latest gas contracts, China became Russia's number one trading partner and has held that title ever since. Nearly two decades of effort have gone into the development of this strategic partnership.

For now, the chill between Russia and the West is having its biggest impact not on specific agreements, but on the emergence of a serious intent to cooperate with China among the most disparate circles of Russian society. The need to deepen this cooperation is increasingly viewed in Russia not as a declaration against the West, but as an urgent practical need. This new understanding is true for state bureaucrats and for the business elite alike.

## **RUSSIAN BUSINESS PIVOTS TO CHINA**

A notable development took place in March 2014 when Gennady Timchenko, a prominent businessman with close ties to Putin (in the words of the Russian president himself<sup>4</sup>), became the new head of the Russian-Chinese Business Council, an association of Russian businessmen working with China. Prior to Timchenko's arrival the council was more of a ceremonial body, organized from above and having little impact on practical cooperation. The new leadership brought about a sudden burst of activity. This coincided with Timchenko's inclusion in the U.S. sanctions list in the wake of Russia's annexation of Crimea, which led him to sell his stake in the commodity trading company Gunvor Group (which he co-founded), and thus significantly reduce his operations in the West.

In October 2014 the prosecutor's office for the Eastern District of New York and the U.S. Department of Justice launched a joint investigation into Gunvor on suspicion that the company had engaged in money laundering during the resale of oil produced by Russia's state-owned oil company, Rosneft. While the likelihood that the EU will take similar action against Timchenko is much lower — after all, he is a citizen of Finland, a Knight of the Legion of Honor of France, and Chairman of the Economic Council of the Franco-Russian Chamber of Commerce (SSIFR) — his shrinking opportunities in the West nevertheless help to explain his heightened interest in Asia.

Timchenko's involvement in Sino-Russian cooperation could significantly increase his holdings in the energy sector. At present, Timchenko is the owner of the Volga Group holding company and co-owner, with corresponding shares, of the following entities: Russia's largest independent gas producer Novatek (23.5%); Russia's largest petrochemical holding company Sibur (32.5%); the pipeline construction company Stroytransgaz (STG) (63%); the largest private operator of rolling stock in the rail segment of oil and petroleum products TRANSOIL (80%); the Russian Sea Group consortium, and others.<sup>5</sup>

<sup>4</sup> Press conference with Vladimir Putin, April 17, 2014, <http://www.moskva-putinu.ru/#page/main>.

<sup>5</sup> "Тимченко возглавил Российско-китайский деловой совет" (Timchenko Becomes Head of Russian-Chinese Business Council), April 29, 2014, Forbes, <http://www.forbes.ru/news/256109-timchenko-vozglavil-rossiisko-kitaiskii-delovoi-sovet>.

According to some reports, Volga Group has been actively seeking independent Russian expertise on various aspects of Chinese business.

Another indication of the Russian business community's pivot to China comes from information leaked to the press about the alleged plan of RusHydro — the country's largest power-generating company and the second-largest hydroelectric power producer in the world — to sell a blocking stake in the Russian energy holding company RAO Energy System of East to China's Three Gorges Corporation, which recently signed a preliminary agreement with RusHydro on the joint development of hydropower projects in the Russian Far East.<sup>6</sup> As Russia's largest power-generating company, RusHydro owns the majority of hydroelectric plants in the country and incorporates RAO Energy System of East, which operates throughout Russia's Far Eastern Federal District.

Unlike their Western counterparts, Chinese investors have been prevented from competing effectively for ownership in Russian fuel and energy companies. Local interests often used the pretense that Chinese ownership would pose a threat to Russia's national security to encourage lawmakers and key government agencies to obstruct Chinese bids. It's enough to recall a prominent incident in 2002 in which a blocking stake in the Russian-Belarusian company Slavneft was sold to the Sibneft consortium and a Tyumen-based oil company for the sum of \$1.86 billion, only to be partially resold to British Petroleum. Meanwhile, the China National Petroleum Corporation (CNPC), which had been offering a higher price, was effectively barred from participating in the tender.

## CHINA AND THE RUSSIAN BUREAUCRACY

In recent months, Russian government circles have begun to show significantly more interest in the Russian community of professional sinologists. In October 2014, the deputy editor of *Kommersant-Vlast*, Alexander Gabuev, published two articles devoted to the study of Russia in China and the study of China in Russia.<sup>7</sup> His argument rested on the observation that in China, the study of Russia is heavily funded by the government, is built on a clear system, and enjoys a high demand among the government and business sectors, while in Russia the situation is reversed. In one illustrative example, even the six-volume work *The Spiritual Culture of China*, which received the 2011 Russian State Prize, was published with Chinese money.

Similar articles have been published before but went unnoticed. Just two years earlier, in 2012, the same Gabuev wrote: "This vicious cycle, in which sinologists complain about a lack of money while government and business representatives complain about a lack of China experts, has gone on for many years. Meanwhile young Russian sinologists, who should be in the same demand today as nuclear physicists were in the Soviet Union, cannot find work in their area of expertise and end up changing their profession, or joining the ranks of those leaving Russia. The community of China experts in

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<sup>6</sup> Natalia Skorlygina, Vladimir Dzaguto. "Китай воляется в российскую энергосистему. Sanxia может купить блокпакет «РАО ЭС Востока»" (China Enters the Russian Energy System: Sanxia May Purchase Blocking Stake in RAO Energy System of East), *Kommersant-Vlast*, Nov. 21, 2014, <http://www.kommersant.ru/doc/2615293>.

<sup>7</sup> Alexander Gabuev, "Китайские советы. На какой интеллектуальный ресурс опирается Пекин при выработке политики в отношении Москвы?" (Chinese Advise: the Intellectual Resource Underpinning Beijing's Moscow Policy), *Kommersant-Vlast*, Oct. 13, 2014, <http://www.kommersant.ru/doc/2584423>; and Gabuev, "Государство ушло из китаистики. Что осталось от российской школы китаеведения" (The Government Leaves Sinology: What Remains of the Russian School of China Studies), *Kommersant-Vlast*, Oct. 20, 2014, <http://www.kommersant.ru/doc/2593673>.

Russia is steadfastly deteriorating, and with it the decision-making foundation for Russia's China policy. At the same time, China is actively developing its field of Russian studies.”<sup>8</sup>

Gabuev's arguments elicited little response at the time. However, by the end of 2014, when both the government and business sectors began to develop a great deal of interest toward China, his latest articles provoked a stormy debate and were apparently noticed by the top leadership. Alexander Gabuev was suddenly tasked with creating a group of experts affiliated with the Ministry of Economic Development that would discuss various options for greater cooperation with China, as well as ways to increase the funding for Russian sinology.<sup>9</sup> The Deputy Minister for Economic Development, Stanislav Voskresensky, was appointed to coordinate new programs of cooperation with China, while Deputy Prime Minister Igor Shuvalov, who was seen as having successfully organized the 2012 APEC Summit in Vladivostok, became the senior Russian government official in charge of Chinese and Asian policy more broadly.

