

RUSSIA AND CHINA: FRIENDS WITH BENEFITS?

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Abstract

The present international order has shifted away from its traditional representation of being divided into distinct power groups which would counter each other on every sphere. It has moved towards an evolving multipolar system with interdependent power centers. Today the international sphere is not only undergoing a power transition between China and the USA but also between rising China and waning Russia. While the Sino-Russian bilateral relations has undergone substantial transformation from being “the worst security nightmare” into an alliance based on “common strategic vision”, there is much apprehension amongst foreign policy analysts as to whether the relationship would be able to stand the test of time? This paper seeks to analyze whether the “good years” in the Sino-Russian ties have ended? What are the looming challenges in this newfound bonhomie that leads one to believe that China and Russia are “friends with benefits” rather than “all-weather friends”?

Keywords: Power Transition Ukraine Crisis Arctic Issue Far East Energy

Amidst the changing international relations of the twenty first century, the new dynamism of the Sino- Russian “strategic partnership” deserves a special mention. **It is an epic and decisive period in history which is witnessing a power transition in the international order. The transition is taking place not only between China and the US but also simultaneously between rising China and a weakened if not declining former superpower, Russia.**

Although strategic partnership between the two powers was formalized in the mid 90s, yet it is with the turn of the twenty-first century and more precisely since 2013 with the initiation of the Ukraine crisis that the bonhomie between them has thrived. Owing to the isolation and imposition of sanctions, thrashed by the NATO, European Union and the United States on the Russian Federation, it has now found a new best friend in China.

The Sino-Russian cooperation possesses immense geo-political weight and has the potential to re-orient the balance of power in the international sphere. However a question that haunts the minds of most International Relations thinkers is how long would the ‘normal’ Sino- Russian partnership sustain in the real world?

President Xi Jinping in the Central Conference on Work Relating to Foreign Affairs had upheld the importance of “Peripheral Diplomacy” in China’s foreign policy. It is in this context that one must view China’s renewed partnership with Russia. However beyond this façade of amity lie oceans of suspicion regarding strategic challenges that they pose to each other.

Have the ‘Good Years’ in the Sino- Russian partnership ended?

The bilateral relations between the two countries have undergone substantial transformation from “the worst security nightmare” to an alliance based on “common strategic vision” for global and regional stability. ⁱ Both sides claim that this is the best phase of their cooperation.

The three key pillars defining the affability in the Sino-Russian partnership are: cooperation, peace and development. The Chinese call it the “win-win” strategy. Certain path-breaking agreements that have been concluded in the recent past, bear testimony to such state of affairs.

May 2014 witnessed an escalation and intensification of bilateral relations with the signing of a contract worth \$400 billion.ⁱⁱ It includes an agreement on a pipeline Power of Siberia and the transmission of natural gas worth 38 billion cubic meters from Russia to China. However the contract spells out that this transfer of natural gas through the eastern route would be operative only from 2018. Further a Memorandum of Understanding has also been accomplished to facilitate the transfer of 30 billion cubic meter of natural gas through the western route per year, to China.

This comprehensive relationship has been reinforced by frequent high level visits by the leadership of both countries. In 2014 the leaders from both sides had met as many as five times. Many such visits have been scheduled for this year as well, on a plethora of multilateral and bilateral occasions. In a recent meeting, of Chinese Foreign Minister Wang Yi with his Russian counterpart Sergei Lavrov, Wang proposed the promotion of activities to commemorate the 70th anniversary of the world anti-fascist war and the foundation of UN, in collaboration with the international community.

Russia, unlike Japan, has extended its support to promote such activities celebrating the commemoration of the victory of World War Two. It has also championed China’s initiative to convene an open debate on international peace and security. ⁱⁱⁱThe business relationship between Russia and China is expected to amount to a total value of \$100 billion.^{iv} China could also offer Moscow assistance to deal with the effect of sanctions of the West on its finances.

