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China-Russia Cooperation

Determining Factors, Future Trajectories,
Implications for the United States



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Preface

This report documents research and analysis conducted as part of a project entitled *A China-Russia Axis: Making Mischief Together?* and sponsored by the Office of the Deputy Chief of Staff, G-3/5/7, U.S. Army. The purpose of the project was to assess the potential impacts of China-Russia coordination and cooperation in times of peace, crisis, and conflict on U.S. national security interests and diplomatic, economic, and military activities.

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Summary

The research reported here was completed in April 2019, followed by security review by the sponsor and the Office of the Chief of Public Affairs, with final sign-off in August 2021.

China and Russia are perceived as major, long-term competitors with the United States. Since 2014, China and Russia have strengthened their relationship, increasing political, military, and economic cooperation. In this report, we seek to understand the history of cooperation between Beijing and Moscow, the drivers of and constraints on the relationship, the potential future of cooperation between China and Russia, the impact of the Chinese-Russian relationship on the United States, and implications for future U.S. policy. We find that the main motivations for closer 21st century cooperation between China and Russia are the declining relative power of the United States and the persistent perceived threat from the United States to both China and Russia.

Approach

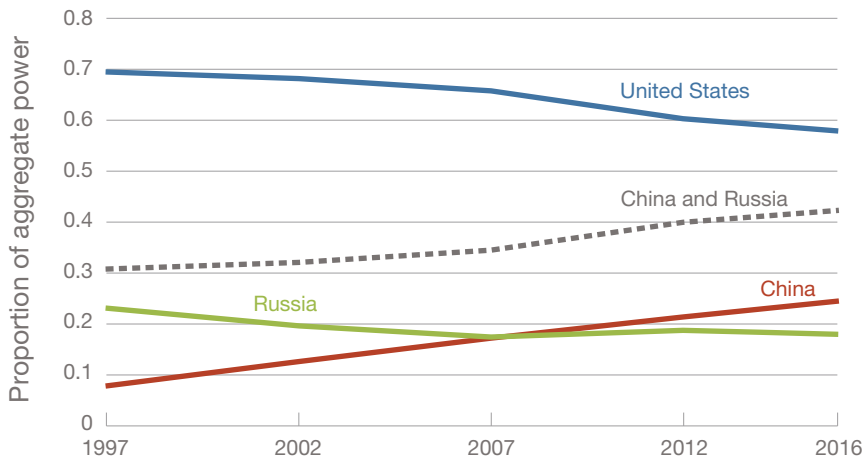
To analyze the relationship between China and Russia, we draw from the international relations literature to identify theories that could explain the development of the relationship, including the following:

- *Balance of power.* Based on the international relations literature, we argue that China and Russia are most likely to strengthen their relationship as the sum of their power comes closer to that of the United States. We also expect both countries to act more assertively as their relative power increases. We propose a new,

aggregate measure of power integrating military capabilities, economic capacity, and technology (see Figure S.1).

- *Threat perception.* We expect China and Russia to take action to improve their relationship when they perceive a greater threat from the United States and a far lesser threat from each other. We measure threat by considering the balance of offensive capabilities and perceived aggressive intentions.
- *Ideological convergence.* The relationship between China and Russia could be based on the alignment of their political ideology, including their ideas of domestic government, the international political order, and international economic order. We examine the convergence of their ideologies with a comparative analysis of the separate public statements of Beijing and Moscow, using a 15-point scale.
- *Economic complementarity.* China and Russia's investment and trade relationship could be motivated by differences in their economic factor endowments. Their political relationship could emerge from the economic logic of exchange, or vice versa. To

Figure S.1
Aggregate Power Trends



NOTE: The final data point is listed as 2016 because of the limited availability of some indicators for 2017, although we analyze military capabilities in 2017.

explore the underlying incentive for economic cooperation, we measure endowments of five factors over time: capital stock, labor force, education, oil and gas reserves, and arable land.

To describe the quality of the political, military, and economic relationships, we propose a six-point scale, ranging from outright military hostilities at one extreme to an alliance at the other: conflict, confrontation, calculation, cooperation, collaboration, and coalition. After briefly describing the history of the Beijing-Moscow relationship from 1949 to 1997, we more systematically analyze which factors best explain changes in the Sino-Russian relationship from 1997 to 2017. We then consider Russian and Chinese perspectives about what factors have shaped the relationship over time.

History, 1949–1997

During the Cold War, China's relationship with Russia swung from a formal alliance to a military conflict. China and Russia's initial close collaboration emerged both from their shared Marxist-Leninist ideology as well as their overlapping strategic priorities. The People's Republic of China (PRC), as a weak but rising revolutionary power, needed a powerful patron. The Soviet alliance with China cemented Moscow's status as the leader of a worldwide communist movement. However, the Sino-Soviet alliance signed in 1950 did not last long. After the death of Joseph Stalin in 1953, the relationship began to sour, and ideology emerged as a source of division that lasted from the late 1950s through the mid-1970s. China perceived an overbearing Soviet domination in an asymmetric power relationship. Economic and military cooperation ceased, and border disputes erupted, eventually flaring into localized conflict in 1969 and escalating to the precipice of great-power conflict.

During the 1970s, Washington moved to improve its relationships with Beijing and Moscow, while the relationship between the two communist giants remained conflicted. A global struggle between the Soviet Union and China for influence among the socialist regimes seemed a manifestation of power politics. China's invasion of its south-

ern communist neighbor Vietnam in 1979 was as much a strike against Moscow as it was Hanoi. Yet, by the mid-1980s, the Soviet Union made moves to reconcile with China, especially because of a need to reduce the defense burden of maintaining forces along the long Sino-Soviet border. China was receptive, and Moscow and Beijing normalized relations in 1989.

Following the disintegration of the Soviet bloc and China's Tiananmen crisis (both in 1989), along with the collapse of the Soviet Union two years later (in 1991), China and Russia continued their warming relationship, resolving border disputes and displaying a level of cordiality that seemed unthinkable just a decade or two earlier. By the late 1990s, both Russia and China had concluded that one did not pose a serious threat to the other; rather, the greatest threats confronting both countries were the sizable hard and soft power capabilities and the perceived adversarial intentions of the United States.

Explaining Change in the Relationship from 1997 to 2017

We focus intensively on the most recent era of Sino-Russian relations—the 20-year period from 1997 to 2017—through an examination of three components of Russia-China cooperation:

- *Political.* Bilateral ties, interactions in multilateral institutions, and regional politics
- *Military.* Agreements and pronouncements, arms sales, military exercises, and military-to-military engagements
- *Economic.* Trade, investment, and major projects.

We consider how factors associated with the four theories outlined above explain the relationship changes during four five-year time periods.

From 1997 to 2002, China and Russia's relationship was one of *calculation*. Moscow and Beijing signed a major treaty in 2001 and worked together to develop the Shanghai Cooperation Organization (SCO), and China significantly increased its purchase of Russian

weapons. At the same time, Russia prioritized its relationship with the West, economic cooperation between China and Russia was minimal, and mutual suspicion, including in Central Asia, remained.

From 2002 to 2007, China and Russia's relationship developed to one of *cooperation*. China and Russia resolved a portion of their border dispute, increasingly worked together in the United Nations (UN), strengthened the SCO, and warily began to participate in joint military exercises. China pursued Russian oil and gas with minimal success, while Russia focused on its energy sales to Europe.

From 2007 to 2012, China and Russia's relationship remained one of *cooperation*. China and Russian leaders met regularly, jointly vetoed five UN Security Council resolutions, and established the Brazil, Russia, India, China, South Africa (BRICS) grouping. They did not see eye to eye on all issues, however, including on Russia's conflict with Georgia. A pipeline to bring Turkmen gas to China was constructed, breaking Russian control over Central Asian gas routes, and Moscow reduced military sales because of concern about Chinese theft of Russian weapon technology.

From 2012 to 2017, ties between China and Russia strengthened to a relationship of *collaboration*. After Western sanctions against Russia in 2014 in the wake of its annexation of Crimea, Russia reassessed its relationship with China and pursued much closer ties. China invested in Russian energy projects, and Russia sold China new armaments. Although trade and investment expanded, Beijing's economic cooperation with Moscow remained a fraction of China's trade and investment involvement with the rest of the world even during this period of greatest cooperation.

We explain the development of China-Russia relations with reference to the dynamics of power and threat. As shown in Figure S.1, U.S. power was dominant over China and Russia initially, but as China's power increased, the combined power of China and Russia began to approach that of the United States. At the same time, the perceived threat from the United States began to increase, with U.S. interventions in Kosovo, Iraq, Libya, and, especially, U.S. support for the Maidan revolution in Ukraine in 2014. Although the military capabilities of China and Russia improved over time and the relative power

of the United States declined, the U.S. military maintained significant offensive capabilities. We find that although the ideologies of China and Russia increasingly converged, their views appear to be either the product of the underlying power and threat dynamics or a concurrent factor. Although economic incentives did not appear to shape the overall relationship, China's trade and investment with Russia grew over time proportional to its overall economic engagement with the world.

Russian Views of China

Russian analysts highlight the importance and longevity of Russia's strengthened relationship with China since 2014 as part of a larger Russian pivot to Asia. They see the global distribution of power shifting toward Asia, which suggests a simultaneous shift in Russian policy toward Asia. Yet Russia's power in Asia is very limited, and Moscow appears resigned to Beijing playing the dominant role in much of Asia—with the possible exception of Central Asia. The perceived threat of the United States also plays a strong role in Russian decisionmaking. After the 2014 Ukraine crisis, Moscow concluded that it needed a closer relationship with Beijing. Russian analysts determined that past concerns, including Beijing's copying of Moscow's technology and potential Chinese aggression, now posed little threat. Russia, nevertheless, does not seek an alliance with China, in part because it seeks to maintain good relations with other Asian powers, including India, Japan, and Vietnam. Although Moscow continues to seek status and dominance in some regions, such as Central Asia, it recognizes Beijing's greater economic power and hopes to benefit from Chinese trade and investment. However, Russian experts do not see much prospect of dramatically greater Chinese economic involvement with Russia, given the problems of Russian institutions (i.e., strong state regulation and weak rule of law) and better environments for Chinese investment elsewhere.

Chinese Views of Russia

Conversations with Chinese analysts and scholars in mid-2018 reveal a largely consistent and coherent assessment of China's current relationship with Russia. Chinese researchers offer remarkably clear-eyed and extremely pragmatic assessments of Beijing's relationship with Moscow. They are frank about the areas of tension and unambiguous about the logic of the PRC's relationship with Russia. China-Russia ties are useful because they serve Chinese interests, which are advanced by continued cordial relations and cooperation in diplomatic, military, and economic spheres. Chinese elites consider Sino-Russian economic complementarity and a shared desire to counter what Chinese and Russian elites perceive as a U.S. ideology of militarism, interventionism and the forcible imposition of U.S. values on other countries as noteworthy factors pushing Beijing and Moscow together. Yet the most significant logic driving Chinese and Russian alignment (in their view) is balancing against U.S. hard and soft power. Moreover, the impetus behind closer cooperation across political, military, and economic spheres is the common perception in Moscow and Beijing that Washington has become more hostile and threatening to the two Eurasian capitals in recent years despite the decline in U.S. hard power relative to China and Russia.

Conclusions

If current trends continue, we expect *the relationship between China and Russia to be sustained* and remain at the level of collaboration. Aggregate Chinese and Russian power will continue to approach but not equal that of the United States through at least 2022. The perceived threat from the United States is also unlikely to change, as sanctions against Russia persist and the U.S. military remains forward deployed in Europe and Asia. Constraints on the relationship will also persist, including divergent regional interests and a lack of Chinese interest in greater economic involvement with Russia.

However, the *China-Russia relationship could weaken or decline*. If the West were to abandon its sanctions, Russia might seek stronger relations with Europe and the United States while maintaining but not pursuing its relationship with China. We also consider the unlikely potential for a militarized dispute caused by, for example, more-assertive Chinese behavior in Central Asia. Although this confrontation might decrease the risks of closer Sino-Russian cooperation, there are few U.S. interests at stake in regions where conflict might emerge.

Alternatively, *China and Russia could strengthen their relationship*. One possibility is for close political and military cooperation in a regional crisis, such as in North Korea. A Chinese-Russian alliance is very unlikely to emerge unless there is a greater, simultaneous threat from the United States to both countries.

Greater political cooperation between China and Russia could pose a variety of risks to the United States, depending on the form it takes. China and Russia could collaborate more in the United Nations, in regional crises, or in influence operations. Greater political cooperation could enable them to better combine their resources, but it also poses risks, since they do not always share goals, as in the case of conflicting relations with other countries (such as India). The U.S. response to additional political cooperation will depend on the specifics of the situation, but Washington's response will likely involve building closer ties with allied capitals to counter a stronger adversarial coalition. Although we do expect economic cooperation between China and Russia to increase sluggishly, Russia will likely remain relatively unattractive compared with other Chinese trade and investment partners. China and Russia could work together to challenge U.S. dominance over the global financial infrastructure, although this success is far from assured.

The most practical challenge for the U.S. military is increased military cooperation between China and Russia. The two countries could pursue intensified military technical cooperation, which could increase the sophistication and capacity of both militaries. The presence of Chinese or Russian forces in a wider range of regions, conflicts, and contingencies could complicate U.S. planning and operations. Absent major (and likely undesirable) changes in U.S. policy, there is

little the U.S. government or Army can do to influence the trajectory of the China-Russia relationship. The U.S. military can prepare for the results of greater Sino-Russian cooperation, including by expecting further diffusion of Chinese and Russian military equipment, additional joint planning and exercises, potential joint basing, and eventually the possibility of joint military operations.

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Abbreviations

A2/AD	anti-access and area denial
APEC	Asia-Pacific Economic Cooperation
ASEAN	Association of Southeast Asian Nations
BRI	Belt and Road Initiative
BRIC	Brazil, Russia, India, China
BRICS	Brazil, Russia, India, China, South Africa
C4ISR	command, control, communications, computers, intelligence, surveillance, and reconnaissance
CCP	Chinese Communist Party
CIS	Commonwealth of Independent States
CPSU	Communist Party of the Soviet Union
CSTO	Collective Security Treaty Organization
EEU	Eurasian Economic Union
EU	European Union
FDI	foreign direct investment
G8	Group of Eight

G20	Group of 20
GDP	gross domestic product
GEP	Greater Eurasian Partnership
GPP	global power projection
ICBM	intercontinental ballistic missile
IFV	infantry fighting vehicle
IISS	International Institute for Strategic Studies
IMF	International Monetary Fund
KMT	Kuomintang/Nationalist Party
LNG	liquified natural gas
MRL	multiple rocket launcher
NATO	North Atlantic Treaty Organization
NDS	National Defense Strategy
NSS	National Security Strategy
OBOR	One Belt One Road
OECD	Organisation of Economic Co-operation and Development
PLA	People's Liberation Army
PPP	purchasing power parity
PRC	People's Republic of China
R&D	research and development
RCEP	Regional Comprehensive Economic Partnership

ROC	Republic of China
SALT	Strategic Arms Limitation Talks
SAM	surface-to-air missile
SCIO	State Council Information Office
SCO	Shanghai Cooperation Organization
SLBM	submarine-launched ballistic missile
SITC	Standard International Trade Classification
START	Strategic Arms Reduction Treaty
THAAD	Terminal High Altitude Area Defense
UAV	unmanned aerial vehicle
UN	United Nations
UNCTAD	United Nations Conference on Trade and Development
UNSC	United Nations Security Council
USSR	Union of Soviet Socialist Republics
WTO	World Trade Organization

Introduction

China and Russia are perceived as major, long-term competitors with the United States. Since 2014, China and Russia have strengthened their relationship, increasing political, military, and economic cooperation. As many officials and analysts have noted, cooperation between China and Russia could pose risks for U.S. interests around the world. As one former Trump administration official explained: “Russia and China are cozying up to each other and it’s a lethal combination if they’re together.”¹ However, there are countervailing factors: China and Russia are also historical adversaries, including during armed clashes along their common border in the late 1960s that raised the specter of a larger war. It is not clear that Chinese-Russian cooperation necessarily threatens U.S. interests, especially on economic issues or in faraway regions.

Understanding the potential risk and impact of Chinese and Russian cooperation depends on the answers to four questions:

- What form could cooperation between China and Russia take?
- What are the main drivers and constraints of different aspects of China and Russia’s relationship?
- Drawing from these drivers and constraints, how could China and Russia’s political, military, and economic relationships develop in the future?

¹ Bethany Allen-Ebrahimian, Andrew Desiderio, Sam Stein, and Asawin Suebsaeng, “Henry Kissinger Pushed Trump to Work with Russia to Box in China,” *Daily Beast*, July 25, 2018.

- What is the potential impact of different types of Chinese-Russian cooperation on U.S. national security, and how can negative impacts be mitigated?

To answer these questions, we develop a framework to systematically evaluate China and Russia's future relationship and its risks to U.S. interests. To explain the motivation for China and Russia's relationship, we draw on four theories from the international relations literature, originally developed to explain the formation of alliances: balance of power, threat perception, ideology, and economic complementarity. We examine the history of the China-Soviet Union relationship and China-Russia relationship, with a particular focus on the past 20 years, to understand which of these theories best explains different elements of the relationship over time. We thereby gain insights about how the political, military, or economic relationship could evolve in the future depending on changes in the global balance of power and the global economy, shifts in U.S. policy, and other factors.

By combining this framework with an understanding of the risks that particular forms of Chinese-Russian cooperation might pose to U.S. interests, we then describe the implications for how the United States should adjust to mitigate the risks of Chinese-Russian cooperation.

Approach and Methodology

Considerable research has been conducted on the challenges posed to the United States and other countries by China and Russia in the 21st century. Most of these studies have separately assessed either Beijing or Moscow.² Much less attention has been focused on studying

² These reports are too numerous to list. For some recent (as of 2019) RAND studies, see Andrew Scobell, Edmund J. Burke, Cortez A. Cooper III, Sale Lilly, Chad J. R. Ohlandt, Eric Warner, and J.D. Williams, *China's Grand Strategy: Trends, Trajectories, and Long-Term Competition*, Santa Monica, Calif.: RAND Corporation, RR-2798-A, 2020; Andrew Radin, Lynn E. Davis, Edward Geist, Eugeniu Han, Dara Massicot, Matthew Povlock, Clint Reach, Scott Boston, Samuel Charap, William Mackenzie, Katya Migacheva, Trevor Johnston, and Austin Long, *The Future of the Russian Military: Russia's Ground Combat Capabilities*

the combined challenge of Russia and China, although the number of volumes is increasing.³ These studies have provided important insights, careful analysis, and detailed accounts of Sino-Russian relations. Different views have emerged on two key issues:

- the strength and durability of Sino-Russian relations
- the disposition of the bilateral relationship vis-à-vis the United States and its allies.

Although some see the China-Russia relationship as one of “convenience,” others see it as more robust and cohesive.⁴ Nevertheless, most researchers see the relationship as enduring and resilient.⁵ As to whether the relationship poses a threat to the United States and its allies, opinions are also divided. Some are particularly alarmed, whereas

and Implications for U.S.-Russia Competition, Santa Monica, Calif.: RAND Corporation, RR-3099-A, 2019; Andrew Radin and Clint Reach, *Russian Views of the International Order*, Santa Monica, Calif.: RAND Corporation, RR-1826-OSD, 2017; and Michael J. Mazarr, Timothy R. Heath, and Astrid Stuth Cevallos, *China and the International Order*, Santa Monica, Calif.: RAND Corporation, RR-2423-OSD, 2018.

³ Paul J. Bolt and Sharyl N. Cross, *China, Russia, and Twenty-First Century Global Geopolitics*, New York: Oxford University Press, 2018; Michael S. Chase, Evan S. Medeiros, J. Stapleton Roy, Eugene B. Rumer, Robert Sutter, and Richard Weitz, *Russia-China Relations: Assessing Common Ground and Strategic Fault Lines*, Seattle: National Bureau of Asian Research, July 2017; Richard J. Ellings and Robert Sutter, eds., *Axis of Authoritarians*, Seattle: National Bureau of Asian Research, 2018; Bobo Lo, *A Wary Embrace: What the China-Russia Relationship Means for the World*, London: Penguin, 2017; Michał Lubina, *Russia and China: A Political Marriage of Convenience—Stable and Successful*, New York: Barbara Budrich Publishers, 2017; Alexander Lukin, *China and Russia: The New Rapprochement*, Cambridge, United Kingdom: Polity Press, 2018a; Angela Stent, *Russia, China and the West After Crimea*, Washington, D.C.: TransAtlantic Academy, May 2016; Paul Stronski and Nicole Ng, *Cooperation and Competition: Russia and China in Central Asia, the Russian Far East, and the Arctic*, Washington, D.C.: Carnegie Endowment for International Peace, February 2018.

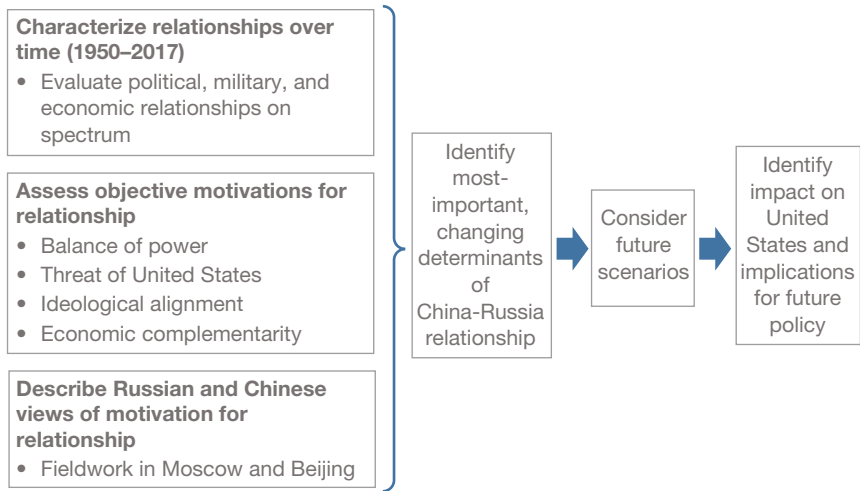
⁴ For the former interpretation, see Bobo Lo, *Axis of Convenience: Moscow, Beijing, and the New Geopolitics*, Washington, D.C.: Brookings Institution Press, 2008a; Lo, 2017; Lubina, 2017; and Stent, 2016. For the latter interpretation, see Bolt and Cross, 2018; and Lukin, 2018a.

⁵ This includes Bolt and Cross, 2018; Ellings and Sutter, 2018; Lo, 2017; Lubina, 2017; and Lukin, 2018a.

others are merely worried.⁶ Still other researchers see no cause for concern, and some even see potential advantages to the United States of cooperation between Beijing and Moscow.⁷ Informed by this array of studies and range of findings, we identify drivers and constraints and analyze 20 years of Sino-Russian cooperation. In this report, we employ a focused research framework to characterize and explain the dimensions of China and Russia’s relationship over time in order to understand how it could evolve in the future.

Our research design has six elements (Figure 1.1). First, we develop a detailed scale to characterize the quality of China and the Soviet Union/Russia’s relationship on three dimensions: political, military, and economic. This measurement of the relationship not only provides a more precise account of where cooperation is occurring, but also enables us to trace how the relationship has changed over

Figure 1.1
Research Design



⁶ Those who are alarmed include most of the contributors to Chase et al., 2017; and the contributors to Ellings and Sutter, 2018. Those expressing concern include Bolt and Cross, 2018; and Stent, 2016.

⁷ Those unconcerned include Lo, 2017; Lubina, 2017; and Lukin, 2018a. Bolt and Cross, 2018, notes the potential positives of Sino-Russian cooperation.

time. Second, we identify four structural factors that likely provide an objective motivation for the development of the relationship by drawing from theories in the international relations and economics literature. We measure changes in these factors over time and explore how changes in these factors are associated with changes in the relationship. Third, we consider Russian and Chinese views of what drives their own decisionmaking. We recognize that each country's elites might have a distinct perspective, and that this perspective could have driven and could continue to drive changes in the relationship, even if structural factors push in other directions. Fourth, based on our analysis, we identify which factors are most important in explaining the Sino-Soviet/Russian relationship over time. Fifth, we consider future scenarios of how Russia and China's relationship could evolve. Finally, based on these scenarios and other observations, we highlight the implications for U.S. policy.

In the remainder of the report, we assess each of the elements of this research design. In the rest of this chapter, we provide additional information on sources and methods, including describing our scale for measuring the quality of the relationship and identifying the factors we expect to explain the relationship based on the literature. In Chapter Two, we provide a general historical overview from 1950 to 1997. In Chapters Three and Four, we take a more systematic approach to assessing the impact of various explanatory factors from 1997 to 2017. Using five-year increments, we assess the political, military, and economic relationships, the explanatory factors associated with the four theories explaining the relationship, and how these factors explain the strength of the relationship over time. Chapter Five concludes by describing the determinants in the relationship over time, our analysis of different scenarios, and implications for the United States. Appendix A offers additional methodological detail. Appendixes B and C describe Russian and Chinese perspectives on the relationship, respectively. These appendixes detail how Russian or Chinese officials, analysts, and scholars see the motivation for the relationship, including how their views differ from the more objective perspective presented in Chapters Two and Three.

