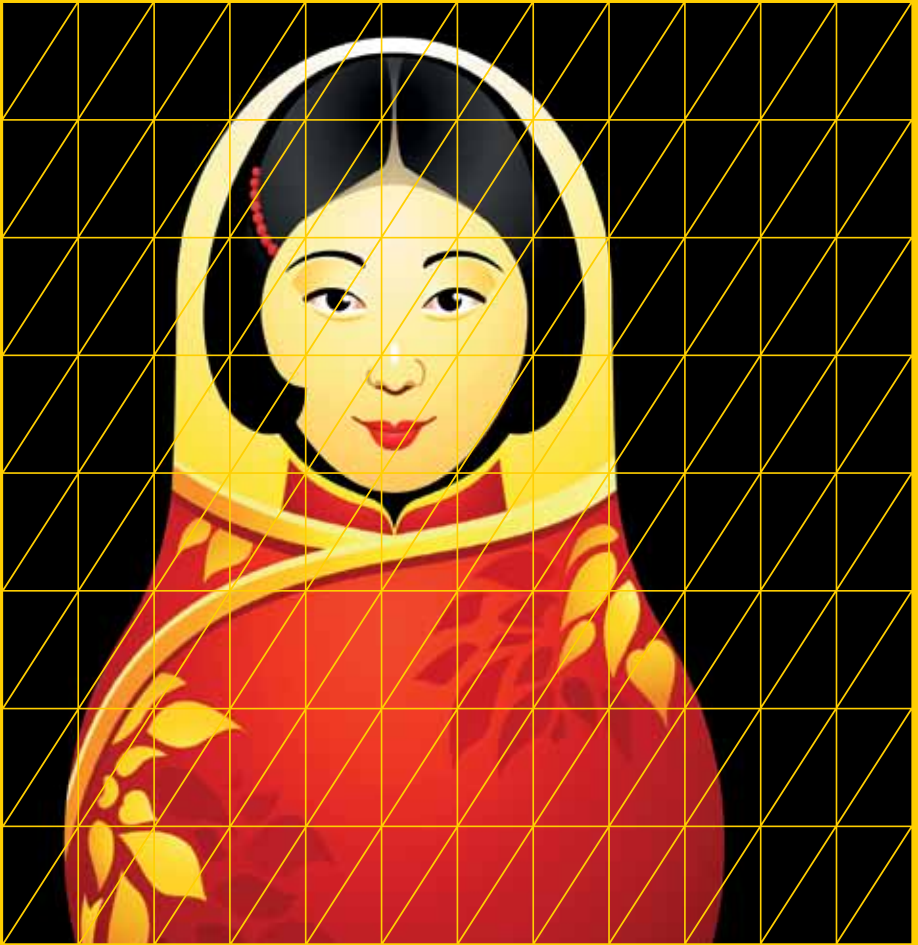


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POINT OF VIEW



## **THE BEAR WATCHES THE DRAGON**

THE RUSSIAN DEBATE ON CHINA

Marcin Kaczmarek

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## THE RUSSIAN DEBATE ON CHINA

Marcin Kaczmarek



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Content editors

Adam Eberhardt, Marek Menkiszak

Editor

Katarzyna Kazimierska

Co-operation

Anna Łabuszewska

Translation

Ilona Duchnowicz

Co-operation

Jim Todd

Graphic design

PARA-BUCH

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Photograph on cover

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**Ośrodek Studiów Wschodnich im. Marka Karpia**

Centre for Eastern Studies

ul. Koszykowa 6a, Warsaw, Poland

Phone + 48 /22/ 525 80 00

Fax: + 48 /22/ 525 80 40

osw.waw.pl

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## THESES

1. Since the economic crisis in 2008, the process by which the balance of power in Russian-Chinese relations has changed to the benefit of China has gained significant momentum. This has been evident on the bilateral, regional and global levels. The dynamics of change will remain unfavourable to Russia, because China's potential and international position will not stop growing, while the growth of Russia's international position has slowed down. This new balance of power has shaped the background for the Russian debate on China, and marks a new stage in this debate.
2. It is a commonly shared view in Russian public debate that China is an exemplary model of a successful transformation and a potential superpower. Sceptical opinions about the sustainability of the growth of China's position are rare. At the same time, it is envisaged that, in the emerging post-American international order, China will become one of the few key players in the new 'concert of powers' as well as in the new global governance formats, such as the G-20. In turn, the formula of Chinese-US leadership (the so-called 'G-2') is seen as a rather unlikely scenario, still less the international arena being dominated by China alone.
3. Most participants in the Russian public debate seem to agree in their evaluation of the present condition of Russian-Chinese relations. There is awareness of increasing inequality between these two powers and Russia's weakening position as compared to China. However, supporters of co-operation with China are playing down the existing political differences. In turn, interpretations of the economic challenges, which are mainly linked to the existing model of economic relations, are similar. Much more disagreement can be found in the debate concerning the future of Russian-Chinese relations.

4. Those who share the optimistic view want close co-operation with China to be continued. They see such co-operation as an opportunity for the Russian economy and a key element of Russia's multi-directional foreign policy. China's development is not seen as a threat; it is opening up the way for diversification of oil and gas sales and is leading to the emergence of a source of loans, technologies and an example of modernisation which poses an alternative to the West. International co-operation with China is seen as an opportunity for Russia to avoid unilateral dependence on the West. At the same time, even supporters of close co-operation with China do not want a political and military alliance with it – this is no longer seen as a possible option in relations with China.
5. The pessimists view the deepening co-operation with China through the prism of threats resulting from the increasing imbalance in bilateral relations. The greatest source of concern is the model of economic relations, which is often referred to as neo-colonial, where Russia's role is reduced to that of a supplier of raw materials to China. The possible consequences are evaluated in different ways, ranging from the political subordination of Russian interests the Chinese ones to real loss of control over the Russian Far East. Those who share such views believe that Moscow should slow down its rapprochement with China and search for other partners in Eastern Asia, relations with whom could counterbalance the Chinese influence.
6. The public debate on China in Russia has had little influence on the government's policy in this area. The Kremlin seems to share the more optimistic view, and is continuing the process of establishing closer relations with China. In practice this means that Russia will oppose any attempts to involve it with any forms of co-operation which could be determined as anti-Chinese. However on the other hand, the increasing imbalance in Russian-Chinese relations will make it more and more difficult for Moscow to play the 'Chinese card' in its policy towards the West.

## INTRODUCTION

The purpose of this work is to present the key trends in the Russian debate on China. This debate, which has been ongoing since the collapse of the USSR, runs at several levels which permeate one another: the official political discourse, the political discussion in the media, and the public debate on Internet forums. The key participants who are shaping this debate include politicians, from the governing camp and from the opposition; experts from analytical centres and academic institutions; lobbyists representing the interests of state-controlled and private structures (such as the army, the secret services, business, etc.); the press and electronic media, and popular Internet commentators. The contribution of each of the actors to the debate is uneven, as is their impact on the state's real policy, which makes the analysis quite difficult. The most active are the experts and the media, although their impact on the decisions taken at the Kremlin is limited. Influential lobbyists, especially in business circles, rarely participate in public discussion. In turn, the declarations made by politicians are usually dependent on tactical needs, and must be treated with great caution. The nature of the Russian political system is another limitation; the decision-making process within it is non-transparent, which seriously reduces the significance of public debate.

2008 has been chosen as the starting point for the presentation of the Russian debate on China. It was in that year that the previously observed growth in Russia's international position slowed down, while gaining momentum in the case of China. This led to a major change of balance in Russian-Chinese relations, which necessarily had a certain impact on the content of the debate.