This quite clearly indicates that the “good years” in the Sino- Russian partnership has not yet come to an end. However mutual suspicion between the two sides, owing to strategic challenges looms large.

Challenges:

The mounting suspicions between the two nations are a consequence of the strategic threats that they pose to each other:

- Far East

In the recent past, Russian government had rendered support to a “homestead act”. More precisely it has been declared that a grant of one hectare of free land would be made to any individual willing to settle in Russia’s Far East.

The government aims to redistribute 614 million hectares of land in this region, which is presently under its control, to the citizens of the country^v. The objective behind this scheme is to enhance the tendency of migration to the Far East region, which though rich in resources, remains largely underdeveloped and under populated. Such an influx into the region would refurbish it as “the main exporter of green food to China”.

However the challenge remains in the fascination of Chinese migrants who seek to reap benefits from this scheme. The Russian Federal Migration Service which is presently suspicious of an influx of Chinese migrants across the Sino- Russian border has cautioned the government of an unpleasant aftermath of the Chinese becoming the largest ethnic group in the region by 2020-2030. The scheme which on one hand seeks to curb such an occurrence also encourages China to make infrastructure investment in the region. On the other hand, Moscow seeks to remain cautious against its overdependence on Beijing. Therefore its alternative plan of reviving its northeast is to develop a railroad and a pipeline connecting Russia to the lucrative markets of North and South Korea.

- Arctic Issue

In 2006 Secretary of State, Ms. Condoleezza Rice had very aptly stated that nothing has “warped” the international order as much as the thirst for energy.^{vi} According to the estimation offered by the U.S Geological Survey in 2008, the Arctic region constitutes thirty percent of the world’s undiscovered natural gas and thirteen percent of the world’s undiscovered oil. Therefore, the Arctic has evolved as the centre of attention of most countries of the world.

Over the last decade, China has progressively increased its activity in the region, made inroads into the Arctic through various avenues and challenged the regional Arctic governance. It has declared itself as a “near Arctic state” though the northernmost point of the country lies 1000 miles from the Southern tip of the Arctic Circle.

It is interesting to note that China’s stand in the Arctic is completely opposite to its claims over the South China Sea. China claims that no country has an individual stake on the resources of the Arctic, rather it should be considered as a “global common”. The geo-political relevance of the region which is mainly economic in nature has incited China to join the game.

In the course of this witch hunt for energy, China has infringed on the sovereignty of Russia. Since China is dependent on the volatile Middle East for its import of oil through highly contested area of Strait of Malacca, therefore Arctic shipping lanes and energy resources would offer it a viable alternative.

Further Arctic shipping would also condense the transport cost for China. Along the Northern Sea Route over Russia, the distance between Shanghai and Hamburg is thirty percent shorter as compared to the route through the Suez Canal.^{vii}

The UN Convention on the Law of the Sea (UNCLOS) holds that the Exclusive Economic Zone of every country would include a continental shelf that extends two hundred nautical miles. On this basis, the Northern Sea Route comes under the sovereignty of Russia. But here again China claims that the Arctic routes belong to all countries of the world and should not remain under the custody of a single country.

The dynamism of the Arctic issue has further got underscored by the recent sanctions imposed by the West on Russia in 2014. Russia has traditionally preferred to cooperate with the West over China, on the issue of Arctic energy development, but a relative hostility with the West is now limiting its potential partners in the Arctic .Today Russia finds itself in a weaker position in terms of bargaining with China on the Arctic issue.

The concern lies in increased Chinese activism and interest in the Arctic. The argument that China may include the Arctic as a part of its “core interests” in the near future cannot be completely abandoned. The fact that China is increasingly challenging the

decisions of the Arctic governing body, staking its claim over substantial amount of resources in the region is a wake-up call for most nations of the world.

In this bargaining process Russia is likely to be the worst hit as its economy is already suffering due to sanctions imposed by the West as a consequence of its activities in Ukraine. Thus an increasing Chinese presence in the region and its infringement of Russian sovereignty may mean more bad news for its economy.