Measuring China and Russia's Relationship

China and Russia's relationship, like that between any two neighboring large countries, is highly complex. To simplify the relationship and make comparisons over time, we have developed a six-point typology to describe the relative closeness of the relationship:

- *Conflict*: The relationship involves active violence or the immediate threat of violence. Political interactions might continue but reflect a state of war, even if war is not declared.
- *Confrontation*: There is distrust or a perception of enmity. There could be ongoing political interactions to limit disputes and prevent escalation, but the interaction is characterized by suspicion rather than joint endeavor. There is no immediate violence, although the possibility of violent conflict is typically on the minds of policymakers.
- *Calculation*: There is a mutual interest in improving the relationship and pursuing shared efforts, but there is also continuing distrust. One or both sides could fear being taken advantage of, and one or both sides might strictly limit the scope of cooperation as a result.
- *Cooperation*: The two sides might trade or work together to achieve coherent, separable projects or goals, with no or very limited fear of the other. Cooperation likely does not reflect broader shared interests that would be the basis for longer-term, or deeper, integration.
- *Collaboration*: There is a specified lasting partnership and joint work on mutually desired products. However, there are clearly prescribed limits on the relationship and a lack of desire to take risks on behalf of the other.
- *Coalition*: A formal military or political alliance committing both countries to mutual defense and a willingness to take risks on behalf of the other. For example, the U.S.–United Kingdom relationship or the North Atlantic Treaty Organization (NATO).

In Chapter Two, we consider the trajectory of the Chinese-Soviet (and later Chinese-Russian) relationship from 1950 to 1997. We identify which of the “six C’s” best characterizes the relationship during different periods. In Chapters Three and Four, we use the typology of the six C’s in two ways. First, we separately assess the political, military, and economic relationships for each of the four five-year periods using the following indicators (in italics):

- *Political*: We identify the number and intensity of *bilateral meetings*, collaboration in *multilateral organizations* (such as the United Nations [UN]; the Shanghai Cooperation Organization [SCO]; and the Brazil, Russia, India, China, South Africa [BRICS] grouping), and China and Russia’s relationship with several *regions* (South Asia, Southeast Asia, East Asia, and the Middle East). We also trace China and Russia’s interaction on key global conflicts and political disputes, such as the 1999 Kosovo War, 2003 Iraq War, and the 2014 invasion of Crimea, which are likely to be revealing of the two countries’ interaction and relationship.
- *Military*: We identify the key *agreements and pronouncements*, the level of arms sales and other forms of *military technical cooperation*, joint military *exercises*, and *military-to-military engagements*.
- *Economic*: We assess bilateral *trade* in goods and services; direct *investment*; and specific *projects, pronouncements, or agreements* that reflect economic exchange.

We then develop an overall characterization of the relationship, based on which of the definitions of the C’s best describes China and Russia’s relationship as a whole at a given time and drawing on the assessments of the political, military, and economic relationships.

Explaining the Relationship

To explain the development of the relationship over time, we highlight the importance of major structural considerations: power, threat perception, ideology, and economic complementarity. Drawing from the

international relations literature, we believe that these general theories offer the best explanation of what influences countries' relationships over time.

The international relations literature contains many works that explore such issues as which countries form alliances, to what extent there is cooperation or conflict, how enduring rivalries end, and what explains the ways countries move toward more or less "warm" peace.⁸ These issues are clearly relevant to China and Russia, but they cannot be seamlessly applied without modification, for several reasons. One challenge is that possible outcomes of China and Russia's relationship range the full spectrum of conflict and cooperation—from shooting war to the possibility of a close military alliance—and the nuances in the relationship are critically important. Few works focus on explaining this full range of behavior; when they do, they do not focus on the nuances in great-power relationships, which likely differ from the relationships between most states.⁹ Another difficulty is that a principal proposed causal pathway leading to closer relationships—the interconnection between democracy and trade—does not apply to China and Russia, which have become meaningfully less democratic even as their trade has increased and relationship has improved.¹⁰

⁸ See, for example, Stephen M. Walt, *The Origins of Alliances*, paperback ed., Ithaca, N.Y.: Cornell University Press, 1990; Gary Goertz, Paul F. Diehl, and Alexandru Balas, *The Puzzle of Peace: The Evolution of Peace in the International System*, New York: Oxford University Press, 2016; and Kenneth N. Waltz, *Theory of International Politics*, New York: McGraw-Hill, 1979.

⁹ Note, for example, the peace scale, which covers a full range, from war to "pluralistic security community," but does not focus specifically on great-power relationships; James P. Klein, Gary Goertz, and Paul F. Diehl, "The Peace Scale: Conceptualizing and Operationalizing Non-Rivalry and Peace," *Conflict Management and Peace Science*, Vol. 25, No. 1, February 1, 2008. See also Thomas S. Wilkins, "'Alignment,' Not 'Alliance'—The Shifting Paradigm of International Security Cooperation: Toward a Conceptual Taxonomy of Alignment," *Review of International Studies*, Vol. 38, No. 1, January 2012.

¹⁰ Patrick J. McDonald, *The Invisible Hand of Peace: Capitalism, the War Machine, and International Relations Theory*, Cambridge University Press, 2009; John R. Oneal and Bruce M. Russett, 1997. "The Classical Liberals Were Right: Democracy, Interdependence, and Conflict, 1950–1985," *International Studies Quarterly*, Vol. 41, No. 2, 1997.

With these constraints in mind, we draw from and abstract from the literature to identify four primary arguments that appear to offer the most insight into explaining China and Russia's relationship.

Relative Power

The first theory is the balance of power. There is a long tradition in the literature of viewing the balance of power as the primary factor shaping the behavior of great powers toward one another. Kenneth Waltz, for example, argues that the number of great powers present determines the alliance behavior and the relative stability of the international system. Waltz also describes two types of behaviors that states adopt in response to potential threats: balancing, in which weaker states join together to counter an opposing power, and bandwagoning, in which states join with powerful, potentially threatening adversaries to limit the threat to themselves. Waltz expects that balancing is the dominant activity in the international system, but this behavior seems to depend on whether states have sufficient power to realistically challenge their potential adversary.¹¹ Stephen Walt argues that weaker states are more likely to bandwagon than balance and stronger states are more likely to balance than bandwagon.¹² William Wohlforth argued in 1990 that U.S. power was so dominant that the international system was unipolar.¹³ More recently, Wohlforth and Stephen Brooks have argued that the system contains a single superpower (the United States), an emerging potential superpower (China), and several other great powers (including Russia).¹⁴

¹¹ Waltz, 1979, pp. 118–127; Stephen G. Brooks and William C. Wohlforth, “The Rise and Fall of the Great Powers in the Twenty-First Century: China’s Rise and the Fate of America’s Global Position,” *International Security*, Vol. 40, No. 3, Winter 2015/2016.

¹² Walt, 1990, pp. 29–30.

¹³ William C. Wohlforth, “The Stability of a Unipolar World,” *International Security*, Vol. 24, No. 1, Summer 1999, p. 7.

¹⁴ Brooks and Wohlforth, 2015/2016; Stephen G. Brooks and William C. Wohlforth, *World Out of Balance: International Relations and the Challenge of American Primacy*, Princeton, N.J.: Princeton University Press, 2008, Ch. 2. By contrast, John Mearsheimer argues that the international system is not unipolar, because China and Russia are great powers; John J. Mearsheimer, *The Tragedy of Great Power Politics*, updated ed., New York: W. W. Norton & Company, 2003, p. 381.

The multiplicity of claims in the realist literature on great-power politics and the lack of a precise historical analogue to China and Russia's position means that the literature does not offer a single dominant prediction for how China and Russia are expected to behave as a result of changing power dynamics. One prediction is that great powers are generally expected to behave more aggressively and seek more influence the greater their share of world power, which could imply more aggressive behavior by China over time. In addition, we propose what might be a novel prediction for the Sino-Russian relationship: We expect that China and Russia will have a greater incentive to form a closer relationship in response to the United States (to balance, in the international relations terminology) as their collective power becomes closer to that of the United States. When China and Russia's combined power is dramatically lower than that of the United States, as in the 1990s, there is little to be gained in realist, aggregate power terms from a closer relationship. But as the conglomeration of China and Russia can do more to challenge the aggregate power of the United States, China and Russia might both have more to gain from working together to shape the rules of the international system. We do not systematically analyze the aggregate power of U.S. allies, both because of the difficulty of measuring this power and uncertainty about how it might aggregate with U.S. power to influence China and Russia's calculations. In practice, Chinese and Russian decisionmaking are also likely to be shaped by the power of U.S. allies, however.

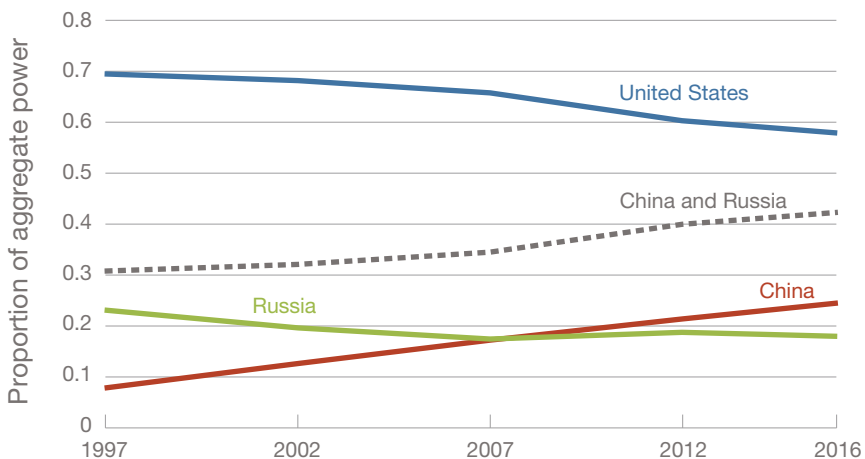
To measure the overall balance of power, we developed a new index that combines measures of relative military capacity, economic capacity, and technological capacity. We propose measures for each type of capacity below. We calculated the proportion of each type of capacity held by the United States, China, and Russia out of the total for all three countries from 1997 to 2017.¹⁵ We then averaged across the three types of capacities to create the index of relative power shown

¹⁵ We draw from, but adapt, a methodology specified by Stephen Brooks and William Wohlforth. In particular, although Brooks and Wohlforth focus on power projection capabilities associated with command of the commons, we draw on a wider range of military capabilities to better reflect China and Russia's regional power; Brooks and Wohlforth, 2015/2016, p. 19.

in Figure 1.2. We provide more detail on the method and sources in Appendix A. Overall, the trajectory of the change in power is a gradual, but significant, increase in relative Chinese power and a slow decrease in U.S. and Russian power.

To measure military capacity, we identified a set of key military capabilities that are believed to be important in contemporary combat. These include forces and units associated with global power projection (e.g., major surface combatants and fourth- and fifth-generation aircraft) and anti-access and area denial (A2/AD) (e.g., strategic surface-to-air missile [SAM] systems). We also considered ground combat capabilities (e.g., tanks and infantry fighting vehicles), but there are less reliable data for these systems, and including them did not appear to shift the balance of military capabilities. To measure capabilities over time, we used the International Institute for Strategic Studies' (IISS's) *Military Balance* to count the number of modern systems or units available to the United States, China, and Russia in five-year increments (in 1997, 2002, 2007, 2012, and 2017). We also included strategic nuclear forces in our measurement of military capacity (see Appendix A).

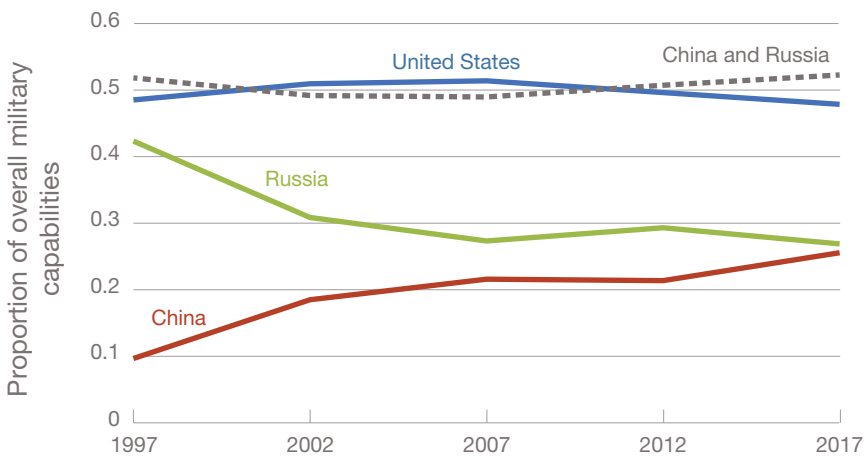
Figure 1.2
Relative Aggregate Power Index over Time



NOTE: The final data point is listed as 2016 because of the limited availability of some indicators for 2017, although we analyze military capabilities in 2017.

We use these capability counts in two ways. First, we provide radial diagrams in Chapters Three and Four that show changes in the countries' military capabilities over time (see Figures 3.1, 3.2, 4.1, and 4.2). Second, we use the capability counts to generate a total index of military capabilities. To calculate this index, we counted the proportion of systems or units that each country possessed in the different capability categories, and then averaged across the capability categories (see Figure 1.3). For example, by our count, the United States in 1997 possessed 48 percent of key capabilities, Russia had 42 percent, and China had 9.5 percent. In 2017, the United States also possessed 48 percent, while Russia had 27 percent and China had 25 percent. There are limitations to this measure, especially that it cannot account for improvements in doctrine, training, and other qualitative factors and that it cannot account for changes in the quality of systems that we identify as modern (for example, Russia upgrading Tochka tactical missiles to the more capable Iskander missiles, which significantly improved Russia's capability for long-range strikes). Nevertheless, this measure can be useful to judge major changes in modern military capabilities.

Figure 1.3
Military Capacity Index



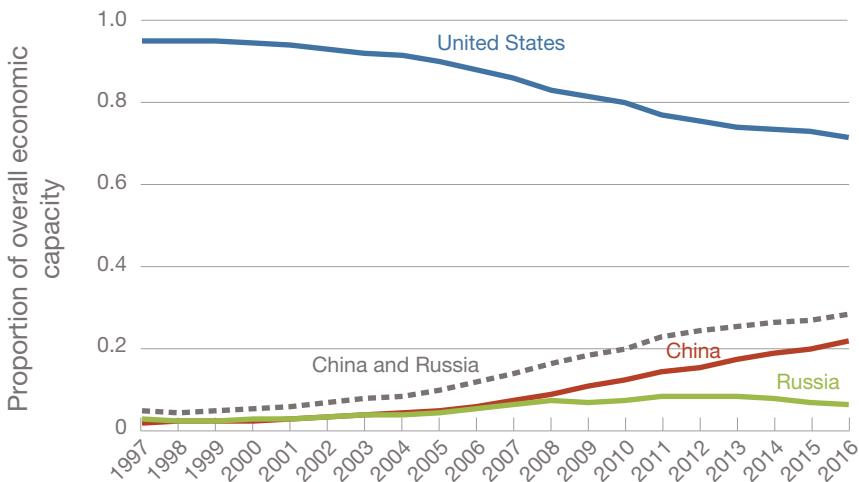
SOURCES: IISS, *The Military Balance*, London: Routledge, 1997; IISS, *The Military Balance*, London: Routledge, 2002; IISS, *The Military Balance*, London: Routledge, 2007; IISS, *The Military Balance*, London: Routledge, 2012; IISS, *The Military Balance*, London: Routledge, 2017.

To measure economic capacity, we use a method suggested by Paul Bairoch and Michael Beckley. We multiply nominal gross domestic product (GDP), a measure of overall capacity, by GDP per capita, a measure of efficiency, to develop an overall metric that reflects each country's overall economic wherewithal (see Figure 1.4).¹⁶ For technological capacity, we use an index composed of four factors: research and development (R&D) expenditure, the number of researchers per 1,000 employees, the number of triadic patents, and high-tech exports as a share of total manufactured exports (see Figure 1.5).

Balance of Threat

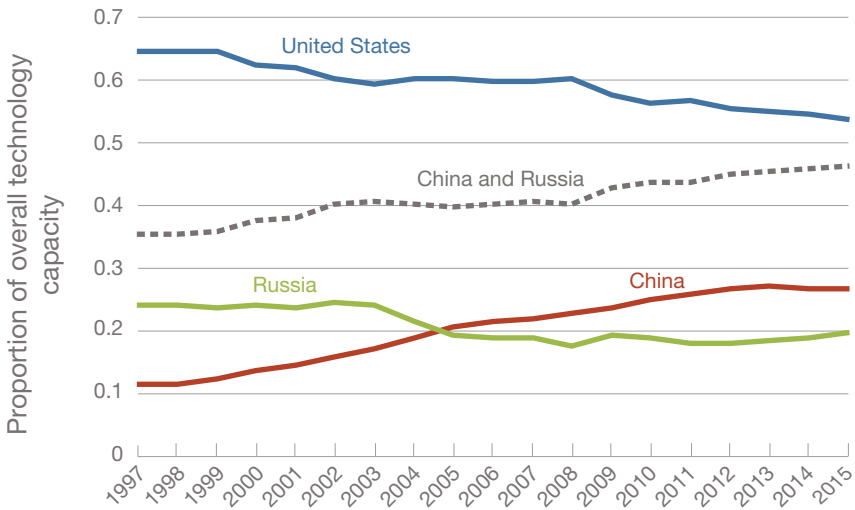
The second theoretical argument focuses on the perceived threat of adversaries. This theory recognizes that raw aggregate power is not necessarily threatening: Increases in U.S. power are not necessarily threatening to the United Kingdom or Japan, and only certain U.S.

Figure 1.4
Economic Capacity Index



¹⁶ Michael Beckley, *Unrivaled: Why America Will Remain the World's Sole Superpower*, Ithaca, N.Y.: Cornell University Press, 2018, pp. 15–18. We use GDP in purchasing power parity (PPP) to better account for what countries can procure in their own country and to avoid rapid fluctuations because of changes in exchange rates.

Figure 1.5
Technological Capacity Index



capabilities might be threatening to China or Russia. To more systematically measure threat and predict the formation of alliances, Walt proposes a “balance of threat” theory that considers three factors that determine threat in addition to aggregate power: geographic proximity, offensive power, and aggressive intentions.¹⁷ We extrapolate from Walt to predict that a greater perceived threat from each other will be a disincentive for collaboration between China and Russia, whereas a greater threat posed by the United States will lead to an improved relationship. One caveat is that a greater threat from the United States is more likely to lead to a closer relationship when China and Russia have sufficient aggregate capabilities to collectively challenge the United States. Although Walt’s original articulation of the balance of threat theory focuses on explaining the formation of alliances, it is also reasonable to expect that all elements of the relationship—political, military, and economic—could be shaped by changes in the balance of threat.

We adopt a different approach to measuring threat than Walt, because we measure aggregate power, including military capabilities,

¹⁷ Walt, 1990, pp. 21–28.

as a separate category and because we recognize that aggregate military capabilities are not necessarily reflective of what forces could be used against a particular adversary. To measure threat, we focus on two elements: the balance of offensive capabilities relevant to a particular adversary and whether an adversary is perceived as having aggressive intentions (see Appendix A for more details).¹⁸ To assess the balance of offensive capabilities, we consider the overall military capabilities, as measured above; which forces are postured in a region near another country; and other factors that could shape military effectiveness, such as doctrine, technology, and training.

To assess perceptions of aggressive intent, we look at statements and actions by China and Russia to see whether they view each other or the United States as prone to unilaterally take actions that intentionally or unintentionally harm their interests or security. Perception of aggressive intent is very difficult to isolate from the overall relationship. However, there are some occasions when the leadership specifically explain their threat perceptions. It is also possible to gauge responses to major foreign policy events to understand threat perceptions. For example, from the perspective of the United States, U.S. actions are not aggressive and are in many cases taken for the benefit of the greater world. Indeed, several scholars have argued that one reason why U.S. power has not provoked balancing behavior to date is because it has acted as a benevolent leader.¹⁹ However, Russia and China sometimes draw different conclusions from U.S. political and military activity that facilitates the development of democracy and the removal of established regimes—basically, when such activity occurs outside of a UN mandate. From Russia and China’s perspective, the 1999 Kosovo War, the 2003 Iraq War, and the 2011 intervention in Libya are examples of

¹⁸ These two aspects draw from Walt’s factors that shape threat: aggressive intentions and offensive power. Walt also notes the importance of geographic proximity, which does not vary over the study period; Walt, 1990, pp. 21–28. On offensive capabilities, see also Thomas J. Christensen and Jack Snyder, “Chain Gangs and Passed Bucks: Predicting Alliance Patterns in Multipolarity,” *International Organization*, Vol. 44, No. 2, Spring 1990.

¹⁹ See Stephen M. Walt, “Taming American Power,” *Foreign Affairs*, Vol. 84, No. 5, September/October 2005; and G. John Ikenberry, “Institutions, Strategic Restraint, and the Persistence of American Postwar Order,” *International Security*, Vol. 23, No. 3, 1998.

unilateral, illegal U.S. military actions that, although they were taken against small countries, represent a broader potential for U.S. aggressive action. Similarly, U.S. support for pro-democracy protests is perceived as a threat to both Chinese and Russian partners and as indicative of a U.S. intent to pursue regime change. Such protests include the “color revolutions” in Georgia and Ukraine, the Arab Spring, protests against Russian President Vladimir Putin in 2011–2012 in Russia, and the Tiananmen Square protests in China in 1989.²⁰ For each of the five-year periods, we use Chinese and Russian responses to these major events to gauge their perception of the threat posed by the United States and each other, recognizing that these events also separately inform the quality of the relationship between China and Russia. To address the risk of circular reasoning from using the outcome of major events to both measure the quality of the relationship and evaluate the threat perceptions that we argue could drive that relationship, we try to identify separate evidence for how these events affect the relationship from how these events shifted threat perceptions, although clearly these two issues are closely related.

Ideological Affinity

The third theory that might explain changes in the Chinese and Russia relationship is ideology. We define ideology as “an interrelated set of convictions or assumptions that reduces the complexities of a particular slice of reality to easily comprehensible terms and suggests appropriate ways of dealing with that reality.”²¹ We are especially interested in China and Russia’s political ideology, specifically their general theory of how domestic and international politics should be governed. Some argue that shared political ideology, such as liberal democracy, communism, or even political party positions, can lead to changes in alignment and alliance behavior.²² However, the literature also identi-

²⁰ Radin and Reach, 2017.

²¹ Michael H. Hunt, *Ideology and U.S. Foreign Policy*, New Haven, Conn.: Yale University Press, 1987, p. xi.

²² Mark Haas, for example, highlights differential alliance preferences by British and French Socialists and conservatives in the 1930s; Mark L. Haas, “Ideology and Alliances:

fies conditions under which a shared ideology could drive division, rather than a closer relationship. For example, Walt argues that communism had characteristics that encouraged division among ideologically similar states, whereas liberal states and monarchies are less subject to division.²³ Given the changes in political regime in China and Russia from 1950 to the present, the impact of ideology could vary: In the 1960s, it could have been a factor pushing China and Russia apart, while shared ideology could facilitate their cooperation today. In general, we expect the ideological alignment of China and Russia to lead them to develop a closer relationship.

Although Chapter Two traces the impact of ideology, we measure the alignment between China and Russia's ideology in detail only from 1997 to 2017. In Appendix A, we use Chinese and Russian official documents and secondary sources to describe three components of their ideology:

- *domestic government*, meaning what those in power see as the desired system of government
- *international political order*, meaning China and Russia's desires for the structure and practices of international politics, including the role of the United States, the UN and multilateral organizations, and other great powers
- *international economic order*, meaning China and Russia's beliefs about how the international economic system should function, including their support for and desire to participate in the International Monetary Fund (IMF), World Trade Organization (WTO), World Bank, and other international economic institutions.

For each of these aspects of ideology, we compare Chinese and Russian writings and statements within four five-year periods and rank

British and French External Balancing Decisions in the 1930s," *Security Studies*, Vol. 12, No. 4, Summer 2003. Walt, focusing on the relationship between great powers and their allies, argues that ideology has a modest impact and "may be more of a rationalization than a cause"; Walt, 1990, p. 214.

²³ Walt, 1990, pp. 35–37.

the alignment between them on a 1–5 scale. We then sum the results, yielding a 0–15 scale of alignment for a given five-year period.²⁴

Economic Complementarity

The fourth theory is economic complementarity, which will be most helpful in explaining the trade and investment relationship but also could explain aspects of the political and military relationships. A fundamental proposition of economic theory and empirical investigation is that global trade patterns are shaped by factor endowments (i.e., the types of economic inputs available within an economy). More specifically, these patterns are shaped by *relative* endowments.²⁵ This is the idea behind the workhorse theory of trade in economics, the Heckscher-Ohlin theory.²⁶ Modern empirical analysis has found that factor endowments are important, but trade patterns are also determined by the different production technologies that countries use, by economies of scale in production and product differentiation, and by the preference of people in a country to disproportionately purchase

²⁴ In other words, we first separately examined and summarized Russian and Chinese views on each of the components of ideology for each period. We then compared the points of emphasis across the two countries for each component of ideology in a given period and assigned an alignment score based on our assessment. For example, the explicit desire of both countries to integrate into the world economy and join the WTO resulted in an alignment score of 5 in international economic order for the 1997–2002 period. Russia's lack of clear support for a one-party system over the same period produced a score of 2 within domestic government, given China's unambiguous position. See Appendix A for more detail.

