

BACKGROUND

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How Washington Should Manage U.S.–Russia–China Relations

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Abstract

Since the end of the Cold War, Sino–Russian relations have expanded and deepened, resulting in arms deals and increasing economic ties. Russia has the potential to become a major energy supplier to the growing Chinese economy, which is demanding ever-increasing amounts of energy. While both countries desire to constrain U.S. power and Western influence, they still view each other as regional competitors in Central Asia. If a close Sino–Russian strategic relationship develops, it could limit the capacity of the U.S. to act abroad and undermine economic freedom, democracy, and human rights in Greater Eurasia.

As the Obama Administration focuses on the Middle East and Europe and the U.S. cuts its defense budget, the Russian Federation and the People’s Republic of China (PRC) are striving to deepen their relationship. The leaders of the two major Eurasian powers have conducted a series of high-priority, high-level official reciprocal diplomatic visits. In the aftermath of the planned NATO forces withdrawal from Afghanistan, the Shanghai Cooperation Organization (SCO),¹ a forum to discuss the regional security and economic issues, is assuming a higher profile. Their military and economic relationship is expanding, and their rhetoric is often directed at countering American power.

The Sino–Russian rapprochement coincides with the U.S. unipolar moment following the end of the Cold War, and has continued into the 21st century. With the collapse of the Soviet Union, Moscow and Beijing believe that American power represents a geopolitical

KEY POINTS

- The U.S. unipolar moment following the Cold War prompted a Sino–Russian rapprochement that has continued into the 21st century.
- China and Russia agree on the need to counter American power and have complimentary economies, but are engaged in increasingly fierce competition for influence over Central Asia.
- Despite repeated mutual high-level visits and various solemn agreements, the two states have a limited economic and political relationship. Their economies may grow closer in the coming years in the energy sector, but otherwise their economic relationship is limited.
- A close Sino–Russian strategic relationship would erode the capacity of the U.S. to act abroad unencumbered and would undermine economic freedom, democracy, and human rights in Greater Eurasia.
- Both Moscow and Beijing continue to see Washington as more of a threat, while maintaining a wary eye on the other. It is in Washington’s interest to prevent the rise of a closer Russia–China relationship.

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challenge to them both. The prospect of formal or informal alliance that brings together the economic and political power of China and Russia would be a major problem for American interests, just as its Sino–Soviet predecessor was in the 1950s during the Cold War. For this reason, such an alliance has long worried American policymakers and analysts. Indeed, a long-standing concern throughout the Cold War was the prospect that the United States would need to confront China and the Soviet Union simultaneously.

However, while Chinese–Russian cooperation is continuing and even expanding, the two nations are linked by shared aversions as well as shared interests. While Moscow and Beijing agree on the need to counter American power and have complementary economies, they are also geopolitical competitors.

The U.S. should maintain an engaged American diplomatic, political, and economic presence in Asia and strong bilateral relations with Russia and China, using these to exploit their differences and ensure that they remain competitors. In particular, the U.S. should develop bilateral security cooperation programs with Central Asian countries aimed at strengthening the security environment after the U.S. withdrawal in 2014 and preventing al-Qaeda and the Taliban from taking over Kabul and projecting power into Central Asia.

Sino–Russian Relations Since the Cold War

After assuming office in March 2013, Chinese President Xi Jinping’s first foreign visit was to Moscow on his way to the BRICS (Brazil–Russia–India–China–South Africa) summit in Durban, South Africa. In a speech to MGIMO, Russia’s leading school of international relations, Xi enumerated the top priorities of Sino–Russian ties:

1. Exploitation of oil and gas resources;
2. Military cooperation, including missile defense; and
3. “Non-interference” in the “internal affairs” of other countries—code words for opposition to perceived U.S. global dominance, “meddling,” and democracy promotion.²

This is a far cry from the Sino–Russian relations for much of the Cold War, when the world’s longest land border was marked by clashes and confrontation. After the Sino–Soviet split in 1960 ended the heyday of Sino–Soviet cooperation, Beijing and Moscow viewed each other with deep suspicion.

Fundamental differences between the two countries and their leaders escalated tensions. The Soviets and the Chinese disagreed on issues ranging from who would succeed Stalin as the leader of the Communist world to Soviet naval access to Chinese ports to Chinese demands for a more confrontational attitude toward the United States and an attendant willingness to risk nuclear war. Eventually, the two engaged in open warfare in 1969, with border clashes that began on Zhenbao Island/Damansky Island on the Ussuri River near Khabarovsk in the east and later spread to Xinjiang along the border with Kazakhstan.³ Notably, these clashes are one of the few examples of two nuclear-armed powers engaging in active combat with each other. These tensions provided the opportunity for President Richard Nixon’s opening to China and the establishment of Sino–American relations in 1972, as Beijing and Washington cooperated to balance against Moscow.

However, as the Cold War drew to a close, Sino–Soviet relations improved. At the May 1989 summit between Deng Xiaoping and Mikhail Gorbachev, the two nations set aside their border issues. At almost the same time, the Tiananmen Massacre in June 1989 and the subsequent Western imposition of sanctions on high-technology sales to China signaled the end of the strategic partnership between China and the United States in confronting the USSR.

