



RUSSIA, CHINA, AND THE WEST AFTER CRIMEA

Angela Stent

2015-16 PAPER SERIES

NO. 8



Transatlantic
Academy

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On the cover: Chinese President Xi Jinping and Russian President Vladimir Putin meet at the Kremlin in Moscow, May 2015. © Kremlin.ru

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TRANSATLANTIC ACADEMY PAPER SERIES

MAY 2016

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EXECUTIVE SUMMARY

Since the onset of the Ukraine crisis, Russian President Vladimir Putin has enthusiastically promoted ties with China as an alternative to Russia's adversarial relationship with the United States and Europe. Putin and Chinese President Xi Jinping have lavishly praised each other and criticized U.S. "unilateralism." They have stepped up their military cooperation — conducting joint naval exercises in the Mediterranean last year — and signed major energy deals, such as the \$400 billion Power of Siberia Gas pipeline project. In 2015, they attended each other's military parades commemorating the 70th anniversary of the end of World War II, when no Western leader attended either. The rhetoric and optics stress close ties between two leaders who share a conviction that their countries were unfairly treated in the past. They are also uncomfortable with the current international political and financial order, which, they believe, denies them equal treatment in setting the agenda and determining the institutional rules.

Despite the intensification of Sino-Russian ties since the annexation of Crimea, however, this remains a pragmatic and instrumental partnership, not a prelude to a closer alliance. For Moscow, the partnership is designed to reinforce Russia's role as an independent center of global power, one of Putin's key foreign policy goals. It is also intended to confer success by association from a rising China to a Russia experiencing serious economic

problems. China's support for Russia has served to legitimize Moscow's actions in Ukraine and Syria. Russia is a useful partner for China because it supplies China with hydrocarbons and advanced military hardware, supports China on all major foreign policy issues, and pursues a policy of non-interference in China's domestic affairs. While Chinese experts may privately express criticism of Russia's actions in Ukraine, publicly officials have adopted a policy of neutrality. In return, Russia has not commented publically on China's military activities in the South China Sea, although these actions have irked Russia's other Asian partners such as Vietnam.

China protects Russia from the full impact of Western sanctions and gives it continuing international legitimacy at a time when the West has sought to isolate it. Beijing has remained neutral as Russia has destabilized Ukraine used military force to keep the Assad regime in power in Syria. Nevertheless, China is unlikely to take actions that would contravene Western sanctions against Russia. Its economic interests in both the United States and Europe are significantly greater than are its economic interests in Russia. Ultimately, while the Kremlin seeks to overturn the U.S.-led global order and promote a tripolar world order, Beijing prefers to reform the existing order to suit its economic and geostrategic interests, and it regards the United States as its only true global counterpart.

1 INTRODUCTION

“Chinese and Russian relations are some of the most important bilateral relations in the world. Our relations are the best among the bilateral relations between great powers.”

— Chinese President Xi Jinping, March 2013¹

Since the onset of the Ukraine crisis, Russian President Vladimir Putin has enthusiastically promoted ties with China as an alternative to Russia’s adversarial relationship with the United States and Europe. Putin and Chinese President Xi Jinping have lavishly praised each other and criticized the United States’ “unilateralism.” They have stepped up their military cooperation and signed major energy deals. Xi has approvingly singled out ties between Beijing and Moscow as an example of the “new type of major power relations” he favors. Putin speaks about “sincere friendship and sympathy between our peoples — and commitment to make our countries flourish.”² In 2015 they attended each other’s military parades commemorating the 70th anniversary of the end of World War II, while no

¹ Speech at MGIMO, Moscow, March 23, 2013, Agence France-Presse, “Xi hails China-Russia relations as guarantee of peace,” March 23, 2013, <http://newsinfo.inquirer.net/378673/xi-hails-china-russia-relations-as-guarantee-of-peace>.

² President of Russia, “Interview to TASS and Xinhua news agencies,” September 1, 2015, <http://en.kremlin.ru/events/president/news/50207>.

Western leader attended either. The rhetoric and optics stress close ties between two leaders who share a belief that their countries were unfairly treated in the past and who are uncomfortable with the current international order that denies them their “rightful global role.”

But how real is Russia’s new pivot to China? And what impact has it had on the transatlantic alliance’s ability to pursue a consistent and effective relationship with Russia? This paper will address this issue by exploring four questions: what is the nature of the relationship between Moscow and Beijing? Has there been a qualitative change in Sino-Russian ties since the annexation of Crimea and the imposition of Western sanctions? To what extent does Russia view China as an alternative to Europe and the United States? In what concrete ways does the China-Russia relationship affect the West’s ability to achieve its goals with Russia?

The paper concludes that there has not been a qualitative change in the Sino-Russian relationship, nor is China an alternative to the United States or Europe. But Beijing’s neutrality on Russia’s actions in Ukraine and its opposition to sanctions have given Moscow with continued legitimacy as the West has sought to isolate it and provided some relief from the full effect of Western sanctions.

[Putin and Xi’s] rhetoric and optics stress close ties between two leaders who share a belief that their countries were unfairly treated in the past and who are uncomfortable with the current international order that denies them their “rightful global role.”

2 RUSSIA AND CHINA BEFORE CRIMEA

From 1949 to 1989, Sino-Soviet relations were largely confrontational. China posed an ideological challenge to the USSR, questioning its legitimacy to lead the communist world.

Putin and Xi are not exaggerating when they say that Sino-Russian relations are better than they have ever been. China and Russia have had a troubled relationship for centuries. In the 19th century, imperial Russia took advantage of the weak Qing dynasty to take back territory it had ceded to China in 1689. As a result of what China calls “unequal treaties,” China lost 600,000 square miles of territory to Russia in what is now the Russian Far East.³ In the first half of the 20th century, Sino-Soviet relations were complicated and sometimes contradictory. During the Chinese civil war, Moscow supported both the Chinese communists under Mao Zedong and the nationalists under Chiang Kai-Shek. Indeed, Stalin hoped that mainland China would be divided between the Kuomintang and the communists, and only reluctantly accepted Mao’s victory in 1949.

From 1949 to 1989, Sino-Soviet relations were largely confrontational. China posed an ideological challenge to the USSR, questioning its legitimacy to lead the communist world by claiming that Soviet leader Nikita Khrushchev was a revisionist who had abandoned socialism and was fawning on the United States.⁴ The Sino-Soviet split began after Stalin’s death, when Khrushchev denounced Stalin in 1956 without consulting with his fraternal Chinese allies. He subsequently abruptly withdrew 1,400 technical specialists from China and ceased assisting Beijing in the development of its nuclear program, leaving 200 scientific projects unfinished. Increasingly aggressive mutual polemics followed — especially during the Cultural Revolution from 1966-69 — culminating in a shooting war with border clashes on the disputed Ussuri River in 1969. The ideological saber-rattling continued well into the Gorbachev era. Mikhail Gorbachev

finally went to Beijing in 1989 to mend fences, only to arrive at the height of the Tiananmen Square protests, during which he was hailed as a hero by Chinese pro-democracy activists. His downfall and the collapse of the USSR had a major impact on the Chinese leadership, which vowed that this would never happen in China.