The first part presents the background to the debate, the key changes which have taken place on Russian-Chinese relations since 2008. The next chapters describe selected aspects of the Russian debate: the evaluation of the increase in China's significance,

the evaluation of the new balance of power in bilateral relations, and visions for the development of Russian-Chinese relations. The last section contains an analysis of the Russian debate's impact on Russia's perception of and policy towards the West.



# **I. THE BACKGROUND TO THE DEBATE: CHINA'S INCREASINGLY STRONG POSITION AND THE EVOLUTION OF RUSSIAN-CHINESE RELATIONS**

The past decade, especially the period following the global financial crisis of 2008, has brought about a deep transformation of Russian-Chinese relations. The balance of power has changed in China's favour at every level of relations: bilateral, regional and global. The change became even more evident since, after a period when the international position of each country had been rising at a similar rate (as manifested in the term 'emerging powers', which was used with regard to both of them, and in the BRIC concept), a new trend became apparent: Russia's international position ceased to improve, even though it was not actually deteriorating. Meanwhile, China accelerated the process of becoming the second strongest superpower, and significantly reduced the distance between itself and the United States. The disproportions in the indicators of the two countries' economic power became striking. In 2009, the Chinese economy grew by 8.5%, while Russia's GDP fell by 7.5%. Over the next two years, the Chinese economy grew twice as fast as Russia's, and so the distance between them increased further. In 2011, Russia's GDP reached US\$1.85 trillion, while China's stood at almost US\$7.3 trillion. Chinese military expenses were double the size of Russia's in 2010. Since 2008, a slight (albeit irregular) surplus has been seen in Russia's trade with China; raw materials form a vast part of Russian exports.

In bilateral relations, the most evident manifestation of the change in the balance of power is China's increasing ability to force its own agenda upon Russia. For Moscow, the geopolitical dimension and the ability to use co-operation with China as a counterweight to the West, especially the United States, is of crucial importance. Beijing's most important goals include the maintaining of the 'strategic peace' and the economisation of relations, including access to Russia's raw materials and market. As a consequence, China has

emphasised on numerous occasions that it does not intend to transform its political co-operation with Russia into a political and military alliance, and that economic relations are of key significance. The signing of the regional co-operation agreement in Russia's Far East in 2009 (which, however, has not been implemented on a regular basis, due to resistance from Moscow), and the launch of a branch of the ESPO oil pipeline running to China in 2010, can be seen as symbols of the success of the Chinese approach.

As regards the regional dimension, the changes in Russian-Chinese relations have been manifested most strongly in Central Asia. China broke the Russian monopoly on transit of hydrocarbons from this region when it launched an oil pipeline from Kazakhstan in 2006 and a gas pipeline from Turkmenistan in 2009. Thus Russia has been deprived of a very important instrument of pressure on these countries. In the first decade of this century, Chinese energy companies have outpaced Russian companies in gaining access to oil and gas resources in the region. In 2010, the trade volume between the Central Asian countries and China was higher than their trade volume with Russia. Furthermore, Turkmenistan received a loan from China in 2009, and thus was able to survive its 'gas war' with Russia<sup>1</sup>. As regards the Shanghai Co-operation Organisation, Chinese concepts (focusing on economic issues and an unwillingness to build an anti-Western geopolitical bloc) have also prevailed over Russia's (developing a geopolitical profile of this organisation that would extend beyond the region). China's presence can also be noticed in other parts of the post-Soviet area, including Belarus and Ukraine. Although this has so far been purely an economic presence, it has nevertheless had political consequences, because these countries have developed a stronger negotiating position in dealings with Russia.

<sup>1</sup> In 2009, Russia refused to accept supplies of gas from Turkmenistan, thus attempting to force Ashgabat to change the conditions of the contract (prices and the quantities of gas it purchased).

In the global dimension, the growth of China's international position has contributed to a shrinking of Russia's role. In economic terms, China is already a superpower (and the world's second largest economy). Meanwhile, Russia is lagging far behind, something which is only partly compensated for by its oil and gas supplies to global markets. In 2010, the decision was taken to increase China's share in the World Bank group from 2.78% to 4.12%, while Russia could consider itself very fortunate to maintain its share at the pre-existing level of 2.78%. A symbolic expression of these changes is China's growing significance in the developing world, and the emergence of the 'Beijing Consensus' as an alternative model of socio-economic development. Russia cannot show any real achievements in this area. There is also a clearly noticeable difference between the 'soft power' potentials of these two countries. In Moscow's case, this does not reach beyond the post-Soviet area, while China is increasingly effectively building up and using the non-material aspects of its power, not only in its immediate surroundings but also in very distant regions.

Given their scale and far-reaching consequences, the changes in the Russian-Chinese balance of power had to affect the Russian debate concerning China. The future of China as a potential superpower and the consequences of its new international position for Russia have become key issues in this debate.

## II. THE RUSSIAN EVALUATION OF CHINA'S RISE

The image of contemporary China in Russian debate has primarily been shaped by experts and the media; other major actors have become involved only intermittently. Two elements predominate in the image of China: the perception of its development as the success of its rational policy and successful economic transformation, and the belief that it is an emerging superpower.

### 1. China as an example of success

China is seen as an example of the effectiveness of a rational economic policy and of a transition from a symbol of poverty and backwardness to a model of success. The history of China's development over the past twenty years provides an alternative to the Western model of socio-economic development. An optimistic, not to say enthusiastic, approach to the scale of Chinese success predominates among most of the participants in this debate.

Supporters of President Vladimir Putin present China as an example of a political system partly because of the procedure whereby the elite is reshuffled while the continuity of power is preserved. Some authors have drawn parallels between United Russia and the Communist Party of China<sup>2</sup>. China is used as an example by those who believe that 'authoritarian modernisation' is possible<sup>3</sup>. The peaceful process of handing over power to the next generation of Chinese leaders, despite tensions existing inside the Chinese elites, has reinforced the view that China's political system is flexible.

<sup>2</sup> Sergei Luzyanin, 'Yedinorossy uchatsia u kommunistov Kitaya rukovodit strani', <http://www.mgimo.ru/news/experts/document147345.phtml>; Sergei Luzyanin, 'Oдна iz prichin uspekha Kitaya – preymstvennost vlasti', Radio Golos Rossii, 5 February 2010, <http://rus.ruvr.ru/2010/02/05/4174017.html>

<sup>3</sup> The idea of authoritarian modernisation is also critically evaluated in Bobo Lo, Lilia Shevtsova, *A 21st Century Myth – Authoritarian Modernization in Russia and China*, Carnegie Moscow 2012.

In turn, those experts and politicians who are in opposition to the Kremlin set the success of Chinese policy against Russia's difficult and ultimately quite unfruitful transformation since the collapse of the USSR. They emphasise the distance between the Chinese and Russian achievements – the Chinese elites have been pursuing better policies, as a result of which Russia has become a country with a primitive economy, and is underdeveloped in comparison to China. China has shown that reforms can be coupled with improving people's living standards. It has successfully carried through economic transformation under state control, and thus secured both internal interests and the interests of foreign investors, which Russia has not been capable of over the past ten years<sup>4</sup>.

Great fascination with China's achievements predominates in Russian debate. However, this has not been accompanied by critical reflection. This positive image of China is simultaneously being used for internal political goals by both supporters and opponents of Vladimir Putin's regime. For the former, it is a model to be copied and a way to legitimise the continuity of the Russian government as a source of potential success. The latter use it to discredit the system Putin created as totally inefficient and incapable of conducting the modernisation process.