As the Soviet Union collapsed, the power relationship between Moscow and Beijing steadily shifted in China’s favor. Moscow was preoccupied

1. SCO members are China, Russia, Kazakhstan, Kyrgyzstan, Tajikistan, and Uzbekistan.
2. David M. Herszenhorn and Chris Buckley, “China’s Leader Argues for Cooperation With Russia,” *The New York Times*, March 23, 2013, <http://www.nytimes.com/2013/03/24/world/europe/chinas-leader-argues-for-cooperation-with-russia.html> (accessed March 29, 2013).
3. Thomas Robinson, “The Sino–Soviet Border Conflicts of 1969: New Evidence Three Decades Later,” in Mark Ryan, David Finkelstein, and Michael McDevitt, eds., *Chinese Warfighting: The PLA Experience Since 1949* (Armonk, NY: M.E. Sharpe, Inc., 2003).

with withdrawal from Eastern Europe, a difficult divorce from the former Soviet republics, and managing the chaotic process of economic privatization. Meanwhile, the Chinese economy steadily grew, as Deng Xiaoping's policies of economic reform and opening to the outside world progressed, especially after Deng's "southern tour" in 1992. Boris Yeltsin and Jiang Zemin both pushed to realign the two states on the basis of pragmatism, rather than Communist solidarity. They were assisted by such figures as Yevgeniy Primakov, Russia's staunchly anti-American foreign minister (1996–1998) and Prime Minister (1998–1999), and China's Qian Qichen, vice premier (1993–2003) and the last Chinese foreign minister (1988–1998) who was a member of the Chinese Communist Party Politburo.⁴

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While neither Russia nor the PRC actively sought confrontation with the United States during the 1990s, both tried to facilitate emergence of a multipolar international environment that would constrain American power. This was evidenced in 1997, when Chinese Premier Li Peng returned from a trip to Moscow proclaiming a "strategic partnership" with Russia to "offset the influence of the United States." Later that year, China and Russia issued a joint declaration on the "multipolar world," calling for a new international order, reflecting Chinese concerns over the strengthening U.S.–Japanese alliance and Taiwan's independence movement and Russia's concerns over NATO enlargement and Chechen separatism.⁵

An essential element of this realignment centered on border demarcation and demilitarization, involving not only Russia and China, but the various Central Asian republics that had gained their independence when the USSR disintegrated. China and Russia both view Central Asia as a focus of competition between the two states and see the region as tied to their internal security concerns.⁶ China is concerned about potential support for Uighur organizations in Xinjiang, and Russia is concerned about potential support for spreading Islamist radicalism and terrorism inside Russia.

In the wake of the Soviet collapse, Russia, China, and the Central Asian republics engaged in a series of multilateral negotiations to formally resolve the outstanding border issues. These negotiations resulted in the establishment of the "Shanghai Five" with the PRC, Russia, Kazakhstan, Kyrgyzstan, and Tajikistan signing the Treaty on Deepening Military Trust in Border Regions in April 1996 and the subsequent Treaty on Reduction of Military Forces in Border Regions in April 1997. When Uzbekistan joined this grouping in 2001, it was renamed the Shanghai Cooperation Organization (SCO).⁷

Unease with the West. For both Russia and China, securing Central Asia against American influence gained importance after the events of September 11, 2001. As the United States dispatched forces to Afghanistan, it also acquired access to Manas Air Base in Kyrgyzstan and Karshi-Khanabad Air Base in southern Uzbekistan, near Tajikistan. At a stroke, the United States had established a military presence on the Chinese western border and on Russia's southern flank.

The subsequent "color revolutions" in Georgia, Ukraine, and Kyrgyzstan; the major protests during the Iranian elections of 2009–2010; and the more recent "Arab Spring" in the Middle East and North Africa heightened concerns in Moscow and Beijing. Both saw traditional partners and their spheres of influence under increasing siege, exacerbated by the

4. Ariel Cohen, "'The Primakov Doctrine': Russia's Zero-Sum Game with the United States," Heritage Foundation F.Y.I. No. 167, December 15, 1997, <http://www.heritage.org/research/reports/1997/12/the-primakov-doctrine-russias-zero-sum-game-with-the-united-states>.

5. Russian–Chinese Joint Declaration on a Multipolar World and the Establishment of a New International Order, April 23, 1997, <http://www.fas.org/news/russia/1997/a52-153en.htm> (accessed August 1, 2013), and Ralph A. Cossa, "A Mild Chinese–Russia Affair," *The New York Times*, January 14, 1997, <http://www.nytimes.com/1997/01/14/opinion/14iht-edralph.t.html> (accessed August 1, 2013).

6. Zara Rabinovitch, "The Influence of China and Russia in Central Asia: An Interview with Stephen Blank," National Bureau of Asian Research, April 9, 2013, http://www.nbr.org/downloads/pdfs/PSA/PSA_Blank_interview_04092013.pdf (accessed August 1, 2013).

7. Qian Qichen: *Ten Stories of a Diplomat* (Beijing: World Affairs Press, 2003), pp. 230–232.

growth and development of such “subversive” technologies as Facebook, Google, and Twitter. Russian leaders are concerned that the increasingly protest-minded Russian population, influenced by the revolutions nearby, might turn on their own elites.⁸ For China, the American presence in Central Asia not only resurrects concerns about encirclement and impinges on what Chinese leaders believe should be a Chinese sphere of influence, but also could allow the United States to hold Chinese energy supplies at risk given China’s growing interest in Central Asian hydrocarbon reserves.

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Growing Economic Ties. The subsequent 12 years have seen a substantial expansion in Sino-Russian interaction. From 2001 to 2012, Russian and Chinese leaders held at least one high-level meeting every year. These meetings led not only to a series of joint Russo-Chinese communiqués, but also to the signing of various agreements covering a variety of working-level issues, including diplomatic relations, improvements in energy and financial transactions, and measures to improve cross-border trade.⁹

Indeed, both Moscow and Beijing have made a distinct effort to deepen bilateral economic relations. In the June 2012 summit between Hu Jintao and Vladimir Putin, President Hu emphasized four areas of cooperative development:

1. Expansion of cooperation in joint investments, especially energy, including oil exploration, drilling, and refining.
2. Expansion of cooperation in high-technology research. The two sides, he noted, should also work together in bringing new inventions to market, including through more joint ventures.
3. Development of new venues for strategic cooperation ideally with both governments providing policy direction and provision of capital.
4. Joint construction of basic infrastructure to facilitate cross-border joint development at the local level.¹⁰

These agreements followed a decision in 2011 to allow bilateral trade to be conducted in renminbi or rubles, removing the need to convert transactions into dollars.¹¹ Sino-Russian trade has since reached a new high of \$88 billion in 2012.¹² Indeed, China is now Russia’s largest single trading partner, and official mutual investments total some \$4 billion.¹³ When Chinese investments in Russia routed through Hong Kong are included, the total investment reaches \$12 billion. These various efforts are expected to contribute toward the common goal of expanding annual bilateral trade to \$200 billion by 2020.