Under Boris Yeltsin, Russia continued to normalize ties with China and Chinese migrant laborers began to pour into the Russian Far East and revive its faltering economy. The delimitation of the 2,500-mile border proceeded. The collapse of the Soviet Union left China with new Central Asian neighbors, and in 1996 Kazakhstan, Kyrgyzstan, and Tajikistan were brought into the “Shanghai Five” with China and Russia, designed to regulate their border relations (the organization was renamed the Shanghai Cooperation Organisation — SCO — when Uzbekistan joined in 2001). China and Russia signed the “Joint Declaration on a Multipolar World and the Formation of a New International Order” in 1997 pledging equal partnership and strategic cooperation in a multipolar world.⁵

Since he entered the Kremlin, Putin has consistently sought to maintain and improve ties with China. This is a result of Russia’s perceived need to offset its deteriorating relationship with the West, but also of an appreciation of the advantages of allying oneself with a rising power who happens to also be a neighbor. Neither China nor Russia — both supporters of the concept of total sovereignty — is interested in committing itself to an alliance that would limit its freedom of maneuver. A pragmatic partnership based on a shared interest in a multipolar world and maintaining authoritarian control at home is what both countries seek.

³ Fu Ying, “How China Sees Russia,” *Foreign Affairs*, January/February 2016, p. 99.

⁴ W. Griffith, *The Sino-Soviet Rift, 1964-65* (Cambridge: MIT Press, 1967).

⁵ Text available at <http://www.un.org/documents/ga/docs/52/plenary/a52-153.htm>.

Since the onset of the Ukraine crisis, Moscow has sought to intensify the relationship, but China retains its instrumental and clear-eyed view of its ties to Russia and will not take actions that might jeopardize its strong economic links with Europe and the United States. Nevertheless, the relationship has enabled Russia to avoid the international isolation that the West has sought to impose after the Crimean annexation. Moscow can point to Beijing's support for — or at least neutrality toward — actions that the West has condemned. China is willing to validate Russia's policies in Crimea or the Donbas region while the West criticizes them. Moreover, according to the vice-premier, "China categorically opposes the sanctions the United States and Western countries have taken against Russia."⁶

The bilateral and multilateral agenda has greatly expanded under Putin. Nevertheless, the relative asymmetry between the two countries has grown noticeably over the past 15 years. In 2015, China's GDP was \$11.39 trillion, whereas Russia's was \$1.24 trillion. Russia has a population of 142 million; China has a population of 1.3 billion. China is a dynamic, rising power, its economy projected to overtake that of the United States in nominal terms by 2030 (it has already surpassed the United States in purchasing power parity terms). Russia's economy is in decline, as is its population,

⁶ A. Gabuev, "Did Western Sanctions Affect Sino-Russian Economic Ties?" *China Policy Institute Blog*, University of Nottingham, April 26, 2016, <https://blogs.nottingham.ac.uk/chinapolicyinstitute/2016/04/26/did-western-sanctions-affect-sino-russian-economic-ties/>.

particularly in the far east region bordering China. Russia exports hydrocarbons and military hardware to China in return for imports of Chinese manufactures, including electronic goods. Unless Russia modernizes its economy, it will remain a raw materials and weapons supplier for the Chinese advanced industrial economy.

The Russian-Chinese relationship has significant bilateral dimensions, including trade, energy, border regulation, and military-to-military cooperation. Both sides reject Western criticisms of their human rights records and support each other's domestic policies. Russia endorses the Chinese positions on Taiwan and Tibet. The relationship also has an important multilateral agenda, including regulating relations in Central Asia via the SCO, cooperation on the United Nations Security Council (UNSC) over issues such as Iran and Syria, and also in the six-party talks on North Korea. Strikingly, there are no major international issues on which Russia and China disagree, unlike Russia's vexed relationship with the West. President Xi and his predecessor Hu Jintao (2002-12) both made their first foreign trips to Russia. Putin likewise went to China soon after his 2012 reelection, after cancelling a planned trip to Washington for the G8 summit a month earlier, saying he was too busy working on appointing his new government.⁷

⁷ A. Stent, *The Limits of Partnership: U.S.-Russian Relations in the Twenty-First Century* (Princeton: Princeton University Press, 2015), p. 246.

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3 KEY ISSUES IN RUSSIAN-CHINESE RELATIONS

The contrast between the Chinese side of the border — with large, modern hotels and modern urban infrastructure — and the Russian side, with sparse and often dilapidated buildings, is very noticeable.

Border Regulation

The year 2001 represented a milestone in Russian-Chinese relations inasmuch as it produced an agreement codifying the strategic partnership. The Russian-Chinese Treaty of Good-Neighborliness, Friendship, and Cooperation is a 20-year agreement laying out in broad brushstrokes the major elements of the relationship, including economic and military cooperation. The complete border demarcation between the two countries was signed in 2004 during a Putin visit to Beijing.

Nevertheless, the Russian Far East remains under China's shadow. There are 7.5 million Russians in the Far East facing 112 million Chinese in the three provinces of China's North-East.⁸ Opinion polls show that the Russian population in the Primorsky Krai border region fear Chinese migrants less than they did 10 years ago, but a sizeable number believe that border clashes similar to those in 1969 are still possible. They remain suspicious of Chinese shuttle traders and investors and of China's potential designs on their land.⁹ Recently, a move to permit China to lease 1,000 square kilometers of land in the Russian Far East elicited such loud local opposition that the authorities abandoned the project.¹⁰ The contrast between the Chinese side of the border — with large, modern hotels and modern urban infrastructure — and the Russian side, with sparse and often dilapidated buildings, is very noticeable. In 2007, both countries agreed to build a rail bridge across the Amur River, as a symbol of friendship. The Chinese have built their

section of the bridge. The Russians have not started on construction.¹¹ The Russian Far East, in short, exemplifies the ambivalent relationship between Russians and Chinese and the contrast between a dynamic and a declining power: appreciation of the economic benefits that Chinese workers bring, but also enduring concerns about China's longer-term designs on Russian lands.

