



Vladimir Putin met with President of the People's Republic of China Xi Jinping on the sidelines of the BRICS Summit in Benauli, India (2016). Photo courtesy of: <http://en.kremlin.ru/events/president/news/>

One Bed, Different Dreams

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As China and Russia have grown closer in recent years, many describe their relationship as a marriage of convenience. Both nations have agreed to strengthen bilateral coordination on foreign policy. Chinese and Russian foreign ministers have recently reaffirmed their common positions on Syria, North Korea, Afghanistan, and the 5+1 agreement on Iran. The China-Russia partnership might also be described as an arranged marriage: Western sanctions on Russia, a recession in Europe, and a slowing economy in China have pushed China and Russia into deeper cooperation with each other.

Whatever its nature, China and Russia's partnership continues to develop in new areas. This can be

observed in a series of regular and increasingly frequent gatherings and military exercises, successful negotiations over goods and duties, the evolving role of the Shanghai Cooperation Organization, and promotion of the BRICS association (Brazil, Russia, India, China, and South Africa).

However, a marriage of like-minded partners, it is not. During my Fulbright in Taiwan this past year, in discussing a potential China-Russia alliance, a prominent Taiwanese Russian expert shared with me a Chinese saying: "A husband and wife may sleep in the same bed, but they have different dreams."

China and Russia do not share the same dream of a future world or even of their desired level of cooperation. Many challenges remain to cementing their partnership. Yet even absent a formal alliance, a growing convergence of mutual interests between China and Russia presents challenges to American priorities and goals for the Asia Pacific region and beyond. It is therefore important to appreciate the potential for strengthened relations between China and Russia, address why a partnership may be of concern to the U.S. and allies, assess potential implications, and develop policy responses.

Why are China-Russia relations strengthening?

Rhetorically, Chinese and Russian relations have evolved over the past two decades from a “constructive partnership” in 1992, to a “strategic partnership” in 1996, and more recently a “strategic cooperative framework.” For both nations, their use of the qualifying term “strategic” to define their relationship signals the highest standing in their bilateral relations.

Political relations between China and Russia are currently far stronger than the ties either one has with the United States. Meeting a dozen times in two years, Presidents Xi and Putin have made numerous statements on how they consider themselves to be the post-Cold War architects of a new world order. The presence of the first ever Russian contingent at China’s largest military parade, celebrating the 70th anniversary of the end of WWII, was telling. Their relationship is not yet, however, an alliance in the sense of a treaty that binds them in a mutual defense pact.

There is a debate among foreign policy specialists within the United States whether or not the China-Russia partnership will ever take on the character of an alliance. Much of the U.S. security establishment, convinced that China and Russia are natural historical enemies, argue that they will never cooperate effectively. Conflicts over borders, a divergence in ideological paths following the Cold War, and the far more robust Chinese economy prevent them from forming a sustainable alliance. Harvard Professor and former U.S. government official Joseph Nye argues, “Today’s China is strong, and unlikely to get too close to a Russia whose decline has been accelerated by its leader’s poor judgment.”¹

Prominent Chinese and Russian foreign policy experts share this doubt. Deputy Foreign Minister Fu Ying writes in *Foreign Affairs* that their relationship is not an alliance, but rather a “stable strategic partnership.”² More to the point, she contends that rational China is above bloc politics and Russia’s zero-sum approach to international relations. Russian foreign policy experts likewise argue that there is no interest in a military alliance, because Moscow highly values its freedom of action and sovereignty over decision making.

Another argument is that an alliance can happen, but only because America is weakened. Critics of the Obama administration argue that the over the last 7 years President Obama has left America with an overburdened and underfunded military. In addition, its foreign policy, particularly its failed Middle East Policy, has created a vacuum. According to this argument, American weakness has driven China and Russia together and allowed them to dominate much of the Asia-Pacific region.