Most participants in the discussion agree in their evaluation of China and its political and economic potential. What stands out against this background is a dispute, primarily among Russian experts, concerning the evaluation of the Chinese armed forces. On the one hand, it is forecast that within a timeframe of 15 to 20 years, China will be able to outpace all other countries (with the exception of the USA) in terms of military potential, and become

<sup>4</sup> 'Eto uzhe ne anekdot', *Nezavisimaya Gazeta*, 11 August 2011, [http://www.ng.ru/editorial/2011-08-11/2\\_red.html](http://www.ng.ru/editorial/2011-08-11/2_red.html);  
Rossiysko-kitaiskiy seminar: Rossiya i Kitai v novoi mezhdunarodnoi srede, 20-22 March 2009, RIA Novosti, [http://www.globalaffairs.ru/event/n\\_13724](http://www.globalaffairs.ru/event/n_13724);  
Aleksandr Lomanov, 'Kaltsiy dla kommunistov', *Rossiya v globalnoi politike*, 6/2012.

the second superpower. On the other hand, there is disagreement over the technical potential of the Chinese arms industry. The launch of China's first aircraft carrier was regarded as a manifestation of national pride, rather than a move which could change the balance of power in the region. In turn, China's presentation of a prototype of a fifth-generation multi-task aircraft has been seen as proof that this country is capable of achieving a technological breakthrough within the next 5 to 15 years, in contrast to Russia<sup>5</sup>. Few Russian analysts contest the durability of the present Chinese model of political and economic development. The problems they mention which could potentially pose a threat to the growth of China's position include the undemocratic political system, its excessively large population, a shortage of energy raw materials, and ecological problems<sup>6</sup>.

## 2. China as an emerging superpower

The positive evaluations of China's development in the past decade have influenced Russian assessments of China's position on the international stage and of its foreign policy. In this case too, experts and the media are setting the tone of the debate. Politicians have mainly restricted themselves to diplomatic compliments, and have avoided evaluating China's international activity.

Experts participating in the Russian debate agree that China is an emerging superpower which is gradually becoming a global leader. Judging from the statements of Russian leaders, they share this opinion, although the Russian government has avoided using the term 'superpower'. China is usually referred to simply as a power, and a country without which no major political or economic

<sup>5</sup> Arbatov, 'Upravleniye bezopasnosti', Moscow 2010; China's new aircraft carrier no threat to power balance: Russian expert, English news cn, 10 August 2011; US concern over China's technology proves well-founded - Russian expert, Interfax-AVN [in:] Johnson's Russia List, 2011-#11, 17 January 2011.

<sup>6</sup> Rossiysko-kitaiskiy seminar..., *op.cit.*: Alexandr Lukin, 'Tsena voprosa', *Kommersant*, 15 March 2011; <http://ru-sps.livejournal.com/777658.html>

problem can be resolved. However, many of these statements can be treated as expressions of courtesy addressed to an important partner, and as such, do not precisely reflect their real beliefs<sup>7</sup>.

China's present foreign policy is perceived first of all as pragmatic, and aimed primarily at serving the goals of economic development. It is also sometimes seen as failing to exploit all its possibilities and potential fully. Russian experts also note that China is positioning itself as a country which shows no ambition to become a superpower, and is searching for 'harmonious relations' with the international community. Such opinions are especially predominant in academic circles and among researchers from institutions focused on China. Experts who are not so closely linked to China are not so optimistic, but they also see the Chinese foreign policy as moderate and non-aggressive. At the same time, Chinese economic expansion, especially in developing countries, has been noted. However, the predominant view is that Beijing is taking great care to be cautious in its activity; focusing on economic tools and soft power; and avoiding excessive political engagement, including in the internal affairs of other countries<sup>8</sup>. Experts linked to the opposition also indicate that Russia could learn from China about the right way to conduct foreign policy: less conceit and announcing its imperial intentions to all and sundry, less verbosity, building up practical influence instead of announcing 'zones of

<sup>7</sup> 'Eto uzhe ne anekdot', *Nezavisimaya Gazeta*, 11 August 2011; 'Bez ideologicheskikh dogm', *Nezavisimaya Gazeta*, 20 July 2011; Sergei Luzyanin, *China-Russia Treaty: a powerful political tool*, 20 June 2011; Igor Novikov, 'Geografiya i politika', *Krasnaya Zvezda*, 18 August 2010; Sergei Shelin, 'Sverkhderzhavnyi sosed', *Gazeta.ru*, 12 October 2011; Aleksandr Gabuyev, 'Piatiletka kachestva zhizni', *Kommersant*, 15 March 2011; Dmitri Trenin, 'True partners. How Russia and China see each other', London: Centre for European Reform 2012, page 43; TassNews, 4 August 2011, Interfax-Military, 25 April 2011.

<sup>8</sup> 'China play positive role in world: Russian expert', 13 March 2010; Mikhail Margelov in 'Russia Must Use Oil As Foreign Policy Tool - President's Envoy', Interfax, 17 November 2011, in *Johnson's Russia List* 2011-210-33.

privileged interests' – in other words, more modesty in its rhetoric and less belligerence and demonstration of force<sup>9</sup>.

Relations between Beijing and Washington are seen as the most important aspect of China's foreign policy. Russian experts agree that the USA, which is at the same time an economic partner and a political rival, is much more important for China than all the other countries (such as for example Russia or the EU) and projects (such as BRICS). China's involvement in the creation of new international structures (RIC, BRIC and SCO) and its degree of engagement in relations with other partners is thus strictly limited, due to this mutual dependence with the United States.

China's place in the international order is seen as a result of its potential and rapid growth. This growth also counterbalances the US's dominant position and leads to more balance in the world. The greatest challenge is considered to be the speed of political, economic and military change of China, which may make it more difficult for the existing international order to adapt itself to an actor who is growing at such a rapid rate. There is a commonly shared opinion that the tension existing between the US and China, and their rivalry for leadership in Asia, is especially likely to easily trigger a destabilisation of the international order on both the regional and global scales<sup>10</sup>.

Although China is perceived as a future superpower, variants of Chinese leadership on the global scale, or some kind of US-Chinese condominium (the so-called 'G-2'), are treated as rather unrealistic. The G-2 concept is also seen as a closed book because,

<sup>9</sup> Arbatov, *op.cit.*

<sup>10</sup> Sergei Luzyanin, 'Kto i kuda vedyot BRIK?', 18 April 2010, <http://www.mgimo.ru/news/experts/document150578.phtml>; 'Regional Stability through Harmonious Development: Russia and China in the New Global Architecture. Discussion points for the Russian-Chinese section of the Valdai Discussion Club'; contributors: S. Karaganov, O. Barabanov, T. Bordachyov, A. Likhachyova, I. Makarov, A. Savelyeva 2010, p. 6.



in the opinion of Russian experts, China has clearly rejected the US proposal. It is believed that one key reason for China's rejection of this concept is its unwillingness to play the role of the 'younger brother', a position which it deems unacceptable.

As a consequence, what is seen in the Russian debate as the most likely scenario for the evolution of the future international order is a new 'concert of powers', where China will be one of the key players. In the opinion of Russian experts, China will gradually adopt the position of a 'responsible power', and will participate more and more actively in shaping the international order.

At the same time, Beijing is perceived as a future leader of the non-Western world, as has been reflected, for example, in the Russian discussion on BRICS. China is seen as the predominant actor in this group. As regards Russia, its very membership is being questioned, especially by those experts who oppose the government. China's strong position in BRICS is also treated as something natural partly because Beijing has the broadest vision for the BRICS agenda, starting from the renewal of international financial architecture, through protecting the interests of developing countries, up to security issues in the broadest meaning of the term (covering energy and food security), and the problem of climate change<sup>11</sup>.