Trade and Energy

Since 2009, China has been Russia's largest trading partner. But their bilateral trade (\$66 billion in 2015) is one-tenth the size of U.S.-Chinese trade (\$600 billion) and much smaller than EU-China trade (€520 billion). For all the lofty words about how good the relationship is, in fact the economic relationship is comparatively modest. China is a more important trade partner for Russia than vice versa. Before the Ukraine crisis and Russia's subsequent economic difficulties due to falling oil prices and Western sanctions, bilateral trade amounted to \$88 billion, but it fell by 25 percent in 2015. The structure of trade largely resembles that between a developing and a developed country. Mineral products and hydrocarbons constitute 73 percent of Russian exports. Machinery and transport equipment constitute 52 percent of Chinese exports, with textiles and footwear at 15 percent.¹² China is the second largest buyer of Russian military hardware.

As China has modernized and become much richer, its demand for energy has grown exponentially. Russia has plentiful oil and gas reserves, but most of its energy exports went to Europe during the Soviet era. Since the Soviet collapse, Russia has

⁸ M. Jacques, *When China Rules the World* (New York: Penguin, 2009), p. 336.

⁹ M. Alekseev, "Chinese and Russian Border Disputes - Are Dotted Lines a Red Line?" [Presentation at Kennan Institute, Washington, DC], February 24, 2016, <https://www.wilsoncenter.org/event/chinese-and-russian-border-disputes-are-dotted-lines-red-line>.

¹⁰ K. Hille, "Outcry in Russia over China Land Lease," *Financial Times*, June 25, 2015, <http://www.ft.com/intl/cms/s/0/700a9450-1b26-11e5-8201-cbdb03d71480.html#axzz473m2bPvL>.

¹¹ K. Hille, "Russia and China: Friends with Benefits," *Financial Times*, February 5, 2016, <http://www.ft.com/intl/cms/s/0/f8959924-cab6-11e5-a8ef-ea66e967dd44.html#slide0>.

¹² T. Sidorenko, "The Scope of Economic Cooperation between Russia and China and Future Prospects," Universidad Nacional Autónoma de México, January-March 2014, http://www.probedes.iiiec.unam.mx/en/revistas/v45n176/body/v45n176a2_1.php.

worked on diversifying its energy exports, but energy relations with China have proven quite challenging, due to the vagaries of Russian politics and to tough Chinese negotiating. Building the East Siberian-Pacific Ocean oil pipeline (ESPO) to China took 10 years. For a time, it looked as if the first Russian oil pipeline to Asia would go via Japan, but eventually the Chinese route prevailed. Russia began its deliveries of crude oil to China in 2011, part of a bilateral “loans for oil” deal whereby Beijing provided Moscow with a \$25 billion loan in exchange for oil deliveries until 2030.¹³

Russia is the world’s leading gas exporter and began early on to negotiate with China to build a pipeline. But Gazprom and China National Petroleum Corporation were unable to agree on a price, so China turned to Central Asia, concluding a deal for a Turkmenistan-Uzbekistan-Kazakhstan-China pipeline. What changed the equation was Russia’s seizure of Crimea and launch of a war in eastern Ukraine in 2014. After the United States and its allies imposed sanctions on Russia, the Kremlin decided that it had to turn to China for help. In May 2014, Russia and China signed a \$400 billion deal to build a gas pipeline, the “Power of Siberia.” The details of the deal are not public, but it is assumed that Beijing was in a favorable position to achieve most of the goals it had pursued for some years: a cheap price and equities in the deal, including ownership of part of the pipeline infrastructure.¹⁴ As of 2016, work on constructing the pipeline has barely begun. The dramatic fall in oil prices in 2014-15 and China’s economic difficulties had reduced the commercial attraction of the project. It may well eventually be completed

¹³ J. Rudnitsky, “Putin Pipeline to Send 25% of Russia’s Oil Exports East,” Bloomberg, March 7, 2013, <http://www.bloomberg.com/news/articles/2013-03-07/putin-pipeline-to-send-25-of-russia-s-oil-exports-east>.

¹⁴ E. Mazneva and S. Kravchenko, “Russia, China Sign \$400B Gas Deal After Decade of Talks,” Bloomberg, May 21, 2014, <http://www.bloomberg.com/news/articles/2014-05-21/russia-signs-china-gas-deal-after-decade-of-talks>.

but will not materially affect Russia’s ability to diversify its gas exports from Europe for many years.

Central Asia

Russia and China have worked hard to manage ties in their common neighborhood. Compounding the socio-economic challenges that confront many developing nations, there is the spillover from the wars in Tajikistan and Afghanistan and the threat of Islamic fundamentalism. Groups such as the Islamic Movement of Uzbekistan (IMU) and Hizb ut-Tahrir are considered to be terrorist organizations that threaten Russia, China, and Central Asia. Thousands of Central Asian citizens have joined the self-proclaimed Islamic State group and other extremist groups.¹⁵ The ongoing conflict with the Taliban in Afghanistan has exacerbated these problems. Since Beijing has to deal with Uighur separatism and fundamentalism in Xinjiang, and Russia faces the ongoing threat of terrorism from the North Caucasus region, both countries are united in supporting Central Asian governments in combating extremism.

For all these reasons, the SCO has become a key pillar of the Sino-Russian relationship. Originally created to resolve border disputes, it agreed early on to jointly fight the “three evils” of terrorism, separatism, and extremism. The SCO promotes cooperation in the fields of economy, security, and counterterrorism. Although the SCO has not yet achieved the stature of an influential regional organization, it has recently increased its reach. India and Pakistan will become members in 2016 and Iran, Mongolia, and Afghanistan may follow suit. However, tensions between Russia and China over enlargement remain. India and China continue to have border disputes. India and Russia

¹⁵ D. Tynan “Thousands from Central Asia joining ‘Islamic State,’” International Crisis Group, January 21, 2015, <http://blog.crisisgroup.org/europe-central-asia/2015/01/21/thousands-from-central-asia-joining-islamic-state/>.

After the United States and its allies imposed sanctions on Russia, the Kremlin decided that it had to turn to China for help. In May 2014, Russia and China signed a \$400 billion deal to build a gas pipeline, the “Power of Siberia.”

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have traditionally enjoyed close ties, while China and Pakistan have been aligned. This enlargement could add to existing rivalries between Moscow and Beijing and their respective partners.¹⁶ While the SCO was initially founded to regulate Russian-Chinese relations in Central Asia, it has expanded not only in membership but in ambition, as a multilateral organization from which the United States is excluded. Its influence, however, remains limited.