²⁵ On factor endowments and their research applications, see Harry P. Bowen, Edward E. Leamer, and Leo Sveikauskas, "Multicountry, Multifactor Tests of the Factor Abundance Theory," *American Economic Review*, Vol. 77, No. 5, December 1987; Donald R. Davis, David E. Weinstein, Scott C. Bradford, and Kazushige Shimpo, "Using International and Japanese Regional Data to Determine When the Factor Abundance Theory of Trade Works," *American Economic Review*, Vol. 87, No. 3, June 1997; Elhanan Helpman, "Explaining the Structure of Foreign Trade: Where Do We Stand?" *Weltwirtschaftliches Archiv*, Vol. 134, No. 4, December 1998; David Hummels and James Levinsohn, "Monopolistic Competition and International Trade: Reconsidering the Evidence," *Quarterly Journal of Economics*, Vol. 110, No. 3, August 1995; and Francisco Requena, Andrés Artal, and Juana Castillo, "Testing Heckscher-Ohlin-Vanek Model Using Spanish Regional Data," *International Regional Science Review*, Vol. 31, No. 2, April 2008.

²⁶ Eli F. Heckscher and Bertil Ohlin, *Heckscher-Ohlin Trade Theory*, ed. and trans. Harry Flam and M. June Flanders, Cambridge, Mass.: MIT Press, 1991.

goods made in their country rather than overseas.²⁷ Delving into specific production technologies, economies of scale, and consumption preferences is both difficult and fraught with error. As a result, we focus on factor endowments to understand economic complementarity.

We compare Russia and China using five factors: capital stock, labor force, population above age 15 with a tertiary degree, reserves of oil and gas, and arable land. Appendix A provides information on these variables and data sources used. Most of these endowments change little from 1997 to 2012. Russia has strong relative advantages in oil and gas and in arable land throughout the period, suggesting it is likely to export energy and agricultural products to China. Likewise, China has a strong relative advantage in labor throughout the period, not only because of its larger population but also because of its large labor force relative to the quantity of its other endowments. China's education levels are rising, but Russia retained a relative advantage in highly educated people from 1997 to 2012. The one relative endowment that changed was the capital stock. In 1997, Russia's capital-to-labor ratio was almost five times that of China's. By 2012, it was only 1.3 times that of China's (see Table A.4). Taken together, these factors suggest that Russia would export to China goods and services produced with high-skilled labor, but not necessarily a large amount of capital, and China would export goods produced with large amounts of labor and, eventually, capital-intensive goods, but not necessarily advanced-technology goods or goods that use high levels of human capital.

We expect economic complementarity to primarily be useful for explaining the quality of the economic relationship between China and Russia: Greater complementarity is expected to be associated with greater trade, including arms sales. There are also arguments in the literature that economic complementarity can contribute to stronger political and military relations. For example, Kevin Narizny argues that ruling coalitions have preferences for alliances based on their sectoral economic interests (for example, British Liberals' connection with

²⁷ Helpman, 1998; Requena, Artal, and Castillo, 2008.

manufacturing and coal).²⁸ It is uncertain how economic motivations might play out into a desire for closer political relations in less democratic China and Russia, although the ruling elite likely takes domestic economic interests into account while formulating foreign policy.

These are not the only possible explanations for the changing relationship between China and Russia. One possible alternative explanation is domestic developments, such as unrest in China in 1989 and the Soviet Union in 1989–1991. Another possible factor is the quality of the personal relationship between the Chinese and Russian leadership at a given time. A third possible explanation for the warming relations between China and Russia is the settlement of their border dispute.²⁹ We generally expect the personal relationships of leaders and the resolution of the border to be the result of underlying power and threat dynamics rather than to carry independent causal weight, but we also consider these and other explanations in the following chapters.

By measuring the changes in the variables associated with these theoretical explanations over time and changes in the quality of the relationship, we can identify which explanations are the most important. We recognize that the importance of the factors associated with different theories could change over time—for example, the relative importance of ideology could diminish following the end of the Cold War.

Views Within China and Russia

The theories described above, and our analysis in Chapters Two, Three, and Four, explore an objective explanation for the changing relationship between China and Russia. We recognize that in practice these countries' policies are not necessarily driven by objective facts, but also

²⁸ Kevin Narizny, "The Political Economy of Alignment: Great Britain's Commitments to Europe, 1905–39," *International Security*, Vol. 27, No. 4, 2003, p. 192.

²⁹ There is an extensive literature on the importance of border settlement for resolving rivalry. See, for example, Andrew P. Owsiak and Toby J. Rider, "Clearing the Hurdle: Border Settlement and Rivalry Termination," *Journal of Politics*, Vol. 75, No. 3, July 2013.

depend on the particular interpretation of facts and theories within the leadership of these countries. Even if, for example, power dynamics or economic complementarity might suggest, based on the past experience of great powers, that Russia and China will form a closer relationship, in practice their leadership might have different views of current power or economic dynamics or might have a different view of how these factors should shape their policy.

To take into account how Chinese and Russian leaders see the relationship, we examined Chinese and Russian writings and conducted not-for-attribution conversations with Chinese and Russian officials and analysts in Moscow and Vladivostok in March 2018 and in Beijing, Shanghai, and Nanjing in May 2018. We considered their views of which factors were most important for changes in Chinese and Russian policy toward one another, how they expected that the relationship might develop in the future, and what they felt might be the limits of the future relationship. We also used our conversations to better understand the details of the relationship and motivation toward other countries. These conversations on Russian and Chinese views inform the analysis in Chapters Three and Four and are explored in greater detail in Appendixes B and C.

Future Scenarios

We consider three scenarios of how the Sino-Russian relationship might develop. These scenarios are intended to describe the Chinese-Russian relationship within a range of extreme and likely outcomes. Considering these scenarios allows us to identify what events might have led to these outcomes, which facilitates the identification of signposts and indicates policy choices that might encourage or discourage particular outcomes. It also enables the specification of how Chinese-Russian cooperation or conflict might look in the future, which could facilitate early thinking about U.S. responses.

A first scenario extrapolates how the Sino-Russian relationship will evolve given current observed trends. This scenario builds from the articulation of which theories have the most current explanatory

power and a straight-line projection of power and military capability trends.

A second set of scenarios posits the slowdown or worsening of China and Russia's relationship. We posit a slowdown in the relationship, possibly because of an improvement in Russia's relations with the West or a confrontation in Central Asia, potentially because of significantly more aggressive Chinese military behavior in the region.

A third set of scenarios posits the development of a dramatically closer Chinese-Russian relationship. We consider possible closer military cooperation, especially Russia contributing to a joint military operation led by China in the event of a collapse of the government of North Korea. We also consider a possible Sino-Russian alliance, which we expect would only be likely in the event of simultaneous, shared, and tangible military pressure from the United States. However, we do *not* consider either a sharp decline in U.S. and allied power or a sudden reversal of U.S. will to counter China and Russia because we assess both these scenarios to be highly unlikely. Of course, these scenarios would provide less impetus for Chinese-Russian cooperation.

Concerns and Implications for U.S. Policy

A core goal of the above methodology is to identify the likely impact of different forms of Chinese-Russian cooperation on U.S. interests and to thereby suggest U.S. policy remedies for risk. Understanding the impact on U.S. interests, however, depends first on articulating what those interests are and how they might be threatened by Chinese-Russian cooperation.

The 2017 U.S. National Security Strategy (NSS) explains that China and Russia “want to shape a world antithetical to U.S. values and interests,” while the 2018 National Defense Strategy (NDS) (unclassified summary) describes both China and Russia as strategic competitors of the United States.³⁰ Moreover, Beijing and Moscow are seeking

³⁰ White House, *National Security Strategy of the United States of America*, Washington, D.C., December 2017, p. 26; U.S. Department of Defense, *Summary of the 2018 National Defense Strategy of the United States of America*, Washington, D.C., 2018.

to expand their respective spheres of influence in Asia and Europe. The broadest threat appears to be a concern that China and Russia will reshape the rules of the international system in a way that undermines U.S. interests. There are clear areas where Russia and China's views of the international order—meaning the current set of economic, political, and regional institutions and norms—diverge from that of the United States. But China is much more active in and committed to the U.S.-led world order than Russia. For Russia, this world order includes the potential entry of former Soviet states into the European Union (EU) and NATO. China has sought to shift global economic institutions to better incorporate its interests and expand its influence, such as through the Belt and Road Initiative (BRI). Both countries have opposed U.S. intervention and have worked together to propose new global norms of information security to prevent foreign interference.³¹ It is uncertain how collaboration between China and Russia could shift global rules, but the potential is clearly a concern. More concretely, greater military technical cooperation could give both countries access to technology that they would not otherwise possess, strengthening their competitive position. Furthermore, China or Russia could support the other in a regional military conflict in which the United States was involved, as in the case of the North Korean collapse scenario discussed in Chapter Six, the ongoing war in Syria, or a potential conflict in the South or East China Seas.

There are other areas in which Chinese and Russian cooperation could be less concerning, and there are areas in which they could come into conflict. For example, U.S. interests in Central Asia, outside of the need to support the conflict in Afghanistan, are diffuse, and although Chinese-Russian cooperation might not immediately challenge U.S. security interests, it could be worth monitoring in this region and serve as a sign of larger power changes. However, Central Asia could be important as a source of potential conflict between the two powers if, for example, China's economic role through the BRI expands and Russia perceives China as challenging its dominant security role in the region. Similarly, the Arctic could be a region of poten-

³¹ See Radin and Reach, 2017, Ch. 3; and Mazarr, Heath, and Cevallos, 2018, Ch. 4.

tial conflict as China pursues greater activity in a region of historical Russian influence.³²

Given the potential broad impact of Chinese-Russia cooperation on U.S. interests and the difficulty anticipating the importance of different regions or scenarios, we leave open which types of cooperation could be problematic but focus on some key areas of cooperation and conflict, including military technical cooperation and formal treaties. In studying the involvement of China and Russia in various geographic regions, we focus on the Asia-Pacific rather than Europe, the Caucasus, or the Middle East, because the Asia-Pacific is the region of decades-long Sino-Soviet and Sino-Russian rivalry and cooperation. We look in particular at Central Asia, South Asia, and Southeast Asia, where China and Russia both have close ties. In South Asia, Russia's long-standing ties with India and China's ties with Pakistan have led to friction and pose a potential limit to deeper cooperation. In Southeast Asia, both countries' relationship with Vietnam has been a source of tension because a perception of Soviet influence in the country was one motivation for the 1979 Chinese invasion. In each of these regions, China and Russia's activities could interact with and challenge U.S. interests.

³² Stronski and Ng, 2018.

History of Sino-Soviet and Sino-Russian Relations, 1949–1997

Before examining the past 20 years of Chinese-Russian cooperation, we critically survey the first 50 years of Beijing-Moscow relations. Indeed, without a clear grasp of the rollercoaster nature of bilateral relations between 1949 and 1997, it is difficult to appreciate the remarkable extended period of cooperation of the post–Cold War era. Beijing and Moscow’s relationship ranged from one extreme (a military alliance) to the other (the brink of all-out great-power conflagration), and experienced episodes of great tension. This chapter concentrates on six inflection points during the half-century of cooperation, confrontation, and conflict:

- an alliance signed in 1950
- a split sealed in 1960
- the precipice of great-power war in 1969
- triangular diplomacy with the United States in the 1970s
- reconciliation in the 1980s
- the crisis of communism, 1989–1991.

In his memoirs, Nikita Khrushchev said of the Soviet Union’s largest neighbor, “You might say that China is both close to us and far from us. It’s close in that it’s our next-door neighbor and shares a long border with our country. At the same time, China is far away in that

the Chinese have little in common with our people.”¹ Khrushchev’s remark also serves as a deserving description of the prolonged and sinuous history between the two countries. The relationship between the People’s Republic of China (PRC) and the Soviet Union/Russia has been tumultuous, extending back as far as the Mongol invasion of Russian city-states in the 13th century and territorial grabs by Tsarist Russia in the 19th century.²

The modern era has also been colored by contention between these two large countries. Since 1949, Beijing and Moscow have experienced periods of close cooperation as well as intense confrontation and actual military conflict. Building on deep secondary source materials and, occasionally, primary sources, we focus on key points of inflection in the relationship and assess the impact of the four explanatory factors (i.e., relative power, balance of threat, ideological affinity, and economic complementarity) on each of these points.

“Lean to One Side”: 1950s

The Sino-Soviet relationship for much of the 1950s was marked by collaboration on most fronts but especially the military front. This collaboration was reflected in military technology and equipment transfers from the Soviets to the Chinese as the latter aimed to transition its military from one focused on irregular warfare to one reflecting a semi-modern force. Most of the Soviet direct investments into China during this time were therefore defense-related; they also offered an economic boon to a war-ravaged China. This era also included the development of Chinese nuclear capabilities, with Soviet oversight. Politically, the two

¹ Nikita S. Khrushchev, *Khrushchev Remembers*, trans. and ed. Strobe Talbott, Boston: Little, Brown and Company, 1970, p. 233.

² For a succinct historical overview, see Lo, 2008a, Ch. 2. For greater detail, see Lorenz M. Luthi, *The Sino-Soviet Split: Cold War in the Communist World*, Princeton, N.J.: Princeton University Press, 2008; R. K. I. Quesed, *Sino-Russian Relations: A Short History*, Winchester, Mass.: Allen and Unwin, 1984; and Odd Arne Westad, ed., *Brothers in Arms: The Rise and Fall of the Sino-Soviet Alliance, 1945–1963*, Washington, D.C.: Woodrow Wilson Center Press, 1998.

countries were sensitive to a fractious past but committed to coordination and, at times, cooperation. Mao Zedong was keen to formalize an alliance with Moscow and receive substantial economic and military assistance from the Soviets. This strategy is what Mao dubbed “leaning to one side.”³ The strategy was formally embodied in the signing of the 30-year Sino-Soviet Treaty of Friendship, Alliance and Mutual Assistance and in a series of related economic agreements.

When Mao Zedong pronounced the formal founding of the PRC on October 1, 1949, the leader of the Chinese Communist Party (CCP) faced multiple challenges and threats at home and abroad. Although Mao nominally presided over a nascent party-state, the PRC was in considerable turmoil, with the CCP and its armed forces embroiled in an unfinished civil war against a rival party-state—the Kuomintang (KMT)-governed Republic of China (ROC), led by Chiang Kai-shek—as well as assorted other armed groups.⁴ In addition to an ongoing civil conflict, the new party-state lacked international legitimacy and possessed no reliable friends beyond its official borders. Among the PRC’s top priorities was to win the backing of a powerful foreign patron. To that end, Mao’s first trip abroad was to the Soviet Union. His goal was to forge a relationship with Joseph Stalin and procure desperately needed economic and military aid.⁵

Stalin had previously hedged his bets in China. In fact, Stalin and Mao had a checkered past.⁶ During World War II, the Soviets maintained contact with ROC leader Chiang Kai-shek, Mao’s Western-backed adversary, seeing him as a progressive force in their own fight

³ Chen Jian, *Mao’s China and the Cold War*, Chapel Hill, N.C.: University of North Carolina Press, 2001, pp. 50–52.

⁴ Although Chiang, the many ROC leaders, and a significant element of the ROC’s armed forces had fled to the island of Taiwan, many noncommunist military formations remained on the mainland. Furthermore, the PRC regime did not yet have control of sizable areas of the Chinese mainland.

⁵ Chen, 2001, p. 52.

⁶ See Lo, 2008a, p. 24, for a brief account of Stalin’s reluctance to offer unequivocal support to the Chinese Communists during the civil war in China.

against Japan.⁷ Stalin had reportedly told the Americans as late as 1944 that he had no great respect for the Chinese Communists as communists nor did he have faith in their chances of winning China.⁸ And in 1945, with an eye toward gaining Manchuria, Stalin was induced to maintain good terms with the ROC (as the recognized government in China). This was viewed by Mao as a “cruel betrayal.”⁹ However, Japan was the Soviet Union’s number one adversary in the east. As the defeat of Adolf Hitler became imminent, the Soviets shifted their interests toward China. Moscow encouraged the CCP to form a coalition government with the KMT because Stalin believed it was premature to think of a successful communist revolution in China.¹⁰

Despite these differences, the infant communist party-state in China had few alternatives to reaching out to its Soviet “elder brother.” Multiple sociopolitical factors at the conclusion of World War II had pushed the PRC toward Moscow and the ROC into the Washington camp. From Beijing’s perspective, the United States—and other capitalist states—was overtly hostile to the PRC regime, and Washington continued to back the ROC regime.¹¹ Mao’s foreign policy that emerged during the end of China’s civil war, therefore, called for an internationalist communist front headed by the Soviet Union and called for a war of liberation in Asia against capitalist regimes.¹²

The Chinese government saw a natural ideological ally in the Soviet Union: fraternal socialist party-states with shared goals, such as advancing global revolution. Moreover, Chinese communist leaders considered public alignment with the muscular Soviets as a critical source of assistance with rebuilding China’s economy, which was devastated after years of war and upheaval. The move toward the Soviet

⁷ Khrushchev recounted that it was in the interest of the Soviet Union to support Chiang during World War II: “Of course, we supported him only insofar as we didn’t want to see him defeated by the Japanese . . .” (Khrushchev, 1970, p. 238).

⁸ Quested, 1984, p. 107.

⁹ Chen, 2001, p. 28.

¹⁰ Khrushchev, 1970, p. 462.

¹¹ Chen, 2001, Ch. 2.

¹² Quested, 1984, p. 114.

Union served to counter the existential threat that Mao perceived that the United States posed to the PRC.

The Soviet Union saw in the PRC regime a potential client state, albeit not one with which it was perfectly aligned. For Stalin, the embrace of China was partly strategic. It portended the continued use of military ports on the Liaodong Peninsula, which juts out into the Yellow Sea. Stalin also looked to procure joint control of the Manchurian railways.¹³ Importantly, an agreement with China served as a hedge against the possibility of a reemerging Japan. In a conversation with Mao one month prior to the signing of the treaty, Stalin had expressed concern that “Japan will certainly lift itself up again, especially if the Americans continue their current policy.”¹⁴

In sum, a combination of factors led the Soviet Union and China to sign the Sino-Soviet Treaty of Friendship, Alliance and Mutual Assistance in February 1950, arguably marking a high point in Moscow-Beijing relations. The agreement was predicated on three elements: communist political and ideological alignment, military assistance, and economic relations. Regarding the first, the CCP was formally incorporated within the framework of communist internationalism led by the Communist Party of the Soviet Union (CPSU) only after Mao’s embrace of Stalin as an ally.¹⁵ Mao revered Stalin as a battle-tested Bolshevik leader, the elder statesman of the international communist movement, and a leading theoretician of Marxism-Leninism. In short, Mao and his CCP comrades implicitly acknowledged Stalin and the CPSU as the leaders of the international socialist movement, even as Beijing chafed at any perception of Chinese subservience to Moscow.

The military component of the alliance was directed at the Japanese. It called for both countries to render military and other assistance

¹³ On the occasion of the treaty, the two powers also signed agreements regarding the Manchurian railways and the use of the naval facilities. See Thomas W. Robinson, *The Sino-Soviet Border Dispute: Background, Development, and the March 1969 Clashes*, Santa Monica, Calif.: RAND Corporation, RM-6171-PR, 1970.

¹⁴ Woodrow Wilson International Center for Scholars, “Translation of Record of Talks Between Stalin and Mao, January 22, 1950,” *Cold War International History Project Bulletin*, Nos. 6–7. Winter 1995/1996, p. 7.

¹⁵ See Luthi, 2008, p. 32.

to the other in the event of an attack either by Japan or by any state aiding Japan—a measure largely targeting the United States. Importantly, the treaty and the warming of relations between China and the Soviet Union precipitated a great strengthening in Chinese military capacities. It opened the doors for 6,695 Soviet military advisers to travel to China (before their ultimate and sudden withdrawal in 1960). It also enabled 1,500 Chinese military personnel to receive advanced technical training in the Soviet Union.¹⁶ China also benefited from vast transfers of military technology and defense-related industries, including munitions, aircraft, small arms, and heavy artillery.

It was during this period of relative friendship that the Chinese began efforts to develop their nuclear capabilities. In 1951, the Chinese also signed a secret agreement with the Soviets, whereby the Chinese exchanged uranium ore for assistance in the nuclear field. It was not until the latter end of the decade that China began actively developing weapons, with Soviet technical assistance. In 1957, the countries penned an agreement on atomic cooperation, which was rescinded less than two years later.

On the economic front, the Soviets also extended credits worth hundreds of millions of U.S. dollars to the Chinese at 1 percent interest and initiated a series of 50 construction projects in China. By 1953, the Soviets were engaged in the building and equipping of 141 enterprises in China.¹⁷ Trade also began to steadily increase between the two countries in the 1950s. By 1955, more than 60 percent of Chinese trade was with the Soviet Union.¹⁸ And in 1958, the two countries reached another agreement to further increase trade and integrate the two economies. By and large, this relationship was a success for China. From 1950 to 1960, China's total trade expanded from \$350 million to \$3 billion, with the Soviet Union accounting for 70 percent of this figure.¹⁹ China imported from the Union of Soviet Socialist Republics

¹⁶ These numbers are from Luthi, 2008.

¹⁷ Quested, 1984, p. 117.

¹⁸ Luthi, 2008.

¹⁹ Fan, Liang-Shing. "The Economy and Foreign Trade of China," *Law and Contemporary Problems*, Vol. 38, No. 2, 1973, p. 256.

(USSR) machinery and equipment; it exported to the USSR raw materials and foodstuffs. But claims about the effectiveness of Soviet aid should be tempered by the mixed results this aid achieved.²⁰

Sino-Soviet Split: 1960

Although the Sino-Soviet treaty signed in February 1950 was intended to be valid for 30 years, it did not persist for much longer than a decade. In the late 1950s and early 1960s, confrontation emerged between the two erstwhile allies along several overlapping fronts. First, the two communist powers became locked in an ideological battle for leadership and influence in the socialist world. They competed for the loyalties of left-leaning political leaders, parties, and revolutionary forces emerging from the collapse of the colonial system. Second, cooperation and collaboration on military issues suffered a complete and total about-face during the 1960s, culminating in several intense border disputes. These border incidents began somewhat sporadically in 1959 and continued through the next decade. Third, Sino-Soviet economic policies and approaches to development experienced a great divergence during the 1960s. This rift was precipitated to a great extent by China's rejection of Soviet economic policies and its initiation of the Great Leap Forward (launched in 1958), Mao's labor-intensive campaign to reorganize its population to meet China's industrial and agricultural demands.

In retrospect, the Korean War both sowed the seeds of bad blood between Russia and China and served as a key episode of strategic Sino-Soviet cooperation.²¹ Without warning, the Soviet-trained North Korean army invaded South Korea in June 1950. Although Mao began moving large numbers of ground troops into Manchuria in July, it was

²⁰ Deborah A. Kaple, "Soviet Advisors in China in the 1950s," in Odd Arne Westad, ed., *Brothers in Arms: The Rise and Fall of the Sino-Soviet Alliance, 1945–1963*, Washington, D.C.: Woodrow Wilson Center Press, 1998.

²¹ Sergei N. Goncharov, John W. Lewis, and Xue Litai, *Uncertain Partners: Stalin, Mao, and the Korean War*, Stanford, Calif.: Stanford University Press, 1993.

the successful U.S. amphibious landings at Inchon in September and U.S. forces' subsequent advance northward across the 38th parallel that prompted China to prepare to send ground troops into North Korea.²² In mid-October, Chinese forces crossed the Yalu River to attack U.S. positions in North Korea. Stalin, wary of a confrontation with the United States, refused to send Soviet forces to North Korea even as the Americans began to decimate the North Koreans. The Chinese initiative, agreed to by Soviet and Chinese leadership, helped prevent a potential conflict between the two superpowers, but it came at a tremendous cost of blood and treasure.²³ In return for Chinese intervention into the war, Moscow stepped up its military assistance. China subsequently acquired a force of MiG fighter jets and a small submarine fleet; however, these items were acquired because of Soviet insistence that Beijing had to purchase them.²⁴

The friendship between the Chinese and the Soviets began to unravel in earnest in the mid- to late 1950s. Stalin's death in 1953 proved to be a setback to bilateral relations, because Mao never respected Khrushchev the way he had respected Stalin.²⁵ Khrushchev also repudiated Stalin's legacy. Although Mao was deferential to Stalin, whom he considered an elder statesman and veteran revolutionary, Mao viewed Khrushchev as an upstart and inferior not only to Stalin but to himself. Although Khrushchev initially sought to maintain good relations with Mao, his opinion of Mao became increasingly critical as their interactions increased. Ironically, Khrushchev often drew negative comparisons between Mao and Stalin, claiming that Mao often sounded like Stalin. "The more I listened to Mao, the more I compared

²² Chen Jian, *China's Road to the Korean War: The Making of Sino-American Confrontation*, New York: Columbia University Press, 1994, Chs. 5 and 6.