The reality is that Russia and China need one another for mutually beneficial, but limited, reasons. Russia needs access to China's booming economy at a time when its own economy has been devastated by a combination of low oil prices, international economic sanctions, and a lack of other strong potential trade partners. During the 2015 St. Petersburg International Economic Forum, China and Russia signed 29 investment agreements worth over \$20 billion. Today, China is Russia's leading single nation trade partner, with over double the trade turnover between Russia and the United States.

China needs access to Russia's vast energy resources. China needs to displace its local coal in power generation with cleaner natural gas, which Russia is able to deliver in terms of proximity and scope of supply. Russia is similarly positioned as a desirable alternative supplier of oil to the volatile Middle East. China is now the world's largest net importer of oil, and is second only to the United States in overall consumption of oil globally.

China also desires access to Russian high tech weaponry. China has designs to buy a Russian aircraft carrier similar to the one sold to India. Russia has already sold China 24 of its S-35 fighter jets and China is the first country to buy Russia's S-400 anti-aircraft missile defense system.

Apart from strategic resources and technologies, however, Russia is not particularly important as a trading partner to China. Russia is in 14th place among China's trade partners, trailing all major economies. China's economy has grown to over 4 times the size of Russia's in the past 30 years.

China may value Russia most of all for its geographical location and geopolitical power. China has declared the "One Road, One Belt" initiative as a national priority. This initiative is China's strategy to cement its access to greater Eurasia through the modernization of the old Silk Road by opening new trade routes to Europe through Central Asia and Eastern Europe, West Asia, and the Middle East, and would include new routes to South Asia and Southeast Asia.

These mammoth transportation projects will require trillions of U.S. dollars' worth of investments in railways, roads, and ports. The newly established Asian Infrastructure Investment Bank has 60 countries committed to funding this effort. Russia and China already agreed to integrate the Russian-led Eurasian transport corridor and the Eurasian Economic Union with China's Silk Road Economic Belt. China has also agreed to invest almost \$6 billion to extend the Moscow-Kazan high speed railway to China.

From Russia's side, it needs to find new non-European customers for its energy. Western sanctions on Russia's energy sector have led to lost access to Western finance and technology, and to discontinued joint production with Western companies in new field development in the Arctic

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and Black Sea regions. Putin has cancelled or placed a temporary hold on two gas pipelines to Southeastern Europe due to poor political relations with customers. If Russia cannot sell its supply in Europe, Asia is the logical alternative, with China as the primary investor and consumer.

Why should we care if Russia and China get closer?

China and Russia share different perceptions than America and her allies of nationalism, democracy, and individual rights. These perceptions and resulting policies contribute to three reasons why we should care whether Russia and China deepen their relationship.

First, legitimacy for both the Chinese and Russian regimes is rooted in nationalism. As a result, both governments have acted with aggression in violating other states' sovereignty to enhance their legitimacy through territorial expansion. The taking of Crimea and the South China Sea islands are stoking nationalistic fervor in their respective societies. Both governments use media and education to promote this national vision.

The reaction to each other's rising nationalism is telling. Although China was initially taken aback by Russia's invasion of Georgia in 2008 during the Beijing Olympics, the Chinese foreign ministry eventually praised Russia's role in "bringing stability to the South Caucasus." Chinese authorities have been more forgiving of the annexation of Crimea. China did not veto, but rather abstained on a Western-backed UN Security Council (UNSC) resolution condemning Crimea's referendum

on joining Russia. Later, a top Chinese Russian specialist called it "illegal but understandable or justifiable."³ That is, the action was against international law, but a natural response to Westerners interfering in Ukraine's internal affairs (as Russia described the situation) and ignoring Russia's interests.

Likewise, Russia has remained relatively silent on China's build-up of artificial barriers and territorial disputes over the islands in the East and South China Seas. Russia has supported China's position that the internationalization of the seas, by ASEAN and the United States, constitutes interference in China's affairs. Russia also sided with China against the recent Permanent Court of Arbitration's judgment striking down Chinese maritime territorial claims.

Russia has long supported China's positions on Taiwan, Tibet, and Xinjiang. In fact, Moscow is the only major capital which, since 1949, has consistently and publicly supported Beijing's claim that Taiwan should be unified with the Chinese mainland.