Energy is an important dimension of the economic relationship. With Chinese economic expansion increasing the demand for energy, Russia has long been expected to become a major supplier. Russia has already supplied China with two nuclear reactors for the Tianwan nuclear facility, which was commissioned in 2007.

8. Ellen Barry, “Putin, in Need of Cohesion, Pushes Patriotism,” *The New York Times*, November 20, 2012, <http://www.nytimes.com/2012/11/21/world/europe/vladimir-putin-pushes-patriotism-in-russia.html> (accessed August 1, 2013).

9. Wang Longqin, “Background Material: Nearly a Decade of Major Developments in China-Russia Relations,” Xinhua, June 15, 2011, http://news.ifeng.com/mainland/special/hujintaochufangyanou/content-4/detail_2011_06/15/7036553_0.shtml (accessed August 1, 2013).

10. “China and Russia Sign 11 Agreements, Emphasizing Joint Energy Development,” *Beijing News*, June 6, 2012, http://money.163.com/12/0606/02/8391JKU800253BOH_all.html (accessed August 1, 2013).

11. The People’s Bank of China, “China and Russia Signed New Bilateral Local Currency Settlement Agreement,” June 23, 2011, http://www.pbc.gov.cn/publish/english/955/2011/20110630151646500985220/20110630151646500985220_.html (accessed August 26, 2013).

12. RIA Novosti, “China-Russia Trade Up 11% to \$88 Bln in 2012,” January 10, 2013, <http://en.rian.ru/business/20130110/178687770.html> (accessed August 1, 2013).

13. Xinhua, “China-Russia Trade to Hit Record High in 2012,” *China Daily*, December 6, 2012, http://www.chinadaily.com.cn/china/2012-12/06/content_15990354.htm (accessed August 1, 2013).

Russian hydrocarbons are expected to become increasingly important in the future. At the St. Petersburg Economic Summit in 2013, China's state energy giant CNPC announced acquisition of 20 percent of a \$20 billion Arctic liquefied natural gas (LNG) project on the Yamal Peninsula from private Russian gas company Novatek.¹⁴ But it remains unclear whether Novatek can actually develop the fields in question. During his 2013 visit to Moscow, President Xi signed a memorandum of understanding (MOU) to complete a Siberian gas pipeline by 2018, the product of 15 years of negotiations. The pipeline is expected to carry some 36 billion cubic meters of gas per year to China—but Russia and China had not yet agreed on the price of the gas or the cost of the pipeline at the time the MOU was signed.¹⁵ This continues the pattern of the two countries talking about greater energy cooperation, but never quite agreeing on it.

Since the end of the Cold War, China has become one of the largest importers of Russian weapons.

Expanding Security Relations. Another essential part of the expanding Sino-Russian relationship has been security, which also has economic elements. Russian arms sales to China were a major component of the early period of rapprochement. In the wake of Tiananmen Square in 1989 and the Western embargo on military sales to the PRC, China relied on Russian military technology to modernize its forces. Consequently, since the end of the Cold War, China has become one of the largest importers of Russian weapons. Between 1991 and 2010, Russia supplied more than 90 percent of China's weapons

imports, with China accounting for nearly 40 percent of Russian arms exports.¹⁶

In 1992, China became the first export customer of the Russian Su-27 Flanker fighter. In 1996, the PRC purchased a license to produce additional Su-27s from Russian-provided parts. Meanwhile, in 1994, China also purchased four *Kilo*-class diesel-electric submarines, which they supplemented with an additional eight boats in 2002 and four *Sovremenny*-class destroyers.¹⁷ The People's Liberation Army (PLA) has also acquired Il-76 Candid transport aircraft, Mi-17 transport helicopters, and S-300PMU1/2 advanced air defense systems. These purchases provided the PLA Air Force (PLAAF) and PLA Navy (PLAN) with quick access to more advanced capabilities than what the Chinese military industrial complex could readily provide at the time.

China also took advantage of the Soviet collapse to acquire certain items of space technology. In 1995, Chinese space experts arranged to purchase a complete life support system for a manned spacecraft, a stripped-down Soyuz capsule, and a Sokol space-suit, which Russian cosmonauts wear during the ascent and descent phases, but not for spacewalks. They also apparently purchased a docking module so that Chinese spacecraft could, in theory, dock with Russian (and therefore American) spacecraft. Later, two Chinese specialists received training at Cosmograd.¹⁸

However, Sino-Russian security cooperation has extended beyond equipment purchases to include some degree of security policy coordination. Under the aegis of the SCO, the PRC and Russia have engaged in a number of joint military exercises dubbed "Peace Mission." The 2005 Peace Mission exercise was the largest joint exercise for the PRC up to that time, involving some 7,000 Chinese and nearly 2,000 Russian troops, as well as helicopters,

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14. Anna Shiryayevskaya, Jake Rudnitsky, and Stephen Bierman, "Russia Hastens China Energy Pivot with Oil, LNG Supply Deals," Bloomberg, June 21, 2013, <http://www.bloomberg.com/news/2013-06-21/russia-hastens-china-energy-pivot-with-crude-lng-supply-deals.html> (accessed July 16, 2013).
 15. Andrei Ilyashenko, "China Reaffirms Strategic Partnership in Russia," Russia Beyond the Headlines, March 28, 2013, http://rbth.ru/international/2013/03/28/china_reaffirms_strategic_partnership_in_russia_24385.html (accessed August 1, 2013).
 16. Ilya Kramnik, "Russia's Arms Exports: Farewell to Arms, Hello to Profits," RIA Novosti, November 3, 2010, <http://en.rian.ru/analysis/20101103/161201525.html> (accessed August 1, 2013).
 17. Jeremy Page, "China Clones, Sells Russian Fighters," *The Wall Street Journal*, December 4, 2010, <http://online.wsj.com/article/SB10001424052748704679204575646472655698844.html> (accessed August 1, 2013).
 18. Brian Harvey, *China's Space Program: From Conception to Manned Spaceflight* (New York: Springer Publishing, 2004), pp. 248-249.

long-range bombers and fighters, and a variety of naval forces.¹⁹ Four subsequent, smaller Peace Mission exercises have involved not only Russian and Chinese troops, but also units from the other SCO members.

