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Russia's rapprochement with China: does strategy triumph over tactics?

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In the aftermath of Crimea's annexation, political leaders in Russia were many to call for a reorientation of Russian interests towards Asia. This project was in line with the pivot to Asia announced by Vladimir Putin in 2012.¹ The cornerstone of the project was the strengthening of relations with China, seen as the only country that could limit Moscow's diplomatic isolation and the effects of Western sanctions. Some analysts were quick to see in this desire for a rapprochement the emergence of an agreement founded on communal interests,² others even saw the advent of an anti-western alliance.³ Since the early 2000s, the Sino-Russian relationship was founded on an "axis of convenience" approach, without any excessive expectations on either side⁴; has it taken on a new dimension since the onset of the Ukrainian crisis? In 2014, high-level contacts multiplied, resulting in

¹ See F. Hill F., B. Lo, "[Putin's Pivot. Why Russia Is Looking East](#)", *Foreign Affairs*, 31 July 2013.

² D. Trenin, "[From Greater Europe to Greater Asia? The Sino-Russian Entente](#)", Carnegie Moscow Center, 9 April 2015; H. Feng, "[China and Russia vs. the United States?](#)", *The Diplomat*, 2 March 2015.

³ P.J. Bolt, 2014 "[Sino-Russian Relations in a Changing World Order](#)", *Strategic Studies Quarterly*, 4, pp. 48-70; G. Rozman, "[Asia for the Asians. Why Chinese-Russian Friendship Is Here To Stay](#)", *Foreign Affairs*, 29 October 2014. Gilbert Rozman is the author of *The Sino-Russian Challenge to the World Order: National Identities, Bilateral Relations, and East versus West in the 2010s* (Washington, Woodrow Wilson Center Press, Stanford University Press, 2014).

⁴ See the excellent B. Lo, 2008, *Axis of Convenience. Moscow, Beijing, and the New Geopolitics*, London, Chatham House, Washington, Brookings Institution Press; I. Facon, 2010, "[Le tandem sino-russe, un défi pour l'Occident ?](#)", *Politique internationale*, no.127, in French.

major agreements in key industries such as energy, armament and infrastructure. While Moscow and Beijing share a greatly similar perspective, there are limits that must be understood. Their shared views are not sufficient to seal an alliance, as the competition between the two countries is quickening in several sensitive areas. This strategy research paper highlights the progress made in Sino-Russian cooperation, while simultaneously revealing grey areas such as military-strategic competition, rivalry over influence in Central Asia and the trade imbalance. It shows that while Moscow is acting tactically, Beijing is deploying a long-term strategy. Far from offering a durable alternative for Russia, a renewed orientation of Russian interests in Asia tends to accentuate the asymmetrical Sino-Russian relationship and consolidate the Chinese power.

Relatively similar perspectives

We should begin by mentioning that the two countries share standpoints on a vast amount of topics. The Sino-Russian relationship was founded on the principles of equality and non-interference and has deepened since Vladimir Putin rose to power in 2000. It was further bolstered when Xi Jinping took over as China's leader in 2012, with both presidents reputed to have personal affinities. Xi Jinping, as a sign of the importance he accords Russia, made his first official visit as president to Moscow, in March 2013. Moscow and Beijing, dissatisfied with the international order and the dominant role of the United States in global affairs, cooperate regularly on the UN Security Council, displaying relatively close positions on a number of key international issues. They wished to strengthen the credibility and influence of major regional organisations, such as the BRICS, APEC and the Shanghai Cooperation Organisation (SCO). They share strategic interests in their immediate vicinity: securing Afghanistan and fostering political stability and economic development in Central Asia are common goals. They are both faced with similar domestic issues, such as the fall in economic growth, a worsening of regional inequality and the development of rural areas, and deal with similar challenges, such as the protection of their border areas and the danger of radical Islamism. Intent on ensuring the survival of their political model, they reject liberal values and Western democracy, regard civil society organisations warily and are suspicious of internet and Western media. Finally, they show firmness with respect to several territorial disputes, and do not hesitate to resort to a show of force to ensure that their voices are heard.

