

# Russia - China Partnership: Cooperation or Competition?

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## Abstract

*The huge Eurasian landmass began to attract world attention after the breakup of the Soviet Union in 1991. The Eurasian landmass is not only a vast storehouse of natural resources and precious minerals, but importantly two potential leading powers; the Russian Federation and the Peoples Republic of China are also located in Eurasia. Today, Eurasia is a witness to ongoing interplay of cooperative and competitive tendencies among the powers. A predominant factor of present day Eurasian politics is the strong partnership between former rivals; Russia and China. The partnership has elicited divergent views both at the official and non-official levels. The article attempts to understand the evolving engagement between Russia and China in terms of cooperation and competition.*

## Introduction

At the turn of the present century, Eurasia had emerged as a region of geo-strategic and geo-economic significance. The rise of non-traditional security threats during the Taliban rule in Afghanistan and spread of political Islam further added to the complexity. However, the hall mark of new Eurasia is the dual trend of cooperation and competition among nations. Simultaneously, the trend towards globalisation provided a major impetus to economic development and cooperation. A prominent trend is the emerging partnership between two former rivals: the Russian Federation and the Peoples Republic of China. Today, their partnership is a prominent feature of Eurasia and a factor to reckon with the power play of Eurasian politics. Several diverse views have been expressed on the partnership. One school of thought opines that Eurasia is a huge landmass and that both the

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powers are mature to manage their differences as well as cooperation. The cooperative tendency will continue for years ahead. While another school of thought believes that the cooperative tendency is tactical in nature. Both the powers have similar ambition, to play a role in the global order, but presently their ambitions are rooted at the regional level. Their interests and ambitions are aligned as they are not yet independent players. Hence need each other's support. Their goal is to ensure that Eurasia does not come under the influence of the United States (US) and other Western powers. However, as their economies progress; an element of competition is likely to emerge, perhaps in the long run. Here it is worth quoting former Prime Minister of Singapore Lee Kuan Yew, an astute politician and a keen observer of the Chinese view. In his opinion, 'China will never acquiesce to a status of a status quo power, conflict is not inevitable but competition is'. After all, two huge land powers sharing a lengthy land boundary have witnessed, in the past, periods of accommodation as well as rivalry. In accordance with this line of thinking their interests are likely to diverge at some time in future.

The article argues that Russia and China, though in strong partnership presently but with similar goals, are likely to emerge as competitors for the Eurasian space.

### **Evolving Partnership**

The signing of the border agreement between Russia, China and three Central Asian Republics (CARs) namely, Kazakhstan, Kyrgyzstan and Tajikistan in 1996 was the precursor to the beginning of an upward trajectory in the Russian Chinese relationship. After the conclusion of the border agreement, China brought forward an institutional mechanism; the 'Shanghai Five'. The crux of the agreement was peace, tranquillity and good neighbourliness on the border. A new narrative began to replace the past acrimonious one and projected the beginning of new era of friendship. The agreement on the Shanghai Five was further strengthened in 2001, when it was converted into a regional grouping, the Shanghai Cooperation Organisation (SCO), and Uzbekistan was co-opted as its member. The threats posed by religious extremism, terrorism, drug trafficking etc. were becoming highly pernicious; threatening their sovereignty and integrity. Today, the SCO has emerged as an important regional grouping with

Russia and China as its leading actors. The SCO has also opened the way for promoting multilateralism and regional cooperation. The SCO was enlarged in 2017 with India and Pakistan as full members.

In April 1997, at a Summit meeting in Moscow, between President Boris Yeltsin and Chinese President Jiang Zemin, a historic Declaration on a multipolar world and the emerging New International Order was signed. A multipolar world, according to that idea, would be stable based on international law and upholding the centrality of the United Nations (UN). In 2001, another milestone was achieved when the two countries signed a twenty year strategic treaty – The Treaty of Good Neighbourliness and Friendly Cooperation. The Treaty signified the high compatibility on strategic and geopolitical interests.