<sup>11</sup> Trenin, 'True partners...', p.10; 'Regional Stability...', *op.cit.*, p. 7; 'Rossiysko-kitaiskiy seminar:...', *op.cit.*; Yuri Tavrovsky, 'Konfutsiyu ne podkhodit khizhina diadi Toma', *Nezavisimaya Gazeta*, 15 February 2010; 'Kto i kuda vedyet BRIK?', 18 April 2010; <http://www.mgimo.ru/news/experts/document150578.phtml>

### III. THE RUSSIAN PERCEPTION OF RUSSIA-CHINA RELATIONS

The image of China as an emerging superpower is accompanied in the Russian debate by the awareness of the scale of changes which have taken place in relations between the two countries over the past decade. A dramatic reversal of their roles has happened: for the first time in several centuries, Moscow may no longer see China as a less developed, isolated and militarily weaker state. It is China that has grown stronger than Russia in many respects. As a consequence, the belief that Russia is unable to gain a superpower status equal to China's is increasingly gaining in strength. Above all, participants in the debate disagree in their evaluation of the degree to which the new situation is a result of the Kremlin's policy, and how much it is an effect of factors beyond its control. The differences of opinions outlined in this part of the work will become greater in the debate on possible scenarios for the development of bilateral relations.

#### 1. The political dimension: minimising the conflicts of interests

Regardless of the changes taking place in the balance of power between Moscow and Beijing, the political message from the Kremlin remains clear: Russia is not afraid of China's growing power. This viewpoint has been expressed most explicitly by Vladimir Putin, who has made several announcements to this effect. He has stated that Russia does not fear China, despite warnings from Western experts and the differences of interests existing between the two countries<sup>12</sup>. Optimism in viewing Russian-Chinese co-operation has become the correct approach at the official level. One expression of this is the regular emphasising that relations between these two countries are "the best in history". The Kremlin's

<sup>12</sup> 'HIGHLIGHTS: Russia's Putin on 2012, China, Ukraine', *Johnson's Russia List* 170-2010, #4, 7 September 2010.

stance has affected the Russian media's attitude towards China; the number of publications on the 'Chinese threat' in the media has fallen in comparison to the beginning of the decade<sup>13</sup>. Similarly, representatives of regional governments are also more reluctant to criticise China.

The government's stance is backed by a large group of experts, primarily those linked to analytical centres which are believed to co-operate closely with the Kremlin, and to academic institutions involved in Chinese studies. The view that China and Russia share a broad community of interests, which minimises the inevitable disagreements, predominates in the evaluation of bilateral relations. It is indicated that China has demonstrated a constructive approach to Russia, including in such sensitive areas as borders, migration and trade. Russian-Chinese co-operation is seen as an example of durable, friendly relations in the modern world, and a refutation of the 'clash of civilisations' theory. The shared approach to the history of World War II and the return of the memory of common struggle against Japan have been evaluated in very positive terms<sup>14</sup>.

It is characteristic of this trend in the debate, which positively evaluates political relations, to minimise any conflicts of interests and to see any 'bones of contention' as *de facto* inessential from the perspective of the two countries. One example is the list of contentious issues presented by one of the most 'pro-Chinese' experts: China's unwillingness to join any agreements on arms control or reduction of intermediate range missiles; disinterest in the unification of Korea; lack of support for Russia regarding Abkhazia and Southern Ossetia; genuine interest in trade liberalisation, as a consequence of which China has moved closer to the West

<sup>13</sup> Aleksandr Larin, 'Kitayskiye migranty glazami Rossiyan', *Demoscope Weekly*, No. 333-334, 2008, <http://demoscope.ru/weekly/2008/0333/tema01.php>

<sup>14</sup> Aleksandr Larin, 'Rossiysko-kitaiskiye otnosheniya: ne oslablyat usiliy', *Mezhdunarodnaya Zhizn*, no. 11/2009; Sergei Luzyanin, <http://www.mgimo.ru/news/experts/document152447.phtml>; 'Regional Stability...', *op.cit.*, p. 5.

than to Russia, which is protecting its own market; and competition in attracting foreign investments and developing its frontier regions<sup>15</sup>. In this way, the experts can avoid expressing opinions on much more complex issues in bilateral relations, such as difficulties in energy co-operation, rivalry in Central Asia, the unfavourable nature of economic relations for Russia, and Chinese immigration to Russia. While downplaying the existing differences, even pro-government experts in Russia indicate that there is still too little trust and understanding in mutual relations. Tendencies to underrate the differences of interests and emphasise the two countries' ability to compromise can also be noticed in Russian experts' opinions on China's expansion in Central Asia. According to most of them, there is no rivalry between Moscow and Beijing in this region. The two countries have been able to avoid conflict despite their competing interests. Moscow has not blocked China's entry into the region, and Beijing has been behaving in such a manner so as not to 'hurt' Russia's imperial feelings. It has been recognised that Central Asia is a region where the Kremlin must 'share' its influence; that is, not all pipelines from this region must run through Russian territory and be under Russian control. As a consequence, China is seen as an important regional partner, and not just as Russia's rival<sup>16</sup>. Against the background of these evaluations of Russian-Chinese political relations, some individual critical voices can be heard. These include representatives of the Russian Armed Forces (General Anatoly Kulikov, president of the Club of Military Commanders of the Russian Federation), who has pointed out that China is competing with Russia in the international arena, especially in the post-Soviet area<sup>17</sup>, and also globally. Fleet Commander Admiral Vladimir Vysotsky has warned that China is increasingly interested in having a presence

<sup>15</sup> Larin, 'Rossiysko-kitaiskiye otnosheniya...', *op.cit.*

<sup>16</sup> Dmitri Trenin, 'Postimperium. A Eurasian Story', Washington, DC: Carnegie Endowment for International Peace 2011, p. 135; Larin, 'Rossiysko-kitaiskiye otnosheniya...'; 'Rossiysko-kitaiskiy seminar...', *op.cit.*

<sup>17</sup> Interfax, 24 October 2009.

in the Arctic, and could pose a challenge to Russian interests in this region<sup>18</sup>. However, these have so far been just isolated opinions, and have failed to provoke any broader discussion. They also contained elements of lobbying for the given agency, or the armed forces as a whole.

The evaluation of the military balance of power between Russia and China is the most controversial part of the debate. Assurances from Russian government representatives that their nuclear arsenal provides a kind of security guarantee to Russia, should China change its foreign policy and choose expansion, suggest that Moscow fears Chinese conventional forces. In the opinion of the defence minister, Anatoly Serdyukov, China will not be able to match Russia in terms of nuclear potential<sup>19</sup>. In turn, according to the commander-in-chief of the ground troops, Aleksandr Postnikov, Russian weapons are inferior not only to the technologies used by the armed forces of NATO member states but also to those the Chinese armed forces have at their disposal. However, his statement may be seen as an attempt at lobbying, and has not sparked a broader debate<sup>20</sup>. Experts differ in their evaluations of the Russian-Chinese balance of power; however, the view that Chinese conventional forces are superior to Russian ones is becoming increasingly popular<sup>21</sup>. The Chinese military potential gives rise to anxiety especially among analysts who are in opposition to the government. In their opinion, China will have a greater military potential than Russia on its eastern frontier. China's military manoeuvres in 2006 and 2009 were interpreted as demonstrations of its readiness to launch a potential large-scale land offensive against Russia.

<sup>18</sup> Tass-News, 4 October 2010.

<sup>19</sup> Interfax-AVN, 24 December 2010.

<sup>20</sup> Sergei Balmasov, 'Rossiyskoye oruzhiye khuzhe kitaiskogo?', 16 March 2011, [www.pravda.ru](http://www.pravda.ru)

<sup>21</sup> Trenin, 'True partners...', p. 8.

## 2. The economic dimension: the unfavourable structure of relations

The diagnosis of the condition of present Russian-Chinese economic relations raises no controversies in Russian debate<sup>22</sup>. The simple fact of developing economic relations with China is broadly acceptable. However, practically all participants in the debate have criticised the structure of the economic relations between the two countries. Russian government representatives, including Vladimir Putin himself, have on numerous occasions expressed their dissatisfaction with the existing model of economic relations, as well as the need to change it. Here the experts and the media are in total agreement with the stance officially presented by the government. The greatest problems mentioned include the predominance of raw materials in Russian exports; the very low share of manufactured heavy equipment in trade; and the Russian trade deficit (which occurred in 2008 and 2010). It is commonly believed that the investment structure is unfavourable to Russia, because its main element consists of Chinese investments in Russian primary economic sectors and in companies operating in the frontier regions, whose products (especially raw materials and semi-finished products) are then sold to China<sup>23</sup>.