²³ Hundreds of thousands of Chinese troops were killed in Korea, including one of Mao's two sons, and hundreds of thousands more were wounded. According to one official People's Liberation Army (PLA) estimate, "combat losses were more than 360,000 (including 130,000 wounded) and non-combat losses were more than 380,000"; Zhang Aiping, chief compiler, *Zhongguo Renmin Jiefang Jun [China's People's Liberation Army]*, Vol. 1, Beijing: Dangdai Zhongguo Chubanshe, 1994, p. 137.

²⁴ Quested, 1984, p. 116.

²⁵ Goncharov, Lewis, and Xue, 1993, p. 225.

him to Stalin,” he reflected on the decline in the Sino-Soviet relationship. By the time Mao had initiated his Great Leap Forward, Khrushchev would lament: “Mao thought of himself as a man sent by God to do God’s bidding. In fact, Mao probably thought God did Mao’s own bidding. He could do no wrong.”²⁶

While China and the Soviet Union vied for global patronage of the developing and revolutionary world, domestically Mao launched the PRC’s most ambitious economic campaign: the Great Leap Forward. The emphasis of this campaign was self-reliance and a focus on the people of China to attempt “great leaps” in agricultural output and industrialization. It constituted a wholesale rejection of Soviet-style central planning and bureaucratic organization in favor of mass mobilization and ideological fervor. The outcome was catastrophic famine, with tens of millions of Chinese people starving. The Soviets were dismayed and puzzled by the Chinese repudiation of their economic model.

In 1957 and 1958, Khrushchev pressed to strengthen the alliance on military matters. Specifically, the Soviets sought use of Chinese airfields for layovers and refueling; they also asked to base Soviet submarines on Chinese territory and to construct a radio station in China to maintain communication with Soviet subs. The Soviets also demanded joint control over Chinese atomic research. Mao rebuffed these overtures and increasingly looked to separate China from Soviet tutelage.²⁷ Animosity mounted to the point that Khrushchev in mid-1960 summarily withdrew all 1,390 Soviet scientists and specialists working in China.

Mao was irate at what he considered Moscow’s efforts to dominate Beijing and turn China into a satellite of the Soviet Union. Mao reportedly complained that “[T]he Soviet Union wants to control us. That is why they don’t want us to have the [atomic] bomb. The fact is

²⁶ Nikita S. Khrushchev, *Khrushchev Remembers: The Last Testament*, trans. and ed. Strobe Talbott, Boston: Little, Brown and Company, 1974, pp. 253 and 272.

²⁷ Chen, 2001, pp. 73–75. See also findings by Constantine Pleshakov, “Nikita Khrushchev and Sino-Soviet Relations,” in Westad, 1998; and Shu Guang Zhang, “Sino-Soviet Economic Cooperation,” in Westad, 1998.

they can never control us. The Soviet Union is worried that we don't listen to them. They're afraid we might provoke the United States. . . . Nobody should try to restrict us. Nobody should try to intimidate us. No one can lord it over us."²⁸ At the same time that Mao was chafing under what he saw as Moscow's pressure tactics, he began to articulate a distinct view of communist ideology. Mao was especially unhappy with Khrushchev's "revisionism." At the Soviet 20th Party Congress in April 1956, Khrushchev made his famous denunciation of Stalin for his failings, abuses, and one-man rule. He also delineated foreign policy principles at odds with Mao's worldview. Khrushchev indicated that the Soviet Union would no longer enforce its tactics on other communist parties, that transition to socialism was possible without revolution, and that conflict with capitalist countries was no longer inevitable.²⁹ These sentiments reflected Moscow's embrace of "peaceful coexistence" with the West. Mao viewed the warming in relations between the Soviet Union and the United States in the late 1950s and Khrushchev's forging of a stable and cordial relationship with President Dwight D. Eisenhower as a betrayal of China and a signal of Moscow's abandonment of world revolution. As a consequence, Mao redoubled China's efforts to build up its economic and military capabilities by adopting an autarkic development strategy.

These ideological schisms would play out in a global contest for influence among the many countries seeking national liberation in the wake of the colonial era.³⁰ Dozens of new states emerging from colonialism would comprise a new battleground in the competition between socialism and capitalism. For Moscow, the Sino-Soviet split transformed its fight against the West into a dual contest: Against the capitalists, it sought to induce newly independent states away from their former colonial masters and toward a socialist development model; against China, it competed for the allegiances of those leaders in their respective revolutionary fights for independence. China was

²⁸ Li Zhisui, *The Private Life of Chairman Mao: The Memoirs of Mao's Personal Physician*, trans. Tai Hung-chao, New York: Random House, 1994, p. 207.

²⁹ On this speech, see Quesetd, 1984, pp. 119–121.

³⁰ Chen, 2001, p. 80.

competing with the Soviet Union in the developing world, specifically against the latter's claim to be the authoritative interpreter of Marxist thought. Beijing claimed that its model of revolution was better suited to the needs of the newly decolonized states.³¹

In the early 1960s, the Soviets consequently stepped up efforts to expand their influence in developing states in Asia, Africa, and Latin America. Moscow, for example, provided billions of U.S. dollars' worth of economic and technical assistance to African countries in the 1960s.³² The Soviets concomitantly unfurled their propaganda apparatus in Africa and around the world, producing daily bulletins and new narratives to compete with Western news.

China soon emerged as a major challenger to the Soviet Union in the developing world. When Moscow signed a treaty with India in February 1960, the Chinese countered by ending a friendship pact with the Soviet satellite of Outer Mongolia and a loan of \$200 million. And when a Soviet plot to overthrow the leader of Albania failed later the same year, the tiny Eastern European country sought an alliance with China.³³ Furthermore, Chinese aid to countries in Asia, Africa, and Latin America was often offered either as grants or interest-free, in contrast with Soviet practice.

The Chinese leveraged Soviet promotion of peaceful coexistence to sow the seeds of doubt among aspiring revolutionaries in regard to Soviet loyalties. They portrayed the Soviet Union as yet another European imperialist power concerned more with its relationship with the West than with developing countries' struggles for liberation. Beijing depicted itself as the vanguard of revolutionary thinking. In March 1963, China launched its "Three Worlds Theory," which conceived of a globe divided into three zones: the superpowers, the developed states, and the developing states. The United States and the Soviet

³¹ See Peter Van Ness, *Revolution and Chinese Foreign Policy: Peking's Support for Wars of National Liberation*, Berkeley, Calif.: University of California Press, 1970.

³² Soviet aid to Africa began in the mid-1950s and continued into the 1970s. See David E. Albright, "East-West Tensions in Africa," in Marshall D. Shulman, ed., *East-West Tensions in the Third World*, New York: W. W. Norton, 1986, pp. 134–135.

³³ Quested, 1984, p. 124.

Union comprised the “first world”; countries such as Japan and those in Europe were in the “second world”; and Africa, Latin America, and Asia (minus Japan) comprised the “third world.” China belonged to the third grouping.³⁴

To the Precipice of War: 1969

By the mid-1960s, tensions between Moscow and Beijing increased, escalating to outright military conflict in 1969. Heightened tensions continued into the 1970s.

In 1966, Mao launched the so-called Great Proletarian Cultural Revolution. The mass political campaign was instigated by Mao to attack bureaucratism at home—what he saw as ideological revisionism, a betrayal of the revolution, and a loss of revolutionary zeal—and, in the process, reestablish his political power. The campaign produced considerable mass violence, including civil war–like conditions across China as rival factions (many of which were armed) fought each other to prove their loyalty to Chairman Mao and demonstrate their opposition to revisionism, including the Soviet-style variant. At the height of the political violence, young Chinese “Red Guards” besieged the Soviet embassy in Beijing.

While these internal tensions plagued China, Sino-Soviet animosity continued throughout the decade. Khrushchev’s removal from power brought a temporary cooling of tensions in 1964 but no substantive changes to the relationship. The Brezhnev Doctrine of 1968, which espoused Moscow’s right to intervene—forcefully, if necessary—in any socialist country, had unsettling implications for China. The Soviet invasion of Czechoslovakia the same year was interpreted with alarm in China. In such an atmosphere, both countries began to amass troops

³⁴ The most prominent articulation of the Three Worlds Theory is “Chairman of the Chinese Delegation Teng Hsiao-ping’s Speech at the Special Session of the U.N. General Assembly,” *Peking Review*, April 19, 1974.

on the border, so that by 1969 there were 21 Soviet divisions and 28 Chinese divisions along their common frontier.³⁵

The Sino-Soviet competition also played out in Vietnam, where divergences over strategy emerged. China, the first country to recognize North Vietnam, had been an early supporter of the Vietnamese communist movement, providing military aid for the armed anti-colonial struggle against France.³⁶ The Soviets also offered some economic aid. But as the war expanded and the United States and South Vietnam replaced France as the enemy, differences soon emerged. The Soviets stepped up efforts to offer military assistance in 1965, offering SAMs. The Chinese, however, blocked Soviet efforts to fly the missiles through China to North Vietnam, proposing delivery by land instead. The Chinese also demurred on a Russian proposal to station military personnel in southern China and North Vietnam, only serving to further inflame the Sino-Soviet relationship. The Soviets aimed to strengthen their hand with Hanoi at the expense of Beijing. China insisted on inspecting every delivery at the border, which led the Soviet Union to withhold delivery of more-sophisticated equipment.

By 1968, the United States had committed more than 500,000 troops to the war in Southeast Asia. The Chinese continued to support the North Vietnamese guerrilla war against the Americans. Beijing did so for ideological reasons and also to prevent what the PRC viewed as U.S. encirclement of China. Toward this effort, Beijing rotated through Vietnam a total of 320,000 engineers and antiaircraft artillery personnel to assist Hanoi.³⁷ But the PRC's materiel support for the war was marginal compared with that of the Soviet Union. Between 1968 and 1971, Moscow would pour more than \$1 billion in military aid to Southeast Asia. Importantly, the Soviet and Chinese positions on an agreement to end the war began to diverge. Beijing distanced itself from the negotiations, while Moscow more fully embraced Hanoi.

³⁵ Lo, 2008a, p. 26.

³⁶ Chen, 2001, Ch. 5.

³⁷ The peak year for China's military presence in North Vietnam was reportedly 1967, when 170,000 personnel were in the country; Chen, 2001, p. 229.

In the spring of 1969, there were serious military clashes on the border between Chinese and Soviet troops. Although border incidents were not infrequent after 1964, the size and scope of the 1969 events were unprecedented. The clashes at Damansky/Zhenbao Island on March 2 and again on March 15 thus represented a serious escalation in Sino-Soviet tensions.³⁸ In the two clashes, China suffered an estimated 92 casualties (31 killed, 61 wounded) and the Soviet Union suffered approximately 200 casualties (91 killed, 109 wounded).³⁹ Although both sides levied accusations that the other initiated hostilities, it appears that Chinese forces instigated the March 2 conflict at Mao's behest.⁴⁰

As Sino-Soviet tensions rose, the two countries seemed headed on a possible collision course to full-blown war. The March conflicts had precipitated significant increases in military strength along the border in both countries and along the 2,500-mile frontier between China and Mongolia. In the late 1960s, Moscow markedly increased the number of its combat divisions along the Sino-Soviet border. The Soviets also deployed hundreds of tactical nuclear missiles in the eastern section of the Sino-Soviet boundary in addition to long-range and intermediate-range strategic nuclear strike forces.⁴¹

³⁸ Boundary issues between Russia and China had existed for several hundred years. Tsien-hua Tsui, 1983, p. 33, notes that after "thousands of border incidents occurred, the Chinese and Soviets held, in February 1964, their first round of boundary negotiations"; Tsien-hua Tsui, *The Sino-Soviet Border Dispute in the 1970's*, Oakville, Canada: Mosiac Press, 1983. The talks were ultimately unsuccessful but did make considerable progress; M. Taylor Fravel, *Strong Borders, Secure Nation: Cooperation and Conflict in China's Territorial Disputes*, Princeton, N.J.: Princeton University Press, 2008, pp. 119–223.

³⁹ Fravel, 2008, pp. 201–202. Fravel uses authoritative primary sources and provides the most reliable estimates available of casualties during the 1969 border conflict. Other estimates (including by Thomas Robinson) are higher but do not have reliable sourcing. For a recent thorough account of the conflict, see Thomas W. Robinson, "The Sino-Soviet Border Conflict of 1969: New Evidence Three Decades Later," in Mark A. Ryan, David M. Finkelstein, and Michael A. McDevitt, eds., *Chinese Warfighting: The PLA Experience Since 1949*, Armonk, N.Y.: M. E. Sharpe, 2003.

⁴⁰ Robinson, 2003, p. 199.

⁴¹ By 1973, the Soviets had deployed 45 divisions along the border with China, including five in Moscow's client state of Mongolia; Raymond L. Garthoff, *Détente and Confrontation:*

The Chinese responded in late 1969 to the Soviet buildup with nationwide preparations for an all-out war with the Soviet Union, including by evacuating top leaders from Beijing. According to two respected scholars who reviewed extensive primary sources, Beijing's Central Military Commission—the PRC's equivalent of the Joint Chiefs of Staff—ordered the PLA in 1969 to the highest level of war alert and military readiness. In October 1969, Central Military Commission Vice Chair Lin Biao issued the “No. 1 Order” to place China's armed forces, including its nuclear forces, on “full alert.”⁴²

Although these tensions and periodic clashes did not explode into a wider military conflict, they did escalate to the brink of all-out war. Simmering tensions along the Sino-Soviet border persisted from the late 1960s and throughout the 1970s. However, border incidents in the 1970s, while not infrequent and sometimes bloody, did not reach the same threshold of violence as the spring 1969 conflicts. Beijing and Moscow had both stood at the precipice and blinked.

Triangular Diplomacy: 1970s

Power politics and intense rivalry led China and the Soviet Union to develop better relations with the United States. Heightened Sino-Soviet tensions pushed Beijing to reassess its geostrategic position and explore rapprochement with Washington and motivated Moscow to pursue détente with Washington. Meanwhile, the United States engaged in what then National Security Advisor Henry Kissinger called *triangular diplomacy*: a strategic maneuver to move closer to each of its contenders than they were to each other.⁴³ The United States and China signaled

American-Soviet Relations from Nixon to Reagan, Washington, D.C.: Brookings Institution Press, 1985, p. 208

⁴² John W. Lewis and Xue Litai, *Imagined Enemies: China Prepares for Uncertain War*, Stanford, Calif.: Stanford University Press, 2006, pp. 63–72 (quote is on p. 65). See also John W. Garver, *China's Quest: The History of the Foreign Relations on the People's Republic of China*, New York: Oxford University Press, 2016, pp. 284–285.

⁴³ Henry Kissinger, *White House Years*, 1st ed., Boston, Mass.: Little, Brown and Company, 1979, pp. 191–192, describes this strategy in detail.

to each other an interest in rapprochement, leading to a secret visit by Kissinger to Beijing in mid-1971 and culminating in President Richard Nixon's historic trip to China in February 1972.⁴⁴ China began to embrace a foreign policy that sought world recognition as a great power and to obtain technological, diplomatic, and financial assistance to counter the threat from Moscow. By this period, the Soviet Union had attained rough parity with the United States in nuclear weapons, which afforded it some strategic advantage vis-à-vis the United States but heightened Beijing's sense of vulnerability.

The Soviets and the Chinese also clashed in their positions regarding Vietnam. The fall of Saigon in 1975 opened up historic rivalries between Vietnam and its northern neighbor. In 1976, China cut its aid program to Vietnam. Two years later, Hanoi joined Comecon, the Moscow-led trading bloc. This was followed by the signing of the Treaty of Friendship and Cooperation with the Soviet Union, which included military clauses. In December 1978, Vietnam (with Soviet support) launched a full-scale invasion of Cambodia, overthrowing the Khmer Rouge—a regime the Chinese supported—and propped up a pro-Vietnamese government. By this time, China had become increasingly wary of Soviet ambitions in Southeast Asia. The Chinese decried Moscow's support to Hanoi's move in Cambodia and insisted that the Soviets were maintaining military bases in Vietnam.⁴⁵ Vietnam was fully in the Soviet camp, and Beijing perceived a Soviet expansion of its power eastward. Unsurprisingly, Vietnam would prove a source of further tension in the Sino-Soviet schism.

Because the border conflicts and divergences over Vietnamese behavior in Cambodia were a reflection of a worsening relationship between China and the Soviet Union, China was inclined to improve its association with the United States. Beijing's pursuit of a warming of relations with Washington might have appeared hypocritical and even heretical, since China had condemned the Soviet Union for doing the same thing in the late 1950s. However, the Chinese decision was

⁴⁴ Chen, 2001, pp. 262–275.

⁴⁵ Henry Kamm, "Teng Begins Southeast Asian Tour to Counter Rising Soviet Influence," *New York Times*, November 6, 1978.

primarily derived from strategic necessity. By 1970, the Soviet Union had replaced the United States as the primary adversary to Beijing. The Soviet threat to China was proximate, and seeking rapprochement with the United States served as a counterweight to the Soviets.

Although doubts and uncertainty persisted over issues such as the war in Vietnam and the status of Taiwan, China and the United States were able to work past these problems in seeking closer ties. In 1972, Mao exclaimed to Kissinger, “At the present time, the question of aggression from the United States or aggression from China is relatively small You want to withdraw some of your troops [from Vietnam] back on your soil; ours do not go abroad.”⁴⁶ Two years later he would reaffirm China’s intent to honor the emerging strategic partnership:

Each side has its own means and acted out of its own necessity.
That has resulted in our two countries acting hand in hand. . . .
So long as the objectives are the same, we would not harm you
nor would you harm us.⁴⁷

The United States demonstrated a willingness to accommodate core Chinese interests: specifically, acknowledging the PRC as the sole legitimate government of China. It also downgraded Washington’s relationship with Taipei and began drawing down its military forces in Vietnam. In October 1971, Albania pushed a motion to recognize the PRC as the “only legitimate representative of China in the United Nations” and to expel the ROC representative from Taiwan. The United States tried to block the resolution at first before eventually backing it along with most communist states; in November, the PRC officially ascended to the United Nations Security Council (UNSC).⁴⁸ On account of these overtures, Beijing was ready publicly to welcome Nixon to China in 1972 and sign the Shanghai Communiqué, formalizing the new rapprochement.

⁴⁶ Kissinger, 1979, p. 1062.

⁴⁷ Henry Kissinger, *Years of Renewal*, New York: Simon and Schuster, 1999, p. 150.

⁴⁸ UN General Assembly Resolution 2758, which gave the PRC its status as China’s UN representative, required a two-thirds vote in order to pass. The Soviet Union voted in support of the measure.

Parallel to the Sino-American entente, the Soviets were pursuing their own policy of détente with the Americans, who were prepared to relax tensions on the basis of reciprocity. Arms control negotiations had emerged as a key element to improved U.S.-Soviet relations. By the end of 1970, the USSR was thought to have exceeded the United States in total numbers of intercontinental ballistic missiles (ICBMs).⁴⁹ The first round of the Strategic Arms Limitation Talks (SALT) took place in November and December 1969.⁵⁰ A second round followed in 1972. In May 1972, Nixon made a historic visit to Moscow, during which he and Brezhnev signed agreements on cooperative research, space exploration, preventing accidental military incidents, and limiting various strategic weapons. Brezhnev followed up Nixon's trip to Moscow with a trip to the United States in the summer of 1973. In July of the same year, the foreign ministers from 33 countries opened the first Conference on Security and Cooperation in Europe in Helsinki to cover security, political, and economic issues. These meetings culminated in the 1975 Helsinki Final Act, signed by 32 European nations, the Soviet Union, Canada, and the United States. The act addressed a host of global issues related to European security: political borders, military confidence-building measures, trade and cultural exchange, and human rights. In this regard, it was an important landmark in U.S.-Soviet relations during the Cold War.⁵¹

Although the U.S. arms agreements and summits with the Soviet Union served to ease tensions between the two superpowers, points of

⁴⁹ Gaddis, 2005, p. 284, describes the pace at which the USSR closed the missile gap. The Russians in 1965 had 224 ICBMs and 107 submarine-launched ballistic missiles (SLBMs), compared with 934 ICBMs and 464 SLBMs for the United States. By the end of 1970, the numbers were thought to be 1,290 ICBMs and 300 SLBMs for the Soviets and 1,054 ICBMs and 656 SLBMs for the Americans; John Lewis Gaddis, *The Cold War: A New History*, New York: Penguin Press, 2005.

⁵⁰ The SALT Interim Agreement in 1972 put numerical limits on ICBM and SLBM launchers. A second round of SALT talks in November of the same year resulted in an anti-ballistic missile agreement, which proscribed limitations on anti-ballistic missiles capable of defending against "strategic ballistic missiles" but did not define "strategic."

⁵¹ For more on the significance of the act, see Alexandre Charles Kiss and Mary Frances Dominick, "The International Legal Significance of the Human Rights Provisions of the Helsinki Final Act," *Vanderbilt Journal of Transnational Law*, Vol. 13, 1980, p. 293.

contention persisted throughout the decade. In the Middle East, both countries cultivated different spheres of influence. The Arab-Israeli war of 1973 only heightened tension between the superpowers, which backed opposite sides during the war. In Africa, the Soviets encouraged the introduction of Cuban forces in the civil war in Angola in support of the Marxist People's Movement of the Liberation of Angola, while China backed the rival National Front for the Liberation of Angola. Meanwhile, haggling had commenced over the details of a SALT II agreement between the United States and the Soviets almost as soon as SALT I was concluded. Each side, therefore, continued to build up weapons not covered in the 1972 agreement. A failed trip by Secretary of State Kissinger in January 1976 marked a low point in East-West negotiations.

The inherent difficulties of moving the U.S.-Sino relationship beyond the Shanghai Communiqué would also emerge by the middle of the decade. In 1975, Mao criticized the size of the U.S. military presence in Europe as ineffectual against the Soviet threat. Mao had grown increasingly alarmed by Soviet hegemony and was concerned that U.S. efforts against it were insufficient. He made this clear to President Gerald Ford during Ford's December 1975 summit in Beijing—an affair that resulted in more atmospherics than substance. Kissinger would later note that, by the end of Ford's visit,

the glow of the courtship period of Sino-American relations was waning; the complexities inherent in the relationship—which Soviet Ambassador Anatoly Dobrynin facetiously called 'trying to pick up caviar with chopsticks'—were becoming apparent.⁵²

Bellicose statements from the PRC toward the United States were not uncommon in 1975 and 1976, and Taiwan lingered as an unresolved issue.

The death of Mao in the fall of 1976 ushered in a power struggle within China that brought added tension to the U.S.-China rela-

⁵² Kissinger, 1999, p. 894.

tionship.⁵³ This power struggle was eventually resolved when Deng Xiaoping launched a political comeback in the late 1970s and consolidated his hold on power by 1979. Deng moved resolutely to turn the PRC firmly away from the upheaval of the Maoist era. The pragmatic Deng was to dominate Chinese politics for the next two decades with a priority of reform and opening to the outside world.⁵⁴ He expanded ties with the United States and other capitalist developed countries to stimulate China's economic growth, upgrade its backward technology, and rebuild its system of education.

In Deng's eyes, Moscow was deeply hostile to Beijing, engaged in encircling China with a large military buildup along their shared land border, and actively allied with Vietnam—a country he called the “Cuba of the Orient.”⁵⁵ In February 1979, he would chose to counter Soviet foreign policy with a punitive attack on Moscow's ally in Southeast Asia and former ally to China: Vietnam. Deng had multiple goals behind his decision to launch this limited war, both foreign and domestic. Externally, Deng intended to signal to the Soviet Union that although China was militarily weak, it refused to be intimidated, and that China wanted to teach Vietnam a lesson. Internally, Deng sought to use the war to further consolidate his political power and initiate much-needed thorough defense modernization reforms.⁵⁶

Before the conflict, Deng visited the United States to seek a common strategy against the Soviets and to celebrate the establishment of official diplomatic relations, announced on December 15, 1978. During his trip, Deng told President Jimmy Carter that Moscow's unchanging nature was to squeeze “wherever there was an opening” and that “wherever the Soviet Union sticks its fingers, there we must

⁵³ For an overview of the political turmoil that followed Mao's death, see Harry Harding, *China's Second Revolution: Reform After Mao*, Washington, D.C.: Brookings Institution Press, 1987, Ch. 3.

⁵⁴ For the politics of Post-Mao China and the rise of Deng Xiaoping, see Ezra F. Vogel, *Deng Xiaoping and the Transformation of China*, Cambridge, Mass.: Belknap Press, 2011.