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***Russia's China experts, barely noticed in 2012, are now in high demand with the Russian bureaucracy.***

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Another important step was the agreement signed between Moscow State University (MGU) and the Beijing Institute of Technology in August 2014 to create a joint university in Shenzhen. The aim of this project is to train bilingual experts (Chinese/Russian) in China using MGU's best educational programs and practices, with the goal of producing graduates whose skills would be in demand not only in Russia and China, but across the world. It is not by chance that the new university will be located in the Special Economic Zone of Shenzhen, where it ostensibly will help open the doors for Russian companies. This is the first Russian-Chinese project of its kind, since Chinese schools previously entered into partnerships with U.S. and European universities only.

But the biggest indicator of a fundamental shift in Russia-China relations came on May 8, 2015, when the leaders of the two countries signed a joint statement of cooperation to integrate the building of the Eurasian Economic Union (EEU) and the Silk Road economic belt project. With this document, Beijing essentially upheld the activities of the EEU despite its own reservations and Western mistrust of the project, and closely tied its external economic plans to those of Russia. On top of that, Beijing agreed to almost all of the offers from the Russian side, which had been developed by a group of experts from the Valdai Club — an expert body that is supported by the Russian government and works in close cooperation with the administration of the Russian president.<sup>10</sup>

This episode demonstrated China's interest in building ties with Moscow and its willingness to make certain compromises to that end. It also showed that the Russian leadership now has a greater interest in seeking out expertise on the Chinese question.

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<sup>8</sup> Alexander Gabuev, “Китайская неграмота” (Chinese Unwisdom), *Kommersant-Vlast*, Nov. 22, 2012, <http://www.kommersant.ru/doc/2073821>.

<sup>9</sup> Since the original writing of this text, Alexander Gabuev has assumed the role of senior associate and chair of the Russia in the Asia-Pacific Program at the Carnegie Moscow Center.

<sup>10</sup> “Russia and China agree to 'link up' the EEU and Silk Road projects,” *ITAR-TASS*, May 8, 2015, <http://tass.ru/ekonomika/1956881>.

The confrontation between Russia and the West has fueled the creation of both a physical infrastructure and a cultural-educational foundation for Russia's turn toward China. But the biggest turn is taking place in the minds of Russian officials and business elite, who are becoming increasingly convinced that there are no prospects for restoring, let alone expanding, cooperation with the West. The value gap between Russia and the West continues to widen while a solution to the Ukrainian conflict remains out of sight, and trust in the West as a reliable partner has been undermined completely. None of these issues currently exist in regard to cooperation with China. And while the pivot to China brings its own challenges—including the foreignness of Chinese culture and mentality, the need to break established ties with Europe, and linguistic difficulties—these appear minor in comparison to the challenges of cooperating with the West, and are seen as significantly easier to overcome.

## **RUSSIA AND CHINA: POSSIBLE PROBLEMS FOR MOSCOW**

The above discussion does not mean to imply that Russians expect no difficulties in their relations with China. Neither the Russian government nor the expert community harbors any illusions regarding their Eastern partner. Few believe that Beijing, in a sudden burst of altruism, would rush to Russia's rescue if the latter found itself in a difficult financial situation, or that China would sacrifice its own interests for the sake of expanding its ties with Moscow. Quite the opposite: Moscow considers it natural for Beijing to protect its own interests, at times even harshly. To illustrate that point, in their most recent negotiations China drove a hard bargain on the price and conditions of oil and gas supplies.

Russia realizes that excessive dependence on China as an exclusive buyer would create problems for Moscow. Similar issues emerged with Turkey in 2003, when Ankara demanded to lower the price of Russian gas after the Blue Stream pipeline had already been launched. Likewise, the volume of bilateral trade with China could increase if Russia, following its adoption of "counter-sanctions" on Western agricultural goods, switched to the import of Chinese products, but Russian dependence on China would grow as well. Finally, Moscow is aware that China has its own relationship with the West, which it needs to maintain on positive terms for the purpose of its own economic development. Beijing is not going to

***Moscow is aware of the potential pitfalls, and under different circumstances would have adopted a more restrained policy toward China.***

abandon this policy for Russia's sake. A swiftly developing China, with its own political character, could pose a challenge to the economically stagnating Russia. The Russians are also aware that a rise in domestic nationalism, particularly among the military, often motivates the new Chinese foreign policy.

Moscow takes all of these factors into account. Under a different set of circumstances, it may likely have adopted a more restrained policy toward China. The Russian leadership has always been divided on its approach to China and the West, and the faction speaking out for the preservation of close ties to the West remains strong. This faction consists of three groups: the post-Gaidar bloc in the government and its close inner circle (this includes several current and former ministers, including former Minister of Finance Alexei Kudrin and the current President of Sberbank German Gref); members of the Russian business elite with significant business interests in the West; and law-shirking officials and their business affiliates who hold large assets and real estate abroad (in reality, the latter two groups often overlap.)

The other faction supports a tougher stance toward the West and calls for a more active policy of Eurasian integration, as well as a more robust development of ties with other Asian nations. This group includes Russian Deputy Prime Minister Dmitry Rogozin and Putin's adviser on Eurasian integration, Sergei Glaziev. Putin himself steers between the two extremes by trying not to break with the West completely (since those ties are vital for the Russian economy) while striving to enhance integration with the post-Soviet states and expand cooperation with Asia (primarily with China, but also with South Korea, India, Iran, Turkey, and the members of ASEAN).

Most likely Putin indeed believes that Russia is an integral part of Greater Europe, as he has stated on numerous occasions.<sup>11</sup> However, he sees Russia as an independent part of Europe rather than one subordinated to the Euro-Atlantic political center, and one whose interests must be taken into account. In order to secure this independence, Putin is investing more effort into diversifying Russia's foreign, political, and economic ties, beginning with China and Eurasia.