However, it would be excessive to come to the conclusion that Russian and Chinese leaders have a similar vision of international problems and regional issues, or that they seek the same outcome to their bilateral relationship and external action. The Chinese position with regard to the annexation of Crimea is enlightening in this respect. China did not recognise the incorporation of Crimea and Sebastopol within the Russian Federation; it did not openly condemn it either, and settled for abstaining from the vote when the question arose on the Security Council. On several occasions since then, it has made known its commitment to international law and the respect of borders. In March 2015, a few days before the first anniversary of Crimea's annexation, the Chinese Prime Minister Li Keqiang – who had signed many economic agreements in October 2014 with his counterpart Dmitri Medvedev – declared his support for “a political solution through dialogue”, while mentioning that China supported the national sovereignty and territorial integrity of Ukraine.⁵ The annexing of Crimea and the separatist leanings of pro-Russian insurgents in East Ukraine are a source of

⁵ [“China proposes a solution to the Crimea issue through negotiation”](#), *Lenta.ru*, 15 March 2015, in Russian.

embarrassment for Beijing, but also a window of opportunity. On the one hand, China's leaders, who are careful not to engage in any declarations that could compromise their positions on Taiwan, Xinjiang or Tibet, fear that it would create a precedent; on the other, they display greater decisiveness than ever in asserting their views on territorial disputes with Japan in the East China Sea and with Vietnam in the South China Sea, which tends to jeopardise Moscow's relations with Tokyo and Hanoi.

Strengthened military cooperation

The strategic partnership between China and Russia has grown considerably stronger and encompasses more areas since it was declared in 1996. The sale of Russian arms to China was very important in the 1990s due to the arms embargo imposed on China following the repression at Tiananmen Square. There was a large decline in arms sales from the mid-2000s,⁶ whereas at that time the armed forces in both countries were developing operational cooperation. Their first joint military exercises were called "Peace Mission" and took place in 2005, the year when the definitive border agreement signed in 2004 was ratified.⁷ Other exercises of this type took place in 2007, 2009, 2010, 2012, 2013 and 2014, and each time several thousand troops were present, playing out a terrorist attack scenario. Since 2009, Russian and Chinese fleets also carry out joint sea and land exercises once or twice a year. In July 2013, these took place in the Sea of Japan; in May 2014 in the East China Sea. According to the declarations of the Russian Minister for Defence, Sergey Shoigu, the next exercises are planned for the Mediterranean Sea in the spring of 2015 and in the Pacific Ocean later in the year. Carrying out exercises of this scale requires interoperability measures to be put in place, as tactical procedures must be shared and staff resources must be pooled throughout the duration of the manoeuvres. China thereby benefits from the Russian experience to strengthen its conventional capabilities.

Russian leaders until recently refused to sell its cutting-edge weapons to China, fearing both the growing conventional power of its armed forces and the reverse engineering capabilities of Chinese weapons manufacturers. They are now willing to provide China with sophisticated weapons systems. In April 2015, Russia announced that it had sold the S-400 anti-missile defence system to China, and that it was about to deliver the S-300 system to Iran, an order that was suspended since the contract was signed in 2008.⁸ The sale of the S-400, considered a "game-changer", will certainly allow China to extend its air defence zone above Taiwan, as well as over the disputed islands and territorial waters in the East and South China Seas.⁹ Both Beijing and Moscow believe they can benefit from this technology transfer. China is asserting its naval power and creating difficulties for Japan by changing the balance of forces in the Pacific and challenging US naval domination and leadership. Russia, which to date has still not signed a peace treaty with Tokyo since the end of World War II, nor settled the dispute over the Kuril Islands, is choosing to serve China's strategic interests in the hope of projecting its power in Asia and most importantly weakening the United States. Furthermore, it can

⁶ R. Weitz, "[Why China Snubs Russia Arms](#)", *The Diplomat*, 5 April 2010.

⁷ N. Kuhrt, 2007, *Russian Policy toward China and Japan. The Eltsin and Putin periods*, London, Routledge, pp. 127-128.

⁸ C. Putz, "[Sold: Russian S-400 Missile Defense Systems to China](#)", *The Diplomat*, 14 April 2015.