In 2012, Russia and China held their first purely bilateral military exercises, involving naval combatants and naval aviation from both nations.²⁰ The two navies practiced convoy operations, maritime air defense, and anti-submarine warfare operations together.²¹ This year, the two navies exercised outside Vladivostok, the home of the Russian Pacific Fleet. Their maneuvers are seen, in part, as aimed at countering the U.S.–Japanese alliance.²²

Limits to Cooperation

On the surface, Moscow and Beijing are nurturing a firm and growing relationship. Given both states' interest in limiting American power and influence, especially in Central Asia, this is not surprising. Moreover, they have clear areas of converging economic and security interests. Yet every facet of this cooperative relationship has a limit, rooted in their historical mutual suspicions. The two states share certain strategic outlooks, but despite signing a variety of agreements, they are not allies in the British, Japanese, or French model, nor even close strategic partners.

Growing Economic Ties. For example, the economic relationship between the two states, while far more robust than during the Cold War, reflects the asymmetric roles that each plays in the other's economy. In some ways, China's economic links with Russia resemble its ties with Southeast Asia. The

Chinese economy simply outmatches the Russian economy at an estimated four times the size of the Russian economy.²³

The flow of trade reflects this imbalance. Russia is only China's ninth largest trading partner, while China is Russia's foremost.²⁴ China's \$88 billion in trade with Russia in 2012 was dwarfed by its trade with the European Union (\$546 billion), the United States (\$484 billion), and Japan (\$329 billion).²⁵ Indeed, even if Sino–Russian trade reaches the projected \$200 billion by 2020, it will still pale in comparison with current trade with the West. Despite the high-flown rhetoric and the publicity surrounding the various trade agreements between Russia and China, China matters far more to Russia than Russia matters to China.

Indeed, even if Sino–Russian trade reaches the projected \$200 billion by 2020, it will still pale in comparison with current trade with the West.

Moreover, the content of that trade is not necessarily to Moscow's liking. Chinese imports from Southeast Asia often comprise manufactured goods (e.g., electronic components) for final assembly in the PRC. In contrast, various raw materials have dominated Chinese imports from Russia. On the other hand, Chinese imports of machinery and other engineering products have dropped over the past decade.²⁶ Instead, it is now China that expects

19. Chinanet, "Peace Mission 2005—China-Russia Joint Military Exercise," September 10, 2005, <http://www.china.com.cn/chinese/zhuanti/qkjc/966642.htm> (accessed August 1, 2013).
20. BBC News, "China and Russia Launch Naval Exercises in the Yellow Sea," April 22, 2012, <http://www.bbc.co.uk/news/world-asia-17803624> (accessed August 1, 2013).
21. Liang Yongchun, "Two Chinese Naval Combatants Engage a Russian Warship, with No Fear of Exposing Their Combat Capability," China Broadcasting Network, April 26, 2012, <http://mil.sohu.com/20120426/n341679530.shtml> (accessed August 1, 2013).
22. Jane Perlez, "China and Russia, in a Display of Unity, Hold Naval Exercises," *The New York Times*, July 10, 2013, <http://www.nytimes.com/2013/07/11/world/asia/china-and-russia-in-a-display-of-unity-hold-naval-exercises.html> (accessed August 1, 2013).
23. Dmitri Trenin, "True Partners? How Russia and China See Each Other," Centre for European Reform, February 2012, p. 8, <http://www.cer.org.uk/publications/archive/report/2012/true-partners-how-russia-and-china-see-each-other> (accessed August 2, 2013).
24. Xinhuanet, "Chinese, Russian Officials Agree to Strengthen Economic Ties," October 31, 2012, http://news.xinhuanet.com/english/china/2012-10/31/c_131942841.htm (accessed August 2, 2013).
25. RIA Novosti, "China–Russia Trade Up 11% to \$88 Bln in 2012," January 10, 2013, <http://en.rian.ru/business/20130110/178687770.html> (accessed August 2, 2013).
26. Richard Lotspeich, "Economic Integration of China and Russia in the Post-Soviet Era," in James Bellacqua, ed., *The Future of China–Russia Relations* (Lexington, KY: University of Kentucky Press, 2010), p. 98.

to export machinery and high technology to Russia, especially once Moscow joined the World Trade Organization.²⁷ Russia would like to move up the value chain, but it is not clear that it can through trade with the PRC.

The dilapidation or lack of Russian infrastructure has also limited the scale of economic interaction. China would likely expand purchases of various Russian natural resources if it could access them more easily. In January 2012, the China State Grid Corporation, China's largest power generation company, linked part of its network to Russia's as part of a longer term effort to import some 100 billion kilowatt-hours over the next 25 years.²⁸ Energy, not military affairs, is the principal area of cooperation between Russia and China. According to the International Energy Agency, China's natural gas consumption is projected to grow by 700 percent between 2008 and 2035, and its oil consumption is expected to increase by 8 million barrels per day (mbd) to 17.5 mbd by 2030.²⁹

As China's energy demands rise, its dependence on imported oil and liquid natural gas increases as well. But the PLAN cannot control the sea lanes from Africa and the Persian Gulf to China, so Chinese energy flows would be more secure if Beijing could rely on Russia's vast natural gas and oil reserves.

However, energy cooperation between the two states has developed slowly. Russia finds itself unable to afford the upgrades necessary to meet the Chinese

demand for oil, gas, and other raw materials.³⁰ Indeed, the first oil pipeline between Skovorodino and Daqing, with a capacity for 300,000 barrels per day and built with major Chinese financing, did not open until 2011.³¹

The combination of asymmetric interests and relative Russian backwardness has aroused concerns in some Russian quarters that the Russian Far East may eventually be drawn into a Chinese orbit. China offers far more economic opportunity and is closer at hand than European Russia. The decline in Russian population in the area exacerbates such concerns, particularly since Soviet-era subsidies for remaining in the area have evaporated.³² The fear is not necessarily of Chinese invasion, but that the gravitational pull of China's massive economy and population will cause local authorities to look more to Beijing than Moscow for direction. In this regard, the lack of infrastructure linking Russia and China ironically serves to reassure Moscow because it effectively limits the potential for regional integration into China's economy.