The latest anti-Russian stance adopted by the West has significantly weakened the pro-Western faction in Russia and given a boost to its opponents. The softening of this stance—by way of lifting sanctions, for example—would lead to a limited softening of the Russian position and the restoration of some of the former clout held by the pro-Western faction. However, there could never be a full return to the pre-crisis state of affairs. First, Russia's growing ties with China and other Asian nations have taken an irreversible course, and no one in Moscow would be willing to give up these lucrative business opportunities today. Secondly, Russia's trust toward its Western partners has been undermined dramatically; few Russians today are willing to enter into multimillion-dollar contracts with any company whose state government could bring them substantial financial losses at the whim of a political decision. Thirdly, there has been a fundamental change in Russian public opinion: the majority of Russians now see the United States and EU nations as hostile states who intend to inflict harm on Russia.<sup>12</sup>

*The latest stance adopted by the West significantly weakened the pro-Western faction in Russia.*

## **NO ALTERNATIVE TO CHINA**

Russia's overall strategy for the next 5-10 years will be determined by a combination of the aforementioned factors and the balance of forces between competing factions in the leadership (Western vs. Eurasian). But considering today's political environment, the policy of enhanced rapprochement with China is unavoidable.

The hostile policy of the West leaves Russia with no choice. The eastern expansion of NATO, with its military structures approaching Russia's western borders, and the ascendance to power of a pro-Western government in Ukraine via an unconstitutional coup—supported by the West only because it

<sup>11</sup> For a detailed study of this concept see Marek Menkiszak, "Greater Europe: Putin's Vision of European (Dis)Integration," OSW Studies No. 46, Oct. 2013.

<sup>12</sup> According to a May 14, 2014 poll conducted by the Levada Center, the percentage of Russians with "mostly negative" or "very negative" views was 60 percent for the EU and 71 percent for the United States. See <http://www.levada.ru/05-06-2014/otnoshenie-rossiyan-k-drugim-stranam>.

***Sanctions sparked a long-overdue process that had been hampered by inert Russian elites grown accustomed to the Western orientation.***

promised to pull Ukraine out of Russia's orbit—were perceived in Moscow as real and direct threats to Russian security. In the present climate, where Western political pressure is used as an attempt to force Russia to abandon a position it believes to be correct, Moscow sees no other option but to turn toward Asia. Moreover, one could say the sanctions played a positive role by stimulating this long overdue process, which had been hampered until now by inert elites grown accustomed to the Western orientation.

At the current juncture, Russian elites perceive the challenge coming from China as significantly less serious than the one coming from the West. Potential risks from China could be mitigated by actively developing economic and political cooperation with other Asian nations, including China's neighbors, as well as by engaging in honest dialogue with the Chinese, who more often take Russia's wishes and concerns into account.

## **RUSSIA'S FUTURE POLICY: CONCLUSIONS AND RECOMMENDATIONS**

### ***Russia vis à vis China***

In regards to China, Russia has no alternative but to deepen the relations across all existing areas of cooperation. While the threat coming from the West is quite real, China is seen as presenting no current danger for Russia. Potential future challenges should be taken into consideration and mitigated when possible (see above.) To prepare for possible threats, which might emerge from the growth of Chinese military power or from the rise of nationalism in Chinese foreign policy, Russia should adopt the following measures:

1. *Diversify its Asia policy.* Instead of focusing entirely on China, Russia should hasten the development of trade and economic ties with other regional powers, including those with whom China experiences difficulties: these include India, Japan, South Korea, Vietnam, Indonesia, Thailand, Iran and Turkey.
2. *Restore former ties in Asia.* Since it would be difficult to develop relations with close U.S. allies in Asia, Russia should place a special focus on restoring ties with former allies and geopolitical "friends," such as Vietnam, India and Iran. A close political cooperation with North Korea, which remains under Beijing's heavy influence, would also be feasible, though from an economic standpoint it would be of little use.
3. *Openly discuss existing insecurities with the Chinese leadership.* Namely, Russia should convey the idea that any escalation of conflicts in the Asia-Pacific Region (for example, the Sino-Japanese dispute over islands in the South China Sea) would be harmful not only for Russia, which would have to choose sides, but for China itself, since such a conflict would unite its neighbors against it and provide a reason for the United States to intervene or build up its military presence in the region.

Finally, the process of economic integration between Russia and China should continue. This will create the foundation for a mutual rather than a unilateral dependence between the two countries, as well as raise the costs of potential animosity for both Moscow and Beijing.

## *Russia vis à vis the United States*

Due to the current level of mutual misunderstanding, the restoration of full-scale cooperation between Russia and the West is not foreseeable in the short term. The gap between the Western and Russian worldviews continues to grow. In these circumstances, Russia should adopt an updated version of the peaceful coexistence model toward the West. This Soviet-era term implies the following:

1. Avoid discussing conceptual issues, as this would only deepen the discord and lead to further entrenchment on either side.
2. Limit discussions to the topic of military de-escalation (including the conditions for a cease-fire in Ukraine, confidence-building measures in the military sphere, and arms reductions). Cooperation on global issues is possible only on key issues representing a threat to both Russia and the West, such as international terrorism.
3. Continue pragmatic negotiations on mutually beneficial efforts in trade and economic cooperation. However, long-term projects that could be used as tools for political pressure should be avoided.

A similar format for relations has existed between China and the West since at least the late 1970s. Some of the Western sanctions introduced against China in 1989 remain in place to this day. Ideological discussions between the two sides (such as on the nature and uses of democracy) have proven useless — each side simply makes unilateral statements about the other. These disagreements, however, have not proved an obstacle to large-scale economic cooperation between the two countries. They also haven't prevented Chinese-Western cooperation on a number of international issues, though serious discrepancies and frequent mutual accusations have continued to emerge on many other topics of international concern.

The alternative to peaceful coexistence would be a new Cold War that would periodically erupt into military confrontations on the borders of Russia's strategic zone of interests, like that in Ukraine, as well as in others parts of the world where Russian influence remains a factor.

*Translated from the Russian by Olga Kuzmina*



# CHINESE VIEWS OF SINO-RUSSIAN RELATIONS AND THE U.S. PIVOT

**Gilbert Rozman**

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**R**ussia holds a special meaning for China. Historically, Russia's presence to the northwest—the geographical source of periodic invasions—distinguished it from other European powers, and its status as the wellspring of communism gave Russian national identity a weight that went unparalleled in Chinese eyes from 1949, if not earlier. In the three subsequent decades of abnormal Sino-Soviet relations that would last until 1989, Chinese became obsessed with their position in the strategic triangle with the Soviet Union and the West: first, by staying aloof, then by picking one side, and finally by seeking equidistance. But throughout this time no country mattered more than Russia for the development of China's national identity, first as close friend, then as feared foe.<sup>1</sup>

After the Cold War ended, this logic remained: Russia's revival as a center of power following the Soviet collapse was foremost in the evidence presented for China's pursuit of multipolarity in the 1990s-2000s, and its transformation into a dependent partner for bipolarity a firm objective in the 2010s.<sup>2</sup> Today, Xi Jinping's assertive foreign policy and national identity narrative finds a welcome fellow traveler in Russian President Vladimir Putin, putting an even higher premium on Russia in a context in which Xi can take more liberties because Putin has left his country with no other alternative.