⁹ J. Mankoff, "[The Ukraine Crisis and the Future of Sino-Russian Relations](#)", *The ASAN Forum*, 25 July 2014; P.N. Schwartz, "[Russia Announces Sale of S-400 to China](#)", Centre for Strategic and International Studies website, 30 June 2014.

expect to sell more defensive weapons to countries involved in territorial disputes with China in South East Asia, in particular Vietnam.

Diverging strategic interests?

The China/Russia strategic partnership is not, however, exclusive, nor is it free from ambiguity. China established strategic partnerships with Brazil in 1993, the United States in 1997, South Korea in 1998, the EU in 2003, and India in 2005. Not all of these partnerships involved the same level of cooperation, and the Sino-Russian partnership engages a significant number of actors and regular contact at every level.¹⁰ It is clear, however, that Beijing does not attach the same importance to the bilateral relationship as does Moscow. Furthermore, while no longer evident in the official Russian discourse, China continues to be seen as a rival, and even as a threat to the country's security. It does not, in fact, figure among the "main external military dangers" listed in the Russian Federation's military doctrine. This doctrine, enacted in February 2010 and amended in December 2014, stresses the direct danger that NATO represents. Nonetheless, their shared border, 4,250 kilometres long, is a source of vulnerability for Russia, as the regions in Russia's extreme east are sparsely populated and the border demarcation and porosity have long caused frictions.¹¹

Indeed, Russia faces serious competition from China in the global arms market. Russia is the world's second-greatest arms exporter after the United States, providing weapons to 56 countries in the world (60% of its sales are to India, China and Algeria). Between 2010 and 2014, it accounted for 27% of the arms market, according to SIPRI estimations that are based on the physical volume of sales rather than the financial volume. Russian exports increased by 37% during this period, in comparison to the 2005-2009 period. However, Chinese exports saw an even more impressive increase, at +143%. Russia is now just ahead of China, which takes third place in the ranking of arms exporters, compared to ninth place previously. Russian expert Vadim Kaziulin believes the situation to be alarming: the Chinese, by selling armaments "that may not even be of good quality", but which have the advantage of "being cheap", are expanding their hold on the niche traditionally held by Russia, namely in developing countries. Furthermore, they are conquering new markets in the Middle East and Latin America, two regions where Russia, as the heir of the Soviet Union, maintains deep military cooperation with regimes hostile to the United States.¹²

Ambiguous regional cooperation

China and Russia are both partners and competitors in Central Asia, a region that Moscow considers under a privileged sphere of influence. Their views with regard to the role and future of the Shanghai Cooperation Organisation (SCO) grew less divergent in the past year. The SCO is an intergovernmental organisation that is not concerned with developing integration mechanisms. Founded in June 2001 by Russia, China and the three countries of Central Asia – Kazakhstan,

¹⁰ Z. Feng, J. Huang, 2014, "[China's strategic partnership diplomacy: engaging with a changing world](#)", Working Paper no.8, European Strategic Partnerships Observatory Center, p. 9.

¹¹ See C. Marangé, 2011, "[Une réinterprétation des origines de la dispute sino-soviétique d'après des témoignages de diplomates russes](#)", *Relations Internationales*, no.4, p. 17-32, in French.

¹² R. Kretsul, "[China ousts Russia on the arms market](#)", *Vzglád. Delovaâ Gazeta*, 16 March 2015, in Russian.

Kirghizstan and Tajikistan –, and joined the same year by Uzbekistan, it aimed, at the beginning, to coordinate the efforts deployed by member states in dealing with various types of threat: these included transnational issues, such as terrorism, organised crime and drug trafficking, and domestic challenges, such as separatism and religious extremism. For several years, Russia wanted to give the SCO a global dimension, while simultaneously seeking to unite the former Soviet republics of Central Asia under its two regional integration projects, the Eurasian Economic Union and the Eurasian Customs Union.¹³ To this end, it advocated India's accession to full member status, considering that with its size, population, economic strength, military power and political influence, it could be a second counterweight to China and contribute to stabilising Afghanistan.¹⁴ Meanwhile, it was opposed to China's proposition of creating a development bank associated with the SCO. As for Chinese leaders, they were reluctant to enlarge the SCO, arguing that adding new members would bring risks of paralysis and internal tension. In 2013, a Russian expert still believed that it would be prudent to maintain the moratorium on enlargement to prevent certain countries from vetoing the accession of India or Pakistan.¹⁵ Today, there appears to no longer be disagreement on the topic: Russia and China are united in favouring the simultaneous accession of India and Pakistan. Besides, the issue of creating a development bank is no longer pertinent, since China decided, in 2015, to set up an Asian investment bank for infrastructures in order to support its plan for new sea and mainland Silk Roads.