⁵⁵ Andrew Scobell, *China's Use of Military Force: Beyond the Great Wall and the Long March*, New York: Cambridge University Press, 2003, p.121; Vogel, 2011, pp. 339–340.

⁵⁶ Scobell, 2003, Ch. 6.

chop them off.”⁵⁷ He also informed the Carter administration that China intended to go to war with Vietnam because he had concluded that Vietnam would follow up its invasion of Cambodia with efforts elsewhere. Deng also gambled that the Soviets would not risk a massive intervention after China’s invasion of Vietnam because Moscow could not be certain about Washington’s disposition.⁵⁸ Carter refused to either publicly endorse or oppose the invasion, rendering the U.S. disposition ambiguous.

In February 1979, China invaded Vietnam with more than 400,000 troops, a move intended to deter the latter from expanding its efforts in Cambodia. The attack was a direct challenge to Moscow and its alliance with Hanoi. Although the Soviet Union did not intervene militarily, Moscow did boost armament shipments to Hanoi during the course of the war, sending more than 400 tanks and armored personnel carriers, 400 artillery units, rocket launchers, and 20 fighter jets.⁵⁹ But the seasoned Vietnamese military—with U.S. weaponry inherited from South Vietnam—did not need armed Soviet intervention to check the advancing PLA, and the Vietnamese imposed high casualties on the Chinese despite fewer numbers.⁶⁰ The short war did not meaningfully alter Vietnam’s policies in Cambodia, but it did force Vietnam to divert troops from Cambodia to its border with China. However, the conflict brought about closer collaboration and alignment between Washington and Beijing, because Deng could now dis-

⁵⁷ Cited in Henry Kissinger, *On China*, New York: Penguin Press, 2011, p. 364.

⁵⁸ Scobell, 2003, p. 126.

⁵⁹ The invasion also precipitated a massive military display by the Soviets on the Sino-Soviet border, in Mongolia, and in the Pacific, consisting of an astonishing 20 divisions: 200,000 troops, 2,600 tanks, 900 planes and 80 ships. See Sergey Radchenko, *Unwanted Visionaries: The Soviet Failure in Asia at the End of the Cold War*, New York: Oxford University Press, 2014, p. 128.

⁶⁰ By March 1979, the Chinese had captured Cao Bang and Lang Son but were poorly supplied. Estimates vary on the number of Chinese casualties. See Edward C. O’Dowd, *Chinese Military Strategy in the Third Indochina War: The Last Maoist War*, New York: Routledge, 2007, p. 45.

play evidence, as opposed to merely tough talk, of countering Soviet hegemony.⁶¹

Apart from moves both Beijing and Moscow made toward Washington, the Sino-Soviet ideological disputes that had characterized the 1960s were less protracted and also changed in nature in the 1970s. In November 1970, China announced its extension of peaceful coexistence between all states, not just among socialist regimes. This position was at odds with the Brezhnev Doctrine's emphasis on intervention—militarily if necessary—for any socialist regime under threat.⁶² By this time, however, most of the socialist regimes in the world had either backed one side in the Sino-Soviet competition or declared their neutrality. For example, New Delhi shifted closer to Moscow, signing the Treaty of Peace, Friendship and Cooperation with the Soviet Union in the summer of 1971, an arrangement that was expanded the following year to include Bangladesh.

Both China and the Soviet Union did, however, offer competing aid to countries in Africa, with China offering roughly twice the economic aid to Africa as the Soviet Union between 1970 and 1977. China's trade with Africa also exceeded that of the Soviets. The Soviets exceeded the Chinese in the furnishing of arms to Africa during the decade, offering assistance to 21 countries and two liberation movements.⁶³ On the Indian subcontinent, China backed Pakistan, and the Soviets, in line with their treaty, supported India during the Indo-Pakistani War of 1971—from which the new state of Bangladesh arose. And in Southeast Asia, most of the countries (with the exception of Vietnam) aligned more with the United States than with either communist state.

⁶¹ Radchenko, 2014, p. 128.

⁶² Quested, 1984, p. 146.

⁶³ Numbers reported in Quested, 1984, p. 147.

Sino-Soviet Reconciliation: Mid-1980s

A fifth inflection point in Moscow-Beijing relations was the bilateral reconciliation that occurred in the latter half of the 1980s. As the Soviet Union signaled a willingness to be more conciliatory toward China, the PRC became receptive to Sino-Soviet rapprochement. By the early 1980s, both Moscow and Beijing assessed that each other no longer posed the greatest threat. The two capitals assessed that Cold War bilateral tensions were slowly thawing and that it was time to explore ways to improve bilateral ties. The stirrings could be traced back to 1982. In March, Leonid Brezhnev indicated his interest in improving ties in a speech at Tashkent in Soviet Central Asia.⁶⁴ But it took the ailing leader's death to move things along: Foreign Minister Huang Hua became the first PRC ministerial-level leader to visit Moscow since 1964 when he led the Chinese delegation to Brezhnev's November 1982 funeral. Huang's "red carpet treatment" was a clear signal to Beijing that the Soviets were prepared to improve bilateral relations.⁶⁵ New leaderships with different priorities proved decisive. In 1985, Mikhail Gorbachev became General Secretary of the CPSU on a platform of reform. The following year, Gorbachev delivered a major foreign policy address in Vladivostok that clearly signaled the Soviet Union's desire to improve relations with China.⁶⁶ In Beijing, Deng (also a reformer) was receptive to Gorbachev's expressed willingness to tackle what Deng dubbed the "three obstacles": Soviet forces in Afghanistan, Soviet backing for Vietnam's invasion of Cambodia, and the massive military presence along the Sino-Soviet border.

Gorbachev spoke with apparent sincerity:

Speaking in a city that is but a step from the People's Republic of China, I would like to dwell on the most important issue in our relations. These relations are extremely important for several rea-

⁶⁴ Frederic A. Moritz, "Brezhnev Plays His 'China Card,'" *Christian Science Monitor*, March 25, 1982.

⁶⁵ Garver, 2016, pp. 430–431.

⁶⁶ Lo, 2008a, pp. 27–28.

sons, starting from the fact that we are neighbors, that we share the world's longest land border and that we, our children and grandchildren are destined to live near each other "forever and ever." . . .

I would like to affirm that the Soviet Union is prepared—any time, at any level—to discuss with China questions of additional measures for creating an atmosphere of good-neighborliness. . . .

As far as possible, we have similar priorities in accelerating social and economic development. Why not support each other, why not cooperate in implementing our plans wherever this will benefit both sides?

We do not want the Amur River border to be a "water obstacle." Let the basin of this mighty river unite the efforts of the Chinese and Soviet peoples in using for mutual benefit the rich resources available there and for building water-management projects.⁶⁷

Gorbachev's emphasis on cooperation rather than competition and his focus on shared interests over past antagonism provided the philosophical foundation for a new relationship with Beijing.⁶⁸ The speech helped set in motion a series of events that would bring the two countries closer together. In 1986, China opened a consulate in Leningrad, and the Soviet Union did the same in Shanghai.

Sino-Soviet reconciliation took years and considerable effort to complete. Between 1982 and 1988, 12 rounds of Sino-Soviet consultations took place at the vice-ministerial level. Negotiations took place twice a year, once in Moscow and once in Beijing. Improvements were slow, because many of the initial meetings consisted of political or ideological diatribes from both parties.⁶⁹ In 1984, the foreign ministers of both countries met at the UN Headquarters in New York

⁶⁷ "Excerpts from Gorbachev's Speech," *New York Times*, July 29, 1986.

⁶⁸ Lo, 2008a, p. 27.

⁶⁹ For these accounts, see Péter Vámos, "'Only a Handshake but No Embrace': Sino-Soviet Normalization in the 1980s," in Thomas P. Bernstein and Hua-Yu Li, eds., *China Learns from the Soviet Union*, Lanham, Md.: Lexington Books, 2010, p. 81.

City. This meeting was followed up by First Deputy Prime Minister Ivan V. Arkhipov's visit to Beijing in December that same year. Arkhipov became the most senior Soviet official to visit China since 1969. By the middle of the 1980s, China and the Soviet Union had established a network of diplomatic, health, and cultural exchanges.

In 1987, the Soviets and Chinese also agreed to open border talks.⁷⁰ At the 12th round of vice-ministerial talks in June 1988, China reiterated that political improvements remained predicated on resolving the three obstacles.⁷¹ By the end of the year, Beijing sent its foreign minister to Moscow; the visit was reciprocated in February 1989 with a visit by the Soviet foreign minister to Beijing. These trips help to gradually bring about a new phase in bilateral relations. The two sides finally agreed to a date for Gorbachev's visit to China.

The culmination of these efforts was the summit between Gorbachev and Deng in Beijing in mid-May 1989—the first such summit between the top leaders of the two communist giants in 30 years. During this year, the Soviets and Chinese would jointly declare their intention to develop a new era of bilateral relations based on mutual respect and equality. Speaking at a state dinner during a toast to his Soviet counterpart, PRC President Yang Shangkun declared, “Today, the two giant neighbors, China and the Soviet Union, bidding good-bye to the past and opening up a new future, are exploring ways to establish a new type of relationship.”⁷² The pragmatism of post-Mao China, combined with the new openness of the Gorbachev era, pushed ideological disputes in the relationship to the point of irrelevancy. Nor did economic considerations seem to affect this improvement in relations, save the extent to which both sets of leaders desired a relaxed external environment so that their respective countries could concentrate on addressing domestic challenges.

By the mid-1980s, the relationship between Beijing and Moscow began to thaw. Voices in China began to question the need for one-

⁷⁰ Vámos, 2010, pp. 91–92.

⁷¹ Vámos, 2010, p. 93.

⁷² Nicholas D. Kristof, “Gorbachev Meets Deng in Beijing; Protest Goes On,” *New York Times*, May 16, 1989.

sided cooperation with the West. Many began to view a military confrontation with Moscow as an impediment to the process of building socialism and instead favored reviving trade, economic, social, and cultural ties with the Soviets.⁷³

As fate would have it, Gorbachev's summit in Beijing with Deng coincided with the height of the Tiananmen Square demonstrations. The violence notwithstanding, the meeting heralded the crowning of a new era in Sino-Soviet politics. During the event, Deng acknowledged that rapprochement was a long process that began with Gorbachev's Vladivostok speech. He also noted that China had no territorial claims in the Soviet Union, a long-standing concern for the Soviets. Recalling former ideological differences, Deng acknowledged that he was not always correct and proposed to "end the past and open up the future."⁷⁴ The Soviet leader said in his remarks that there was no compulsory model of socialism. It was a clear expression of the end of ideological schisms. Although the leaders did not make substantive progress on outstanding issues—such as the political future of Cambodia, where the Soviet-backed government was opposed by a Chinese-supported rebel alliance—the summit effectively ended 30 years of Sino-Soviet estrangement and set the powers on a new course of collaboration.

Crisis of Communism: 1989–1991 and Aftermath

The sixth inflection point was arguably the most dramatic one for both sides, as leaders in Beijing and Moscow confronted widespread crisis and multiple collapses across the communist world. For Moscow-Beijing relations, the period from 1989 to 1997 can be broken up into two phases: an early period of uncertainty mixed with turmoil and a

⁷³ See Alexander Lukin, "Chinese-Russian Relations," in Weiping Wu and Mark Frazier, eds., *The Sage Handbook of Contemporary China*, Vol. II, Thousand Oaks, Calif.: Sage, 2018b. Lukin, 2018b, p. 561, notes that "[t]he [Chinese] Academy of Social Sciences' Institute of the Soviet Union and Eastern Europe issued an internal policy paper arguing that serious studies of the Soviet Union should be revived and that ideological, political, and administrative obstacles to such studies should be lifted."

⁷⁴ Vámos, 2010, p. 96.

latter era of collaboration combined with partnership. From the violence in Beijing's Tiananmen Square in the summer of 1989 through the ultimate collapse of the Soviet Union in December 1991, the Sino-Soviet relationship was a marginal priority for both nations. The spirit of engagement that began in the 1980s was forced to take a back seat to domestic and international upheaval. The 1989 Tiananmen massacre was followed by the fall of the Berlin Wall in November of the same year; by the following summer, all the former communist regimes in Eastern Europe had fallen and were replaced with democratically elected governments. And the Soviet Union's ultimate collapse in the closing days of 1991 ushered in a brief period of uncertainty as to what would emerge in its wake. However, as the decade progressed, China and Russia were able to forge a durable strategic partnership. Although an improvement from the tense decades of the 1960s and 1970s, their relationship throughout the 1990s was pragmatic and adaptive in nature, well short of the degree of closeness of the Sino-Soviet alliance during the 1950s.

For the Soviet Union and China, 1989 proved to be a very traumatic year. Both ruling communist party-states were shaken to the core by overwhelmingly peaceful popular revolts.⁷⁵ The protests and demonstrations occurred in cities across China, with Beijing as the epicenter. China's party-state perceived itself to be under attack and labeled the violence during the weekend of June 3–4 a "counter-revolutionary rebellion." Deng directed the military to end the protests at all costs, and at least hundreds of civilians died as the PLA forcefully cleared the center of Beijing. The violent incidents forced a period of introspection as the CCP in Beijing attempted to restore and then maintain its authority. The bloody events also prompted sanctions from the West and forced China into a defensive posture.

During 1989, most of the communist regimes in Eastern Europe collapsed, largely without resistance and under the force of nonviolent people power. In marked contrast to the Chinese response to popular protests, the Soviet bloc party-states across Eastern Europe responded to the popular protests remarkably peacefully (with the exception of

⁷⁵ Lo, 2008a, p. 28.

Romania). The Soviet Union withdrew its forces from Hungary in the spring of 1989. One by one, the former Soviet satellites emerged as new democratic regimes. This sudden change alarmed Beijing. PRC leaders viewed these popular movements in China and elsewhere as part of a grand conspiracy masterminded by the United States. In the immediate aftermath of these earthshaking events, PRC leaders considered their regime to be in mortal danger and concluded that the United States constituted China's top existential threat.⁷⁶ Consequently, Beijing sought to maintain cordial relations with Moscow.⁷⁷ The two countries consequently attained a modest expansion in bilateral trade in the spring of 1991.⁷⁸ In May 1991, the two countries signed an agreement on the demarcation of the eastern section of their common border, which was ratified by the Russian and Chinese parliaments the following year. This coincided with the complete withdrawal of Russian troops from Mongolia in 1992, a process Gorbachev initiated in 1987.⁷⁹

However, the upheavals in Eastern Europe also triggered a rapid decline in Gorbachev's authority. Moreover, he could no longer control the domestic changes he had put in motion within the Soviet Union. On August 19, 1991, Gorbachev was placed under house arrest in Crimea by his vice president, Committee for State Security (KGB) chief, minister of defense, interior minister, prime minister, and several others. The coup d'état ultimately failed but served to greatly weaken Gorbachev. The Chinese, for their part, had begun to hedge against the Soviet leader on account of his handling of the changes he unleashed. They dismissed him as a new social democrat and no longer a Marxist-

⁷⁶ See David Shambaugh, *China's Communist Party: Atrophy and Adaptation*, Berkeley, Calif.: University of California Press, 2008, especially Ch. 4.

⁷⁷ Deng initially accused the West, and the United States in particular, of sponsoring the turmoil. But the new CCP General Secretary, Jiang Zemin, pointed to failed economics as the root cause of the revolutions. See Radchenko, 2014, p. 181.

⁷⁸ Lo, 2008a, p. 28.

⁷⁹ Rajan Menon, "The Strategic Convergence Between Russia and China," *Survival*, Vol. 39, No. 2, 1997, p. 103.

Leninist. They further accused him of economic incompetence.⁸⁰ In a sign of its growing divergence with the Soviet leader, Beijing was quick to endorse the failed putsch against Gorbachev, which proved to be somewhat of an embarrassment. In any case, Gorbachev's tenure was cut short. Before the year's end, the Soviet Union would cease to exist.

When the Soviet Union collapsed and fragmented, China's communist rulers were traumatized. However, the initial period of fear and uncertainty over Russian President Boris Yeltsin's political reforms proved short-lived. On one hand, the demise of the Soviet Union marked the end of any Soviet threat, which meant that Beijing was now operating from a position of strength in its relationship with the Russian Federation. On the other, China was concerned with Moscow's newfound efforts to build closer links with the EU. Salient issues such as Moscow's refusal to sell Beijing advanced weapon systems, its *de facto* ban on Chinese participation in large infrastructure and natural resource projects, and its concerns about growing Chinese influence in Central Asia stymied progress. But Yeltsin's reforms and the Russian transition to a market economy were at times chaotic and bred corruption and competition among elites. In 1992, disaffected with failed Western economic prescriptions and what it saw as unfulfilled pledges of Western assistance, Moscow's foreign policy began to focus eastward.⁸¹ Yeltsin was able to build on and extend the initiatives begun by Gorbachev with Beijing.

During this period, visits between senior officials and dignitaries restarted, albeit slowly. Yeltsin traveled to Beijing twice, in 1992 and in 1996. Russian Prime Minister Viktor Chernomyrdin visited Beijing three times between May 1994 and May 1995. PRC President Jiang Zemin would also travel to Moscow three times between September 1994 and April 1997, and PRC Premier Li Peng went to Russia in June 1995 and December 1996. These trips and the joint declarations they often produced generated commitments to a "strategic partnership of equality, mutual confidence, and mutual coordination." The rhetoric, however, did not perfectly align with reality because each side contin-

⁸⁰ Radchenko, 2014, p. 182.

⁸¹ Lo, 2008a, pp. 29–30.

ued to harbor long-standing suspicions and fear, and each party had a different view about its respective position in the post-Cold War world. Moreover, relations with the West remained a high priority for both countries.

Notwithstanding such difficulties, these joint efforts bore some fruit. During this period, both sides agreed to abide by the 1991 and 1994 treaties partially delineating their common borders. They publicly declared their opposition to the expansion of NATO into former Warsaw Pact states. Russia also made public its declaration that Tibet was an integral part of China and committed to avoiding official ties with Taipei.⁸² China expressed support for Russian inclusion into the Asia-Pacific Economic Cooperation (APEC) agreement, which Russia formally joined in 1998. Beijing supported Yeltsin during Russia's 1994–1996 war in Chechnya—a conflict that brought widespread condemnation for Russian actions from the West. Cross-border trade also increased during this period. In 1984, Sino-Soviet trade was only \$370 million; by 1993, Sino-Russian trade was \$1.2 billion and jumped to around \$7 billion in 1996. As joint ventures increased, Russia also pledged to contribute to China's ambitious Three Gorges Dam project.⁸³

Beijing benefited from weapon sales from Moscow, as well. Primarily out of economic necessity, the Russian defense industry sold arms to China during the 1990s. China became Russia's largest arms market, accounting for 26 percent of the value of total sales from 1992 to 1994. These sales included 72 Su-27 attack aircraft, 50 T-72 tanks, roughly 100 S-300 SAMs, transport aircrafts, and several kilo-class submarines. In 1996, the Chinese agreed to buy two cruise missile-equipped destroyers.⁸⁴ All told, Russian arms sales to China totaled an estimated \$1 billion per year between 1991 and 1996.⁸⁵

⁸² On these visits and their effects, see Menon, 1997, p. 102.

⁸³ These figures are from Menon, 1997, p. 105.

⁸⁴ Menon, 1997, pp. 109–111.

⁸⁵ Figures reported in Ariel Cohen, *The Russia-China Friendship and Cooperation Treaty: A Strategic Shift in Eurasia?* Washington, D.C.: Heritage Foundation, July 18, 2001.

The shift toward increased cooperation and increased interdependence was not without tensions. The dissolution of the Soviet Union marked a clear shift in the balance of power between China and Russia. Following the Soviet collapse, the Russian economy was faltering, its military was in crisis, and its status as a great power was in doubt. By contrast, China during the same period had begun its ascendancy, modernizing its military and enjoying average yearly growth rates of roughly 9 percent since 1978.⁸⁶ Moreover, tens of thousands of PRC citizens entered Russia, especially in the country's far eastern region. Many of these Chinese arrived as tourists and remained illegally. This shift and the attendant consequences produced a sense of unease on the part of the Russians, often expressed in xenophobic terms. The Russians sensed a Chinese motive and opportunity for expansion. They therefore widely exaggerated the numbers of illegal Chinese immigrants during the period.⁸⁷

In response to these changing power dynamics, Russia moved to establish organizations to work with and shore up relationships with its former Soviet states. After the fall of the Soviet Union, Moscow set up the Commonwealth of Independent States (CIS), composed of ten former Soviet republics. The group pledged cooperation and coordination on politico-military and economic issues. In May 1992, Russia established the Tashkent Collective Security Treaty with five other CIS countries: Armenia, Kazakhstan, Kyrgyzstan, Tajikistan, and Uzbekistan. Russia intended for the treaty and its signatories to form the core of a future CIS military bloc.⁸⁸ The treaty came into force on April 20, 1994, the same year that Azerbaijan, Belarus, and Georgia also became members. As we discuss in the following chapter, the signatories of the Tashkent treaty, led by Russia, decided in 2002 to transform the Collective Security Treaty into an international organization: the Collective Security Treaty Organization (CSTO).⁸⁹

⁸⁶ Menon, 1997.

⁸⁷ Menon, 1997, p. 105.

⁸⁸ Taras Kuzio, "Nato Enlargement: The View from the East," *European Security*, Vol. 6, No. 1, 1997.

⁸⁹ The CSTO is a mutual defense alliance. See Chapter Three.

Efforts in the 1990s produced border agreements between China and Russia, Kazakhstan, Kyrgyzstan, and Tajikistan, an achievement solidified in an April 1996 meeting of the heads of state of these countries.⁹⁰ This was the first “Shanghai Five” meeting, at which the leaders explored mechanisms to promote security and reached an accord to provide advance notice to one another on military exercises within 100 kilometers of China’s border. A second summit meeting in Moscow in April 1997 produced an agreement to limit the deployment of troops within 100 kilometers of China’s border with Russia, Kazakhstan, Kyrgyzstan, and Tajikistan. At a third “Shanghai Five” meeting the following year in the Kazakh capital, the group pledged to combat transnational security threats, including ethnic separatism, religious fundamentalism, international terrorism, drug-trafficking, and cross-border criminal activity.⁹¹ As discussed in the next chapter, China would become the prime mover in the establishment of the SCO in 2001.

At the same time, Russia was formulating a broader strategy for its *near abroad*: the states of the former Soviet Union. Russia, in its view of itself as a great power, sought to play a hegemonic role in its unstable Southern Tier—the Caucasus and Central Asia—almost as soon as the Soviet Union collapsed. At the end of 1994 and in early 1995, Yeltsin publicly asserted his support for the reintegration of the countries from the former Soviet Union, primarily economically but also militarily and potentially politically. What has been referred to as the Yeltsin Doctrine implied the “independence and sovereignty of the existing states along with a paramount role for Russia in the Southern Tier, an explicit claim for dominance in the realm of security and, perhaps, a special role in protecting Russians.”⁹² But this position, or

⁹⁰ Tajikistan would finally resolve its border dispute with China in 2011, when the Tajik parliament voted to ratify a 1999 deal between China and Tajikistan and cede roughly 390 square miles of territory (roughly 5.5 percent of China’s claim) in the Pamir mountain range to China.

⁹¹ Chien Peng Chung, “The Shanghai Co-Operation Organization: China’s Changing Influence in Central Asia,” *China Quarterly*, No. 180, December 2004, p. 990.

⁹² Ronald Grigor Suny, “Southern Tears: Dangerous Opportunities in the Caucasus and Central Asia,” in Rajan Menon, Yuri E. Fedorov, and Ghia Nodia, eds., *Russia, the Caucasus*,

regional hegemon, was partly undermined by a lack of resources, a faltering economy, and Yeltsin's erratic and inconsistent policy. Russia's ambition exceeded its capacity to bring about the influence commensurate with Russia's self-image as a great power.

China, too, began to show a growing interest in Central Asia and to increase its regional influence throughout Eurasia during this period. In Central Asia's weak governments, endowed with an abundance of oil and gas, China saw an opportunity to craft a nascent policy to increase its influence within Central Asia while remaining sensitive to Russia's dominant role in the region.⁹³ By 1997, the Central Asia Regional Economic Cooperation was formed to foster development and accelerate growth. Driven by the Asian Development Bank, it included China, Afghanistan, Azerbaijan, Kazakhstan, Kyrgyzstan, Tajikistan, Uzbekistan, and Mongolia.

Most of the efforts begun by Russia and China in Eurasia would play out in the coming decades. In sum, the 1990s was initially characterized by upheaval for both China and the former Soviet Union. However, Chinese anxieties that the fall of the Soviet Union would result in Russia moving inexorably toward the West proved to be short-lived. Concerns that Yeltsin, Moscow's first post-Soviet leader, would oversee the transformation of Russia into a Western-style democracy did not come to pass. Indeed, Yeltsin reached out to China. The first president of the Russian Federation made his inaugural official visit to Beijing in December 1992 and declared the start of "a new era in Russia-China relations."⁹⁴ Both sides moved closer to one another as they began to push back against the United States' unipolar moment. Border issues were ultimately resolved, and Russia stepped up its sales of arms to China. However, the reality of the rapprochement was more prosaic (and not without attendant tensions) than the lofty rhetoric and slogans that accompanied it.

and Central Asia: The 21st Century Security Environment, Armonk, N.Y.: M. E. Sharpe, 1999, p. 171.