So far, Russia and China have successfully managed their rivalry in Central Asia. Russia retains the predominant political influence over the area, given the enduring linguistic, cultural, and personal ties between Moscow and many in the Central Asian elites. But China has become the predominant economic power in Central Asia, given its energy needs and investment projects. The Chinese, like the Russians, were wary of the United States' entry into Central Asia in the 1990s as U.S. companies pursued economic (and especially energy) projects in the region and NATO developed partner relations with several states. Then came the terrorist attacks of September 11, 2001, and Putin's decision to facilitate the establishment of U.S. military bases in Uzbekistan and Kyrgyzstan, without consulting with China.¹⁷ For a while, it looked as if the rapprochement between Moscow and Washington in 2001-02 might have longer-term effects on ties between Beijing and Moscow. But that Putin reset ended with the U.S. invasion of Iraq.¹⁸ Until recently, Russia was content to see China expand its economic presence in Central Asia as long as Moscow remained the main security provider. With the U.S. withdrawal from

¹⁶ R. Weitz, "The Shanghai Cooperation Organization's Growing Pains," *The Diplomat*, September 18, 2015, <http://thediplomat.com/2015/09/the-shanghai-cooperation-organizations-growing-pains/>.

¹⁷ B. Lo, *Axis of Convenience* (Washington, Brookings Institution Press, 2008), p. 95-96.

¹⁸ A. Stent, chapter 4.

Afghanistan, it appeared that Russia's military role in Central Asia would be strengthened. It has bases in Kyrgyzstan and Tajikistan and conducts regular military exercises with its partners in the Collective Security Treaty Organization (CSTO).

China's dynamic economic growth until 2015 and Russia's economic problems following the collapse in oil prices and the value of the ruble, as well as the impact of Western sanctions, have raised questions about Russia's and China's future role in Central Asia. Putin's major project for his third term, the Eurasian Economic Union, was launched in January 2015. Its members are Russia, Belarus, Kazakhstan, Kyrgyzstan, and Armenia. But Russia's economic difficulties and their impact on its neighbors have hindered the development of the EEU. Cheap Russian goods flow into Kazakhstan, which has also suffered from plummeting oil prices and finds its goods less competitive. Meanwhile, China in 2013 announced its intention to construct a Silk Road Economic Belt, now known as One Belt One Road (OBOR). This ambitious project will eventually link China with Europe and will involve multiple transportation and construction projects, including multi-billion-dollar investment deals in Central Asia. In 2014, the Silk Road Fund was launched with a starting capital of \$40 billion for a projected network of railway lines, highways, and energy pipelines leading to and from China. While the Central Asian countries were generally enthusiastic about these projects, Russia was more reticent, until Xi and Putin signed an agreement on the integration of the EEU and OBOR projects in May 2104.¹⁹ It remains to be seen how these projects work out, given the economic challenges that both countries face. But the reality is that once China begins to construct these ambitious projects, it will inevitably become more involved in the hard security of the countries through

¹⁹ A. Gabuev, "China's Silk Road Challenge," Carnegie Moscow Center, November 12, 2015, <http://carnegieendowment.org/commentary/2015/11/12/china-s-silk-road-challenge/im66>.

which its highways, railways, and pipelines pass. The previous division of labor between Russia and China in Central Asia may no longer be tenable. Indeed, in March 2016, China proposed the creation of an anti-terror alliance consisting of Afghanistan, China, Pakistan, and Tajikistan. Although the official Russian response to this proposal was generally positive, some Russian commentators warn that this could become an alternative to the Russian-dominated CSTO, a “Central Asian NATO under the Chinese umbrella.”²⁰ China has tried to assuage these concerns but it is unclear whether this alliance will go forward.

The countries of Central Asia have learned over the past 25 years to balance their ties with Russia and China and fine-tune their economic and political relations with both large neighbors. In general, they are more familiar with Russia than with China, given their centuries of shared history. Their elites still receive most of their news from state-run Russian television channels. They are less familiar with China, its language, and its culture. Nevertheless, they need Chinese investment and trade. Kazakhstan, the largest and wealthiest Central Asian country, has worked hard to maintain productive ties to both countries and has so far maneuvered between both quite successfully. If China largely steps in to fill the vacuum left by the U.S. withdrawal from Afghanistan and the closing of its military bases there, that might disturb the current balance and raise tensions in the area. But for now, China is careful to calibrate its activities in Central Asia so as not to arouse Russian concerns. Ultimately, Russia, China, and the states of Central Asia share fundamental ideas of what stability in the region looks like and how to maintain it. They are a group of authoritarian states

²⁰ J. Kucera, “China Proposes New Central Asian Military Alliance,” *The Bug Pit*, Eurasianet.org, March 21, 2016, <http://www.eurasianet.org/node/77896>. The CSTO’s members are Russia, Armenia, Belarus, Kazakhstan, Kyrgyzstan, and Tajikistan.

dedicated to ensuring that no popular uprisings, whether from pro-democracy forces or Islamist groups, threaten their rule. Whereas they are wary of Western attempts to open up their societies, Central Asian countries welcome Russian and Chinese support of the status quo.

The BRICS

In 2001, Goldman Sachs Asset Management head Jim O’Neill coined the term BRIC — Brazil, Russia, India, and China — to refer to four emerging economies in which he advised clients to invest.²¹ In the 15 years since the term was coined, the BRIC acronym has been transformed from an obscure and questionable concept into an institutionalized political organization with an increasingly ambitious agenda. Today BRICS (South Africa joined in 2010) account for one-fifth of the world’s economic output and 40 percent of its population.²² BRICS brings together five very different countries from four continents. Russia was the prime mover in creating the organization — one that excludes the West and has given Moscow a major role in setting the agenda of an international organization — something that it believes the West has denied it. China has, for its own reasons, supported Russia’s moves. The first informal meeting of BRIC foreign ministers took place in 2006. The 2008 financial crisis, which affected developed countries more than the emerging markets, caused a legitimacy crisis in the international financial order and fostered greater cooperation among the BRICS

²¹ J. O’Neill, “Building Better Global Economic BRICs,” Goldman Sachs, November 30, 2001, <http://www.goldmansachs.com/our-thinking/archive/archive-pdfs/build-better-brics.pdf>.

²² L. Kelly and K. Golubkova, “BRICS summit gives Putin a chance to show Russia not isolated,” Reuters, July 6, 2015, <http://www.reuters.com/article/2015/07/06/us-emerging-brics-idUSKCN0PG1CG20150706>.

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countries.²³ Their first formal summit was held in Yekaterinburg in 2009.