While the growth of China's GDP is an opportunity for the development of far eastern Russian regions, it also entails a risk to the preservation of Russian interests in Central Asia, where there is a significant increase in Chinese trade and investment. This pattern is expected to continue and accentuate, as China's growth rate has stabilized around 7%, while the Russian economy has considerably weakened in the past year. Russia entered recession; the devaluation of the rouble is significant, though the country managed to absorb it somewhat since the beginning of 2015. Since the economies of the former soviet states remain largely dependent on each other, the economic crisis in Russia strongly impacts on Central Asia, especially since it is accompanied by a drop in remittances sent by the numerous immigrant workers in Russia. China therefore has a clear path to consolidate its trade position and promote its own projects. In September 2013, at the exact moment the EU was finalising negotiations on the "Eastern Partnership" with Moldova, Georgia, Ukraine, Armenia and Azerbaijan, Chinese president Xi Jinping made the announcement in Kazakhstan – another former Soviet republic – of the creation of a "New Silk Road". This ambitious project aims to improve connections between the Pacific Ocean and Europe by creating a denser network of highways and railways and by developing infrastructure, air routes and new gas and oil pipelines. The objective is to open up a dozen provinces in western China by facilitating the circulation of goods and people towards Europe across Central Asia. Contrary to the Eastern Partnership, Russia is a stakeholder in the project which envisages, among others, the construction of a high speed train to Moscow through Kazakhstan. Moscow could, however, see its medium-term geopolitical plans supplanted by the Chinese project which is less restrictive on the political level and more attractive on the economic level.

¹³ On the Eurasian Union, see N. Popescu, 2014, "[Eurasian Union: The Real, the Imaginary, and the Likely](#)", *Chaillot Papers*, no. 132.

¹⁴ A. Bystritsky, "[Russia's Role in the SCO and Central Asia: Challenges and Opportunities](#)", *Valdai Discussion Club*, 15 January 2015, p. 8.

¹⁵ O. Kolegova, 2013, "[The Shanghai Cooperation Organisation as an instrument for regional integration: the problem with enlargement](#)", *Vestnik MGIMO*, no.1, pp. 249-253, in Russian.

Destabilised economic relations

Lastly, we must note that the cooling of Russian relationships with Western countries allows China to expand its access to natural resources and win new markets in Russia, whereas since 2008, Chinese companies had been faced with unofficial restrictions in areas considered strategic by Moscow, such as the building of infrastructure and mining.¹⁶ The Russian pivot to Asia accelerated in 2014, giving rise to a number of Sino-Russian agreements in the energy, defence, finance and infrastructure industries. Energy cooperation between the two countries is flourishing; projects of prime importance were agreed on in 2014, in particular a gas deal worth 400 billion dollars. The extent of these numerous agreements must not be overestimated, however. First of all, due to a shortage of time, some were not negotiated in great detail, and should remain dead letters. Secondly, well-known Russian experts have expressed serious doubt as to the feasibility and soundness of the massive gas contract: not only will China be the unique beneficiary, but the project requires a gas pipeline to be built across Siberia for an estimated minimum cost of 50 billion dollars.¹⁷ Finally, the structure of bilateral exchanges is of little benefit to the economic development of Russia, as Russian exports are limited to the sale of armament and hydrocarbons. With China intent on diversifying its supply sources, Russia takes the risk of turning into a supplier of raw materials, and being forced to scaling down its trading conditions.