- **South-East Asia**

The South East Asian region is another area of contention. Moscow's foreign policy towards China clearly follows a double standard. Whereas on one hand, it seeks China's support to respond to Western containment, on the other hand it attempts to hedge against Chinese influence in Asia. China is wary about Moscow's support towards Vietnam on South China Sea issue. Russia's efforts to attain naval bases in Singapore and Seychelles, in the recent past have raised Chinese suspicion.

Its ventures in South East Asia is a reflection of its larger foreign policy agenda. It seeks to establish itself as an independent power in Asia and does not desire to be referred as a second fiddle to China. Further it also seeks to respond to China as a rising power and showcase its strength as an emerging great power.

- **Quest for Energy**

While Russia seeks to export a major portion of its natural gas to China, such a step would in due course transform China into becoming the main market and the largest consumer of Russian energy resources. This diversification of exports would open up the Chinese market to Russia as a viable alternative to its dependence on Europe. However, making China the biggest stakeholder of Russian energy resources is a dangerous step forward. This is because Russia which once held the status of being a superpower is today witnessing a decline in its stature. Its economy is dependent on the export of energy in a major way.

Therefore animosity with China on the above mentioned grounds in the near future would lead to a devastating effect on Russian economy. Its waning economy would further provoke a decline of its political stature in the world order.

Conclusion

The present international order has shifted away from its traditional representation of being divided into distinct power groups which would counter each other on every sphere. Today, it is an evolving into a multipolar system with interdependent power centers. The ongoing power transition between the US and China is evident. However at a different level there is another power transition that is taking place: between rising China and waning Russia.

Quite clearly the bonhomie between China and Russia would not be an "all weather" friendship as is the case with Pakistan. More precisely Sino-Russian relationship can be referred to a 'friends with benefits'. Rising China is fascinated by Russia's energy resources, which it needs to sustain its domestic economic development and to strengthen its place in the international sphere as a powerful economic force. Russia on the other hand, has now shown much keenness towards cooperation with China in order to respond to the Western containment due to the Ukraine crisis and to shift its dependence from the Euro-American market towards that of China.

However China on its part is clear in terms of its foreign policy agenda. It is cautious of its moves against the West. Whereas it counters the West through means such as, focusing on its internal economic development, seeking new allies across the world yet it is conscious about the fact that it is interdependent on USA for its economic development. Therefore at no cost would it call for a direct confrontation with the West.

China is also conscious of projecting itself as a responsible player in the world order. In this regard, it has urged for a political solution to the Ukraine crisis and requested Russia, France, Ukraine, Germany to implement the Minsk agreement and the plan to withdraw heavy weapons. Thus it cannot be claimed with certainty that the Sino-Russian relationship would stand the test of time. Rather it seems to be a marriage of convenience till the time they find their “new best friends”.

Notes:

ⁱ Bin Yu, “ In Search for a Normal Relationship : China and Russia Into the 21st century”, China and Eurasia Forum Quarterly, Volume 5, Number 4, 2007.

ⁱⁱ Bird Mike, “ Russia’s Colossal New Gas Deal With China Is “Putin’s Revenge” “, *Business Insider*, 10 November 2014.

ⁱⁱⁱ “Chinese Foreign Minister meets Russian counterpart”, *Xinhua*, 24 February 2015.

^{iv} Vesely Mikhail, “ China Expects Russia Trade To Reach \$100 BLn in 2015” , *Russia Insider*, 10 March 2015.

^v Tiezzi Shannon, “ China Eyes Land Giveaway Program in Russia’s Far East”, *The Diplomat*, 28 January 2015.

^{vi} Blank Stephen and Kim Younkyoo, “ The Arctic and the New Security Challenges in Asia”, Volume 28, Issue 3, December 2013

^{vii} Kuersten Andreas, “Russian Sanctions, China and the Arctic”, *The Diplomat*, 3 January 2015.