Sino-Russian ties are one of two great power relationships prioritized as a "new type of major power relations."<sup>3</sup> Moscow's righteousness over its lost Soviet orbit and sphere of influence is affirmed in Beijing, and its grievances against U.S. hegemony and the West are reinforced by Chinese rhetoric, even when Russians seem slow to air them. Finding common cause in the national identity legacy of traditional communism has been a successful strategy. While

*As a balance against the United States, Russia is an irreplaceable partner.*

<sup>1</sup> Gilbert Rozman, *The Chinese Debate about Soviet Socialism, 1978-1985* (Princeton, NJ: Princeton University Press, 1987)

<sup>2</sup> Gilbert Rozman, Ch. 1, "The Sino-Russian Strategic Partnership: How Close? Where To?" in James Bellacqua, ed., *The Future of China-Russia Relations* (Lexington, KY: University of Kentucky Press, 2010), pp. 12-32; Gilbert Rozman, *Chinese Strategic Thought toward Asia* (New York: Palgrave, revised edition in 2012).

<sup>3</sup> The other is Sino-U.S. relations. Zhao Kejin, "Zhonghe tese guanxi wei 'yidai yilu' dianji," *Guandian Zhongguo*, May 10, 2015.

China welcomes Russia's nuclear parity with the United States and its desire to engage in balance-of-power maneuvering, Beijing gives no less weight to Putin's revival of Soviet antipathy to U.S. thinking about the international community, universal values, and world history. As a balance against the United States, Russia is an irreplaceable partner.

Stymied to its east, its maritime assertiveness notwithstanding, China has elected to "march to the West" at the same time that Russia has chosen to "turn to the East." China's continental vision is the "Silk Road Economic Belt" project, which targets the same countries in Central Asia that Russia envisions to be part of its Eurasian Economic Union. This brings to a head the jockeying between the two great powers over the Shanghai Cooperation Organization (SCO) during more than a decade.

After some uncertainty in 2013-14, the two have agreed that their regional agendas are complementary. Infrastructure will be the focus of China's belt, buttressed by funding from the Asian Infrastructure Investment Bank (AIIB) to which Russia is contributing, and Russia will prioritize the flow of capital and labor as well as other types of region-building.<sup>4</sup> Given Russia's recent economic troubles, however, its aspirations in the region are unlikely to be realized. The Chinese are well aware that Russia will have little leverage on China in conditions many Russians call a "New Cold War" with the West.<sup>5</sup> China is pursuing goals for transforming the SCO, and while it is offering assurances to Russia, both sides know that Russia has limited leverage over what transpires.

China has long sought deals from Russia that Moscow has been reluctant to accept: easy access and new transportation arteries across the Sino-Russian border; investment opportunities in Siberian energy fields and special deals for gas and oil imports across new pipelines; leased agricultural lands; and purchases of increasingly advanced weapons. Russia's recent acquiescence on these issues is partly a response to Western sanctions over Moscow's actions in Ukraine,<sup>6</sup> but it is also a sign that Russia's economic strategy has failed, and lower commodity prices have made it more dependent on ties to China. China's patience was rewarded as it stood its ground, waiting for Russia to yield. Yet, China's own economic uncertainties may thwart some of the recent agreements.

There has been much talk about Russia's increased dependence on China following Putin's rupture with the West over the Ukrainian crisis. But China is also in a more competitive relationship with the United States, and with U.S. allies and partners, which increases its need for Russia as its most powerful strategic partner. Regionally, Beijing seeks backing from Moscow for its struggles with Japan and Vietnam. China welcomes Russia geopolitically as the third pole in what again looms as a strategic triangle with the United States, and geo-culturally as a harsh opponent of the "universal values" advocated by the West. Ever since the early 1990s China has encouraged Russia to oppose the West in these ways,<sup>7</sup> and it will be eager for cooperation in these areas to continue to grow. While China eschews the term "alliance," it believes that the closer relations resemble this, the better.

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<sup>4</sup> Gilbert Rozman, "The Intersection of Russia's 'Turn to the East' and China's 'March to the West,'" *Russian Analytical Digest*, No. 169 (June 30, 2015), pp. 6-8.

<sup>5</sup> D.P. Novikov, "Neravnobedrennyi treugol'nik," *Rossii v global'noi politike*, No. 3, 2015.

<sup>6</sup> Alexander Lukin, "Russia, China, and the Emerging Greater Eurasia," *The Asian Forum*, Vol. 3, No. 4 (2015).

<sup>7</sup> Gilbert Rozman, "Sino-Russian Relations in the 1990s: A Balance Sheet," *Post-Soviet Affairs*, Vol. 14, No. 2 (Spring 1998), pp. 93-113.

## CHINESE NATIONAL IDENTITY AND PUTIN'S RUSSIA

The Sino-Soviet split of 1960-1989 has been attributed to differences in ideology, and over the past two decades of improving Sino-Russian relations there has been a pretense that only national interests are driving the two countries closer.<sup>8</sup> This assertion is correct to the extent that both countries insist that their core interests lead to territorial and sphere-of-influence demands that are blocked by Washington and its alliance interests.

Yet, China's leadership is strengthening ideology as an indelible legacy of traditional communism, despite the dearth of quotations now required from the classics of that tradition. Chinese sources contrast Russia's sympathy for socialism with the anti-communist mentality that supposedly drives U.S. policy toward both Beijing and Moscow. Meanwhile, the anti-imperialism that was a mainstay of Chinese and Russian ideologies has today resumed its leading role in the form of anti-hegemonism. Given Moscow's silence about Sinocentrism (the third vector of China's ideology), Russia has become a convenient contrast to the United States and its allies on all aspects of the ideological dimension.<sup>9</sup> At the time of the split, dogmatic purity led to obsessions with narrow differences over ideology. Today, the revival of ideology has resulted in more leeway for manageable differences.