In the present decade, both Russia and China have initiated their respective prestigious projects – the Eurasian Economic Union (EEU) and the Silk Road Economic Belt (SREB) now referred to as the Belt and Road Initiative (BRI). The EEU is an exclusive project and aims to integrate the economies of the post-Soviet space. While the SREB has an inclusive approach and aims to build leverages, and possibly influence, across the Eurasian space. In May 2016, another step on the path of cooperation was taken when the two countries agreed to align their respective projects so as to avoid concerns about overlapping. As a consequence, relations between Russia and China acquired a fundamentally new quality. The distinguishing features are mutual trust, consideration of each other's interests and increasing economic openness.<sup>1</sup>

The cooperation has been extended to Afghanistan as part of their prime objective of security and stability in the Eurasian space. The SCO had organised a conference of the Afghan-SCO Contact Group, and efforts at trilateral and quadrilateral levels in quest of peace and stability have been going on. On the issue of Russia's incorporation of Crimea into the Russian Federation in 2014, China extended support to the former. Russia has supported China's 'One China Policy' and Chinese opposition to the US initiated Rebalancing Strategy and the recent developments in the Pacific Ocean Region.

The institutional framework for cooperation in Russian Chinese strategic partnership is strong. They have emerged as a dominant

factor in present day Eurasian politics. Despite the strong trend of cooperation between Russia and China, strains have also appeared in the relationship. These strains are largely geopolitical and economic in nature. For Russia, Eurasia is part of its 'near abroad' or a zone of special interest. It has had historical, security, strategic, economic and cultural linkages for centuries, whereas China's interests are of recent origin. China's initial interest was in overseeing that the separatist minority, the Uyghurs, remained isolated and did not receive support from across the border, besides the wealth of natural resources of the region, especially energy, and the opening of the possibility for an overland transport corridor. What are the areas where divergences could appear?

### **Differing Perceptions of a Multipolar World**

It is ironical that the partnership commenced with an agreement on a multipolar world, and yet differences of perceptions are evident. Possibly, these differences could assume a competitive element in future.

The vision of a multipolar world was laid by former Prime Minister of Russia Yevgeny Primakov. In his conception of a multipolar world three basic principles were essential. One, multipolarity, as a governing principle of international relations, is an active opposition to attempts to establish a unipolar world order. Second, constructive partnership with all countries instead of mobile or permanent coalitions; and third, integration on a voluntary basis within the Commonwealth of Independent States (CIS).<sup>2</sup>

Russia's view towards multi-polarity holds that the Western dominated Post-Cold War international system has side-lined Russian security interests in its immediate neighbourhood. Hence, in Russian perception, multi-polarity means an international system where power is balanced with a diminished role for the United States and the liberal values it allegedly has imposed on other states.<sup>3</sup> Apart from its deep historical, security, strategic, military, economic and cultural interests in Eurasia, the region is extremely rich in natural resources such as energy, uranium, gold, diamonds, iron ore, copper among other vital minerals. In fact, natural resources have been Russia's one of the prime revenue earners.

On the other hand, China recognises that it has benefited from the rules based international order. The process of economic

liberalism and globalisation has facilitated its rapid economic rise over the past thirty years. Therefore, unlike Russia, China's vision of a multipolar world order does not necessarily envision a radical dismantling of the current international system, instead it seeks to reform the system of global governance to increase its role and influence to match its growing economic power and size.<sup>4</sup>

In other words, Russia and China are seeking to establish their respective independent spheres of influence. Such spheres of influence are essential for each to emerge as a centre pole in a multipolar world. The Eurasian space is the key to their emergence as global powers. No doubt their perspectives on Eurasia are divergent but, for the present, the competitive tendency, which is still at a modest level, and cooperation will continue to guide Russia and China on the issue of a multipolar world.