Disputes in the Russian debate concern the significance of the problems outlined above within the broader context of Russian-Chinese relations. Three major trends of opinion can be distinguished.

<sup>22</sup> Trenin, 'Postimperium...', pp. 134-135; *idem*, 'True partners...', pp. 1 and 7.

<sup>23</sup> A similar opinion was expressed among others by the then advisor to Prime Minister Vladimir Putin, Anatoly Ushakov. Before Putin's visit to China, Ushakov determined that the trade structure was unsatisfactory. See: Lyubov Pronina, Henry Meyer, 'Russia Seeks to Diversify Trade With China During Putin's Trip', Bloomberg, 10 October 2011 [in:] Johnson's Russia List 2011-182-28; Arbatov, *op.cit.*; 'Regional Stability through Harmonious Development...', *op.cit.*, pp. 8-9. Vlad Grinkevich, 'Rossiya i Kitay: neftianaya družhba', AN RIA Nowosti, 22 June 2009.

In the opinion of the government and those experts who view the development of relations with China favourably, these problems are temporary and should not be exaggerated. Supporters of building closer relations with China have recognised the co-operation agreements signed by the neighbouring provinces of the two countries in 2009 and the construction of the ESPO oil pipeline branch running to China as breakthrough events. In particular the latter investment, which went through owing to Chinese loans, was treated as proof that Russia had already made a turn towards China in its energy policy. Senior government officials (including the then prime minister, Vladimir Putin, and deputy prime minister, Igor Sechin) became involved in promoting this project. These two politicians recognised that the agreement with China concerning the construction of the ESPO branch and the oil supply contract were 'fair'<sup>24</sup>. Energy co-operation, as they said, was the implementation of the strategic task of diversifying exports of Russian raw materials.

Many experts who are critical of the existing model of economic co-operation claim that these problems are characteristic of the Russian economy as a whole, and not all of them result from Chinese policy, but rather from Russia's general weakness<sup>25</sup>. As a consequence, they also relativise the importance of the structure of economic relations, which is unfavourable to Russia.

Critics of rapprochement with China, especially those who are in opposition to the Kremlin, see economic relations as the most important element of the new balance of power, which in their opinion is very unfavourable to Russia. The pivotal issue in their

<sup>24</sup> Andrei Piontkovsky, 'Kitainoye stalo yavnyim', 11 January 2010, <http://grani.ru/opinion/piontkovsky/m.173037.html>; Sergei Razov, 'Pragmatizm vmes-to pretenzyi i nedoveriya', *Mezhdunarodnaya Zhizn*, 11/2009; 'Kitai delayet iz Rossii koloniyu', *New Russia News Agency*, 7 July 2010, <http://www.nr2.ru/rus/290847.html>; Nataliya Alyakrinskaya, Dmitri Loginov, 'Bratya po trube', *The New Times*, No. 37, 23 October 2009.

<sup>25</sup> Larin, 'Rossiysko-kitaiskiye otnosheniya...', *op.cit.*

criticism is the degree to which Russian exports to China are dominated by raw materials: oil & gas, metal ores and wood. This is coupled with the lack of major investments in the secondary sector of the economy (China processes the raw materials on its own territory, and brings its own labour force to its investments in Russia). Thus Chinese engagement is referred to as 'colonisation', as a result of which Russia is being turned into a 'source of raw materials' for China. The condition of Russian-Chinese energy co-operation is evaluated especially negatively. It is seen as inherently resulting in dependence on the importer, who as a monopoly will be able to dictate the prices to a much greater extent than is the case with the EU. Some experts and sections of the media see the plans to build a gas pipeline to China in a similar way. The most severe criticism was sparked by the contract to construct the ESPO pipeline; it was estimated that the 20-year contract for 300 million tonnes of oil for US\$100 billion came out at the price of US\$50-57 per barrel. As a consequence, this contract was branded as the first stage of turning Russia into China's raw material base. Another event which strengthened the view that Russia is becoming merely a source of raw materials for China was the regional co-operation agreement signed in 2009; according to critics, it was based on the principle 'our raw materials - your technologies'<sup>26</sup>. Plans to lease arable land to Chinese companies have also come in for criticism.

<sup>26</sup> 'Rossiya ne spravitsya', *Vedomosti*, 12 October 2009; Arbatov, *op.cit.*; Alyakrinskaya, Loginov, *op.cit.*



## **IV. THE FUTURE OF RUSSIAN-CHINESE RELATIONS**

There can be no doubt that both China's becoming a superpower and the new balance of power in bilateral relations will have far-reaching consequences for Russia. Therefore, the debate has been dominated by two trends: optimism and pessimism. According to the optimists, close contacts with China will trigger socio-economic development in Russia itself, and will increase Russia's room for manoeuvre in the international arena. In turn, the pessimists fear that increasingly close relations with China will deprive Russia of autonomy in foreign policy, and make Russian interests subordinate to those of China.

### **1. The optimistic vision: China as an indispensable partner**

The optimistic vision stems from the positive perception of China's development among Russian leaders. Although we should be sceptical about such declarations (especially given the changes in the balance of power, which are unfavourable to Russia), there has still been no voice of criticism in the national debate from the Russian government, particularly not from the most senior state officials. This approach is also backed by a large part of Russian expert circles, especially those linked to academic institutions involved in Chinese studies, and those from think-tanks which are believed to be linked to the Kremlin. Other actors have also joined this debate from time to time; for example, representatives of Russian big business, both private and state-owned. Depending on the interests they represent, they emphasise various aspects which make China an indispensable partner. However, regardless of these differences, some common key elements of the optimistic approach to the future development of Russian-Chinese relations can be distinguished. China's significance for Russia is concentrated in two areas. Firstly, given its economic growth and potential, China is seen as a partner which could trigger economic

and political development in Russia itself. Secondly, co-operation with China is treated as an inevitable element of Moscow's multi-directional foreign policy.

**China as an economic opportunity for Russia.** In the first area of significance, the economies of the two countries are seen as mutually complementary, and the Chinese market is treated as an opportunity for the economic development of Russia itself. The most active supporters of establishing closer economic relations with China in the debate include representatives of the government and big business, especially businesses operating in the raw materials sector<sup>27</sup>. A potential Russian-Chinese symbiosis, together with capitalising on the complementarity of the two economies, appears to be the best solution. Russia's main advantage is its proximity to the Chinese market, which makes it more competitive in comparison to other, more distant suppliers. China is at the same time seen as a key element of the strategy to diversify Russian oil and gas exports, as well as a kind of gateway to the Asian market. Supporters of co-operation with China want real integration of the two economies, through investments or the creation of joint economic zones<sup>28</sup>.

Oleg Deripaska, an oligarch who is believed to have good connections in the Kremlin, has described the Chinese market with great enthusiasm, stating that the two countries may not necessarily forge a political partnership, but that an economic one is inevitable. In his opinion, co-operation with China (including the construction of water power plants in Siberia, which would generate electricity for the Chinese market) is a unique opportunity

<sup>27</sup> 'Rossiya ne spravitsya', *op.cit.*

<sup>28</sup> Alyakrinskaya, Loginov, *op.cit.*; 'Putin Says Russia Near China Deal on Supplying Natural Gas', Bloomberg, 11 October 2011 [in:] *Johnson's Russia List* 2011-183-28; Wang Xing, 'Russia looks to resources', *China Daily*, 5 September 2011; Trenin, 'True partners...', p. 30; 'Kitayskiye investitsii v DFO vozmozhny, no tolko posle chastnykh rossiyskikh', *Allmedia*, 6 July 2010, <http://www.allmedia.ru/newsitem.asp?id=879610>.

for Russia to capitalise on the economic growth in Asia<sup>29</sup>. In the opinion of Artiom Volyniets, the head of the En+ Group raw materials and industrial holding, eastern Siberia could become the key supplier of raw materials to Asian markets, especially the Chinese market.