*Anti-hegemonism has assumed the leading role in Chinese and Russian ideologies.*

In 2015, the 70<sup>th</sup> anniversary of the end of WWII, the temporal dimension of identity has risen to the forefront, demonstrating that Putin and Xi have a lot in common. For Putin, victory in the war—Russia's most glorious historical achievement—confirmed the divisions of Europe and of Asia (with islands taken from Japan and North Korea allied against the U.S.-led bloc) and created a status quo to be maintained, while leaving Russia a world power to be respected and feared. This outlook favors Russia's relations with China and makes problematic talks with Japan.<sup>10</sup> For Xi, victory meant that China had risen and Japan had been stripped of its militarism. The Korean War further consolidated China as a force preventing a pro-U.S. presence in North Korea.

Despite harsh mutual accusations about each other's conduct in the 1960s-70s, writings of late in both China and Russia heavily concentrate blame for the Cold War on the West.<sup>11</sup> Whether one looks back to the preceding centuries or ahead to the post Cold War decades, the reluctance to focus on transgressions by each other is matched by vilification of the conduct of Western states. This dimension of national identity has brought China and Russia together. China shifted to demonizing the West over history,

<sup>8</sup> Alexander Korolev, "The Strategic Alignment between Russia and China: Myth and Realities," *The Asan Forum*, Vol. 3, No. 3 (2015).

<sup>9</sup> Gilbert Rozman, *The Sino-Russian Challenge to the World Order: National Identities, Bilateral Relations, and East vs. West in the 2010s* (Washington, DC and Stanford, CA: Woodrow Wilson Center Press and Stanford University Press, 2014).

<sup>10</sup> Nagoshi Kenro, "Taidoku sensho o hitorijime suru Roshia," *Kaigai jijo*, July-August 2015, pp. 88-101.

<sup>11</sup> G.A. Ivashentsov, "Dol'gii put' ot Koreiskoi voiny k Koreiskom miru," (A Long Path from Korean War to Korean Peace) *Mezhdunarodnaia zhizn'*, No. 6, 2015; Wang Hailong and Wang Jing, "Lun Meijunzheng yu Hanguo chinripai de zhuanxing," *Dangdai Hanguo*, 2009, pp. 70-75.

notably intensifying in the late 2000s,<sup>12</sup> while generally refraining from negative evaluations of Russia, as if it has long been and remains a victim as well.

## THE U.S. PIVOT AND CHINA'S REASONING ABOUT RUSSIA

Chinese criticize Obama's "rebalance" to Asia as unprovoked containment and welcome Putin's "turn" to Asia as a necessary response to similar U.S. containment of Moscow's ambitions in its perceived sphere of influence. The Washington-led alliances in these narratives loom as remnants of "Cold War" mentality, and policies in opposition to Russia and China as a continuation of "anti-communism." The main target of Russian and Chinese criticism is not just strategic pressure exerted by the alliances, but also cultural hegemonism seen in support given to the spread of "universal values" and "color revolutions."<sup>13</sup>

In contrasting China's venerable civilization of harmony, notably as reflected in the tributary system,<sup>14</sup> with the West's violent civilization of interminable wars and imperialist expansion, Chinese are prone to say little about Russia. The latter enters the picture as a prime case of rightful resistance to cultural imperialism, and as the object of attempts to use "universal values" and NGOs promoting "civil society" to subvert the civilizations of other states. While Chinese messages in response to the 2014-15 Ukraine crisis have been ambiguous in backing Russia's actions, they have upheld Moscow's reasoning that the Maidan was a "color revolution" aimed at installing an alien civilization. China echoes Russia's argument that Western values are being used as a smokescreen for interference on behalf of hegemonism in its

***Chinese responses to the Ukrainian crisis have upheld Moscow's reasoning that the Maidan was a "color revolution."***

own domestic politics: notably in opposing arguments that democracy should decide the fate of Taiwan, and that the ethnic minorities inside China have the sort of human rights that outsiders cite as needing protection. In the Chinese view, the hegemonic threat comes no less from the spread of ideas than from the application of military pressure by the United States or its allies.

At the crux of China's struggle against the West and its inclination to draw closer to Russia is the priority of protecting communist party rule. All dimensions of national identity are invoked on behalf of this cause. The party is the core of the state. While Confucianism is treated with respect, there is no tolerance for granting it priority over socialism or pointing to differences between the two, which might lead to an effort to assess which is more important for the "China Dream." Not only is Russia no longer critical of communist rule in China or even in its own past, but its authoritarian outlook marginalizes the same forces not easy to control that China does, e.g., media and academic freedom and international NGOs. Shared thinking about the legacy of communism is a powerful driving force in Sino-Russian relations.<sup>15</sup>

<sup>12</sup> Gilbert Rozman, ed., *National Identities and Bilateral Relations: Widening Gaps in East Asia and Chinese Demonization of the United States*, (Washington, DC: and Stanford, CA: Woodrow Wilson Center Press and Stanford University Press, 2013).

<sup>13</sup> These themes appear often in "Country Report: China," *The Asan Forum*, bimonthly from mid-2013.

<sup>14</sup> In late imperial times China was at the top of a hierarchical order, which is now glorified as a model of harmony without coercion, but deference was demanded.

<sup>15</sup> Gilbert Rozman, "The Legacy of Communism and International Relations in the 2010s," *The Asan Forum*, Vol. 2, No. 4 (2014).

## THE IMPACT OF SINO-RUSSIAN RELATIONS AND RUSSIA'S ISOLATION ON SINO-U.S. TIES

China is eager to take advantage of both its own close relations with Russia, and of Moscow's increasing estrangement from the United States. Beijing sees several potential gains in the current political situation. First, it welcomes the diversion of U.S. attention away from its aggressive moves in East Asia. Second, it believes U.S. pressure can be reduced if China earns credit as the more responsible party able to exert positive influence on Russia in the Iran nuclear talks or in its dealings with North Korea. In fact, China and Russia both view North Korea as one arena where cooperation is useful and puts pressure on the United States and South Korea, despite varied assessments on this alignment.<sup>16</sup> Positioning itself in the middle gives Beijing flexibility in its relations with the United States, while making Moscow all the more dependent on it.

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*China and Russia both view North Korea as one arena of useful cooperation.*

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The primary impact of Sino-Russian relations, however, is to establish a more potent counterweight to the U.S. alliance system, especially in dealings with third countries. While many in the United States blithely dismiss these ties as superficial or short-lived, some observers propose to strengthen ties with China in the face of what is now the graver threat Russia, even as others draw the opposite conclusion and advocate breaking the logjam with Russia in order to face China more fully. The very fact that Washington's strategic thinking is left in dispute serves China's overall interests—as does the prospect that the balance of power may tilt away from the United States and its allies, especially as tensions linger over maritime security issues.