### **Central Asian Region**

The competitive trend between Russia and China is evident in their diversifying significance of Central Asia. For Russia, Central Asia is undoubtedly crucial to its 'Pivot to Asia' strategy. Its two organisations the Collective Security Treaty Organisation (CSTO), a defence integrative organisation (2003) and its EEU have geopolitical motives and Central Asia is of critical importance to both the organisations which would enable Russia to restore its great power status. The EEU is based on Customs Union and in October 2011, President Putin announced the economically integrated Union. In President Putin's view, this sort of an economic Union constituted the basis for a higher level of integration in the Eurasian Union. It would become one of the poles of the contemporary world and would play the role of an effective bridge between Europe and the dynamic Asia-Pacific Region.<sup>5</sup>

For China, geopolitics and domestic state building imperatives are interwoven in its Eurasian pivot. The SREB is China's ambitious mega overland transport corridor project. In September 2013, during a visit to Kazakhstan, President Xi Jinping unveiled his 'Chinese Dreams' of reviving the ancient Silk Road through Central Asia. The very fact that the Chinese dream was unveiled in a Central Asian country signifies the centrality of SERB. The SREB also aims to connect to minerals, energy sources and access to cities, harbours and oceans. In the process, China hopes to create inter-

dependencies with the CARs and, in the long run, enhance its presence, build leverages and promote good neighbourliness and peace in its Western periphery. In this mega effort the role of the CARs is indeed critical.

Russia and China are pursuing their projects with great vigour. They are priorities in their respective foreign policies. What is a matter of concern to Russia is the increasing Chinese footprints in Central Asia. Initially China's economic interaction was through the SCO, though due to lack of proper mechanism, it was on a bilateral basis. Today the interaction has intensified. Russia's bilateral trade volume with the region amounted to US \$ 18.6 billion, compared to China's US \$ 30 billion. Russia's economic problems since 2014 have accelerated its weakening position. China is offering security assistance to Kyrgyzstan and Tajikistan in terms of training and holding bilateral joint military exercises. A recent report claimed that China is building a military base in Afghanistan's Badakhshan province. The report has been denied by China and claims that construction of the base has not yet started. Moreover, the purpose of the facility is for training the Afghan National Security Forces. Nevertheless, if realised then Chinese personnel will be proximate to the Tajik-Afghan border. It does add to Russian uneasiness. Incidentally, Tajikistan is member of CSTO wherein, Russia is a leading member and others are Kazakhstan, Kyrgyzstan, Armenia and Belarus.

In view of Russia's weak financial position and adverse impact of the Western imposed sanctions, China is in an advantageous position in Central Asia. There is a view that in the long run Russia will become a toothless former super power surrendering the stage for Beijing to fully assert its influence over Eurasia.<sup>6</sup> The competitive trend for Central Asia is on display and how it will shape Russia China relations is difficult to predict for now.

As the competition for Central Asian space gathers momentum, the CARs could come under immense pressure from the two neighbouring countries. The CARs are extremely guarded about any compromise of their sovereignty and integrity. They have now consolidated their independence and are not as vulnerable as they were in the early years. However, the question is, will they be able to take care of the pressures that could be exerted in the years ahead?



### **Eurasia in Russian Perspective**

Russia's pivot to Asia focused on the underdeveloped and under populated Eurasian region and the Far East. There are 6.3 million inhabitants in the Far East and face 110 million Chinese in the three provinces of Manchuria on the other side of the once fractious border. Due to lack of economic and regional development in Eurasia, there has been out migration of the people. Paradoxically, migration from across the border is at a rapid pace. President Putin expressed his deep concern at this growing imbalance and acknowledged the failure of Moscow's previous efforts to accelerate regional development. He said, "I do not want to dramatise the situation, but unless we make real efforts soon, even the indigenous population will in several decades from now be speaking in Japanese, Chinese and Korean".<sup>7</sup>

In pursuing regional development, Russia began to expand its base of investors. China, being a neighbour and with strategic partnership with Russia, was the only prominent investor especially in the energy sector. Timber is another area of interest for China. It gets 40 per cent of timber requirement from Eurasia. China, however, is insisting on getting its forestry equipment and its citizens to work in this sector. Besides, China has also shown considerable interest in infrastructure, development, construction of ports including ship building and repairs, processing uncut diamonds, mining of gold etc.