The fact that China is seen as an example and a source of modernisation for Russia is a new element in the Russian debate, and at the same time as the best reflection of the change which has taken place in bilateral relations during the past decade. Supporters of closer co-operation include Deputy Prime Minister Aleksandr Zhukov and numerous experts who regard China as a potential source of investments and new technologies<sup>30</sup>. Experts from the Russian section of the Valdai Club, who have the reputation of being pro-Kremlin, have been making direct appeals for a Russian-Chinese partnership for modernisation.

Representatives of the Russian Far Eastern regions, local government members and experts alike, see China as a key factor which is necessary for the Russian Far East to bloom again and for Russia to join in regional (Asian) economic integration. The main element of this partnership should be a strategy of harmonic development of the two countries' frontier regions. In this context, China's role in developing Siberia and the Far East is estimated as potentially very significant. Chinese investments are not perceived as a threat; rather, it is pointed out that they should be more intense and more diversified. At the same time, the Far Eastern regions blame Moscow for developing the co-operation too slowly, claiming that it is the central government which fears excessive dependence on China. The fact that the regional co-operation agenda is being implemented very slowly proves the existence of

<sup>29</sup> Allan Murray, 'China Has Politics, Too', *Wall Street Journal*, 21 November 2011; Helen Power, 'Oligarch to go dam building so Siberia can power China', *The Times*, 17 June 2011.

<sup>30</sup> 'Rossiya ne spravitsya', *op.cit.*; Lyubov Pronina, 'Medvedev to Trade Energy for Investment on China Trip', Bloomberg, 12 April 2011.

a dispute between the central government and the Far Eastern regions. However, this is rarely manifested in public discourse. One of the few examples was a statement made by Aleksandr Bazhenov, the head of the Far East Development Fund established in 2011; he warned against orienting the entire development of the Far Eastern province towards China, saying that this means that the economy will continue to be based on raw materials instead of being developed in a more comprehensive way<sup>31</sup>. Furthermore, Russian experts admit that the level of Chinese investments in the Russian Far East remains low, and has not exceeded a billion dollars. They also say that it would be easier to attract Chinese capital if the Russian side itself invested in the Far Eastern region, thus encouraging investors to move beyond the raw materials sector<sup>32</sup>. At the same time, unwillingness to open up to big Chinese capital is evident, even at the regional level, which is primarily an effect of the fear of competition.

The approach to exporting arms to China is a symbol of the belief in the convergence of the two countries' economic and political interests. In this context, China's approach to intellectual property rights and its genuine competition with Russia on other countries' markets pose problems. On the one hand, the Chinese industry is accused of illegally copying arms purchased from Russia. Analysts opposing the government are especially critical of this, claiming that China is a bad partner which copies products and exposes the Russian arms industry to losses, and – furthermore – is beginning to compete with Russian on the markets of developing countries. On the other hand, supporters of co-operation see China as potentially the largest purchaser of Russian weapons. Therefore, it is

<sup>31</sup> Howard Amos, 'Far East Development Hinges on Branding and Diversity', *The Moscow Times*, 21 November 2012.

<sup>32</sup> 'Kitai delayet iz Rossii...'; 'Regional Stability through Harmonious Development'..., *op.cit.*, pp. 10-11; Fred Weir, 'What Putin wants from China', *The Christian Science Monitor*, 11 October 2011; 'Kitayskiye investitsii v DFO', *op.cit.*

emphasised that not too much stress should be laid on copyright, in the case of such a large customer<sup>33</sup>.

**China as a foreign policy partner.** China is also perceived as a key partner in the context of Russia's foreign policy. Given the fact that Russia does not belong to any alliances (with the exception of the CSTO, where Russia plays the pivotal role), as well as the Kremlin's multidirectional policy, co-operation with China is seen as an essential element for building up Russia's position in the international order. Close relations with China are important from the strategic point of view, especially at the time when all the other key actors desire to bring themselves closer to China. The most important shared views which contribute to close Russian-Chinese co-operation are considered to be the following: the desire to establish a multi-polar international order; opposition to the United States' domination, which infringes upon the interests of Russian and China alike; and the dislike of the US interfering in their internal affairs. Nor does China's development put Russia's interests in jeopardy because, unlike the United States, China does not hold a hegemonic position in the global order<sup>34</sup>. In effect, Beijing insists that Washington should yield some of its position to it in the regional (Eastern Asian) and global order. China has unresolved territorial disputes with Japan, Vietnam and India, but it has no such claims with regard to Russia.

In the opinion of those participants of the debate who see a convergence of Russian and Chinese interests, Beijing is satisfied with its co-operation with Moscow. It provides a sort of 'strategic base' in both political and economic terms (for example, supplies of oil and gas). At the same time, given the complexity of China's relations with Western countries, co-operation with Russia offers Beijing more room for manoeuvre. The greatest common political

<sup>33</sup> 'Kitai prodolzhayet kopirovat' rossiyskuyu voyennuyu tekhniku', *Voyennoye obozreniye*, 9 June 2011, [www.topwar.ru](http://www.topwar.ru); Interfax, 9 November 2010.

<sup>34</sup> Trenin, 'True partners...', p.10. 'Rossiya ne spravitsya', *op.cit.*; Razov, *op.cit.*

challenge for both of these countries is the growing instability in international relations on both the global and regional scales<sup>35</sup>.

At the same time, regardless of the optimistic future visions of bilateral relations, we may note that barriers to the development of relations between Moscow and Beijing do exist. One of the clearest signs of this is the fact that the option of bilateral alliance is no longer mentioned (or only very rarely) in the Russian debate on the future of relations with China. This primarily results from the growing inequality between the two countries which has been observed, and from the conclusion shared by Russian experts that China does not intend to involve itself in such an alliance. This does not mean withdrawal from searching for ways of forming an anti-Western coalition with China; however, what is now proposed is rather a multilateral bloc, proposals for which are quite general, and are not being formed by the most influential expert circles<sup>36</sup>. Although China is not perceived as a potential ally, supporters of close co-operation treat it as a key partner.

Even those who share the optimistic vision for the development of relations still cannot agree on the desirable level of co-operation between Russia and China in the post-Soviet area, especially as those countries which belong to the integration organisations established on Russia's initiative in the post-Soviet area are also members of the Shanghai Co-operation Organisation. Shortly before his visit to China in June 2012, President Putin explicitly expressed his support for closer co-operation between the Common Economic Space (which is to be transformed into the Eurasian Union) and the SCO<sup>37</sup>.

<sup>35</sup> Larin, 'Rossiysko-kitaiskiye otnosheniya...'; Yuri Tavrovsky, 'Konfutsiyu ne podkhodit khizhina diadi Toma', *Nezavisimaya Gazeta*, 15 February 2010. 'Regional Stability through Harmonious Development...', *op.cit.*, p. 6.

<sup>36</sup> Aleksandr Dugin has appealed for Russia to have China, India and the Islamic, Asian and Latin American countries 'on its side'. See: 'A yesli Putin vseryoz', *Argumenty i Fakty - Ne dai Boh*, no. 5, 14-21 March 2012. However, even he cannot see the option of a bilateral or equal alliance with China.

<sup>37</sup> 'Rossiya i Kitai: noviye gorizonty sotrudnichestva', *Renmin Ribao*, 5 June 2012.