Some observers continue to express skepticism that countries so disparate in wealth, population, degrees of democracy, and future trajectories can function as a coherent organization. China is in many ways the outlier as the world's second largest economy and holder of the largest foreign exchange reserves, a rising power whose only peer is the United States. Russia, like China, has global ambitions, despite its economic constraints. Indeed, all five BRICS members aim to play a greater role on the international stage. They have established new financial mechanisms: a New Development Bank and a Contingent Reserves Arrangement.²⁴ Although much of what the BRICS plan to do is still aspirational, and despite the disparities between the countries, they have already begun to affect global financial structures. China and Russia both view the organization as a means of whittling away at U.S.-dominated global financial institutions. However, one Russian participant at a recent BRICS academic summit has proposed the acronym CRIBS as a more accurate description of the organization. China and Russia occupy a "leftist" anti-Western flank, South Africa and Brazil prefer to work within structures regulated by Western institutions, and India is in the middle seeking to work with both sides.²⁵

The United Nations Security Council

Russia has been able to project influence internationally that is disproportionate to its

²³ O. Stuenkel, "The Financial Crisis, Contested Legitimacy, and the Genesis of Intra-BRIC Cooperation," *Global Governance* 19, 2013, p. 611-630, http://www.gppi.net/fileadmin/user_upload/media/pub/2013/stuenkel-2013-financial_crisis_contested_legitimacy_and_genesis_of_intra-BRICS_cooperation.pdf.

²⁴ "VII BRICS Summit Ufa Declaration," July 9, 2015, http://brics2016.gov.in/delcarations/7th%20Declaration_eng.pdf.

²⁵ G. Shtraks, "SCO-BRICS: A Big Summit in Ufa," *The Diplomat*, June 8, 2015, <http://thediplomat.com/2015/06/sco-brics-a-big-summit-in-ufa/>.

inherent capabilities for a number of reasons, including its permanent seat — and veto — on the United Nations Security Council. China has been an enabler of Russian actions in places like Syria and Ukraine, reinforcing the exercise of Russian influence by coordinating its Security Council votes with Moscow on all important international matters and by deterring the West from introducing resolutions that Russia or China believe will threaten their interests. Indeed, Russia's and China's support for each other has led them to derail a number of Western proposals designed to bring humanitarian relief and hold those who promote ethnic violence accountable for their actions. The major areas where they have supported each other — and often thwarted the West — are the Balkans, Iran, North Korea, and Syria. Both countries interpret the concept of the Responsibility to Protect and humanitarian intervention differently than does the West. They insist that the principles of sovereignty and non-interference in the internal affairs of other countries take precedence. Russia defines humanitarian intervention in terms of coming to the aid of Russians who live outside Russia when they feel that they are threatened — for instance, in Ukraine.

In the past decade, China and Russia vetoed resolutions that would have imposed penalties on the regime of Syria's Bashar al-Assad as that country's civil war unfolded. However, China has been more cautious in votes on Ukraine, abstaining from rather than rejecting the General Assembly's condemnation of the annexation of Crimea, and leaving Russia alone to veto a Security Council resolution on the 2014 downing of the MH17 airline in the Donbas. On other issues, they have coordinated their votes. China has usually followed the Russian lead on issues involving the Iranian nuclear program and Russia has followed the Chinese lead on issues involving the North Korean nuclear program.

Sino-Russian cooperation in the United Nations is a manifestation of a broader commitment to reject an international order imposed by the West. But what should this new order be? The breakdown on Russia's relations with the United States and Europe following the annexation of Crimea provides some clues.

4 RUSSIA'S ASIA PIVOT

Although China has not signed up to Western sanctions against Russia, it has been careful not to take actions that contravene those sanctions, especially in the financial field, out of concern that it not jeopardize its economic ties with the United States or Europe.

A Post-Ukraine Pivot to China?

Since the March 2014 annexation of Crimea and the deterioration of Russia's ties with the West, Putin has consistently praised the Russian-Chinese partnership, implying that it is a preferable alternative to the adversarial relationship with the United States and Europe. China has not publicly criticized Russia's policy in Ukraine. Moreover, although China has not signed up to Western sanctions against Russia, it has been careful not to take actions that contravene those sanctions, especially in the financial field, out of concern that it not jeopardize its economic ties with the United States or Europe. The Bank of China has given Gazprom a loan of \$2 billion and two development banks have provided some loans to Russia. But the "Big Four" Chinese banks have complied with Western sanctions. Given the choice between increasing their presence in the high-risk Russian market and the opportunity to strengthen their position in the large and stable markets of the EU and the United States, China has opted for the latter.²⁶ Moreover, Beijing has intensified its economic relations with Ukraine since the crisis began.²⁷

Nevertheless, frequent high-level bilateral meetings take place and Chinese leaders continue to praise their relations with Russia, reiterating that the Ukraine crisis must be resolved peacefully. China's military relations with Russia have also intensified since the onset of the Ukraine crisis. In 2015, they increased their number of joint military exercises, with China for the first time participating in an exercise with Russia in the Mediterranean, a signal

²⁶ A. Gabuev, "A Pivot to Nowhere: The Realities of Russia's Asia Policy," Carnegie Moscow Center, April 22, 2016, <http://carnegie.ru/commentary/2016/04/22/pivot-to-nowhere-realities-of-russia-s-asia-policy/ixfv>.

²⁷ S. Ramani, "Hey, Putin, have you seen how much China is investing in Ukraine?" The Monkey Cage, *The Washington Post*, July 24, 2015, <https://www.washingtonpost.com/blogs/monkey-cage/wp/2015/07/24/hey-putin-have-you-seen-how-much-china-is-investing-in-ukraine/>.

to NATO that it does not own the sea.²⁸ They also held joint naval and amphibious assault exercises in the Sea of Japan that year. In 2016, Moscow and Beijing plan to increase the number of joint exercises.²⁹ This will include the first computer-assisted missile defense drill.³⁰ In short, Russia and China have gone out of their way to demonstrate their heightened friendship since the Ukraine crisis began. Some Western officials express concern that the Chinese-Russian relationship has entered a qualitatively new stage, one that poses a potential political and military threat to the West.³¹

China has become the focus of Russia's post-Ukraine anti-Western policy. Russian electronic media consistently excoriate the West, while praising China. The May 2104 "Joint Declaration of the Russian Federation and the People's Republic of China on the New Stage of Comprehensive Partnership and Strategic Cooperation" elevated both the rhetorical and practical aspects of the relationship.³² This partnership is designed to reinforce Russia's role as an independent center of global power, one of Putin's key foreign policy goals. It is also intended to confer success by

²⁸ F. Gady, "China and Russia Conclude Naval Drill in Mediterranean," *The Diplomat*, May 22, 2015, <http://thediplomat.com/2015/05/china-and-russia-conclude-naval-drill-in-mediterranean/>.

²⁹ F. Gady, "China and Russia to Increase Number of Military Exercises in 2016," *The Diplomat*, April 28, 2016, <http://thediplomat.com/2016/04/china-and-russia-to-increase-number-of-military-exercises-in-2016/>.

³⁰ *The Moscow Times*, "China and Russia to Hold Joint Military Drills," May 3, 2016, <http://www.themoscowtimes.com/news/article/china-and-russia-to-hold-joint-military-drills/567825.html>.