Limits on Military Sales. The ambivalence in Moscow toward Beijing is reflected in the military sales relationship. For a number of years, the arms trade was one of the most valuable and high-tech aspects of Sino-Russian economic relations. Even now, Russia is the largest supplier of arms to the PRC. However, Chinese imports have steadily declined over the past five years as China has modernized its defense industrial base.³³ Indeed, in 2010,

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27. Wei Tian, "High-Tech Trade with Russia to Boom on WTO Links," *China Daily*, January 18, 2013, http://www.chinadaily.com.cn/cndy/2013-01/18/content_16135719.htm (accessed August 2, 2013).
 28. "Energy Exports to Mongolia, China Up Sharply," *The Moscow Times*, July 20, 2012, <http://www.themoscowtimes.com/business/article/electricity-exports-to-mongolia-china-up-sharply/462351.html> (accessed August 2, 2013), and *Xinhua*, "China Completes Power Transmission Project with Russia," *China.org.cn*, January 2, 2012, http://www.china.org.cn/china/2012-01/02/content_24309649.htm (accessed August 2, 2013).
 29. Malcolm Brinded, "Global Energy Outlook and Policy Implications," speech at *Financial Times Global Energy Leaders Summit*, London, June 28, 2011, http://www-static.shell.com/static/media/downloads/speeches/brinded_london_28062011a.pdf (accessed August 2, 2013), and BP, "BP Energy Outlook 2030," January 2011, http://www.bp.com/liveassets/bp_internet/globalbp/globalbp_uk_english/reports_and_publications/statistical_energy_review_2008/STAGING/local_assets/2010_downloads/2030_energy_outlook_booklet.pdf (accessed August 2, 2013).
 30. Howard Amos, "Russia Looks East to Get More from Its Cross-Border Trade with China," *The Guardian*, December 27, 2012, <http://www.guardian.co.uk/world/2012/dec/27/russia-china-cross-border-trade> (accessed August 2, 2013).
 31. CNN, "Report: Russia-China Oil Pipeline to Move Millions of Tons in 2011," January 3, 2011, <http://www.cnn.com/2011/WORLD/asiapcf/01/03/china.russia.pipeline/index.html> (accessed August 26, 2013).
 32. Luke Harding, "Russia Fears Embrace of Giant Eastern Neighbour," *The Guardian*, August 1, 2009, <http://www.guardian.co.uk/world/2009/aug/02/china-russia-relationship> (accessed August 2, 2013).
 33. Paul Holtom et al., "Trends in International Arms Transfers, 2011," Stockholm International Peace Research Institute *Fact Sheet*, March 2012, http://books.sipri.org/product_info?c_product_id=443 (accessed August 2, 2013).

China began a two-year hiatus in major arms purchases from Russia.³⁴

Part of this seems to stem from increasing Chinese technical sophistication. China now manufactures its own advanced fighter aircraft (the J-11 and the stealthy J-20 and J-31), submarines (including the *Yuan*-class of air-independent propulsion boats), and air defense missiles (the HQ-9 SAM). As Chinese domestic production ramps up, it is not surprising that its imports of foreign weapons have declined.

This increasing industrial sophistication, in turn, appears to be aided by the Chinese lack of respect for intellectual property rights. For example, the *Yuan*-class boats have been described as Russian *Kilo*-class boats with Chinese characteristics.³⁵ Russia has been concerned about efforts to reverse engineer the Su-27/Su-30 fighters originally purchased from Russia, manufacturing them as the J-11 fighter. The Chinese have rejected the charge of intellectual piracy. “The J-11B looked almost identical to the Su-27, but China said it was 90% indigenous and included more advanced Chinese avionics and radars. Only the engine was still Russian, China said.”³⁶ Notably, Russian military aircraft exports to China have shifted from supplying complete aircraft to just the engines, an area in which China still lags, but is making substantial investments.

Reports that Russia has agreed to sell the Su-35 fighter and the new *Lada*-class diesel-electric submarines—an improvement on the *Kilo*-class design—suggest a possible renewal of the Sino–Russian arms relationship.³⁷ However, it remains to be seen whether the sale is ultimately consummated.³⁸

Beijing, meanwhile, is unhappy about Moscow’s apparent willingness to sell more advanced

capabilities and systems to other customers, some of whom are antagonistic toward China. In particular, Russia maintains close relations with India, dating back to the earliest days of the Sino–Soviet split, while China and India remain, at best, wary of each other. This is exacerbated by the ongoing border disputes between China and India, including recent Chinese incursions across the Line of Actual Control.³⁹

Moscow is much more deeply engaged with Delhi than with Beijing. Russia not only sells a different, more advanced version of the Su-30 fighter to India (the Su-30 MKI) than to China (the Su-30 MKK), but is also actively engaged in joint research with India on a next-generation fighter, the PAK-FA.⁴⁰ Russia has also leased nuclear submarines to India in the past, something it has not done with any other nation. Given the long-standing tensions between China and India, including the recurring boundaries issue, Moscow is in effect taking sides by providing Delhi with better capabilities than it is willing to sell to Beijing.

Growing trade and economic ties between the two countries have aroused concerns about China’s political influence on the Russian Far East.

Limits on Political Cooperation. The Russian decision to impose some limitations on what it will sell to China, but not necessarily what it will sell to

34. Page, “China Clones, Sells Russian Fighter Jets.”

35. William S. Murray, “An Overview of the PLAN Submarine Force,” in Andrew S. Erickson et al., eds., *China’s Future Nuclear Submarine Force* (Annapolis, MD: Naval Institute Press, 2007), p. 61.