Second, China and Russia actively work to discourage democratic development globally. Indeed, both nations view the "color revolutions" – an outpouring of citizens throughout Eurasia to replace their officials with more accountable governments – as a threat supported if not organized by the West. The Russian defense minister openly called for military cooperation with China to counter such revolutions. In the interim, both are increasingly acting to stifle civil society and media at home, including on issues of democratic reform.



Vladimir Putin with President of the People's Republic of China Xi Jinping during an official welcoming ceremony in Beijing. Photo courtesy of: <http://en.kremlin.ru/events/president/news/>

Abroad, China and Russia do not link their investments or aid to policies of democratic pluralism or economic liberalism. Some African and Latin American countries have found it a relief not to have to deal with the so-called Washington Consensus agenda. Ultimately, China's and Russia's model of authoritarian state-centric capitalism propped up by corrupt patrimonial networks making non-transparent deals to enrich the elite at the expense of many could win out. If recent economic decline associated with government malfeasance in emerging economies, such as Brazil, is any indication, this does not bode well for global political and economic development.

Third, China and Russia pervert efforts to strengthen the use of the United Nation's Charter to protect individual rights, particularly in the face of crimes

against humanity. As permanent members of the UNSC, China and Russia have taken common stands on Kosovo, Iraq, Sudan, Zimbabwe, and Syria. Any attempt to use the "Responsibility to Protect" doctrine in the UNSC to invoke Chapter VII of the Charter to intervene on behalf of persecuted citizens is almost always vetoed by China and Russia in the name of territorial integrity. Russia contends that this stance is justified after the West "betrayed" Russia's abstention on a UNSC resolution permitting Western powers to enact a no-fly zone in Libya's civil war, ultimately resulting in Qaddafi's fall from power and death.

Yet Russia justified both its 2008 military intervention in South Ossetia and its 2014 annexation of Crimea on the basis of the responsibility to protect and the right of self-

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determination respectively. This paradox has led to deadlock in the Security Council and, in the case of Syria, an enduring civil war in which Russia and the United States back opposing forces.

What are the implications for the United States of a Chinese-Russian marriage?

U.S. relations with China and Russia have deteriorated almost in tandem. At the beginning of the Obama Administration, U.S. relations with both were improving. A pivot of resources to Asia and a reset of relations with Russia meant cooperation with both Russia and China in Afghanistan, Iran, and North Korea. However, as relations deteriorate further, the consequences of their shared antagonism towards the United States is troubling.

The Korean peninsula provides the most obvious case. China and Russia have jointly condemned the stationing of the Terminal High Altitude Area Defense (THAAD) missile defense in South Korea in response to threats from North Korea. They claim the response is disproportionate to North Korea's nuclear and missile programs. Russia and especially China are critical to enforcing United Nations

sanctions halting North Korea's nuclear weapons program.

The East and South China Seas provides another case. Chinese authorities are angered by U.S. naval and air forces contesting China's claims of sovereignty over sea zones that are also claimed by U.S. allies including Japan, the Philippines, Vietnam, and Taiwan. A China-Russia alliance could challenge U.S. strategic partnerships in Asia and strengthen a series of asymmetrical tools directed against the United States, from cyber harassment to nuclear brinksmanship.

Trade is another area of potential concern. The U.S. effort to enhance trade with Pacific nations, evidenced by the Obama Administration's support for the Trans-Pacific Partnership, hinges on including Asian countries that are already in organizations with China and Russia, while excluding both. Russia and China could use carrots and sticks to alter potential members' decisions to join U.S. driven trade arrangements.

Finally, broadly speaking, given the differences between the United States and China/Russia on the promotion of democratic systems of governance and support for individual rights, such an alliance could work to undermine Western development assistance to fragile states in the Middle East, Africa, and Latin America. Much more thought should be given to long-term implications of significant aid from China and Russia to oppose democratic developments, and the impact competing agendas could have on the stability of these states.

What could limit a China-Russia alliance?