Sino-U.S. ties are complex and economically far more important to China than ties to Russia. On critical strategic questions, Chinese are prone to look through the lens of a Sino-U.S. G2, although they eschew the concept. Yet, Sino-Russian ties are valued in terms of strengthening China's position with the United States and in the Asia-Pacific region. Despite the lower scale of trade and investment in Sino-Russian ties, they serve a security and identity purpose distinct from Sino-U.S. ties and are more meaningful as a partnership to confront the international order. Sino-Russian ties are aimed toward decisions with far-reaching significance for transforming that order, but not right away.

### WILL SINO-RUSSIAN RELATIONS STUMBLE OVER CENTRAL ASIA OR ANOTHER AREA?

Russia is not accustomed to being deferential to another state for long. Tensions with the United States mounted quickly in the 1990s. Similarly, China is not adept at being accommodating to another state, especially if the power differential lies in its favor, and its arrogance in bilateral relations has been widely manifest in recent years. Yet China's objectives in Central Asia are largely to prevent separatist movements and to integrate economically, which do not fundamentally challenge Russia's most essential goals in the region, even if Russians long thought that they do — and still fear that they will, given the broad sweep of their perceptions of goals. While Russia's objectives there are more far-reaching and could interfere with deep economic integration with China, Russia's economic weakness and dependence

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<sup>16</sup>Stephen Blank, "Making Sense of the Russo-North Korean Rapprochement," *The Asan Forum*, Vol. 3, No. 1 (2015); Gilbert Rozman and Sergey Radchenko, "Alternative Scenarios: The Sino-Russian-North Korean Northern Triangle, Positive Scenario, This Triangle Will Take Shape, Negative Scenario, This Triangle Will Not Take Shape," *The Asan Forum*, Vol. 3, Nos. 3 and 4.

on China's economy both suggest that it will not be in a position to resist China nor to persuade the states of Central Asia to resist Beijing. We can expect more instability in this region of the sort that will test Sino-Russian cooperation while also likely prioritizing it as a result of a mutual fear of Islamic radicals. Over time, however, the Eurasian Economic Union will be handicapped by Russia's economic weakness, allowing China increasingly to dictate the terms of economic relations in Central Asia. Moscow lacks the requisites of a long-standing regional economic leader. It has no viable economic strategy, having relied on high commodity prices, and its thinking is too hierarchical and threatening to local sovereignty.

In the Arctic Russia has exclusivist ambitions, but its funds to carry them out are limited. China needs Russia for broad access, given its distance from the Arctic and Russia's control of the transportation route to Europe. While Russia may, at times, try to limit China's access, as in the Sea of Okhotsk, time is on China's side. An impatient Russia may accept a greater stake for China in order to proceed with projects it cannot fund, but lower prices for oil and gas may delay tests over how much cooperation will actually take place.

China is prepared to be deferential to Russia in the Arctic, as it has been in Central Asia. Yet, Russians recognize that China, as the biggest trader likely to use the route and the main source of funds for costly infrastructure, is also likely to wield growing influence. As Russia's economy looks more vulnerable, it may shift from guarding its control over access to offering greater access in return for Beijing's financial support for Russian-led projects.

China's role in the SCO and in the economies of the Central Asian states has made it difficult for Russia to counter Beijing's influence in Central Asia. It does not face those forces in the Arctic. However, the Arctic Council better reflects the international community, which is opposed to Russia's unilateral assertiveness. China may be inclined to join in protecting access rights, pitting itself against Russia in the international body. At present, China only has observer status in the Arctic Council; its clout will

have to come mainly through its economic prowess. Eventually, Russia may decide to view China not as a threat, but as its most promising partner. For now, the Arctic is rivaling Central Asia as a contentious area the two states must manage. Yet, economic troubles are likely to delay critical tests of how China and Russia respond to each other in the Arctic Council and in talks over major projects.

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***China's role in the SCO and economic weight make it difficult for Russia to counter Beijing's influence in Central Asia.***

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## CONCLUSION

Sino-Russian rhetoric about the harmonious relationship they have achieved is not fully reliable, since we are back to an atmosphere where propaganda is prioritized over objective analysis. Outside criticism of mounting troubles in this relationship is even less reliable, however, since it is mostly deduced from tenuous assumptions that usually serve the ends sought by the analyst. There is little reason to expect easy sailing for the future relations between these two prickly states. Moreover, there is too much evidence of a lack of trust between the Russians and Chinese at a personal level to anticipate the kind of warmth found between Americans and their allies. Yet, if we recognize that Putin and Xi are representative of political elites that are aware they need each other, then we will begin to grasp that national identities steeped in the legacy of communism are driving Sino-Russian relations closer. Neither state is inclined to change course, as elites continue to inculcate all dimensions of identity.

The 70<sup>th</sup> anniversary commemoration of the end of WWII that took place in Moscow on May 9, 2015 showcased Putin and Xi side-by-side, celebrating shared historical memories. The September 3, 2015 gala in Beijing managed to do the same with more emphasis on Asia. Even as Xi in 2015 seems interested in improving relations with the United States and Japan, while Putin is trying to reduce Russia's isolation with a possible trip to Japan this fall, such moves should not be interpreted as a weakening of Sino-Russian relations. Recalling the heavy price paid for the Sino-Soviet dispute in the last stages of the Cold War, both are determined to deal with the outside world from the strength of close relations.

Yet, their mutual support is not a given. China seeks more stability to reform its economy under uncertain conditions, while Russia has to be wary of isolation resulting from more serious provocations in Ukraine. Seeking each other's backing, they need to be cautious about unilateral actions, e.g., in the South China Sea, where Russia values its ties to Vietnam, or in Ukraine, where China seeks inroads with Ukraine's leaders. Sino-Russian relations are solid and not likely to weaken, but they are conditioned by national interests that matter, even if they do not overshadow national identities.



# BENEATH THE SURFACE OF THE SINO-RUSSIAN PARTNERSHIP

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## BILATERAL STRATEGIC AFFINITY

**T**he Western reaction to Russia's invasion of Ukraine has impelled a stronger turn to China, giving Sino-Russian relations a new importance if not urgency. Many writers argue that Washington has driven Moscow to Beijing and proclaim the imminent danger of this alliance.<sup>1</sup> Despite a visible partnership, however, the reality is rather different. Instead of being the product of external influence, the Moscow-Beijing rapprochement is founded primarily on a shared "elective affinity" based on evolving perceptions of their own interests and values.<sup>2</sup> Russia's growing dependence upon China stems not from Western countermeasures against Moscow, but from the Kremlin's own acts of commission or omission, particularly the refusal to undertake necessary reform to enhance the country's economic power and competitiveness. At the same time, Gilbert Rozman and Alexander Lukin correctly locate the deep roots of partnership in both states' ideological-political dispositions that now dominate their political discourse.