36. Page, “China Clones, Sells Russian Fighter Jets.”

37. Wendell Minnick, “China’s New Jet, Radar Complicate US Posture,” *Defense News*, July 6, 2013, <http://www.defensenews.com/article/20130706/DEFREG03/307060004/China-s-New-Jet-Radar-Complicate-US-Posture> (accessed August 26, 2013), and Choi Chi-yuk, “China to Buy Lada-Class Subs, Su-35 Fighters from Russia,” *South China Morning Post*, March 27, 2013, <http://www.scmp.com/news/china/article/1199448/china-buy-russian-fighters-submarines> (accessed August 2, 2013).

38. Wendell Minnick, “Russia: No Deal on Fighters, Submarines to China,” *Defense News*, March 25, 2013, <http://www.defensenews.com/article/20130325/DEFREG03/303250014/Russia-No-Deal-Sale-Fighters-Subs-China> (accessed August 26, 2013).

39. Shivam Vij, “China Tests Its Borders Again, This Time in the Mountains,” *The Christian Science Monitor*, April 23, 2013, <http://www.csmonitor.com/World/Asia-South-Central/2013/0423/China-tests-its-borders-again-this-time-in-the-mountains> (accessed August 2, 2013).

40. Carlo Kopp, “Sukhoi Flankers: The Shifting Balance of Regional Air Power,” *Air Power Australia Technical Report* APA-TR-2007-0101, April 2012, <http://www.ausairpower.net/APA-Flanker.html> (accessed August 2, 2013).

India, reflects a larger ambivalence in the Russian view of the PRC. For example, growing trade and economic ties between the two countries have aroused concerns about China's political influence on the Russian Far East.

The SCO typifies this ambivalence. Below the lofty rhetoric, the two sides see the SCO as much as an arena for competition as a forum for cooperation. Russia enjoys historical ties (and attendant insights into key leaders and factions) to the Central Asian republics and has pushed the Collective Security Treaty Organization (CSTO) as a means of maintaining influence over the region. Meanwhile, the PRC has exhibited uncharacteristic flexibility in resolving border issues with the Central Asian states. In border negotiations with Kazakhstan, Kyrgyzstan, and Tajikistan, China made significant concessions in exchange for support against separatism and extremism of Turkic groups in China, especially in Xinjiang.⁴¹

Expanding economic relations have supported these initial openings. China offers an obvious market for Central Asian hydrocarbon resources without the need for Russian infrastructure and attendant charges for access to pipelines and the like. At the same time, Chinese investment in Central Asia is growing. For example, in December 2012, the Chinese government established a \$10 billion fund to support road, rail, and energy projects in the Central Asian republics.⁴² Along these lines, China has offered to help to build a paraxylene complex in Kazakhstan to meet global demand for this key hydrocarbon, an essential feedstock in the production of various plastics.⁴³

Russia has sought to counter China's economic advantages by employing its long-standing ties with (and intelligence penetration of) the various Central Asian republics. Coupled with an effort to preserve Russian military access to the region, including

through the CSTO, Moscow hopes to keep the region aligned more with itself than with Beijing. The CSTO does not include China or the United States, a reminder that these efforts also insulate the region from U.S. influence.⁴⁴

Growing Tensions?

The ongoing efforts to cooperate have tended to limit tensions between China and Russia. Their relationship has also benefited from the settlement of border disputes, which removed a major potential irritant. However, the two countries still have disputes, as demonstrated in 2012 when Russian coast guard vessels fired on a Chinese fishing boat, killing one Chinese sailor.⁴⁵ This led to Chinese protests and demands for an apology and highlighted the reality that boundary disputes, while ameliorated, remain a source of tension.

Along these lines, Russian planners still hedge against growing Chinese military power. The massive Vostok 2010 military drills, conducted in the Russian Far East maritime province bordering China, simulated an operation to repel an unnamed aggressor with tactical nuclear weapons.⁴⁶

In July 2013, Moscow launched its largest military maneuvers since the collapse of the Soviet Union, involving 160,000 troops, along with 130 fixed-wing and rotary-wing aircraft and some 70 ships. These exercises involved radiation and chemical warfare decontamination, naval rocket and artillery fire, and naval rescue operations. The fact that the maneuvers were conducted under the direct supervision of President Vladimir Putin and Defense Minister Shoygu reflects their great importance, and was clearly a signal to multiple international audiences, including the PRC.⁴⁷ Strategic planners in Moscow recognize that Russia needs to keep its powder dry against their great Asian neighbor.

41. M. Taylor Fravel, *Strong Borders Secure Nation* (Princeton, NJ: Princeton University Press, 2008), pp. 160-168.

42. Olga Dzyubenko, "China to Expand C. Asian Presence with \$10 Billion in Loans," Reuters, December 6, 2012, <http://www.reuters.com/article/2012/12/05/china-centralasia-idUSL5E8N59DS20121205> (accessed August 2, 2013).

43. Aditya Malhotra, "Chinese Inroads into Central Asia: Focus on Oil and Gas," *Journal of Energy Security* (November 2012), http://www.ensec.org/index.php?option=com_content&view=article&id=387 (accessed August 2, 2013).

44. Rabinovitch, "The Influence of China and Russia in Central Asia."

45. Carlos Tejada, "China Demands Russia Explain 'Attack' on Vessel," *The Wall Street Journal*, July 19, 2012.

46. Roger McDermott, "Reflections on Vostok 2010: Selling an Image," *Eurasia Daily Monitor*, July 13, 2010, [http://www.jamestown.org/single/?no_cache=1&tx_ttnews\[tt_news\]=36614](http://www.jamestown.org/single/?no_cache=1&tx_ttnews[tt_news]=36614) (accessed August 2, 2013).

47. Ariel Cohen, "Russia's Military on the March in Asia," *The National Interest*, July 25, 2013, <http://nationalinterest.org/commentary/russias-military-the-march-asia-8772> (accessed August 7, 2013).