³¹ S. Blank, "New Momentum in the Russia-China Partnership," *Eurasia Daily Monitor*, March 30, 2016, http://www.jamestown.org/single/?tx_ttnews%5Btt_news%5D=45252&tx_ttnews%5BackPid%5D=7&cHash=ef075e3c928559b196033c610d9f4944#.VzDiooQrK70.

³² *The BRICS Post*, "China-Russia sign raft of agreements after Xi-Putin talks," May 9, 2015, <http://thebricspost.com/china-russia-sign-raft-of-agreements-after-xi-putin-talks/#.VzN11oQrKUK>.

association from a rising China to a Russia experiencing serious economic problems. China's support for Russia has served to legitimize Moscow's actions in Ukraine and Syria. Moreover, the BRICS have reinforced this determination not to isolate Russia or publicly criticize its actions in Ukraine. They all abstained from the U.N. General Assembly vote criticizing the annexation of Crimea and were also instrumental in arguing that Putin be invited to the G20 summit in Australia in 2014, when Western members contemplated disinviting him.

China also offers a geo-economic alternative to Europe both as a trading partner and energy consumer. Xi and Putin appear to enjoy a close working relationship, enhanced by a mutual aversion to domestic dissent and to Western attempts to promote democracy and human rights that could undermine their rule. But Russia's strategic dependence on China is much greater than China's on Russia and, although both reject the current global order, they do not agree on what a future world order should look like.

Russia is a useful partner for China because it supports China on all major foreign policy issues and pursues a policy of non-interference in China's domestic affairs. While Chinese experts may privately express criticism of Russia's actions in Ukraine, publicly officials have adopted a policy of neutrality. In return, Russia has not commented publicly on China's activities in the South China Sea, although these actions have irked Russia's other Asian partners, such as Vietnam. Russia remains an important supplier of energy and arms to China. It exports upwards of \$2 billion in military equipment to China annually. Since the imposition of Western sanctions, Moscow has revisited the issue of selling the most advanced military technology to China. It used to be wary of exporting the most high-technology weapons to Beijing because of China's tendency to reverse

engineer and resell in competition to Russia. It has now signed a \$3 billion deal to sell China advanced Su-35 fighters and the S-400 surface-to-air missile system, which will upgrade Beijing's missile-defense capabilities and could jeopardize Taiwan's aerial defenses. The S-400 is difficult to reverse engineer and Russia prefers to have China dependent on it for air defenses. Meanwhile, Russia is beginning to develop the S-500 system.³³

From the Chinese point of view, the 35 percent drop in Chinese-Russian trade in 2015 and the 20 percent fall in investment in Russia may be a regrettable consequence of Beijing's and Moscow's economic difficulties, but they are more problematic for Russia than for China. Ultimately, while the Kremlin seeks to overturn the U.S.-led global order and promote a tripolar world order, Beijing prefers to reform the existing order to suit China's economic and geostrategic interests and regards the United States as its only true global counterpart. All the talk of strategic partnership with Russia will not change the basic facts of international life.

Nevertheless, it is undeniable that Chinese support for Russia has enabled Moscow to avoid the international isolation that the United States and Europe sought to impose on it after the Crimean annexation. In this way, China has acted as a facilitator of Russia's military activities in Ukraine and Syria that have enabled Russia to raise its international profile and forced the West to resume dealing with Moscow. Beijing has effectively backed Russia's revisionist agenda in Europe and beyond. Despite potential Sino-Russian rivalries in Central Asia or the Arctic, a shared normative approach toward the international arena and suspicion of U.S. intentions and policies will continue to bind the two countries together for the foreseeable future.

³³ *Russian Defense Policy*, "S-500 in 2016?" April 18, 2016, <https://russiandefpolicy.wordpress.com/2016/04/18/s-500-in-2016/>.

Ultimately, while the Kremlin seeks to overturn the U.S.-led global order and promote a tripolar world order, Beijing prefers to reform the existing order to suit China's economic and geostrategic interests and regards the United States as its only true global counterpart.

The Chinese are highly pragmatic about where they can secure the best education for their children, without this necessarily changing their political attitudes toward the United States. It also means that there are far more human contacts between young Chinese and Americans and Europeans than there are between Chinese and Russians.

But it will remain a relationship dominated by official contacts, with far less interaction between entrepreneurs and civil society than is the case for Russia and Europe. As one Russian academic explained:

*“In our relations with countries like Italy or Germany, there are lots of small and medium-sized enterprises who have a presence here and employ many Russians. There is a multi-layered fabric of human contacts that has grown over years with cultural exchanges, mixed marriages. With China, we have very little of that.”*³⁴

This underscores the fact that Russia still defines its foreign policy with Europe and the United States as its main reference point. The men in the Kremlin understand the West better than they do China, even as they demonize it in their official media. They still sell most of their oil and gas to Europe and have second homes there. It would take some time for China to replace the West as an economic or political partner for Moscow. And for Beijing, Moscow is a useful partner facilitating China’s rise, but it is by no means the only one.

Another reality check against which to assess the rhetoric of close Chinese-Russian ties is to look at where the Chinese elite sends its children to study. In 2015, there were upwards of 300,000 Chinese university students in the United States, a five-fold increase in a decade, pouring \$9 billion into the U.S. economy.³⁵ Indeed, after the 2008 economic crisis in the United States, some public universities, especially on the West Coast, were able to stay

open because of the influx of fee-paying Chinese students. There were a further 120,000 in EU countries in 2010. By contrast, there are 25,000 Chinese university students in Russia.³⁶ Even fewer Russian students go to China — 15,000 — while 100,000 U.S. students go to China and 900 go to Russia. This shows clearly that the Chinese are highly pragmatic about where they can secure the best education for their children, without this necessarily changing their political attitudes toward the United States. It also means that there are far more human contacts between young Chinese and Americans and Europeans than there are between Chinese and Russians.

A Broader Russian Pivot to Asia?

Russia has linked its intensification of ties with China to a broader turn toward Asia since Putin returned to the Kremlin in 2012. That year, Russia for the first time hosted the annual Asia-Pacific Economic Cooperation (APEC) summit in Vladivostok. The summit was intended to symbolize that Russia had indeed become an Asian power, where previously the talk of Russia’s “Common Asian Home” was not backed up by significant policy moves. In 2013, Putin appeared to consolidate this pivot to Asia by travelling to Vietnam, Indonesia, and South Korea. That same year, U.S. President Barack Obama cancelled a trip that was supposed to be part of the U.S. “pivot to Asia” because of a government shutdown.

However, the Putin pivot to Asia appears to have stalled because of inconsistent execution of policies. In September 2015 at the first conference of the Far Eastern Economic Forum in Vladivostok, a meeting between Putin and important businessmen from the Asia-Pacific region who manage more than \$5 trillion in assets was cancelled. The Russian

³⁴ K. Hille, “Russia and China: Friends with Benefits.”