According to some experts, economic co-operation and the creation of a single economic space should also be coordinated simultaneously as part of the SCO and the EurAsEC/CES, because if Russia restricted its actions only to the latter organisation, this would lead to serious competition with China. In turn, the Russian ministries of finance and economy would rather see economic co-operation being continued as part of the EurAsEC/Eurasian Union, and not within the SCO. This also indicates that the SCO is developing solely as a political organisation, although proposals to create economic and energy clubs within it have been made. An article published by Putin several days before his visit to China, in which he envisaged the creation of the Eurasian Union, was interpreted in exactly this light<sup>38</sup>.

Public opinion is inclined to share the optimistic vision, albeit cautiously; over the past decade, the number of respondents who support co-operation with China has increased from 22 to 34%, and the number of people who see China as one of the five Russia's closest allies grew from 12% in 2005 to 16% in 2012. At the same time, 4% of respondents in the same polls indicated China as one of the five most hostile countries<sup>39</sup>.

## **2. The pessimistic vision: China as an 'elder brother'**

This optimistic vision for future bilateral relations contrasts strongly with the trend which sees the prospects for development of Russian-Chinese relations in negative terms. Representatives of this trend expect Russia to gradually become dependent on China, first economically and then politically. The actors who are most strongly engaged in this trend include politicians who are in opposition to the Kremlin (Boris Nemtsov and Vladimir Milov are the most active in this area), as well as experts who are opposed to the government.

<sup>38</sup> Weir, *op.cit.*; Trenin, 'True partners...', p. 31.

<sup>39</sup> These polls were conducted by the Levada Center ([www.levada.ru](http://www.levada.ru)).

**Russia's increasing economic dependence on China.** This trend in the debate is based on the fear of the political consequences of the existing economic model. The Russian economy is becoming peripheral as compared not only to the developed countries but also to the developing ones, and co-operation with China is becoming more and more unilateral. As a consequence, Russia is increasingly incapable of withstanding China's political and economic influence, which extends even to such routine internal procedures as the decision to close the Cherkizovo market<sup>40</sup>. According to those who adhere to the pessimistic vision for the development of bilateral relations, Russia will be completely dependent on China in the future, and China could even take control of part of the Russian Federation's territory.

According to critics of the present direction of development, China is primarily interested in Russian raw materials, and Russia is unable to turn this unfavourable trend around. At the most, it could participate, along with other countries which are rich in natural resources, in boosting the Chinese economy by supplying raw materials to China. Even if China is uninterested in taking over Siberia and the Far East, the development projects it offers are 'semi-colonial' in nature and, in the opinion of Russian experts, are reminiscent of those proposed to African countries. This view is becoming increasingly widespread, not only among the experts but also in the media. Opposition politicians and experts are especially critical regarding this issue; in their opinion, it is in China's vital interest that political power in Russia remains in the hands of the people who have given it the natural resources of Siberia and the Far East so easily<sup>41</sup>.

According to those who oppose bringing Russia closer to China, Russia's room for manoeuvre is shrinking very rapidly, and

<sup>40</sup> Andrei P. Tsygankov, 'Russia's Tilt Toward China', [in:] Johnson's Russia List, #192, 19 October 2009.

<sup>41</sup> Piontkovsky, 'Kitainoye...', *op.cit.*



Moscow will find it increasingly difficult to reduce its ever greater dependence on Beijing. These fears are best summed up in the opinion that a military conflict between Russia and China can be ruled out, but Russia will become China's source of energy and raw material supplies, and in the longer term, its 'political younger brother'. Although China has not been aggressive towards Russia, and its expansion is focused on the basins of the Pacific and Indian Oceans, Russia is still perceived as a source of raw materials, and China will make endeavours to obtain these using both moderate and (where necessary) harsher methods. According to most pessimistic visions from Russian observers, China is deliberately taking actions to subjugate Russia. Opposition analysts<sup>42</sup> are among those who warn most frequently of the Chinese threat linked to the uneven potentials of the two countries and Chinese military modernisation. In their opinion, China needs a vassal and not a strong partner; it does not respect Russian interests, is a tough negotiator, and Russia will have no other choice but to make concessions.

**The uncertain future of the Russian Far East.** The fear about the future of the Russian Far East is especially strong. Those participants in the debate who see the growing power of China as a threat to Russia see this region, which borders on the north-eastern Chinese provinces, as the first target in the expansion which Beijing is plotting. The lack of development programmes for the Far East, the inadequate defence potential and the lack of a migration regime and border protection are also sources of potential threats to Russia. It is also emphasised that China's development will also put ecological pressure on that region. In the opinion of those who tend to criticise Russian-Chinese co-operation, the Russian Far East will become in fact part of the Chinese economy within a decade. Similar fears have been expressed in the strategy devised by the Ministry of Regional Development for the Far East, Buryatia, the Zabaykalsky *krai* and Irkutsk *oblast*

<sup>42</sup> The most active participants of the debate are: Aleksandr Khramchikin, Aleksandr Sharavin and Andrei Piontkovsky.

to be implemented by 2025. In the critics' opinion, China is investing more in the Russian Far East than Russia does itself, although the data is inaccurate and inconsistent. The media have also reported that China is allegedly forming special governing bodies manage these areas and investments. The need to restrict the influx of Chinese labour force so as to keep the Far East 'Russian' has also been emphasised; Prime Minister Dmitri Medvedev made a similar statement in July 2012. However, one should be cautious in seeing this as a possible change in the stance Russian leaders have adopted; Medvedev is in a weak political position as a prime minister, and no suggestions of this kind were made when he was president. According to some experts, the character of the recently signed oil contract does indeed make the loss of the Far East inevitable. Experts speculate that should Russia wish to withdraw from this agreement, a major conflict with China could be expected<sup>43</sup>.

The trend which criticises about close co-operation between Russia and China is focused on the bilateral relations existing between these countries. We may also note the fear that Russia could become marginalised in the international arena by China's development, and that Russian interests could be put in jeopardy. In the opinion of critics of close co-operation, Russia is lagging behind China in the area of international affairs. The nature of consultations between them is unilateral – Moscow asks for opinions, while Beijing fails to do the same<sup>44</sup>. The Russian interests which could be jeopardised in effect of change in Russian-Chinese relations include economic interests in developing countries (including arms sales), influence in post-Soviet countries and interests in the Arctic.

<sup>43</sup> Arbatov, *op.cit.*; 'Rossiya ne spravitsya', *op.cit.*; Alyakrinskaya, Loginov, *op.cit.*; Piontkovsky, *op.cit.*; 'Kitaity vkladyvayut v rossiyskiye regiony bolshe, chem Moskva', *Nezavisimaya Gazeta*, 9 February 2011; Yuliya Latynina, 'Rossiya – syrievoi pridatok Kitaya', *Yezhednevnyi Zhurnal*, 18 June 2009.

<sup>44</sup> Oleg Naumov, 'Kitai i Rossiya – novyi etap ekonomicheskogo sotrudnichestva', *Orent-TV*, 22 October 2011, <http://ru-sps.livejournal.com/777658.html>.

## V. CONCLUSIONS

Moscow's policy towards China is to a great extent a result of Russia's relations with the West. The Kremlin has readily played the 'Chinese card', by threatening to establish closer political relations with Beijing (especially in its dealings with the United States), or to redirect oil and gas exports (in dealings with the European Union). Seen in global terms, co-operation with China prevents Moscow from being isolated by Western countries. The debate which is taking place in Russia may reveal the impact that the changes in the Russian-Chinese balance of power will have on Russia's relations with the West.