⁹³ This dynamic and China's sensitivity are both examined in Andrew Scobell, Ely Ratner, and Michael Beckley, *China's Strategy Toward South and Central Asia: An Empty Fortress*, Santa Monica, Calif.: RAND Corporation, RR-525-AF, 2014.

⁹⁴ Lo, 2008a, p. 29.

Concluding Thoughts: Half-Century of Cooperation and Conflict

This chapter has offered a narrative arc to the sinuous relationship between Moscow and Beijing from 1949 to 1997. The six inflection points in the relationship seem to have various causes. Coming out of a decades-long civil war, China leaned toward the Soviet Union. The collaboration was formalized with an alliance treaty. The Soviets benefited from the use of military facilities in China and attained joint control of the Manchurian railways. Communist and Marxist-Leninist ideology served to complement and possibly reinforce the relationship. The alliance served as formal recognition of the Soviet Union's position at the vanguard of global communism. Although ideology was an important aligning factor, the arrangement was also motivated by the overlapping strategic priorities of Moscow and Beijing. The PRC, as a weak but rising revolutionary power, needed a powerful patron.

But the Sino-Soviet alliance did not last long. Ideology was a source of division in the late 1950s through the mid-1970s. Competition between Moscow and Beijing emerged over the mantle of leadership of the global communist movement. Military cooperation ceased altogether. Border disputes became more frequent and eventually flared into outright conflict in 1969 and came dangerously close to all-out war between China and the Soviet Union. The PRC rejected the Soviet model of economic development, and Beijing accused Moscow of revisionism. Competing explanations for the Sino-Soviet split have been offered, including ideological differences and Chinese perceptions of overbearing Soviet domination.

The 1970s saw a continuation of the confrontations begun in prior decades between Moscow and Beijing. Border problems persisted. Both capitals looked to improve ties with Washington in respective efforts at power-balancing. The most dramatic manifestations were the Sino-American rapprochement of the early 1970s and an economic policy of reform and opening launched in the late 1970s. The first move was prompted by Beijing's perception of a rising Soviet threat; the second move was driven by the recognition of China's serious economic and military weaknesses. A global fight between Moscow and Beijing for

influence among the socialist regimes seemed to be a manifestation of power politics. China would turn on Vietnam, its former ally against the United States. Its invasion of its southern neighbor in 1979 was as much a move against Moscow as it was Hanoi. The Soviets, while pursuing détente with the West, would also move to consolidate their position in the Middle East and parts of Africa, not to mention Vietnam. The U.S. withdrawal from Vietnam and Washington's downgrading of relations with Taipei signified the tangible benefits of China's strategic alignment with the United States. The two giant neighbors weathered the 1989 crisis of communism and the 1991 disintegration of the Soviet Union, and then set about forging the foundation for a durable post-Cold War partnership.

By the mid-1990s, Russia and China had committed to the fruitful resolution of their frontier disputes. They attained a level of cooperation that would have been unthinkable as the 1980s dawned. However, Moscow was inclined to look toward Europe, not Asia, although Russia gave increasing attention to China and made greater efforts to address bilateral issues with Beijing. This achievement was due, at least in part, to a realization that the two countries faced a common threat from the United States, the sole superpower in the aftermath of the Cold War. By the late 1990s, both Russia and China had concluded that one did not pose a serious threat to the other; rather, the greatest threats confronting both countries were the sizable hard and soft power capabilities and the perceived adversarial intentions of the United States. These explanatory factors and others are explored in greater detail in Chapters Three and Four.

From the vantage point of the second decade of the 21st century, it is easy to overlook how remarkable the evolutions of Chinese and Russian threat perceptions and the laborious process of Sino-Russian rapprochement during the 1990s and 2000s were. Overcoming the tumultuous history of Beijing-Moscow relations and the shared vulnerability of proximity and geography required considerable time and painstaking engagement to develop trust, build confidence, resolve territorial disputes, demilitarize borders, and establish frameworks to manage a variety of bilateral issues.

Describing and Explaining Change in the Sino-Russian Relationship, 1997–2007

Over the past 20 years, China and Russia's relationship has evolved a great deal, from efforts to settle their border and an increase in arms trade early in the period to a far closer relationship at the end of the period. Close study of the more recent past is important, since many of the same factors that recently drove China and Russia's relationship are likely to continue to shape the relationship in the future.

Unlike the narrative approach in the previous chapter, this chapter and the next take a more systematic approach to study how different factors—power, threat, ideology, and economic complementarity—best explain the development of China and Russia's relationship. We analyze 1997 to 2017 as the last 20 years for which data are available (in some cases, data are not available for 2017, so we use the measurements most recently available). We divide the 1997 to 2017 period into four five-year periods. The first two periods are examined in this chapter, and the second two periods are examined in Chapter Four. For each period, we assess the political, military, and economic relationships as one of the six C's specified in Chapter One and then seek to explain the changes in the assessed relationship based on changes in all four posited factors.

Overall, we observe a gradually strengthening relationship, manifested through greater political, military, and economic cooperation (see Table 3.1). There were some periods in which the cooperation declined, such as a decrease in military cooperation after 2007 because of Russian hesitation about China copying technology. During other

Table 3.1
Summary of Changes in Relationship

Relationship	1997–2002	2002–2007	2007–2012	2012–2017
Political	Cooperation	Cooperation	Cooperation	Collaboration
Military	Calculation	Cooperation	Calculation	Collaboration
Economic	Calculation	Cooperation	Cooperation	Collaboration

times, especially after 2014, the closeness of the relationship rapidly increased.

China and Russia’s relationship from 1997 to 2017 is most readily explained by changes in power and threat. Over the period, China and Russia’s power relative to the United States significantly increased, encouraging them to more readily counter U.S. dominance. Although changes in power cannot explain the details in the changes in the relationship, they offer the most parsimonious explanation of the overall dynamics of the relationship. At the same time, both countries (but especially Russia) became increasingly concerned about the threat from the United States, given U.S. interventions in Kosovo, Iraq, and Libya, as well as perceived U.S. backing for domestic protests in China and Russia. China and Russia’s threat perception of each other also diminished, partly thanks to the resolution of border disputes. Although both sides increasingly agreed on their domestic and international ideology, there is little evidence that this agreement drove the relationship. We observe significant economic complementarities, which explain the composition of trade, including energy sales from Russia and the export of manufactured goods from China, with these exchanges becoming more capital-intensive later in the period. However, these complementarities do not appear to explain the level of trade, changes in the pattern of investment (including an increase in Chinese involvement in major projects after 2014), or the relatively low trade in services, which could be indicative of the relative shallowness of Russian-Chinese economic cooperation.

The Evolution of Normalization: 1997–2002

The normalization of relations between Russia and China accelerated from 1997 to 2002, with the overall relationship being characterized as one of *calculation*. In the political arena, the relationship was one of *cooperation* and included the signing of a major treaty in 2001 and an improving multilateral relationship. In the military arena, the relationship remained *calculated*, but security interests and contacts increased, with greater arms sales and the initiation of limited exchanges and meetings. In the economic realm, relations remained very limited.

Political Relationship

The political relationship between Russia and China during this period can be characterized as one of *cooperation*.

Bilateral relations improved during the period. In April 1996, China and Russia signed a joint declaration on creating “an equal and trustworthy strategic partnership.”¹ After 1996, annual meetings of the heads of state started to be held. China and Russia’s discussions eventually culminated in the signing of the Treaty of Good-Neighborliness and Friendly Cooperation in 2001, or, in some Russian sources, the “Big Treaty.”² The treaty had a 20-year time frame and included articles emphasizing mutual nonaggression, the absence of territorial claims, efforts to address cross-border crime, and the expansion of economic and military cooperation (including “military know-how”).³ Russia also strongly supported China’s position on Taiwan, endorsing the “One China” position and rejecting external interference in the matter.⁴ Although the treaty contained strong guarantees to protect each

¹ Thomas S. Wilkins, “Russo–Chinese Strategic Partnership: A New Form of Security Cooperation?” *Contemporary Security Policy*, Vol. 29, No. 2, 2008, p. 360.

² Alexander Korolev, “On the Verge of an Alliance: Contemporary China-Russia Military Cooperation,” *Asian Security*, published online April 30, 2018a, p. 5.

³ Ministry of Foreign Affairs of the People’s Republic of China, “Treaty of Good-Neighborliness and Friendly Cooperation Between the People’s Republic of China and the Russian Federation,” July 24, 2001.

⁴ Joseph Y. S. Cheng, “Chinese Perceptions of Russian Foreign Policy During the Putin Administration: U.S.-Russia Relations and ‘Strategic Triangle’ Considerations,” *Journal of*

other's security, such as by prohibiting any cooperation with third parties to compromise the "sovereignty, security and territorial integrity" of the other, the treaty was not an alliance or a mutual defense pact.⁵ The political gap between China and Russia was also visible in the occurrence of some perceived strain in their relationship in the aftermath of the 9/11 attacks. Russia sought to cooperate with the United States in addressing terrorism and later negotiated the Strategic Offensive Reduction Treaty even after the United States withdrew from the Anti-Ballistic Missile Treaty. Bobo Lo notes that, at the time, "[r]elations with China were unceremoniously pushed into the background."⁶ This dynamic likely reflects Russia's continued focus on its relationship with Europe and the West over that of Asia.

China and Russia's improving, but still lukewarm, political relationship was also reflected in multilateral forums, especially through the development of the SCO. As noted in the previous chapter, the SCO developed out of the Shanghai Five, a group composed of China and the former Soviet republics of Russia, Kazakhstan, Kyrgyzstan, and Tajikistan, and was created to resolve border disputes between China and the former Soviet states. Russia joined with the three Central Asian countries to better negotiate with China in a structure called "two sides, but five countries."⁷ In 1999 and 2000, the topics discussed in the Shanghai Five meetings expanded to include the common threats of terrorism, cross-border crime, and Islamic extremism, and law enforcement officials also began to attend.⁸ In January 2001,

Current Chinese Affairs, Vol. 38, No. 2, 2009, pp. 152 and 154; Rensselaer Lee and Artyom Lukin, *Russia's Far East: New Dynamics in Asia Pacific and Beyond*, Boulder, Colo.: Lynne Rienner Publishers, 2015, p. 101.

⁵ Alexander Korolev notes that the treaty contains "hints of an implicit defense pact," but the absence of specific guarantees in case of conflict with a third party puts in question the idea that the treaty can be understood as an alliance; Korolev, 2018a., p. 6.

⁶ Lo, 2008a, pp. 96–97.

⁷ Weiqing Song, "Interests, Power and China's Difficult Game in the Shanghai Cooperation Organization (SCO)," *Journal of Contemporary China*, Vol. 23, No. 85, 2014, p. 90.

⁸ Chien Peng Chung, "China and the Institutionalization of the Shanghai Cooperation Organization," *Problems of Post-Communism*, Vol. 53, No. 5, 2006, pp. 5–8; Song, 2014, pp. 90–92.

Uzbekistan applied to be included. In June 2001, the “Shanghai Convention Against Terrorism, Separatism, and Extremism” was formally signed, and terrorism, separatism, and extremism subsequently came to be called the “three evils.” An SCO Charter was then signed in 2002. Analysts highlight China’s initiative for the development of the SCO, especially to maintain stability in its restive Xinjiang region, but Russian acquiescence and support was also essential.⁹

China and Russia also voiced similar opinions in the UN, although, as illustrated by the 1999 Kosovo War, there is little evidence of closely coordinated policy at this point. Russia particularly opposed the NATO intervention because of its close ties with Serbia, concerns about NATO aggression, and its perception of having a waning influence in Europe.¹⁰ But Russia also shared with China a broader concern that NATO’s decision to intervene without a UNSC mandate—which Russia had stated it would veto—weakened the UN and facilitated subsequent military action against China and Russia or their partners.¹¹ In March 1999, Russia proposed a UN resolution to end the NATO intervention, which China supported but did not cosponsor.¹² The May 7, 1999, bombing of the Chinese embassy shifted China’s view of the intervention and reinforced to both countries the threat posed by U.S. military superiority and the United States’ willingness to employ that superiority without consideration of the views of other powers. By one account, Chinese officials emphasized the importance of their participation in the Security Council to end the crisis.¹³ However, most accounts focus on the role of Russia in negotiating an end

⁹ Alexander Cooley, *Great Games, Local Rules: The New Great Power Contest in Central Asia*, reprint ed., Oxford, United Kingdom: Oxford University Press, 2014, pp. 75–78; Song, 2014, pp. 91–92.

¹⁰ Tim Judah, *Kosovo: War and Revenge*, New Haven, Conn.: Yale University Press, 2002, pp. 182–184.

¹¹ Sakaguchi Yoshiaki and Mayama Katsuhiko, “Significance of the War in Kosovo for China and Russia,” *NIDS Security Reports*, No. 3, March 2002. Russia’s logic was more complicated.

¹² Ivo H. Daalder and Michael E. O’Hanlon, *Winning Ugly: NATO’s War to Save Kosovo*, Washington, D.C.: Brookings Institution Press, 2001, p. 127.

¹³ Cheng, 2009, pp. 151–155.

to the crisis, and China appeared to play little role in Kosovo in subsequent years.¹⁴

In regional affairs, China and Russia both intensified their engagement with Central Asia around the same time that U.S. presence in the region increased following September 11, 2001. Although there was potential for geopolitical competition, all three countries were concerned about terrorism in the region. In the 1990s, as mentioned in the last chapter, Russia had a continued ambition for leadership in Central Asia but lacked the resources to solidify this role in the post-Soviet period.¹⁵ In the early 2000s, with increasing revenue from oil and gas, Russia strengthened several regional institutions, including with Central Asian countries. In 2000, Russia, Belarus, Kazakhstan, Kyrgyzstan, and Tajikistan joined to create the Eurasian Economic Community. In May 2002, Russia built on the 1992 Tashkent Treaty to create the more potent CSTO. The CSTO included a mutual defense clause and involved the creation of a rapid reaction force. To some degree, this increased institutionalization likely reflected Russia's fear that the United States would use its increased presence from the war in Afghanistan to expand its influence in the region at the expense of Russia.¹⁶ During the same period, China pursued friendly ties with Central Asia, including through the development of the SCO.

In South Asia, Russian relations were characterized by close collaboration with India, a key partner dating back to the Cold War era, and uneasy ties with Pakistan, India's geopolitical rival.¹⁷ Meanwhile,

¹⁴ Perritt, 2009, p. 80, cites confidential interviews to note that China "generally deferred to the others on Kosovo matters"; Henry H. Perritt, Jr., *The Road to Independence for Kosovo: A Chronicle of the Ahtisaari Plan*, Cambridge, United Kingdom: Cambridge University Press, 2010. See also Judah, 2002.

¹⁵ Suny, 1999, p. 170.

¹⁶ Cooley, 2014, pp. 53–60. Although Cooley, 2014, p. 57, does note that the CSTO in 2003 (the first year of its existence) "displayed a somewhat schizophrenic attitude on whether to view the West as a regional partner or a competitor, mirroring Russia's inconsistent policy on the matter at the same time."

¹⁷ For an overview of Russian-Pakistani ties in this period, see Rouben Azizian and Peter Vasilieff, "Russia and Pakistan: The Difficult Path to Rapprochement," *Asian Affairs*, Vol. 30, No. 1, 2003.

China maintained its strong traditional ties with Pakistan, while mutual suspicion stemming from unresolved border disputes and economic competition prevented major progress in the Sino-Indian relationship.¹⁸ Nevertheless, a series of Russia-India-China trilateral interactions took place, commencing with a meeting between foreign ministers of the three countries in September 2002 on the sidelines of the UN General Assembly session in New York.

China remained the major force in Southeast Asia. Beijing's strong support in the wake of the 1997 Asian Financial Crisis and its successful push for an Association of Southeast Asian Nations (ASEAN)-China Free Trade Area ensured the positive development of its ties to the region. Lingering concerns over territorial disputes in the South China Sea fell into the background as economic ties prospered.¹⁹ Russia's ties with Southeast Asia were primarily characterized by its relationship with Vietnam, a key partner during the Cold War. Russia signed a "Joint Statement for a Strategic Partnership" with Vietnam in March 2001 and wrote off \$9.5 billion of \$11 billion in debt, delaying repayment on the remaining debt.²⁰ However, bilateral trade fell precipitously, and dwindling defense funding forced Russia to remove its military presence at Cam Ranh Bay in 2002.²¹

Although analysts noted possible frictions, such as from the interaction between the security-oriented SCO and Russia's interests in Central Asia, the differing partnerships and objectives in these regions did not manifest in visible friction in the overall Russia-China relationship, at least at the time.

¹⁸ For some background on Sino-Indian ties in this period, see Surjit Mansingh, *India-China Relations in the Context of Vajpayee's 2003 Visit*, Washington, D.C.: Sigur Center for Asian Studies, George Washington University, 2005, p. 2.

¹⁹ See Alice D. Ba, "China and ASEAN: Renavigating Relations for a 21st-Century Asia," *Asian Survey*, Vol. 43, No. 4, July–August 2003.

²⁰ Vitaly Kozyrev, "Russia–Vietnam Strategic Partnership: The Return of the Brotherhood in Arms?" *Russian Analytical Digest*, No. 145, March 31, 2014, p. 9.

²¹ Kozyrev, 2014, p. 9.

Military Relationship

Russia and China's military relationship remained one of *calculation*: Despite increasing cooperation in several areas and efforts to reduce the threat posed to each other, both sides remained hesitant about close ties. Several of the political agreements mentioned above had military components, including agreements in 1997 and 1998 to address border forces and the 2001 treaty. The process of resolving the border dispute (finally concluded in 2008) was mutually perceived to reduce the threat by both countries.²² Nevertheless, there remained hesitation on both sides about developing a closer relationship.

Arms sales provided the most lucrative area of military cooperation. China entered the 1990s with mostly obsolete military equipment, having been largely cut off from Russian weapons for over 20 years and foreclosed from Western sources of armaments because of sanctions that were imposed against the country following Tiananmen Square. Building on the 1992 military technology agreement, China leveraged the newly reopened Russian arms trade to effectively recapitalize its military, with a focus on purchases that enhanced its air, air defense, and naval capabilities. Chinese arms purchases expanded rapidly after 1998, with deliveries averaging more than \$2 billion annually from 1999 to 2002. In 2002, the countries signed another arms agreement, the 15-year Military Cooperation Plan, which "expanded the provision of military equipment, technology licenses, and joint research and development."²³ During this period, China took initial deliveries of modern weaponry, including Su-27 and Su-30 aircraft, the S-300 SAM system, Sovremennyy-class guided missile destroyers, and Kilo-class diesel submarines.²⁴ Technical assistance to China included licenses to

²² Richard Weitz, "China-Russia Relations and the United States: At a Turning Point?" *Second Line of Defense*, April 13, 2011; Korolev, 2018a, p. 13; Paul Schwartz, "Evolution of Sino-Russian Defense Cooperation Since the Cold War," Asan Forum, June 13, 2014, notes 26 and 27. See also Bates Gill, *Rising Star: China's New Security Diplomacy*, Washington, D.C.: Brookings Institution Press, 2007, Ch. 2.

²³ Schwartz, 2014, p. 8, note 29.

²⁴ Stockholm International Peace Research Institute (SIPRI), "SIPRI Arms Transfer Database," online database, last updated March 12, 2018.

produce Russian weapon systems, such as the Su-27, and large numbers of Russian scientists reportedly working in Chinese defense plants.²⁵

In other types of military cooperation, the Annual Strategic Consultations among the Chiefs of the General Staff were initiated in 1997, and a series of consultations at the Defense Minister and below level began in 2001. In 1996 and 2000, China signed agreements with Russia to expand the number of military personnel attending training courses in the other country, with high-ranking Chinese officers attending the Russian General Staff Academy and other PLA personnel attending mid-level academies as well as specialty schools for the employment of Russian-origin weapon systems.²⁶ In addition, exchanges of scientists and engineers grew in support of arms sales and development programs.²⁷

Economic Relationship

The economic relationship during the 1997–2002 period was one of *calculation*. During much of this period, both countries had other priorities. Most of Russia's economic efforts were focused on the currency crisis and default of 1998, which caused GDP to end the year down 4.9 percent.²⁸ Although this created a short-term decline in international confidence in Russia's reform efforts, the Russian economy rebounded strongly in 2000 and 2001, so that by 2002 it was poised to ride the wave of growing commodities prices.

For its part, China was focused largely on WTO accession. China first applied to join the WTO's predecessor group, the General Agreement on Tariffs and Trade, in October 1986. Once the WTO was formed in 1995, China transferred its application to that organization.

²⁵ Schwartz, 2014, p. 9.

²⁶ Korolev, 2018, p. 11; Schwartz, 2014, p. 9.

²⁷ Schwartz, 2014, p. 9.

²⁸ Abbigail J. Chiodo and Michael T. Owyang, "A Case Study of Currency Crisis: The Russian Default of 1998," *Federal Reserve Bank of St. Louis Review*, November–December 2002.

The WTO accepted China as its 143rd member on December 11, 2001.²⁹

During this period, the Chinese economy grew at more than twice the rate of the Russian economy, and the aggregate Chinese economy was more than four times larger, but Russia remained much richer on a per capita basis (Table 3.2). Economic exchange was modest, with China being a far more important partner to Russia than Russia was to China. Total bilateral goods trade averaged only \$7.1 billion in nominal dollars, although this amount rose steadily from a low point in 1998.

In Chapter One, we noted how endowments might inform patterns of economic exchange between Russia and China. Even in this

Table 3.2
China-Russia Economic Relations, 1997–2007, Annual Averages

Indicator	Russia	China
GDP growth (%)	5.8	10.0
Nominal GDP (U.S. \$billions)	533	1,756
Nominal per capita GDP (U.S. dollars)	3,688	1,363
Nominal per capita PPP GDP (international dollars)	9.288	3,943
Total bilateral goods trade (U.S. \$billions)	15.5	
Total bilateral goods trade relative to all imports from the world (%)	3.0	
Share of goods exports to other country (%)	6.1	1.3
Share of goods imports from other country (%)	5.5	2.5
Share of services exports to other country (%)	2.4	1.4
Share of services imports from other country (%)	2.8	N/A
Share of outward foreign direct investment (FDI) to other country (%)	0.7	N/A
Share of inward FDI from other country (%)	N/A	0.08

²⁹ World Trade Organization, “Accessions: China,” webpage, undated.

Table 3.2—Continued

SOURCES: For GDP growth, nominal GDP, nominal per capita GDP, and nominal per capita PPP GDP: World Bank, "World Development Indicators," online database, last updated June 28, 2018, data downloaded August 28, 2018. For goods trade, United Nations, "UN Comtrade Database," online database, 2017, data downloaded August 30, 2018. Total bilateral goods trade is the sum of imports from China, as reported by Russia, and imports from Russia, as reported by China, and is in nominal values. For services trade: Central Bank of the Russian Federation, annual spreadsheets on External Sector Statistics, External Trade in Services, External Trade in Services of the Russian Federation by Main Partner Countries, undated; and National Bureau of Statistics of the People's Republic of China, *China Statistical Yearbook 2017*, Table 11-11, Total Value of Imports and Exports of Services, Beijing, 2018. For FDI: United Nations Conference on Trade and Development (UNCTAD), "Foreign Direct Investment: Inward and Outward Flows and Stock, Annual, 1970–2016," online database, downloaded April 8, 2018; and National Bureau of Statistics of the People's Republic of China, "Foreign Trade and Economic Cooperation/Foreign Investment Actually Utilized by Countries or _Regions/Foreign Direct Investment Actually Utilized/Value of Foreign Direct Investment Actually Utilized _by China," online database, undated a; and for data in 2007–2012 and 2012–2017, National Bureau of Statistics of the People's Republic of China, "Foreign Trade and Economic Cooperation/Overseas Direct Investment by Countries or Region/Total Net Overseas Direct Investment," online database, undated b.

NOTES: Indicators are annual averages inclusive of beginning and end years, unless otherwise indicated. PPP stands for purchasing power parity and indicates the standard of living. Total bilateral trade is normalized relative to the sum of Russia's imports from the world and China's imports from the world because total bilateral trade is calculated as Russia's reported imports from China and China's reported imports from Russia; the sum of China's reported exports to Russia and Russia's reported exports to China is generally less than the imports sum. Trade shares represent exports or imports from or to the other country relative to total exports or imports. For example, the 6.1 percent in the Russia column in 1997–2007 means 6.1 percent of all Russian goods exports went to China. Likewise, the 5.5 percent in the Russia column in 1997–2007 means 5.5 percent of all Russian goods imports came from China. Services trade data were available only for 2002–2007, so the figures shown in those rows are for those years only. For Chinese services exports to Russia as a proportion of total Chinese services exports, we used data on Russian services imports from China as a substitute for Chinese services exports to Russia. To derive Russia's share of outward investment flows that went to China, we compared China's reported inward direct investment flows from Russia with UNCTAD's reported Russian outward direct investment flows.

early period of limited exchange, such endowment effects are apparent. Of all Russian exports to China, 14 percent were minerals and another 8 percent were fuels. But 57 percent of Russian exports were chemicals, pharmaceuticals, various manufactured goods, and machinery and transport equipment, likely reflecting its capital advantage.³⁰ Going the other direction, 64 percent of China's exports to Russia were in miscellaneous manufactured items. This includes such labor-intensive but low capital-intensive products as furniture and apparel.