*Russia's growing dependence on China stems not from Western pressure, but from Russia's own refusal to undertake domestic reforms.*

Both papers convey the Russian and Chinese governments' growing need of each other. While Russia clearly relies ever more on Chinese support, particularly to finance projects in energy and infrastructure, Rozman argues that China likewise seeks Russian support against a strengthening U.S.-Japanese-Indian-Australian-Vietnamese opposition to its expansive policies in the South and East China Seas. But there is more at play than anti-liberalism and/or anti-Americanism in both countries' approaches. Although Russia and China adhere to the *realpolitik* maxims of the strategic triangle and aspire to be closer to each other than to Washington, few observers can discern sufficient mutual trust between them and cite the many joint communiqués calling for increased trust as signifying its absence.<sup>3</sup> The outcry in the Russian press regarding China's recently proposed land-lease program in Russia's Zabaikal region, for example,

highlights continuing popular suspicion of Chinese objectives, as does Russia's steady reinforcement of its Far Eastern Military district.<sup>4</sup>

Meanwhile, Russia's truculent policies on Ukraine have alarmed China. Norwegian analysts believe that China urged Russia not to provoke further or deeper crises around Ukraine that could escalate into greater conflicts.<sup>5</sup> But while Rozman correctly observes China's refusal to criticize Russia and its belief that the Ukrainian revolution was a "color revolution," Beijing still cannot legitimize Russia's right to intervene abroad to protect its supposed nationals or co-ethnics, as this would justify foreign intervention in Tibet and Xinjiang. So while Rozman rightly emphasizes that the "primary impact of Sino-Russian relations... is to establish a more potent counterweight to the U.S. alliance system" and that China benefits from the rupture in U.S.-Russia ties, there is more to the story. Strong political and ideological collaboration against Washington and its alliances, especially in Asia, exists at the level of triangular relations as exemplified by Sino-Russian naval maneuvers in August 2015. At the regional and bilateral levels, even greater complexities emerge.

## THE REGIONAL DIMENSION

Rozman correctly cites China's economic ascendancy in Central Asia. China's Silk Road project has eclipsed and subsumed previous Russian plans to integrate Central Asia into a vast Eurasian bloc. Moscow may retain military primacy here, but Beijing eschews that burden despite a perceived mounting danger of terrorism and Russian proposals for a military alliance in the region.<sup>6</sup> Russian dominance here increasingly looks like a poisoned chalice.

### ***Moscow may retain military primacy in Central Asia as Beijing eschews that role.***

Turning to East Asia, Alexander Lukin reminds us that Russia's *ostpolitik* began nearly three decades ago, long predating the events in Ukraine. By diversifying its relationships abroad and strengthening its economic and technological base, Russia hoped it would advance its own self-interest and great-power capabilities and facilitate the larger cause of building its perceived multipolar world. However, the presence of reigning anti-Western ideas promoted by the Russian government deforms his analysis. Thus he erroneously proclaims that the alternative to being a raw-materials appendage to China is

comparable servitude to the West. This neglects the fact that Russia's unreformed domestic system—the untried alternative—is the root cause of Russia's inability to compete either in Asia or the West. The intrinsic nature of the Russian political-economic system impedes success in Asia, makes Russia progressively more dependent on China, and undermines the goals of its Asian policy.<sup>7</sup>

Invading Ukraine merely intensified and deepened that dependence. To gain money for its defense sector and to propitiate China, Russia is selling Beijing weapons that it never previously would have sold, such as the S-400 missile, and has reversed its principle of not providing China weapons that are superior to those it sells to India.<sup>8</sup> Consequently, Russia faces a growing likelihood of being eclipsed by the United States as India's main provider of military sales, even as calls for Indo-American collaboration against China and India's resistance to Chinese probes in Southeast Asia grow.<sup>9</sup> Likewise, Russia has registered its anger at Japan's support for Western sanctions against Ukraine. Prime Minister Dmitry Medvedev's visit to the Kuril Islands in August of this year and continued Russian military buildup there confirms that Moscow thinks it can coerce or intimidate Japan.<sup>10</sup> Yet failed Russo-Japanese ties deprive Russia of

desperately needed political support and economic investment, and force it back upon China. The fact that Putin will not visit Japan this year due to Russian intransigence concerning the Kuril Islands means there is no hope in the foreseeable future for a relationship with Japan that provides an alternative to growing dependence upon China.

Similar trends have appeared in Southeast Asia. At the 2015 IISS Shangri-La Dialogue, held in Singapore in May, and on subsequent other occasions, Moscow denounced Washington for threatening it and Beijing with a military buildup in Asia and for fomenting color revolutions.<sup>11</sup> Yet that military buildup defends Southeast Asian states that neither fear the prospect of a color revolution nor see Washington's hand there. Moscow also announced joint naval exercises in the South China Sea with Brunei and China, in 2016.<sup>12</sup> But despite subtly registering Russian concern at the mounting U.S.-China tensions and simultaneously signaling to China that Russia is willing to defend its own interests and partners in the region, Moscow can neither criticize China nor devise an appealing agenda to attract potential Southeast Asian partners.

Russia's inhibitions regarding China impede the progress of its Asian pivot in Southeast Asia, if not elsewhere. Russian policies and statements show Moscow's hostility to Washington and its desire to reinforce common threat assessments and interests against Washington with Beijing. But Vietnam apparently has discounted Russia's willingness and ability to help it in anything other than a limited way because of its growing dependence on China. Recent talk of Vietnam and the United States being natural partners and of future defense sales and cooperation suggest that Hanoi is reorienting towards cooperation with Washington as its main priority.<sup>13</sup> As a result, Moscow may lose support in a Vietnam that increasingly looks to the United States as a real partner, and it will hardly gain China's trust.