### 1. Russia is standing between the West and China

Russia's relations with the West exist at many levels, and are a mix of rivalry and limited co-operation. Seen from the Russian political perspective, the West itself has several connotations, which function in parallel to one another. Firstly, the United States, which is treated as a power-seeking hegemony, a rival in the international arena and at the same time a point of reference. Secondly, the image of the West as a geopolitical bloc which is dominated by the USA and institutionalised in the form of NATO; a bloc which desires to impose its own vision of international order upon the entire world, interferes with the internal affairs of individual countries, and is ready to launch a military intervention in order to protect its interests. Thirdly, a vision of the West divided into the United States, which demonstrates a reluctant attitude towards Russia, and Europe (represented by individual countries such as Germany, France and Italy), which is ready to co-operate with Russia. Fourthly, the West understood as a potential partner in a multi-polar world dominated by non-Western countries. As a result of these various perceptions of the West among the Russian elites, sharp disputes over the US missile defence shield (which have come very close to confrontation) are accompanied by co-operation concerning Afghanistan (the most

recent element of which was allowing NATO to sue the transit airport in Ulyanovsk); and the dispute over methods of responding to the Arab Spring has been accompanied by initiatives for creating durable, institutionalised bonds with Europe in the form of a 'Union of Europe'. This also has an impact on what seems to be a self-contradictory perception of the West as both losing power on the international arena and simultaneously striving for hegemony.

At the same time, regardless of the aforementioned differences in the visions of the West among the Russian elites, Moscow's policy is aimed at gaining strategic advantage and implementing certain interests with regard to Western countries. As a consequence, disputes at the practical level predominate in Russian-Western relations. In the case of the United States, these disputes concern strategic and geopolitical issues, and in the case of Europe, energy and security issues.

The Russian debate in the aspect of the influence of relations with China on Moscow's contacts with the West is focused on relations with the United States and the geopolitical dimension. Russia's policy in Europe depends very little on the condition of its relations with China. In effect, most attention is focused on developing relations in the Russia-China-USA format, where the parties are looking for ways of arranging their mutual relations anew. This section of the debate is dominated by experts' opinions; other actors have practically no influence on it.

Some experts, especially those who hold critical views on the Kremlin's foreign policy, are undermining the very existence of such a triangle, claiming that instead there is a tendency towards strengthening strategic relations between the US and China, where no room has been left for Russia. China is the primary reference point for the USA and *vice versa*. This gives rise to fears that Russia could become excluded from this new US-Chinese co-operation. It has been said that the USA wants its bilateral relations with Beijing and Moscow to be better than relations between the

latter two. The USA's so-called G-2 proposal was seen as an attempt to loosen the relations between Russia and China, and to leave Russia outside the decision-making process<sup>45</sup>.

Even those experts who accept the existence of the Russia-China-USA triangle have no doubts that Russia is the weakest side. Due to this relative weakness, most of them have no illusions about the possibility of building any 'triumvirate' on the global scale. Through its close co-operation, Moscow has provided China with indirect strategic support, but it has no sufficient potential to act as a 'balancing power' between China and the USA. Moreover, experts from the Valdai Club believe that the race for Russia and its raw materials may even become a destabilising factor: "a stronger China will not pose any threat to Russia's global or regional interests", but the lack of response from other actors to China's rising position may upset global stability. Furthermore, it cannot be ruled out that Western powers and countries in this region will attempt to help Russia become a counterweight for China. Russia's weaknesses and dilemmas in relations with the USA and China are most evident in Eastern Asia. One challenge is Russia's inadequate economic and political engagement in the region's affairs; Russia only plays a significant regional role in the military and strategic areas. Another challenge for Moscow may arise from tension in China's contacts with the USA, Japan or India. For this reason, Russia should become involved in building a regional architecture that would restrict US-Chinese rivalry<sup>46</sup>.

Experts agree that, given Moscow's weakness, it should not definitively take sides, so as not to turn itself into a 'younger brother' and not become subordinate to the interests of any other country. Russia has no other choice but to pursue a cautious policy of balance between the USA and China. The perfect situation is seen as

<sup>45</sup> Trenin, 'True partners...', pp. 10-11. 'Rossiysko-kitaisky seminar...', *op.cit.*

<sup>46</sup> 'Regional Stability through Harmonious Development...', *op.cit.*, pp. 14-15. Trenin, 'Postimperium...', p. 136.

one where each party makes attempts to attract Russia, offering tangible benefits in exchange.

## 2. The impact of the debate on the Russian policy

The consequences of changes in Russian-Chinese relations are still being evaluated in different ways in the Russian debate. However, it can be said that the government is among those who support close co-operation with China and see the Chinese development in terms of opportunities rather than threats. In effect, those who are critical about bringing Russia closer to China have a limited impact on the Kremlin's foreign policy. Nevertheless, the debate taking place in Russia indicates the extent to which changes in Russian-Chinese relations are affecting Russian-Western relations.

**A slight change in the perception of the West.** The conviction that the success of China's transformation is great and that this country is inevitably set to become a superpower, which predominates in the Russian debate, will affect the Russian elites' perception of the West. Western countries are no longer seen as the only source of ideas for successful transformation and modernisation. As a consequence of recognising China as a source of modernisation in the areas of technology, finance and politics, Russia may find Western countries less and less appealing to it.

China's strengthening international position is contributing to the increasingly popular conviction in the Russian debate that the West is weak and must share its influence in the existing international order. In effect, the fascination with China which is visible in the debate is giving rise to increasingly negative perceptions of the Western countries. Furthermore, given the strongly divided opinions as to how much Russia is losing and how much it is gaining as a consequence of China's development, it seems quite unlikely that the West, and above all the United States, will begin to be seen as a counterbalance to China which will therefore be

necessary for Moscow as a potential ally. The emergence of a new balance of power in Russian-Chinese relations has not brought any change in the perception of the role the West is playing.

**The Russian ‘no’ to an anti-Chinese coalition.** Russian-Chinese relations is a broadly discussed topic in the Western world. The view that China’s growing position poses a threat to Russia, which should therefore seek to move closer to the West, is regularly expressed. A great part of Russian researchers have criticised such rhetoric, and see such warnings against China as attempts to set Moscow and Beijing at odds. This approach has been especially strongly expressed by those who believe that Russia should continue its multi-vector foreign policy and who do not want it to have overly close ties with any power or bloc. In their opinion, Russia cannot allow either of these two scenarios: a choice between the USA and China, or joining the policy of holding back China. While accepting the option of establishing closer relations with the USA, and thus reinforcing Russia, they warn against even the slightest hint of Russia joining any initiative aimed at containing China<sup>47</sup>.

This view is shared by the Kremlin, which has ruled out joining any kind of ‘anti-Chinese coalition’ (the present US-India relations are an example of collaboration which is officially not targeted against China). It is very unlikely that in the foreseeable future, Russia will back the United States in its policy aimed at limiting China’s influence and strengthening its own position in Eastern Asia.

**The weakness of the ‘Chinese card’.** Russia’s ability to use its co-operation with China in order to improve its position in dealings with the West remains low. The greatest impediments to this are its withdrawal from seeking a political and military alliance with

<sup>47</sup> Yevgeny Bazhanov, ‘Lutshe druzhit s Kitayem, a ne protiv nego’, *Nezavisimaya Gazeta*, 14 February 2011; Trenin, ‘True partners...’, p. 26; Igor Zevelev, ‘Realizm v XXI veke’, *Rossiya v globalnoi politike*, 6/2012.

China due to Beijing's unwillingness; China's rigid stance in negotiations concerning bilateral co-operation, which is most strongly felt in issues concerning the energy sector; and the growing imbalance in Russian-Chinese relations. The likelihood that Russia will be able to reverse the latter trend appears quite low.

Supporters of co-operation have placed great emphasis on the need to use the existing close relations with China to stimulate economic growth in Russia, although they are far less likely to treat it as an instrument of pressure on Western countries. In effect, we should expect that in the longer term, China will use its co-operation with Russia to counterbalance Western influence.

**MARCIN KACZMARSKI**