Russia and China also engaged in services trade during this period, although at low levels, as with goods trade. Russian and Chinese trade in services as a share of total trade from 1997 to 2002 was about on par with world trade in services as a share of total trade.³¹ China was an even less inviting market for Russian services exports than for Russian goods exports.

During this period, not only was trade low, but bilateral direct investment was low as well. Neither China nor Russia were major global investors,³² and neither country invested much in the other.

³⁰ We use the Standard International Trade Classification (SITC), Revision 3, for our sectoral descriptions; United Nations, *Standard International Trade Classification Revision 3*, Statistical Papers, Series M, No. 34, New York, 1986. Within the SITC, there are four broad classes of manufactured items: SITC 5, chemicals and related products, net external sales, which includes such goods as pharmaceuticals and plastics; SITC 6, manufactured goods classified chiefly by material, which includes such goods as leather, paper, textiles, and iron and steel products; SITC 7, machinery and transport equipment; and SITC 8, miscellaneous manufactured articles, which includes such goods as apparel, footwear, and scientific instruments. We refer to these broad sectors as chemicals and pharmaceuticals, various manufactured goods, machinery and transport, and miscellaneous manufactured items. In general, goods from SITCs 5, 6, and 7 are more capital-intensive or skills-intensive than goods from SITC 8, although scientific instruments certainly constitute an exception.

³¹ World Bank, 2018; National Bureau of Statistics of the People's Republic of China, 2018. We use the World Bank data on services during this period because Russian data on services are unavailable before 2002. World Bank data on Chinese services imports are equal to Chinese data, but World Bank services export data for this period for China are anomalously high and do not match the Chinese data, so we use the Chinese export data for this period.

³² On average, China's outward direct investment stock was only 0.4 percent of global investment, and its inward direct investment stock was only 2.8 percent of global investment, while its GDP share averaged 3.6 percent. Russia's numbers were even lower: 0.3 percent, 0.5 percent, and 0.9 percent, respectively; UNCTAD, 2018.

Beyond trade and investment, there were small signs of a special relationship between the countries in terms of economic agreements, multilateral forums, and special announcements. Beyond the agreements discussed earlier in the section on the political relationship, Chinese Prime Minister Zhu Rongji and Russian Prime Minister Yevgenii Primakov signed an agreement in February 1999 to carry out a preliminary feasibility study for a pipeline from near Lake Baikal to Heilongjiang province: the East Siberian pipeline. However, even by 2006, no joint decision had been made to build the pipeline.³³

Explaining the Relationship

According to the changes in the relationship (summarized in Table 3.3), we assess the overall character of the relationship between China and Russia during this period as *calculation*. Both countries sought to improve the relationship, and there was notable diplomatic engagement and arms sales. But there was not real development of collaborative political or economic projects, with the exception of the SCO, which was still nascent. There were also continuing signs of distrust (and racism) between the two countries. Fears that a flood of Chinese migrants could wrest Siberia and the Far East from Russian control have a long history. During the Soviet period, officials feared that the sparsely populated regions of Russia were vulnerable to demographic and/or military dominance by the Chinese.³⁴ In the 1990s and 2000s, Russian media and commentators continued to raise alarm about a Chinese threat to the Far East—alarm which was shared by regional authorities as well as, occasionally, by the Kremlin.³⁵ According to

³³ Bobo Lo and Andy Rothman, *China and Russia: Common Interests, Contrasting Perceptions*, Asian Geopolitics Special Report, CLSA Asia-Pacific Markets, May 2006.

³⁴ Vasily Kashin, *The Current State of Russian-Chinese Defense Cooperation*, occasional paper, Arlington, Va.: CNA, August 2018, pp. 6–7.

³⁵ In the 1990s, some regional officials, who enjoyed greater authorities under Yeltsin, pushed for measures to oppose Chinese presence in their regions. See Lukin, 2018a, pp. 75–76. In the mid-2000s, concerns about potential Chinese expansion resurfaced, leading to a set of measures to limit trade near the Far East–Chinese border and a “soft ‘squeezing out’ of several Chinese investors from Russian territory”; Alexander Gabuev and Vasily Kashin, *Vooruzhennaya druzhba – kak Rossiya i Kitay torguyut oruzhiem* [*Friendship in Arms:*

Table 3.3
Chinese-Russian Relationship, 1997–2002

Relationship	Assessment	Explanation
Overall	Calculation	Efforts by both countries to improve relationship, but few tangible collaborative projects and continued distrust
Political	Cooperation	<ul style="list-style-type: none">• Increasing; 2001 treaty• Development of SCO• Friction in Central and South Asia, but does not escalate
Military	Calculation	<ul style="list-style-type: none">• Reduced border forces• Major expansion• Not yet• Agreed to expand, but small scale
Economic	Calculation	<ul style="list-style-type: none">• Modest (\$7.1 billion)• Low• Little activity

Russian commentators, Moscow’s plans to develop the Far East and Siberia in these decades were motivated in part by those fears of China (and other Asian powers). In 2000, Putin explicitly cautioned, “I don’t want to dramatize the situation, but unless we make real efforts [at regional development] soon, then even the indigenous population will

How Russia and China Trade in Weapons], Moscow: Carnegie Moscow Center, November 2, 2017, p.16.

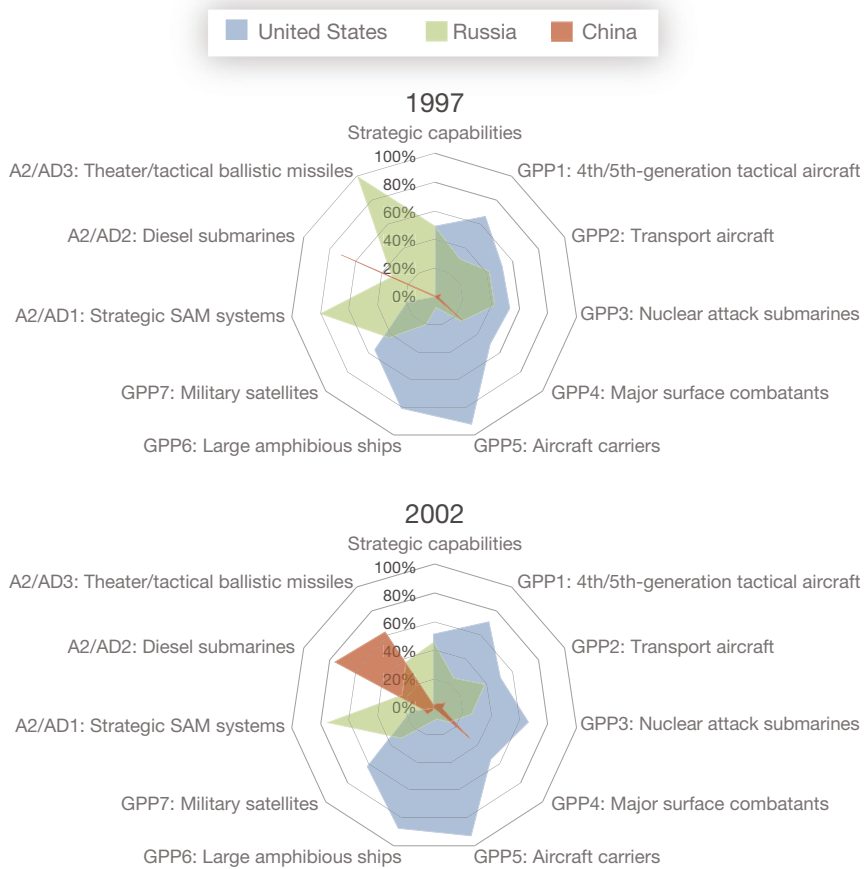
in several decades from now be speaking mainly Japanese, Chinese and Korean.”³⁶

Enduring mutual distrust was to be expected, given the history of confrontation and conflict, and this distrust would take time to alleviate. Confidence-building measures remained works in progress: Territorial disputes were being resolved; borders were in the process of being demilitarized, such as the 1997 Agreement on Reducing Each Other’s Military Forces along the Border Regions; and mechanisms of security cooperation, most notably the establishment of the SCO in mid-2001, were being developed.

We argue that the relationship of calculation was primarily attributable to the balance of power, changing threat perceptions of each other, and a low, but increasing, threat perception of the United States. The balance of power across all three measures strongly favors the United States during this period. As illustrated in Figure 1.2 in Chapter One, U.S. aggregate power throughout the period was more than twice the combination of Chinese and Russian aggregate power (by our metric, the United States in 2002 had 68.0 percent of aggregate power, compared with 12.5 percent for China and 19.5 percent for Russia). Over the period, China began to increase in power, especially in the military arena. As shown in Figure 3.1, China had very few capabilities for power projection or A2/AD in 1997 but had dramatically gained in theater missiles and diesel submarines by 2002. These gains reduced Russia’s relative advantage in these capabilities, while the United States remained unequivocally militarily dominant. The disparity in overall power gave Russia and China little incentive to work together to balance against the United States, since even with closer cooperation they could not have hoped to challenge U.S. dominance at the time. The balance of power theory is thus consistent with the observed lack of strong balancing behavior, although it has difficulty explaining the nuance in Chinese-Russian cooperation, especially their somewhat improving relationship over the period.

³⁶ President of Russia, “Introductory Remarks at a Meeting on the Prospects of the Development of the Far East and the Trans-Baikal Region,” July 21, 2000c.

Figure 3.1
Aggregate Military Capabilities, 1997 and 2002



SOURCES: IISS, 1997; IISS, 2002.

NOTES: The full range of the indicators for strategic capabilities, global power projection (GPP), and A2/AD capabilities are displayed in the figures as distributions displaying the share of each indicator possessed by the United States. (blue), Russia (green), and China (red), with each distribution covering a single year, beginning in 1997 and moving forward in five-year increments until 2017. We excluded the ground force factors because of data anomalies. We use these figures throughout the report. The two diagrams in the figure show the growth in Chinese A2/AD capabilities between 1997 and 2002, a discernible decline in relative Russian military capabilities in the same five-year period, and virtually no change in relative U.S. military power.

According to one Russian scholar (collaborating with an American researcher), sheer balance of power considerations could have led Russia to balance against China as easily as against the United States, but perceptions of relative threat drove Russia's choice.³⁷ Perceptions of "the China threat fluctuated depending on the state of relations with the West": in the 2000s, compared with the threatening actions and policies of the West in Russia's ex-Soviet neighborhood as well as toward Russia itself, the limited nature of China's engagement with Central Asia, its diplomatic circumspection, and its tolerance of diverse regime types all ensured that the West became viewed as a more immediate threat than China.³⁸

The more-subtle changes in the Chinese-Russian relationship are better explained by shifts in threat perceptions. Moscow and Beijing's threat perceptions with regard to each other were non-negligible, given the history of the Sino-Soviet split. One Russian expert in 2001 expressed frustration that "the very real military threat emanating from China is not simply being ignored. It is completely denied by the leadership and almost all political forces of the Russian Federation."³⁹ On the Chinese side, analysts viewed Russia as a weak power in decline, but one that could continue to exert influence within Eurasia.⁴⁰ However, the ongoing progress in normalizing the relationship dimmed the possible perception of aggressive intentions, at least according to the official position of the leadership, who echoed this sentiment in the 2001 treaties.⁴¹ Furthermore, the reduction of forces in the border region limited the offensive potential that either posed to the other.

³⁷ Lee and Lukin, 2015, pp. 104–106.

³⁸ Lee and Lukin, 2015, p. 106, pp. 104–105.

³⁹ Alexander Sharavin, "Tret'ya ugroza. Voennoe stroitel'stvo Rossii bez ucheta opasnostei iskhodyashchei s Vostoka [The Third Threat. The Military Force Structure of Russia is Being Developed Without Consideration to the Danger from the East]," *Independent Military Digest*, September 28, 2001.

⁴⁰ David Shambaugh, *Modernizing China's Military: Progress, Problems, and Prospects*, Berkeley, Calif.: University of California Press, 2002, p. 303.

⁴¹ In 2002, for example, Putin stated, "[Russia and China] are not just good neighbors. We are equal partners who respect each other's interests. And proceeding from these principles for relations, we signed the Treaty on Neighborly Relations, Friendship and Cooperation last

At the same time, both Russia and China had some increasing, but still diffuse, perception of the United States as an aggressive actor. Neither had immediate reason to expect a direct attack on either nation, but both saw the United States as an unconstrained power that could intentionally undermine their interests. For Russia, U.S. policy in Europe in the late 1990s—including the Kosovo campaign and NATO enlargement—clearly demonstrated the willingness of the United States to take actions that undermined Russian interests.⁴² At the same time, Russia downplayed to a degree its view of these actions as harmful. Russia had, after all, adopted an initially supportive view toward the U.S. presence in Central Asia and continued to seek a closer relationship with the United States. These choices stemmed in part from Russia's weakness at the time, as well as lingering positive aspirations for cooperating with the West to form a new world that served Russian interests.⁴³ For China, the American intervention in the Taiwan Strait crisis of 1996, when the United States sent two carrier battle groups to patrol the area during the Taiwanese elections, illustrated Washington's enduring hostility to China's aspirations. China also agreed with Russia's view of the U.S. and NATO's action against Serbia. Beijing's perception of the potential for aggressive U.S. action was reinforced when its embassy in Belgrade was bombed, an act the Chinese still believe was intentional.⁴⁴ China was wary of the U.S. intervention in Afghanistan and America's military presence in Central Asia following the attacks of September 11, 2001 (although it pursued counterterrorism cooperation with the United States).⁴⁵

The United States also had an offensive military advantage in the European and East Asian regions (see Appendix A). U.S. capabilities were technologically superior to the still largely stagnated Russian and

year"; President of Russia, "A Meeting with Students and Professors at Beijing University," December 3, 2002b.

⁴² Radin and Reach, 2017, pp. 39–49 and 63–68.

⁴³ See Jeffrey Mankoff, *Russian Foreign Policy: The Return of Great Power Politics*, 2nd ed., Lanham, Md.: Rowman & Littlefield, 2011, pp. 25–27; Radin and Reach, 2017.

⁴⁴ Lo, 2017, pp. 93, 104; Cheng, 2009, pp. 153–154.

⁴⁵ Scobell, Ratner, and Beckley, 2014, pp. 20–21.

Chinese militaries.⁴⁶ The Russian military continued to atrophy from the heights of its Cold War strength, and its poor performance in the Chechen conflicts indicated problems with the force, but there were few resources and little will available to undertake major reforms.⁴⁷ The PLA had begun to reap the benefits of modernization and recapitalization enabled by China's economic growth but remained a large, ground-centric force facing challenges of poor personnel quality, inadequate training, and corruption.⁴⁸

The combination of some threat from the United States, little capability to balance the United States, and a minimal threat from each other encouraged greater (but still cautious) political and military cooperation. China benefited from receiving new equipment and technology from the Russians, substantially recapitalizing the PLA with modern capabilities. Russia and China also did not have fully aligned regional interests. For example, China and Russia's interaction demonstrated a degree of collaboration, such as through the SCO, but the SCO remained quite weak, and there was a perception of potential friction over influence in the region. In the absence of a stronger threat from the United States and an ability to better balance against the United States, there was not sufficient impetus to overcome mutual suspicion.

⁴⁶ We drew from the in-depth quantitative and qualitative analysis of military capabilities on the United States, Russia, and China in the IISS annual reports *The Military Balance* in making relative assessments of military capabilities among the three countries.

⁴⁷ Defense Intelligence Agency, *Russia Military Power: Building a Military to Support Great Power Aspirations*, Washington, D.C., 2017, pp. 10–11.

⁴⁸ Office of the U.S Secretary of Defense, *FY04 Report to Congress on PRC Military Power*, Washington, D.C., 2003, Section IV; Eric Heginbotham, Michael S. Chase, Jacob L. Heim, Bonny Lin, Mark R. Cozad, Lyle J. Morris, Christopher P. Twomey, Forrest E. Morgan, Michael Nixon, Cristina L. Garafola, and Samuel K. Berkowitz, *The U.S.-China Military Scorecard: Forces, Geography, and the Evolving Balance of Power, 1996–2017*, Santa Monica, Calif.: RAND Corporation, RR-392-AF, 2015, pp. 26–35; Michael S. Chase, Jeffrey Engstrom, Tai Ming Cheung, Kristen Gunness, Scott W. Harold, Susan Puska, and Samuel K. Berkowitz, *China's Incomplete Military Transformation: Assessing the Weaknesses of the People's Liberation Army (PLA)*, Santa Monica, Calif.: RAND Corporation, RR-893-USCC, 2015, pp. 13–19.

Ideological convergence and economic complementarity do not seem to have affected the relationship. From 1997 to 2002, we measure ideological convergence as 12/15 for Russia and China (see Appendix A). This is on the low side of ideological alignment for the 1997–2017 period but also reflects many areas of agreement. China and Russia’s domestic ideologies were quite divergent: China remained focused on social politics with Chinese characteristics, while Russia expressed pro-Western aspirations for governance, particularly during the Yeltsin years. Their views of the international political and economic order were more similar. Both felt largely isolated from the West. Moscow was frustrated with what it considered to be the West’s hostility toward Russia and the West’s harsh criticism of domestic policies, such as in Chechnya, while the issue for Beijing was the lingering Western response to its political and human rights policies. China’s worldview emphasized a rejection of military alliances and unipolarity, while Russia similarly expressed a view that the world was becoming multipolar.⁴⁹ On the global economic order, both Russia and China pursued membership in the WTO and an “equal” say—meaning a voice equivalent to that of the United States—in global economic developments.⁵⁰ Their ideological alignment did not appear to drive their cooperation but instead might have been a reflection of the overall power and threat dynamics.

The significant economic complementarity between China and Russia, especially with regard to Russia’s larger capital and stocks of natural resources and China’s greater labor stocks, did not drive significant trade or investment.⁵¹ Both countries were oriented far more to the developed world, with China striving to attract investment and develop greater trade opportunities and Russia recovering from its dramatic geopolitical transformation and the 1998 crisis and concentrating on its role as an energy supplier to Europe. China also had numerous other resource suppliers from which to choose. In addition, the

⁴⁹ Lee and Lukin, 2015, pp. 5–6; Cheng, 2009, pp. 152–54

⁵⁰ President of Russia, “Foreign Policy Concept of the Russian Federation,” June 28, 2000a.

⁵¹ Appendix A provides details on their respective endowments and how these endowments might relate to economic exchange.

calculated nature of political and military relations did not lead to a strong political motivation for greater investment or trade.

Moving from Strategic Coordination to Strategic Partnership: 2002–2007

The improvements in the relationship accelerated during this period, with Russia and China entering into a strategic partnership that constituted *cooperation*. In the political arena, the relationship continued as *cooperation*, as the nations increased and formalized top-level contacts, resolved a border dispute, developed a closer regional partnership through the SCO, and continued to closely align in other international bodies, such as the UN. In the military arena, the relationship moved to one of *cooperation*, with arms sales peaking and the initiation of joint military exercises. The economic realm was *cooperative* but was not as close as the political or military relationships. Although Russian energy and arms exports increased, there was no significant surge in Chinese exports to Russia or FDI in either direction.

Political Relationship

Political relations between China and Russia constituted continuing *cooperation* from 2002 to 2007. After a temporary downturn in bilateral relations in the wake of 9/11, bilateral relations again improved in 2004–2005. China and Russia reached a partial border agreement in 2004, which included the exchange and allocation of disputed islands in the Amur River.⁵² Other agreements concluded during the period covered issues such as trade, immigration, scientific-technical cooperation, tourism, and youth education exchanges.⁵³ At the same time, there continued to be frequent meetings between President Putin and Chinese presidents Jiang Zemin and Hu Jintao, including at regional gatherings, such as the APEC or SCO. Demonstrating an increasingly compatible world view, Putin and Hu issued the Sino-Russian Joint State-

⁵² Kashin, 2018, p. 12.

⁵³ Cheng, 2009, p. 158.

ment on the International Order in the Twenty-First Century in July 2005, which set forth common stands on major international issues, such as UN reforms, globalization, North-South cooperation, and world economy and trade.⁵⁴ Also during this period, the two countries established the Russia-China Consultation on National Security Issues, “the first precedent of China creating an interstate mechanism of consultations on its national security issues with a foreign state.”⁵⁵

Russian policy was guided in part by its overall decline in relations with the West and by high-profile threats at home. In October 2002, Chechen radicals seized a Moscow theater and held hundreds of hostages. Two years later, Chechen gunmen occupied a school in Beslan, North Ossetia, again taking hundreds of people hostage. Both incidents culminated in violence, and more than 100 were killed in each instance. Russia’s view of the United States appeared to change after its engagement with the United States following 9/11 did not bear fruit, and the United States supported “color revolutions” in Georgia in 2003 and Ukraine in 2004. Dmitri Trenin, writing in 2006, summarized the changing Russian view: “Until recently, Russia saw itself as Pluto in the Western solar system, very far from the center but still fundamentally a part of it. Now it has left that orbit entirely: Russia’s leaders have given up on becoming part of the West and have started creating their own Moscow-centered system.”⁵⁶

The U.S.-China relationship was smoother during the period, highlighted by the 2005 announcement of a new policy framework for the relationship.⁵⁷ Like Russia, China initially supported the United States after the 9/11 attacks, voting for UNSC antiterrorism resolutions, freezing bank accounts of terrorist suspects, and endorsing Pakistan’s

⁵⁴ Ministry of Foreign Affairs of the People’s Republic of China, “Joint Statement of the People’s Republic of China and the Russian Federation on the International Order in the Twenty-First Century,” July 1, 2005.

⁵⁵ Alexander Korolev, “Beyond the Nominal and the Ad Hoc: The Substance and Drivers of China-Russia Military Cooperation,” *Insight Turkey*, Vol. 20, No. 1, Winter 2018b.

⁵⁶ Dmitri Trenin, “Russia Leaves the West,” *Foreign Affairs*, July/August 2006.

⁵⁷ Kerry Dumbaugh, *China-U.S. Relations: Current Issues and Implications for U.S. Policy*, Washington, D.C.: Congressional Research Service, RL33877, June 14, 2007, summary.

cooperation with the United States during operations in Afghanistan.⁵⁸ Underlying this stronger diplomatic and economic cooperation, however, were continuing security concerns: Beijing frequently felt disregarded and even harmed by U.S. policy.

The two states' engagement in multilateral institutions also increased. China and Russia both strongly opposed the Iraq War, voicing a common concern about the U.S. decision to circumvent the UN and unilaterally initiate a preemptive war with the objective of regime change.⁵⁹ Russia's opposition to the Iraq War was a departure from its post-9/11 cooperative posture toward the United States, although Russia later moderated its stance once the initial outcome of the conflict had been decided.⁶⁰ In addition to their UNSC opposition to the Iraq War, China and Russia cast a joint veto on a 2007 U.S.-sponsored Security Council resolution concerning human rights violations and political repression in Myanmar.⁶¹ This was the first of what would be a series of joint vetoes of Security Council resolutions in the coming years and was a departure for China especially, which had only rarely used its veto.⁶² China and Russia also strengthened the SCO, including by establishing a secretariat in Beijing in 2004 and a Regional Anti-Terrorist Structure based in Tashkent.⁶³

In regional affairs, Russia maintained its role as the preeminent political, security, and economic partner of the Central Asia region. Russia's development of formal institutions, such as the Eurasian

⁵⁸ Jia Qingguo, "One Administration, Two Voices: US China Policy During Bush's First Term," *International Relations of the Asia Pacific*, Vol. 6, No. 1, 2006, p. 26.

⁵⁹ Thomas Ambrosio, "The Russo-American Dispute over the Invasion of Iraq: International Status and the Role of Positional Goods," *Europe-Asia Studies*, Vol. 57, No. 8, December 2005.

⁶⁰ Cheng, 2009, p. 156.

⁶¹ Edith M. Lederer, "China, Russia Veto Myanmar Resolution," Associated Press, January 14, 2007.

⁶² Sebastian von Einsiedel, David M. Malone, and Bruno Stagno Ugarte, *The UN Security Council in an Age of Great Power Rivalry*, United Nations University Working Paper Series No. 4, Tokyo: United Nations University, February 2015.

⁶³ Chung, 2006, p. 8.