Indeed, Russian officials are sufficiently concerned with the deteriorating military balance of power to question openly the long-term trajectory of Sino-Russian relations, especially in the security sphere. Some Russian scholars have publicly ascribed their nation's shift to a nuclear first-use policy to the need to compensate for Russia's conventional weakness "in the East and the West."⁴⁸

Ultimately, Russian decision makers fear a replay of the early 1970s and creation of a Sino-American link to constrain or limit Russia. Today's Russia is a far cry from the Soviet Union. Such an alignment between Beijing and Washington would not only limit Russian influence, but could seriously constrain Moscow from exercising its sovereign rights.

Assessment of Potential Outcomes

There is some concern in various American quarters that China and Russia could coalesce into an anti-American alliance. General James Clapper, Director of National Intelligence, observed in 2011 that these two nations by virtue of their capabilities pose a "mortal threat" to the United States.⁴⁹ If they were to ally against the United States, this would constitute a grave, existential challenge. As Richard Weitz has observed,

[It] behooves American national security planners to anticipate the potential for major discontinuities in Sino-Russian relations. Above all, American officials need to pursue a mixture of shaping and hedging policies that aim to avert the advent of a hostile Chinese-Russian alignment while concurrently preparing the United States to better counter such a development should it arise.⁵⁰

The integration of the Chinese economy and burgeoning population with the massive natural resources in Russia would pose a formidable threat to the United States. This line of concern is

especially pressing given Chinese economic growth trajectories.

However, the relationship between Moscow and Beijing seems characterized more by common antipathies than shared sympathies. Both China and Russia are concerned about the potential U.S. military and political presence in Central Asia, so each acts to limit that presence, individually and cooperatively. At the same time, each appears concerned about losing influence in that same region *to each other*. Moscow and Beijing are going through another iteration of the "Great Game" of central Asian influence, even as they cooperate to minimize the American role.

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In this light, Sino-Russian relations could follow three possible paths.

Path #1: An Emerging Sino-Russian "Alliance."

A closer relationship between Moscow and Beijing might develop under the following conditions:

- Russia grows more dependent on China economically and sees no alternative to aligning with its more powerful neighbor;
- U.S.-Russian and Sino-U.S. relations deteriorate as the U.S. remains engaged in global security affairs in both Asia and Europe, prompting fears in Beijing and Moscow; and/or
- Russia fails to develop its ties to the Far East and become a major player in the East Asian balance of power.

48. U.S. Strategic Command, "21st Century Security Environment and Implications for Deterrence," Panel 5 at the 2010 Strategic Deterrence Symposium, Omaha, NE, August 12, 2010, http://www.stratcom.mil/speeches/2010/49/2010_Strategic_Deterrence_Symposium_-_Panel_5_-_21st_Century_Security_Environment/ (accessed August 2, 2013).

49. Frank James, "US Intelligence Chief Alarms Senators by Calling China, Russia 'Threats,'" National Public Radio, March 10, 2011, <http://www.npr.org/blogs/itsallpolitics/2011/03/10/134433195/u-s-intelligence-head-clapper-alarms-senators-in-a-bad-way> (accessed August 2, 2013).

50. Richard Weitz, *China-Russia Security Relations: Strategic Parallelism Without Partnership or Passion?* (Carlisle, PA: Strategic Studies Institute, 2008), p. 118, <http://www.strategicstudiesinstitute.army.mil/pubs/display.cfm?pubID=868> (accessed August 2, 2013).

In this scenario, Russia increasingly plays a junior role in the Beijing–Moscow relationship, compared with China and its economic strength and increasingly global presence. China’s economy would make it a much more attractive partner to the Central Asian states, supplemented by its already close ties to Pakistan. Under the PRC’s growing influence, the region would experience significant economic and infrastructure development, including the emergence of standard gauge railroads from Xinjiang to Turkey and pipelines from Turkmenistan to Pakistan via Afghanistan. This might eventually lead to closer military links and, in the very long term, to the appearance of PRC military facilities.

Russia would be forced to accommodate China’s ambitions in Central Asia due to its vulnerability to China’s superior economic capabilities and consequent military modernization and improvement.⁵¹ However, Moscow might nonetheless benefit from Chinese economic growth by exporting hydrocarbons and electrical power to China. Moreover, it could leverage the common concern toward the United States to gain Chinese support in dealing with the South Caucasus (Georgia, Armenia, and Azerbaijan) and establishing a firmer grip over adjacent Eastern European states (e.g., Ukraine, Belarus, and Moldova) in exchange for Russian political and diplomatic support for Chinese political aims in East Asia.

Given their divergent threat perceptions and worldviews as well as the mutual suspicion beneath the surface, a Moscow–Beijing alliance is unlikely to materialize. Moreover, such an approach would require Moscow to downgrade or abandon its ties to India—a move that would probably cost Russia far more strategically than it would gain.

Path #2: Deteriorating Sino–Russian Relations. In this scenario, growing Chinese power, China’s giant population, and its hunger for territory and raw materials produce substantial fears among

the Kremlin strategists and the Russian population. Some Russian commentators have begun to call openly for a “united front” with the United States against the PRC.⁵² Long-standing Russian xenophobia and fear of the Chinese “yoke” might lead to a “yellow peril” panic, especially if Russia’s economy fails to revive and improve. As one RAND report from more than a decade ago observed, geographic proximity and disparities in national power may ultimately cause Moscow to be more concerned with Beijing than Washington.⁵³

At the same time, the Chinese are aware that the Russians have historically been antagonists. They believe that Russia remains culturally and politically closer to Europe.⁵⁴ As Beijing continues to assert its historic claims over various territories, it might choose to revisit past agreements with Russia, especially because China is far more powerful now than in the 1990s, when it negotiated the current agreements with Russia and the Central Asian republics.

However, for a renewed Sino–Russian split to develop, both states would need not only to be antagonized by the other, but also to view the other as more problematic than the United States. The two sides are not strategically allied, and their trade ties do not appear to be leading toward economic integration, but the two countries have sufficient links to avert open hostility toward one another.

For this reason, the Sino–Russian relationship will most likely involve compromises that allow the two states to cooperate where their interests converge, while recognizing that there is no real strategic congruity between them.