As China and Russia increase their strategic cooperation, American policymakers must contemplate responses even absent a mutual defense pact. Traditional power politics provides several suggestions to dealing with an alliance. Historically, options have included pre-empting the alliance by joining it, but that would first require an improvement in bilateral relations between the U.S. and both states. Another option is for the United States to counter-balance China and Russia through an alliance with India or Japan. But the willingness of those states to confront China and Russia is untested. A third option is for the U.S. to press for greater influence in China against Russia, but the West may be rebuffed by an ascendant and increasingly revisionist Chinese government, with serious consequences.

Then again, the United States may not have to do much: A Chinese-Russian marriage may dissolve on its own. After all, Russia and China have very different views of the world. Russia is trying to recapture past great power status without the economy or network of allies it once had; whereas China sees itself growing into a world leader. They also have a divergence of interests in Asia; Russia's interest in broadening its Asia policy to be less China focused and possible rapprochement with Japan challenges China's desire for regional hegemony.

Another potential rift would be if China chooses an alternative energy partner. China may come to favor an energy alliance with the Middle East over Russia, particularly with Saudi Arabia for oil and Qatar for gas. Russia is already upset that China has



Presidents Vladimir Putin and Xi Jinping in June, 2016

<http://en.kremlin.ru/events/president/trips/52277/photos/44838>

welcomed Saudi Arabia's overproduction of oil to retain market share and keep prices low. China may also invest heavily in future production of gas in Iran instead of Russia.

This could, in turn, push Russia towards Japan in the search for a bigger oil and gas export market. Japan may be the more obvious and less threatening partner to develop its Siberian and Pacific territories. In a sign of developing relations, Moscow supported Japan's observer status at Arctic Council. At the same time, Russia has placed armed forces on the Kurile Islands, signaling no opening to resolving its decades-long dispute with the Japanese over the islands.

But perhaps the greatest threat to the prospects of a marriage is Russia's fear that China will be the dominant partner. For the past 10 years, the

natural gas pipeline development connecting Russian supply with the Chinese market has stalled in a disagreement over price. But after U.S./EU sanctions were placed on Russia in 2014, Moscow needed a deal with China, and an agreement for discounted gas was concluded. China also loaned Gazprom \$2.17 billion and increased its stake in a \$27 billion LNG project in the Arctic.

Russia's weakness could work to China's advantage in the longer-term. Russia could find itself forced to request more loans or investment from China. Russia is considering, for example, selling shares in its state-owned oil company Rosneft to China to keep it afloat. China may willingly comply, putting Russia further in debt. In return, China could slowly demand back energy supply and other items at a "discounted" price. Eventually Moscow could be forced to cede ownership in a Russian state energy company or make other concessions.

Conclusion: Different Dreams

While both countries need each other and currently benefit greatly from a stable political relationship and closer economic ties, both Beijing's and Moscow's long-term interests argue against such a bond. Both sides are dreaming of finding a more attractive partner.

The truth is the West is more important for both Russia and China than their so-called marriage to each other. The West has long been important for Russia's economy, providing a critical export market, a friendly place (prior to sanctions) for Russian firms to do business, and a haven for Russians themselves.

China is not interested in allowing Russia to drag it into political quarrels with the West. This includes not violating Western sanctions on Russia in banking and investing. China is the EU's second-largest trading partner after the United States, and the EU is China's top trading partner.





In the long-term, a Russia-China marriage is unlikely. But, in the shorter-term, we will see some serious dating, and all will be watching to see whether a formal engagement transpires.

Endnotes

- 1 Nye, Joseph S. "A New Sino-Russian Alliance," Project Syndicate, January 12, 2015. Available at: <https://www.project-syndicate.org/commentary/russia-china-alliance-by-joseph-s--nye-2015-01?barrier=true>
- 2 Ying, Fu. 'How China Sees Russia,' *Foreign Affairs*, January/February 2016.
- 3 Quoted in Bin, Yu. China-Russia Relations: Western Civil War Déjà Vu?. *Comparative Connections*. May 2014. Available at: file:///C:/Users/HomeUser/Downloads/CH12_1401qchina_russia.pdf

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