³⁵ B. Allen-Ebrahimian, “Chinese Students in America: 300,000 and Counting,” *Foreign Policy*, November 16, 2015, <http://foreignpolicy.com/2015/11/16/china-us-colleges-education-chinese-students-university/>; A. Sukhoretzkaya, “Europe vs. U.S.: Battling for Hearts of Chinese Students,” *The World of Chinese*, March 19, 2014, <http://www.theworldofchinese.com/2014/03/europe-vs-us-battling-for-hearts-of-chinese-students/>.

³⁶ A. Dolgov, “Russia and China Boost Student Exchange Programs,” *The Moscow Times*, October 13, 2014, <http://www.themoscowtimes.com/article.php?id=509353>.

president instead spent his time with the U.S. actor and Putin supporter Steven Seagal. Later on that year, Putin skipped the APEC and East Asia summits. And despite the efforts of First Deputy Prime Minister Igor Shuvalov, Russia failed to secure a position of vice president in China's new Asian Infrastructure Bank because of lack of interest on the Kremlin's part. This suggests that the Kremlin's pivot has so far been poorly executed.³⁷

Nevertheless, there is one East Asian country that is seeking closer ties to Russia: Japan. Tokyo and Moscow's relations have been strained since the end of World War II for a number of reasons. Foremost is the territorial dispute over the Kuril Islands that the USSR occupied at the end of the war. Tokyo claims they belong to Japan and has refused to sign a peace treaty with Russia until the islands are returned to Japan. Since 1956, Moscow has offered a compromise solution whereby Russia would return the smaller two of the disputed islands and would keep the larger two. Japan has so far refused to accept this compromise. After the Soviet collapse, Yeltsin took some steps toward resolving the territorial dispute, encouraged by the prospect of large-scale Japanese investment in the Russian Far East. But several Russo-Japanese summits failed to resolve the issue.

Japanese Prime Minister Shinzo Abe has made improving ties with Russia and resolving the territorial dispute a top foreign policy priority since he came into office in 2012. He apparently would be willing to accept a compromise on the dispute. He has met 13 times with Putin, as opposed to seven times with Obama, and has praised Putin's leadership: "President Putin has a clear goal, to build a strong, flourishing Russia. My current goal is to build a strong Japan. In this way, the

³⁷ A. Gabuev, "A Pivot to Nowhere: The Realities of Russia's Asia Policy," Carnegie Moscow Center, April 22, 2016, <http://carnegie.ru/commentary/2016/04/22/pivot-to-nowhere-realities-of-russia-s-asia-policy/ixfv>.

president and I share common values and ideals. I feel considerable affinity with him."³⁸ Abe was the only major Western leader to attend the 2014 Sochi Winter Olympics. His plans were dealt a severe blow when Russia shortly thereafter annexed Crimea and launched the war in the Donbas, and the United States and EU urged Japan to follow them in imposing sanctions. Tokyo did so with great reluctance, and crafted its sanctions in such a way as to have minimal impact. Nevertheless, the Russo-Japanese rapprochement was set back only to be revived in 2016.³⁹ Japan had put out feelers to its G7 partners about inviting Russia to join the 2016 G7 summit in Japan. But they demurred, citing Russia's suspension from the G8 after Crimea and the lack of progress on resolving the Ukraine crisis. Ahead of the G7 summit, Abe visited Moscow in May 2106, although it was not clear that any progress was made on the island issue.⁴⁰

Japan's pursuit of a rapprochement with Russia is driven by a number of factors, chief among which is Tokyo's concerns about China's current and longer-term actions and ambitions. Officials express the hope that a Russo-Japanese rapprochement would encourage Moscow to rethink its close ties to China, and work with Japan to counter Chinese regional ambitions. Japan believes that the closer cooperation between Russia and China since the Ukraine crisis began has had an emboldening effect on China, encouraging it to increase its assertive actions in the East and South China Seas.⁴¹ In its search for better relations with Russia, Japan is at odds with its G7 partners. The post-

³⁸ M. Gusman, "Сакура непременно зацветет [The Sakura will bloom without fail]," *Rossiskaya Gazeta*, April 26, 2013.

³⁹ J. Brown, "Abe's 2016 Plan to Break the Deadlock in the Territorial Dispute with Russia," *The Asia-Pacific Journal*, February 15, 2016, <http://apjff.org/2016/04/Brown.html>.

⁴⁰ Bloomberg, "Abe breaks ranks with Obama by visiting Putin," May 6, 2016, <http://www.japantimes.co.jp/news/2016/05/06/national/abe-breaks-ranks-obama-meeting-putin-russia/#.VzN9s4QrKUK>.

⁴¹ J. Brown.

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Ukraine Sino-Russian relationship has apparently accelerated Tokyo's push to resolve outstanding disputes with Moscow, but the Japanese premise that a rapprochement with Russia would cause the Kremlin to distance itself from China is highly questionable.

5 IMPLICATIONS FOR THE WEST

During the Cold War, “playing the China card” became a central aspect of the Richard Nixon – Henry Kissinger opening toward Beijing at the same time as Washington pursued détente with Moscow. In the strategic triangle of that era, the United States appeared to hold all the cards, because China and the Soviet Union feared each other and both sought improved ties with the United States as a hedge against each other. Today the balance of power in that strategic triangle has dramatically shifted, and China holds most of the cards. As a senior Chinese official put it, “Relations among China, Russia, and the United States currently resemble a scalene triangle, in which the greatest distance between the three points lies between Moscow and Washington. Within this triangle, Chinese-Russian relations are the most positive and stable.”⁴² With a stable Sino-Russian partnership, a deteriorating U.S.-Russian relationship and a complex U.S.-China relationship, the United States has little leverage to persuade China to join the West in punitive measure against Russia for its role in the Ukraine crisis. Since China is an important economic partner for both the United States and Europe, Washington and Brussels have limited leverage on this issue. China has not signed on to the sanctions regime and continues to support Russia in a variety of international fora while it urges a peaceful solution to the crisis on the basis of the Minsk accords. Irrespective of the deep asymmetries in the relationship, the Sino-Russian entente has enabled Russia to avoid international isolation and to pursue its assertive new international posture.