Despite the significant progress made in recent years, some indicators show that there are some reservations as to the extent of Russia's renewed interests in Asia. Bilateral trade between Russia and China is rapidly and constantly rising. In 2014, it was estimated at 95 billion dollars, compared to 55 billion dollars in 2010. The same year, Russian exports to China increased by 4.9% compared to 2013 to reach 41.6 billion dollars. Chinese imports in Russia rose by 8.2% to reach 53.6 billion.¹⁸ Nonetheless, these trade relations are insignificant in comparison to those that both countries enjoy with Western countries. In 2014, Russia was China's ninth trade partner, the first being Europe and the second the United States, for a volume of trade estimated at 615 billion and 555 billion dollars respectively. Based on these figures, it is unlikely that China would endanger its economic interests in the United States and Europe for Russia's sake. Ultimately, Russia cannot do without its economic relationship with Europe. Despite the political tension and sanctions, Western countries remain essential trade partners. Europe is the main recipient of Russian hydrocarbon exports, and the revenue from these exports accounted for almost half the federal budget of Russia, before oil prices collapsed.¹⁹

Lastly, China does not provide an immediate replacement to stymie or counteract Western sanctions, which are effective in three areas: access to credit, investment and the latest technology. Several major Russian state companies are at risk of default due to their high level of debts. Although a financial swap of 24.5 billion dollars was agreed in October 2014 between the Central Bank of Russia

¹⁶ A. Gabuev, 2015, "[A "Soft Alliance"? Russia-China Relations after the Ukraine Crisis](#)", European Council on Foreign Relations, Policy Brief no.126.

¹⁷ C. Marangé, 2015, "[Les sanctions contre la Russie ont-elles un effet dissuasif ?](#)", *Etudes de l'IRSEM*, no.37, p. 16, in French.

¹⁸ "[Trade turnover between Russia and China rises by 6.8% in 2014](#)", *RuNews24*, 13 January 2015, in Russian.

¹⁹ See A. Bros, 2014, "[Gazprom in Europe: A Business Doomed to fail ?](#)", *Russie.Nei.Reports*, no.18, Institut français de Relations internationales (IFRI).

and the People's Bank of China, they are unable to refinance their debts on the Chinese capital market, due to the non-convertibility of the Chinese currency and the cautious practices of Chinese banks. Moreover, Chinese investments in Russia have a history of being low, so they cannot compensate for the capital flight (mainly to the West), which was estimated at over 150 billion dollars in 2014. As an example, in 2010, Chinese direct investment in Russia's non-financial sector was worth 594 million dollars out of a total of 68.8 billion dollars globally.²⁰ Finally, China cannot provide the most recent technology that Russian energy companies need in order to launch a number of promising projects, such as hydrocarbon extraction at sea and in the Arctic, or shale gas and oil mining, which they were forced to suspend because of the sanctions.

Russia has for a long time conducted a foreign policy that was oriented towards the Western world, using China as a scarecrow in its negotiations. Since the global financial crisis in 2008, it is striving to and succeeding in giving more substance to its strategic partnership with China. The China-Russia rapprochement continues to be based on shared best interests. As Joseph Nye, the father of smart power, notes, from Moscow's perspective, this rapprochement is tactical rather than strategic; it pursues diplomatic rather than military objectives.²¹ From the Chinese standpoint, in contrast, it is part of a long term power strategy. Russian leaders, who are more concerned with staging their confrontation with "the West" than with defending and safeguarding Russia's national interests in the long term, seek immediate gains: to this aim, they have made significant concessions, especially in the energy and military domains. Chinese leaders, pleased by the Russian conservative discourse, envisage their action in the long term: they play along with their Russian counterparts, at times endorsing their opinions, signing important contracts in passing, all the while ensuring not to appear as dominant partners, which they have effectively become. Thus, in addition to threatening the European security architecture inherited from the Cold War, the Ukrainian crisis could also impact on the global balance of power, by facilitating the strengthening of the Chinese power.

²⁰ MGIMO Institute for International Studies, 2013, *Proceedings of the 14th annual MGIMO- CINS Sino-Russian conference, 6 December 2011*, vol. 24, Moscow, in Russian, pp. 29-30.

²¹ J.S. Nye, "[A New Sino-Russian Alliance?](#)", *Project Syndicate*, 12 January 2015.