In its quest to diversify the investors and open the region to other potential investors, Russia is offering economic incentives and tax concessions for investment. The geographic expansion of EEU to Greater Eurasia was a change in Russian strategic thinking to attract investment. The widening of the concept reflects the Russian political establishment's acknowledgement that in order to bring economic prosperity to the region a narrowly focused EEU will not be sufficient. The big Asian economic engines must be engaged. Among the countries Russia would like to engage is India. Yuri Trutnev, Deputy Prime Minister and Presidential Envoy for the Russian Far East, said in an interview to TASS, "India is really an important neighbour and we must seriously think about working together. Prime Minister Narendra Modi was the Chief Guest at the Eastern Economic Forum held in Vladivostok from 4 to 6 September 2019. A slew of agreements were signed in areas of energy, mining, connectivity etc.

**Arctic Region**

The geographic expansion of the EEU and the opening of Eurasia and the Far East will reduce the present Chinese leading position. However, such a development may not happen soon as investors will shy away due to sanctions. Cooperation will continue with competition also becoming apparent.

A potential area of divergence could emerge in the Arctic Region. Russia has made the Arctic Region a part of its pivot to Asia and is keen to use the economic potential of the region primarily in constructing the Arctic transport route or the Northern Sea Route. Prime Minister Medvedev said Russia's vision for the region as part of its privileged sphere of interest. The Arctic is believed to contain 13 per cent of the world's undiscovered oil and almost 30 per cent of its undiscovered gas, making it a key strategic resource region for Russia. Russian policy has included gaining access to extracting the region's natural resources in part by creating a transportation and communication network along the Arctic coast.<sup>8</sup>

On the other hand, Chinese White Paper on the Arctic has begun to identify itself as a 'near Arctic State'. It views the Arctic ocean as part of global commons and hence the right in respect of scientific research, navigation, over flights, fishing, laying of submarine cables and pipelines in the high seas and other relevant sea areas in the Arctic Ocean.<sup>9</sup> The competitive element vis-à-vis the Arctic Ocean Region is not as yet prominent as it is in Central Asia and the Far East. It could gain momentum depending on the policies of the two countries.

**Conclusion**

Russia-China strategic partnership is strong for the present. Both are still not independent players at the global level and need cooperation and support of each other. However, geopolitical compulsions and ambitions could accelerate the competitive element. After all, both were mighty empires of the day and major powers in the subsequent global order. The crux of their divergence is Central Asia. Whether it is the EEU or the SREB priority projects, Central Asia is of critical importance. Their interaction in Central Asia will determine the shape of the partnership. Presently cooperation is the hallmark of the partnership. Their cooperation or competition will also shape the politics of the Eurasian Region.



### Endnotes

<sup>1</sup> “The Eurasian Year in Russian Foreign Policy”, <http://valdaiclub.com/opinion/highlights/eurasian-year-in-russian-foreign-policy>, accessed 19 May 2016.

<sup>2</sup> Gennady Chuffrin edited, **Russia and Asia: The Emerging Security Agenda** (SIPRI, Oxford University Press, 1999), p. 476.

<sup>3</sup> Carnegie Endowment for International Peace, Moscow, “Engagement in Central Asia, Far East and the Arctic.

<sup>4</sup> Ibid.

<sup>5</sup> Lavina Lee and Graeme Gill, “India, Central Asia and the Eurasian Union: A New Ballgame”, **India Quarterly**, 7(2), 2015, p. 118.

<sup>6</sup> Nadege Rolland, <https://www.iiss.org/publications/survival/2019/survival-global-politics-and-strategy-february-watch-2019/611-02-rolland>.

<sup>7</sup> Alexander Lukin with Vladimir Yakunin, “Eurasian Integration and the Development of Asiatic Russia”, **Russia: A Thorny Transition From Communism** (Vij Books India Pvt. Ltd, New Delhi), 2018, p. 17.

<sup>8</sup> n. 3.

<sup>9</sup> Ibid., n. 3.