In order to appreciate the broader dimensions of the Sino-Russian relationship for transatlantic policy toward Russia, it is instructive to place relations with China in the broader context of U.S. and EU foreign policies. The stakes in the U.S.-China relationship are of an entirely different

order of magnitude than those in the U.S.-Russian relationship. China is the United States’ second-largest trading partner (after the EU), its third-largest export market, and its biggest source of imports. China is also a major investor in the United States, including holdings of U.S. securities, foreign direct investment (FDI), and other non-bond investments. It is the largest foreign holder of U.S. Treasury securities, while FDI constitutes the bulk of U.S. investment in China. Despite these growing commercial ties, the bilateral economic relationship has become increasingly complex and sometimes contentious. China’s alleged widespread cyber economic espionage against U.S. firms and its spotty record on intellectual property rights are of great concern to U.S. policymakers and businesses. Nevertheless, China is and will continue to be one of the United States’ most important economic partners.⁴³ There is indeed a G2 in which China and the United States increasingly dominate the global economy. Russia, by contrast, does not rank in the top 30 U.S. trade partners. Its main exports are hydrocarbons and military hardware, neither of which the United States needs.

The United States’ geopolitical stakes with China are increasing, as are tensions over China’s ambitions in the South China Sea and beyond. For the past seven decades, the United States has been the dominant military presence in the Asia-Pacific. China’s aspirational goal is the eventual removal of the U.S. military presence from the region, although in the nearer term, Beijing would be content with a reduced U.S. presence that allows China to exercise dominance.⁴⁴ The most immediate source of friction is Beijing’s military buildup in the South China Sea and its land reclamation of islands in disputed territories claimed by U.S. ally Japan

⁴³ W.M. Morrison, “China-U.S. Trade Issues,” Congressional Research Service, December 15, 2015, <https://www.fas.org/sgp/crs/row/RL33536.pdf>.

⁴⁴ O.S. Mastro, “Dynamic Dilemmas: China’s Evolving Northeast Asia Security Strategy” (unpublished manuscript), p.3.

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⁴² Fu Ying, p. 104-105.

China will remain an important economic and political partner for both the United States and Europe. Russia, while it remains a significant economic interlocutor for Europe, is far less important economically for the United States.

and other U.S. regional partners. Until recently, China had calibrated its economic and political rise so as not to provoke a counter-reaction from its neighbors and from the United States. But it has recently become increasingly assertive, and Washington has responded with naval patrols to ensure freedom of navigation.⁴⁵ However difficult the relationship, Washington understands that it is imperative to manage ties with China so as to de-escalate the possibility of military confrontation and maximize the opportunities for cooperation on managing global economic trends.

The European Union's relationship with both Russia and China involve different stakes than those of the United States. Russia remains an important trading partner and supplier of energy to the EU. In 2014, total trade was €285 billion, with the EU importing energy and raw materials and exporting manufactured goods to Russia.⁴⁶ EU trade with China, however, was €466 billion in 2014 with the EU importing mainly finished goods from China.⁴⁷ The EU is China's number one trading partner and China is the EU's number two trading partner after the United States, with Switzerland ahead of Russia in third place. China has also become an increasingly important investor in Europe. While Europe faces the same issues as does the United States in terms of intellectual property rights and cyber threats, it also views China as an important economic partner. Within Europe, Germany is China's top trading partner and is now "by far the

biggest European player in China."⁴⁸ This makes Germany the top European interlocutor of both Russia and China.

The major divergences between Europe and the United States when it comes to China can be explained by their different geopolitical positions and ambitions. Given Washington's global strategic reach and military presence in the Asia-Pacific region, China views the United States as a strategic competitor, whereas it regards Europe as a partner and major pillar in its drive for a multipolar world. Nevertheless, the EU, like the United States, views with concern China's activities in the South China Sea. European countries take the United Nations Convention on the Law of the Sea very seriously and oppose any unilateral changes in the status quo. The deteriorating situation in the South China Sea could have serious consequences for both the Arctic and the Mediterranean.⁴⁹

China will remain an important economic and political partner for both the United States and Europe. Russia, while it remains a significant economic interlocutor for Europe, is far less important economically for the United States. But the political and security stakes in the relationship with Russia remain high for both Europe and the United States. As is clear from the Ukraine and Syria crises, Russia has the ability to be a spoiler and destabilize Europe's neighborhood and beyond. It can also be a productive partner if it so chooses, as the negotiations over the Iran nuclear deal and the destruction of Syria's chemical weapons arsenal demonstrate.

⁴⁵ A. Linder, "China claims it 'expelled' U.S. destroyer sailing near South China Sea island, U.S. Navy says it saw zero Chinese warships," *Shanghaiist*, February 1, 2016, http://shanghaiist.com/2016/02/01/china_says_expelled_us_warship.php.

⁴⁶ European Commission Directorate-General for Trade, "European Union, Trade in Goods with Russia," April 14, 2016, http://trade.ec.europa.eu/doclib/docs/2006/september/tradoc_113440.pdf.

⁴⁷ European Commission Directorate-General for Trade, "European Union, Trade in Goods with China," April 14, 2016, http://trade.ec.europa.eu/doclib/docs/2006/september/tradoc_113366.pdf.

⁴⁸ H. Kundnani and J. Parello-Plesner, "China and Germany: Why the Special Relationship Matters for Europe," European Council on Foreign Relations, May 2012, http://www.ecfr.eu/page/-/ECFR55_CHINA_GERMANY_BRIEF_AW.pdf.

⁴⁹ J.D. Pollack and P. Le Corre, "Why China Goes to Europe," *Order from Chaos*, The Brookings Institution, July 29, 2015, <http://www.brookings.edu/blogs/order-from-chaos/posts/2015/07/29-europe-engagement-china-pollack-lecorre>.

China protects Russia from the full impact of Western sanctions and confers on it international legitimacy at a time when the West has sought to impose costs on it for its aggression in Ukraine. Nevertheless, the Chinese remain skeptical about Russia's will and ability to modernize, given its opaque and highly personalized political system. Would Russia have acted differently in Ukraine or Syria had there been no Chinese alternative? It is, of course, impossible to answer that question, but Beijing has remained neutral as Russia has destabilized Ukraine and used military force to keep the Assad regime in power in Syria.

As long as China remains the dominant actor in the scalene triangle, it will offer Russia a partnership with a major power and reinforce both countries' drive to create an alternative global order, however that is currently defined. A group of Russian scholars, accusing the West of trying to "stifle" Russia's and China's aspirations for achieving their rightful international role, has argued that "a single

universal international order with shared values and development models is unattainable." They advocate a new, bipolar world order, with the West on one side and China and Russia on the other. These two blocs will, in their scheme, create a more peaceful and equitable world.⁵⁰ It is doubtful that China aspires to this new world order, but it, too, seeks an international role commensurate with its new, enhanced status. As long as both countries continue to believe that West has not given them their due, the transatlantic alliance will face the challenge of dealing with Russia and China separately and collectively.

⁵⁰ F. Lukyanov, ed., "War and Peace in the 21st Century. International Stability and Balance of the New Type," Valdai Discussion Club Report, February 10, 2016, <http://eng.globalaffairs.ru/valday/War-and-Peace-in-the-21st-Century-International-Stability-and-Balance-of-the-New-Type-17972>.

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