Path #3: Muddling Through. Taking into account Moscow’s and Beijing’s divergent agendas, relations between the two will likely just muddle through. China is already facing significant opposition in Asia in response to its rise, so keeping its extended border with Russia stable is very important. Cooperation and coordination with Moscow under

51. Robert S. Ross, “The Rise of Russia, Sino–Russian Relations, and U.S. Security Policy,” Royal Danish Defence College, June 2009, <http://forsvaret.dk/FAK/Publikationer/Briefs/Documents/TheRiseofRussiaSino-RussianRelationsandUSSecurityPolicy.pdf> (accessed August 2, 2013).

52. Sergey Roy, “China and Russia: Chinese Colonization of Russia’s Far East,” *The Voice of Russia*, November 23, 2012, http://english.ruvr.ru/2012_11_23/China-and-Russia-Chinese-colonization-of-Russias-Far-East/ (accessed August 2, 2013).

53. Mark Burles, *Chinese Policy Toward Russia and the Central Asian Republics* (Santa Monica, CA: RAND Corporation, 1999), p. 62, http://www.rand.org/pubs/monograph_reports/MR1045.html (accessed August 2, 2013).

54. Linda Jakobson et al., “China’s Energy and Security Relations with Russia,” Stockholm International Peace Research Institute *Policy Paper* No. 29, October 2011, pp. 9–10, http://books.sipri.org/product_info?c_product_id=431 (accessed August 2, 2013).

the auspices of the SCO allows Beijing to expand its influence in Eurasia without triggering alarm bells in Moscow and New Delhi. Simultaneously, Beijing chooses to pursue constructive relations with the United States to address global issues and to keep great power competition under control.

Under this scenario, much will depend on how leaders in Moscow and Beijing deal with growing nationalism, economic downturns, and social pressures at home that might encourage risky and reckless foreign policies to divert public attention from domestic failures.

What Should the U.S. Do?

Since the days of Nixon's opening to China, it has been in America's interest to shape relations between the largest country and the most populated country on the planet to prevent their alignment against the U.S.⁵⁵ This analysis indicates the fault lines in China-Russia relations that the U.S. could exploit.

To this end, the Obama Administration should:

- **Recognize the limits of shared interests with both Russia and China as well as between them.** Washington should not assume that these two states automatically agree with each other and should therefore seek to deal with them separately. Only in a handful of instances will all three share common interests, such as in limiting the depredations of seaborne pirates. Most of the time, it is essential to recognize that Russia and China are at best aligned, but not allied. Consequently, cooperation with either country should be on a case-by-case basis, recognizing the limits of their shared interests. In particular, there is little reason to believe that Russian and Chinese armed forces are engaging in joint military planning. Episodic high-profile joint exercises are not the same as the kind of joint planning that typifies U.S.-NATO, U.S.-Japan, or U.S.-ROK military cooperation—although the U.S. should keep an eye on their interactions in case such closeness eventually evolves.
- **Pursue a policy of engagement with both Beijing and Moscow.** Efforts to isolate either

country could actually push them closer together. However, Washington should not compromise its security and economic ties with its own allies to pursue relations with Beijing or Moscow. To this end, the United States should seek to exploit the Russian concerns that China is a long-term threat in the Far East and Central Asia. The U.S. can best achieve this by ensuring that the United States is publicly known to be consulting equally with Beijing and Moscow on issues that likely affect all of them, such as Afghanistan and Central Asian security after the 2014 U.S. withdrawal. This approach may allow divergent interests and differing viewpoints to be highlighted.

- **Promote the rule of law and encourage transparency and good governance in all of Central Asia as well as in Russia and China.** Promoting the rule of law is best achieved by promoting civil society and working with state and civil society counterparts in all of these countries. By utilizing soft power policy tools, including social media, public diplomacy, and international broadcasting, the United States can communicate key messages to the various audiences, both about the state of politics in their respective nations as well as alternative perspectives on the relative interests of the key players. Whether it is the Magnitsky list or the case of Chen Guangcheng, the United States should not shirk from supporting human rights and the rule of law, which will ultimately have both political and economic effects.
- **Develop bilateral and multilateral cooperation programs with Central Asian countries.** U.S. cooperation with Central Asian countries should include security-related efforts, such as programs that support the government of Afghanistan after the NATO withdrawal and efforts to prevent al-Qaeda and the Taliban from projecting power into Central Asia. The U.S. should assist the armed forces and security services of Kyrgyzstan, Uzbekistan, and Tajikistan to develop institutional capabilities. In addition, the United States in conjunction with Japan, Korea, and India can also offer assistance in developing infrastructure, education, health

55. Henry A. Kissinger, "The Future of U.S.-Chinese Relations: Conflict Is a Choice, Not a Necessity," *Foreign Affairs* (March /April 2012), <http://www.henryakissinger.com/articles/fa0412.html> (accessed August 2, 2013).

care, and free and open media in the Russian Far East as well as in the Central Asian republics. Facilitating the effort to convert the Northern Distribution Network (NDN) into a regional trade network could help many of the Central Asian states to develop their economies and reduce their dependence on Moscow and Beijing. Similarly, helping to resolve tensions among Uzbekistan, Kyrgyzstan, and Tajikistan would reduce the opportunities for outside meddling by the larger neighbors. Offering these countries additional choices would allow them to thread an autonomous path between China and Russia and perhaps even align with the United States.

Conclusion

A close Sino-Russian strategic relationship could erode the unencumbered capacity of the U.S. to act abroad and could also undermine economic freedom, democracy, and human rights in Greater Eurasia. China and Russia are employing a mix of

hard and soft power tools aimed at frustrating the United States in Central Asia, Iran, Afghanistan, Pakistan, and India. China has come a long way from the feebleness of the 19th and early 20th centuries. Russia has partially recovered after the collapse of the Soviet Union. Both great powers will continue to focus their attention on area-denial/anti-access strategies. The Obama Administration's "pivot to Asia" suggests that Washington's rhetoric is taking China's rise seriously. Now is the time for a U.S. response to growing Sino-Russian ties that can protect American interests and allies.

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