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***Russia's inhibitions toward China  
impede its pivot to other parts of Asia.***

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Similarly in Korea, both sides identify with North Korea's stance against the United States and want unconditional resumption of the six-party talks against US-ROK-Japanese policy. Yet simultaneously North Korea plays Moscow off against Beijing, while Russian policymakers also want to compete in North Korea against China in a reflection of continuing mistrust.<sup>14</sup> Russian experts on Korea advocate a Russian policy that competes with China because they believe, with good reason, that without solid ties to North Korea, Russia won't be taken seriously enough in either Korea or Asia.<sup>15</sup>

## **BILATERAL RELATIONS**

Lukin's conformity to the official line that Russia has a genuine option in the East with China against the West and that Sino-Russian economic relations are a great success story also vitiates his analysis. Sino-Russian economic deals actually represent rather less than what they are advertised to be, and the immediate prognosis is not good. Sanctions, in addition to Russia's intrinsic pathologies and falling energy prices, increase Russia's burdens and enhance Beijing's relative position vis-à-vis Moscow.<sup>16</sup> The 30-year gas deal signed in 2014 will not materialize until 2018, which may be too late for Russia. Moreover, the price of gas in this deal remains a state secret, suggesting that it does not benefit Russia. Since gas prices are tied to oil prices, China could well be driving a very hard bargain here as oil fell to

about \$40/ barrel as of August 2015. Meanwhile, as a result of the cancellation of the second projected Altai pipeline, Russia must finance and build a pipeline directed toward a single customer, who has a decided advantage over Russia and a diminishing need for its gas. While China remains Russia's largest trading partner, their level of trade fell in 2015—although others' trade with Russian has fallen still more, making China's relative position stronger.<sup>17</sup>

Russia's miserable investment climate and worsening economy has inhibited Chinese investment in Russia, which this year dropped by 25 percent compared to 2014.<sup>18</sup> China's slowing economy and major stock market losses also betoken less outward investment, fewer oil buys, and decreased willingness to take risks in Russia. Partnership notwithstanding, much reporting concerning Sino-Russian ties is either deliberately exaggerated for domestic effect or insufficiently informed.

***China may chafe at being attached to a declining power, while Russia won't relish a subordinate role.***

Moscow's pivot to Asia has essentially been a pivot to China. This has led to a loss of maneuverability and freedom of movement in Asia, a declining reputation among erstwhile friends, and growing subordination to Chinese designs in Central, South, Southeast, and Northeast Asia. While partnership will continue as long as a similar anti-American discourse dominates strategic thinking, it is unlikely to benefit Russia significantly, while China may chafe at being attached to a reckless declining power. Russia may not relish the prospect of being subordinated to China, and thereby unable to become an Asian power in the near future. Therefore, we should heed Rozman's warning that

"Sino-Russian rhetoric about the harmonious relationship they have achieved is not reliable, since we are back to an atmosphere where propaganda is prioritized over objective analysis."

## NOTES

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- <sup>2</sup> Gilbert Rozman, *The Sino-Russian Challenge to the World Order: National Identities, Bilateral Relations, and East Versus West in the 2010s* (Washington, D.C.: Woodrow Wilson Press, 2014).
- <sup>3</sup> Alexander Korolev, "The Strategic Alignment between Russia and China: Myths and Reality," *The Asan Forum*, III, No. 4, July-August, 2015, <http://www.theasanforum.org/the-strategic-alignment-between-russia-and-china-myths-and-reality/>.
- <sup>4</sup> Sergei Blagov, "Russians Wary of Land Deals with China," *Asia Times Online*, June 29, 2015, <http://atimes.com/2015/06/russians-wary-of-land-deals-with-china/>.
- <sup>5</sup> Conversations with Pavel Baev of the Peace Research Institute Oslo (PRIO), Washington, D.C., July 2015.
- <sup>6</sup> Moscow, *Interfax*, in Russian, Nov. 18, 2014; *Open Source Center Foreign Broadcast Information Service*, Central Eurasia, (Henceforth *FBIS SOV*), Nov. 18, 2014; Moscow, *Ministry of Defense of the Russian Federation*, in Russian, Nov. 18, 2014; *FBIS SOV*, Nov. 18, 2014; Moscow, *Nezavisimaya Gazeta Online*, in Russian, Nov. 20, 2014; *FBIS SOV*, Nov. 20, 2014; *FBIS SOV*, Nov. 27, 2014.
- <sup>7</sup> Fiona Hill and Bobo Lo, "Putin's Pivot: Why Russia is Looking East," Brookings Institution, July 31, 2013, <http://www.brookings.edu/research/opinions/2013/07/31-russia-china-pivot-hill>.
- <sup>8</sup> Manoj Joshi, "Now a Chinese Pivot to Russia," *India Today*, April 1, 2013, <http://indiatoday.intoday.in/story/now-a-chinese-pivot-to-russia-manoj-joshi/1/260112.html>; Vladimir Radyuhin, "The Dragon Gets a Bear Hug," *The Hindu*, March 8, 2013, <http://www.thehindu.com/opinion/op-ed/the-dragon-gets-a-bear-hug/article4485335.ece>.
- <sup>9</sup> Ashley J. Tellis and C. Raja Mohan, *The Strategic Rationale for Deeper U.S.-Indian Economic Ties* (Carnegie Endowment for International Peace: Washington, D.C., 2015).
- <sup>10</sup> "Russia Orders Quicker Build-up of Military Facilities in Kurile Islands," *Reuters*, June 8, 2015, <http://www.reuters.com/article/2015/06/08/us-russia-japan-islands-idUSKBN0023E20150608>; "Japan Protests Russian PM's Visit to Disputed Island," *The Moscow Times*, Aug. 23, 2015, <http://www.themoscowtimes.com/business/article/japan-protests-russian-pms-visit-to-disputed-island/528435.html>.
- <sup>11</sup> Alexander Gabuev, "The Silence of the Bear: Deciphering Russia's Showing at the Shangri-La Dialogue," Carnegie Moscow Center, June 1, 2015, [www.carnegie.ru/eurasiaoutlook/?fa=60263](http://www.carnegie.ru/eurasiaoutlook/?fa=60263).
- <sup>12</sup> *Ibid.*; Ankit Panda, "Russia Plans South China Sea Naval Exercise With China in 2016," *The Diplomat*, June 1, 2015, <http://thediplomat.com/2015/06/russia-plans-south-china-sea-naval-exercise-with-china-in-2016/>.
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- <sup>14</sup> Stephen Blank, "Making Sense of the Russo-North Korean Rapprochement," *The Asan Forum*, January-February, 2015, III, No. 1, <http://www.theasanforum.org/making-sense-of-the-russo-north-korean-rapprochement/>.
- <sup>15</sup> *Ibid.*
- <sup>16</sup> Jack Farchy, "Russia Struggles to Shrug Off China Slowdown," *Financial Times*, Aug. 17, 2015, <http://www.ft.com/intl/cms/s/0/a4356246-44ca-11e5-af2f-4d6e0e5eda22.html>.
- <sup>17</sup> *Ibid.*
- <sup>18</sup> Anna Dolgov, "Chinese Investment in Russia Fell 25% in the First Half of This Year," *The Moscow Times*, July 22, 2015, <http://www.themoscowtimes.com/article/525983.html>.

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