Economic Commission and the CSTO, continued as Russia sought to develop alternative, competing institutions from NATO and the EU.⁶⁴ Russian trade in the region also tripled between 2003 and 2007. China, too, advanced its economic links in the region as Central Asia became increasingly important to the PRC, but Beijing was attuned to Moscow's sensitivity to the region, which it sees as its traditional backyard or near abroad.⁶⁵ Despite the potential for competition, developments such as the post-9/11 surge of U.S. forces in Afghanistan and the 2005 Tulip Revolution in Kyrgyzstan reinforced Moscow and Beijing's desire to cooperate in the region as a means to offset U.S. influence and stabilize their periphery.⁶⁶ In South Asia, both nations pursued traditional relationships. China continued to cooperate closely with Pakistan while treating India with caution. Russian-Pakistani ties slowly improved as Moscow recognized Pakistan's importance in counter-terrorism and long-term Afghan stability.⁶⁷

In Northeast Asia, China and Russia supported the initiation of six-party talks on nuclear issues with North Korea, with Beijing hosting and frequently leading efforts toward progress.⁶⁸ Russian and Chinese relations with Japan diverged, although not to the point of creating major friction between the two countries. Although mutual suspicion persisted, China's relationship with Japan warmed as the two nations exchanged visits by heads of state for the first time in over a decade. In contrast, the Russian dispute with Japan over the Kuril Islands was exacerbated by maritime incidents.⁶⁹ In Southeast Asia, China sustained significant economic and diplomatic integration while downplaying territorial disputes. Russia's ties with Vietnam—its only

⁶⁴ Radin and Reach, 2017, p. 50.

⁶⁵ Weitz, 2011; Zhao Huasheng, *Zhongguo de ZhongYa waijiao* [China's Central Asia Diplomacy], Beijing: Zhishi Chubanshe, 2008.

⁶⁶ Trenin, 2006. See also Cooley, 2014.

⁶⁷ Syed Junaid Ahsan, "Putin's Russia: Relations with Pakistan," *Pakistan Horizon*, Vol. 57, No. 2, April 2004.

⁶⁸ Arms Control Association, "The Six-Party Talks at a Glance," fact sheet, June 2018.

⁶⁹ Justin McCurry, "Japanese Fisherman Killed in Kuril Dispute," *The Guardian*, August 16, 2006.

relationship of note in the region—remained underdeveloped despite the formation of a strategic partnership in 2001.⁷⁰

Military Relationship

The military relationship between the two advanced from calculation to one of *cooperation* during this period. Their interaction expanded beyond border security agreements and arms sales with the first steps toward greater military engagement. In 2005, Russia and China signed an agreement on the status of Russian armed formations in the territory of China and of Chinese formations in the territory of Russia. This legislation, which was ratified by Russia and signed by Putin in 2007, paved the way for Russian and Chinese troops to participate in joint military exercises within the two countries.⁷¹

Military technical cooperation remained the primary area of the military relationship, with Russian arms deliveries to China averaging \$2.3 billion per year over the period, peaking at \$3.2 billion in 2005.⁷² Most of the arms provided from 2003 to 2007 were deliveries of deals concluded during the previous period. Naval weapons featured prominently, with the transfer of eight more advanced-version Kilo submarines and two improved Sovremennyy destroyers. Deliveries of advanced aircraft, such as the SU-27 and SU-30 Flankers and additional SA-20 air defense systems, greatly aided PLA modernization efforts and were notable in our measure of military power later in this chapter.⁷³ However, friction emerged at the end of the period. The Chinese domestic arms industry expanded considerably over the decade, with a resultant reduction in China's dependency on foreign arms imports. For its part, Russia grew concerned over Chinese efforts

⁷⁰ Kozyrev, 2014, p. 9.

⁷¹ President of Russia, "Agreement Between the Russian Federation and the Chinese People's Republic on the Status of Combat Formations of the Russian Federation Temporarily Located on the Territory of the Chinese People's Republic, and of Combat Formations of the Chinese People's Republic Temporarily Located on the Territory of the Russian Federation for the Conduct of Joint Military Exercises," May 17, 2007.

⁷² SIPRI, 2018.

⁷³ SIPRI, 2018.

to copy and reverse engineer its military technology and was increasingly reluctant to sell more advanced systems to China.⁷⁴

The most significant indicator of the advancement of military cooperation was the initiation of combined exercises during this period. From 2003 to 2007, Russia and China participated in five exercises together. Two of these exercises were small-scale, bilateral events focusing on border security and counterterrorism. The primary conduit for Sino-Russian joint military exercises was the annual Peace Mission exercise program under the auspices of the SCO. Peace Mission exercises are joint antiterrorism exercises on an annual or biannual basis since 2005, often alongside forces from Kazakhstan, Kyrgyzstan, Tajikistan, and (in 2007 only) Uzbekistan. Typically, the exercise is of a relatively small scale, with less than 2,000 troops each from Russia and China participating. However, the 2005 Peace Mission exercise was bilateral, involving 10,000 Russian and Chinese personnel, and went beyond mainstream counterterrorism activities to include conventional ground, air, and naval operations.⁷⁵

It is important to note that these exercises reflected a small step toward greater military cooperation and that cooperation had its limits, particularly in this early period. Nevertheless, these bilateral and multilateral field exercises were noteworthy if only because, prior to 2002, China had never engaged in military exercises with other countries.⁷⁶ For example, Lo notes that the 2005 Peace Mission event had large Russian and Chinese contingents but was effectively run as two separate exercises. In another instance during this period, China rejected a Russian proposal for CSTO/SCO cooperation for Peace Mission 2007.⁷⁷

⁷⁴ Elina Sinkkonen, "China-Russia Security Cooperation: Geopolitical Signaling with Limits," Helsinki: Finnish Institute of International Affairs, Briefing Paper No. 231, January 2018, p. 5; Ethan Meick, *China-Russia Military-to-Military Relations: Moving Toward a Higher Level of Cooperation*, Washington, D.C.: U.S.-China Economic and Security Review Commission, March 20, 2017, pp. 12–13.

⁷⁵ Meick, 2017, p. 24.

⁷⁶ Scobell, Ratner, and Beckley, 2014, pp. 37–40.

⁷⁷ Lo, 2008a, p. 49.

Military-to-military engagements also increased during this period, with high-level contacts increasing steadily from 2003 to 2005, although a major spike in these contacts in 2005 can probably be attributed to high-level planning for the major 2005 bilateral Peace Mission exercise described above.⁷⁸

Economic Relationship

The economic relationship during the 2002–2007 period was one of *cooperation*. During this period, both countries were starting to gain the benefits of policy events and broader economic trends. China had completed its WTO accession, and its exports accelerated, in part because of that accession. From 1997 to 2002, Chinese exports in nominal terms grew at an average annual rate of 12.0 percent, but that rate was 38.4 percent from 2002 to 2007.⁷⁹ This Chinese growth was one of the elements of a global resource boom. For example, in 1997, the annual average price of Brent crude, a global oil benchmark, was \$19.11. In 2002, it had risen to \$24.99. But by 2007, the end of our period, it hit \$72.44.⁸⁰ Russia benefited from this resource boom as well.

During the 2002–2007 period, growth in both countries accelerated (Table 3.2). Total bilateral goods trade more than tripled from the previous period and rose every year. Russia's reliance on China as an export market for goods and especially as an import source for goods rose as well. China's share of exports that went to Russia also rose, but its share of Russian imports relative to all imports actually fell. This might have been a function of two phenomena: (1) the opening up of resource supplies from Africa, Latin America, and the Middle East and (2) greater production in China of goods previously imported from Russia. In contrast to goods trade, the services trade relationship between the two countries declined.

Endowment patterns manifested more strongly this period in goods trade, in part because of rising commodity prices, so the *value*

⁷⁸ Meick, 2017, pp. 18–19.

⁷⁹ World Bank, 2018.

⁸⁰ U.S. Energy Information Administration, "Europe Brent Spot Price FOB (Dollars per Barrel)," online spreadsheet, release date August 29, 2018.

of resources exports grew more rapidly than the *quantity* of resources exports from Russia. Of all Russian goods exports to China, resources approached nearly half: 18 percent were minerals and 30 percent were fuels. The share of manufactured items declined, with an average of 35 percent of all Russian goods exports composed of chemicals, pharmaceuticals, various manufactured goods, and machinery and transport equipment. Going the other direction, China's exports appeared to become more capital- or skill-intensive. The share of miscellaneous manufactured items in total goods exports fell to 54 percent, from 64 percent, whereas the share of various manufactured goods and machinery and transport rose to 34 percent, from 16 percent. In total, the share of China's exports to Russia composed of manufactured items rose to 92 percent, from 83 percent.

For FDI in this period, China remains our primary source of bilateral data, and only data on inward direct investment flows are available. During this period, Russia's share of FDI in China rose but remained exceedingly low, well below the world average amount of FDI going into China. Limited transaction-level data on Chinese outward investment and construction contracts are available during this period, and this investment, as with trade, appeared to be related to Russia's relative endowment in natural resources.⁸¹ In 2006, several Chinese state-owned enterprises invested \$5.4 billion in Russia in four separate transactions: one related to property, one related to timber, and two that were investments in Rosneft, the Russian state energy company, totaling almost \$4 billion. By comparison, U.S. FDI in Russia in 2006 amounted to \$11.4 billion, which constituted less than 0.5 percent of total U.S. outbound investment for the year.⁸²

Late in this period, signs of an emerging special relationship emerged in the economic realm. In a March 2006 summit in Beijing, Putin and Hu signed numerous agreements related to energy, telecom-

⁸¹ Derek Scissors, *China Global Investment Tracker*, Washington, D.C.: American Enterprise Institute and Heritage Foundation, accessed on October 9, 2018.

⁸² U.S. Bureau of Economic Analysis, "US Direct Investment Abroad: Balance of Payments and Direct Investment Position Data, Position on a Historical-Cost Basis, 2006," all industries, updated December 19, 2019.

munications, transportation, and security.⁸³ But one assessment at the time noted continuing mutual suspicions and the fact that the joint relationship was still not as important as each country's relationship with the West.⁸⁴ Although Lo suggests that Moscow in this period sought to use "resource-hungry China" as "leverage" in its negotiations to secure additional markets in Europe,⁸⁵ Europe was in fact irreplaceable as Russia's major market for gas exports.

Russia's ambivalence toward China was evident in its handling of the East Siberian–Pacific Ocean oil pipeline. After Yukos, a Russian oil company led by Mikhail Khodorkovsky, made an agreement in 2003 to build a pipeline with a Chinese national company, the pipeline deal was delayed for several years, including because of Khodorkovsky's arrest and the consideration of an alternative route preferred by Japan that sidestepped Chinese territory. Eventually, with the promise of Chinese financing, Russia announced in 2006 that it would build the Chinese-preferred route from Taishet in Eastern Siberia to Daqing in Heilongjiang Province. According to Lo, Russia's pursuit of "strategic diversity" of good relations with China and Japan "foundered on the reality that China was far better disposed towards Russia than a disgruntled Japan."⁸⁶ Igor Sechin, at the time the Chairman of the Board of Directors of Rosneft and deputy head of the Presidential Administration, and a proponent of good relations with China, also pushed for the Chinese-backed route, suggesting that perceived Russian economic interests guided official policy.⁸⁷

Explaining the Relationship

According to the changes in the relationship from 2002 to 2007 (summarized in Table 3.4), we assess the overall relationship between China and Russia as one of *cooperation*. China and Russia began to increas-

⁸³ Esther Pan, "Sino-Russian Energy Ties," Council on Foreign Relations, April 5, 2006.

⁸⁴ Lo and Rothman, 2006.

⁸⁵ Lo, 2008a, p. 140.

⁸⁶ Lo, 2008a, p. 146.

⁸⁷ Lo, 2008a, p. 145; Rosneft, "Management Board: Igor Sechin," webpage, undated.

Table 3.4
Chinese-Russian Relationship, 2002–2007

Relationship	Assessment	Explanation
Overall	Cooperation	China and Russia began to increasingly work together within the SCO, engage in joint military exercises, and coordinate their efforts in the UN. Weaker relationship on economic issues, especially in energy. Continued caution about deeper engagement.
Political <ul style="list-style-type: none"> Bilateral meetings Multilateral organizations Regions 	Cooperation	<ul style="list-style-type: none"> Increasing; progress on border issues SCO strengthens; first joint veto at UN Russian unease in Central Asia, divergent relations elsewhere
Military <ul style="list-style-type: none"> Agreements and pronouncements Military technical cooperation Exercises Military-to-military engagements 	Cooperation	<ul style="list-style-type: none"> Agreement for combined exercises Expansion; naval vessels and fighters First combined exercises Increase in high-level contacts
Economic <ul style="list-style-type: none"> Trade Investment Projects 	Cooperation	<ul style="list-style-type: none"> Growing, especially natural resources exports from Russia Low Signed various agreements, but slow progress on oil pipeline

ingly work together within the SCO, engage in joint military exercises, and coordinate their efforts in the UN. From 2002 to 2007, significant progress was made in overcoming historically rooted Sino-Russian distrust through mutually beneficial political and military efforts. These developments included a September 2004 agreement to establish a secure hotline between the offices of the respective heads of government and, a month later, a joint announcement by Putin and Hu that Russia and China had resolved all bilateral territorial disputes and had completed the process of demarcating their 2,700-mile common border. However, there remained a weaker relationship on economic issues, especially in energy, and both sides remained hesitant about deeper engagement and wary of being exploited by the other.

Nevertheless, at the most basic level, cordial and stable relations with Russia are considered to be in China's vital national interests. Therefore, even a modest but discernible improvement in ties is significant from China's perspective. According to retired PRC ambassador Fu Ying: "Beijing hopes that China and Russia can maintain their relationship in a way that will provide a safe environment for the two big neighbors to achieve their [respective] development goals" ⁸⁸ Indeed, Beijing is highly motivated to avoid contention or conflict with Moscow because growing tensions with Russia would be extremely problematic for China. The resolution of territorial disputes and demilitarization of their common border combined with reasonably good ongoing coordination in proximate regions, such as Central Asia, means that China does not need to focus extensive military resources or security attention on its northern or western frontiers.

For Moscow, too, a cordial relationship with Beijing is not taken for granted. As one expert put it, Russia and China had a recent period of noncooperation, and no one wants to return to those days. ⁸⁹ The experience of the Sino-Soviet split was, according to Kashin, "painful indeed": Protecting and fortifying the border imposed a serious burden on the Soviet economy, and China's opening of a "second front of the

⁸⁸ Fu Ying, "How China Sees Russia: Beijing and Moscow Are Close, but Not Allies," *Foreign Affairs*, January–February 2016.

⁸⁹ Conversation with expert, Moscow, March 2018.

Cold War” is viewed as a contributing cause of the Soviets’ eventual decline.⁹⁰

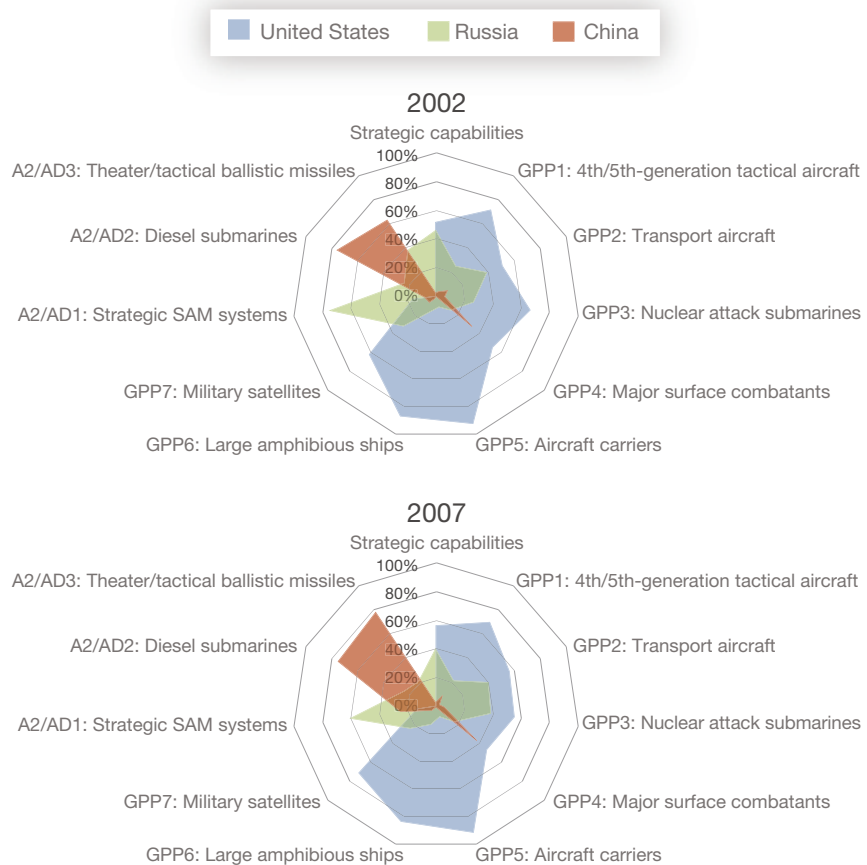
We attribute the improvement in the overall relationship to changes in the overall balance of power and a moderate increase in threat perceptions relative to the United States. The political, military, and economic power of China and Russia grew over the period. By the end of 2007, China and Russia together had 34.4 percent of aggregate power as measured by our index, compared with the 65.6 percent held by the United States. This reflects a significant increase in economic wherewithal from both China and Russia, some improvements in Chinese technological capabilities, and a small increase in Chinese military capabilities (especially in theater and tactical ballistic missiles, see Figure 3.2). This increase in power likely gave China and Russia a greater ability to counter the United States, although they continued to significantly lag in aggregate power. These power levels constrained their efforts to develop their relationship, and challenges to the United States remained more rhetorical than practical.

As in the 1997–2002 period, threat perceptions provide a more nuanced explanation of the development in the relationship. China and Russia’s perceptions of each other and their threat to each other seemed to diminish, thanks to the final resolution of the border and the start of joint military exercises. We find little indication of major threat perceptions of Russia from the Chinese side,⁹¹ although not all

⁹⁰ Kashin, 2018, p. 4.

⁹¹ Note positive statements from Chinese officials, such as Ministry of Foreign Affairs of the People’s Republic of China, “Premier Wen Jiabao Delivers a Speech to Personages of All Walks of Life of Russia,” Moscow, transcript of speech delivered September 24, 2004; and Consulate-General of the People’s Republic of China in San Francisco, “Speech of Vice Foreign Minister Dai Bingguo at the Commemorative Ceremony on the ‘May 9’ Victory Day Hosted by the Russian Embassy in China,” Beijing, transcript of speech delivered May 6, 2005.

Figure 3.2
Aggregate Military Capabilities, 2002 and 2007



SOURCES: IISS, 2002; IISS, 2007.

Russians agreed that China posed little threat,⁹² and there was certainly concern over the growth of the Chinese defense industry.⁹³

Russia and China's threat perceptions of the United States increased moderately during the period and remained similar. U.S. capability in Eurasia appeared to increase as worldwide deployments of American armed forces in support of the global war on terrorism and the overthrow of Saddam Hussein brought more U.S. military power in proximity to both countries. The initial phases of the Iraq War provided another demonstration of U.S. military superiority in information-driven warfare applied to effect regime change against a non-Western, nondemocratic regime.⁹⁴

To Russia and China, U.S. actions during the period, including the Iraq War, also appeared to be indicative of underlying aggressive U.S. intentions. In 2007, Putin gave a speech to the Munich Security Conference in which he criticized U.S. unilateralism and observed at least a strong indirect threat from U.S. military actions: "Today we are witnessing an almost uncontained hyper use of force—military force—in international relations, force that is plunging the world into an abyss of permanent conflicts."⁹⁵ Nevertheless, Russia's perception of the United States as a potential aggressor did not clearly guide it into a closer relationship with China, at least for the time being. Similarly, although China pursued a strong relationship with the United States, the United States remained a potential threat to Chinese inter-

⁹² The former Chief of the Russian General Staff Yurii Baluevskii observed that

it seems very logical that the vector of Chinese expansion will be directed towards the nearby regions of Russia—Siberia, the Far East, Kazakhstan and other Central Asian countries. One cannot forget that the geopolitics of Mao Zedong, who is still considered an outstanding personality in the history of the Chinese state and society, openly sought ways to expand the country's borders, including at the expense of Russian territories.

Yurii Baluevskii, ed., *Voennaya bezopasnost' Rossiiskoi Federatsii v XXI veke* [*Military Security of the Russian Federation in the XXI Century: A Collection of Articles*], Moscow: Center for Military-Strategic Studies of the General Staff of the Russian Federation, 2004, p. 22.

⁹³ Schwartz, 2014.

⁹⁴ Trenin, 2006; Cheng, 2009, p. 161.

⁹⁵ "Putin's Prepared Remarks at 43rd Munich Conference on Security Policy," *Washington Post*, February 12, 2007.

ests. Events at the end of the previous period in 2001, such as the collision and subsequent landing of a U.S. spy plane on Chinese territory and new U.S. arms sales to Taiwan, served as reminders to the Chinese of the United States' ability to insert itself into regional and, from Beijing's perspective, Chinese internal affairs.⁹⁶

During this period, overall ideological alignment remained unchanged, with a score of 12/15 (see Appendix A), although there were fluctuations within given categories. As Putin sought to consolidate greater control over the system of domestic governance by limiting the influence of independent media and the political opposition, Russia moved closer to China on this front. In regard to views on the global political order, Russia's growing opposition to the U.S.-led order, expressed openly and unequivocally by Putin in Munich in 2007, demonstrated a divergence from China, whose views on the international system were less outwardly confrontational. At the same time, both Russia and China continued to assert that the world was gradually becoming multipolar. Finally, Russia and China remained closely aligned in relative support of the global economic order. China promoted the Doha round of trade talks under the WTO, was an active participant in the formulation of multilateral trade rules, and steadily pursued the development of bilateral and regional free trade agreements. Russia continued to pursue WTO membership and regional economic integration of the CIS.

Economic complementarity also increased moderately during the period in relation to trade in goods. China's growing demand for energy and military hardware was matched by Russia's need to find suitable outlets for its exports. China's expanding economy needed increased natural resources and energy, but Russia focused its attention on Europe.⁹⁷ This orientation reflected the fact that Western Siberian gas fields were connected to Europe by pipelines, whereas pipelines to China had not been built. Instead, China started developing greater natural gas imports from the Central Asia states at the end of this period. Russia also became a growing market for China's manufac-

⁹⁶ Jia, 2006, p. 29.

⁹⁷ Lo, 2008a, Ch. 8.

tured goods in terms of levels of Chinese exports, but other markets actually grew in share and remained far more important.

Conclusion

Improvements in Sino-Russian relations from 1997 to 2007 appeared to be the continuation of the normalization that had begun in the 1980s under Gorbachev and focused on resolving border disputes and ensuring that China and Russia had a more “normal” economic and political relationship. During the 2000s, the perceived rising U.S. threat and shared Sino-Russian interests in Central Asia facilitated increased cooperation, although mutual suspicion clearly remained. China and Russia lacked sufficient power to realistically challenge the United States, and although both countries felt a growing threat from U.S. actions, the threat was sufficiently diffuse that neither country felt a strong motivation for a closer relationship. Ideology and economic complementarity played a role during this decade in facilitating the relationship but did not appear to be sufficient conditions on their own for a closer relationship.

In the next chapter, we examine the Sino-Russian relationship from 2007 to 2017.

Describing and Explaining Change in the Sino-Russian Relationship, 2007–2017

This chapter continues our systematic approach to studying how several factors—power, threat, ideology, and economic complementarity—best explain the development of China and Russia’s relationship. In Chapter Three, we analyzed 1997 to 2007; in this chapter, we analyze 2007 to 2017 in two five-year periods. For each period, we assess the political, military, and economic relationships as one of the six C’s specified in Chapter One, and then we seek to explain the changes in the assessed relationship based on changes in all four posited factors.

The Partnership Plateaus: 2007–2012

China and Russia’s relationship continued to improve to some small degree, but we continue to characterize it as *cooperation*. In the political arena, we continue to characterize the relationship as *cooperation*, reflecting similar trends in bilateral meetings and cooperation in multilateral venues as seen from 2002 to 2007. In the military arena, the relationship regressed somewhat to one of *calculation*, as the countries’ reform agendas diverged over the development of their defense industries. Arms sales and military contacts declined, although joint military exercises expanded. The economic relationship was one of *cooperation*. Trade in goods expanded, with China increasing its importance as an economic partner to Russia. However, Russia’s importance to China remained modest, and investment ties were limited.

Political Relationship

Bilateral ties between China and Russia generally improved to some degree. Hu Jintao, who transitioned to his second five-year leadership term, had a continuing interaction with Dmitry Medvedev, who became president of Russia in 2008 as Putin became prime minister. Medvedev had been cochairman of the organizing committees of China's "Year of Russia" in 2006 and Russia's corresponding "Year of China" in 2007. Medvedev opted to visit Beijing for his inaugural foreign visit in May 2008—a first for Russian leaders—emphasizing the growing importance Moscow placed on its relationship with Beijing. The visit resulted in a joint statement outlining Moscow and Beijing's positions on major international issues. This statement reflected some degree of shared ideology and reiterated the themes of the 2001 treaty, such as principles of "mutual respect for territorial integrity and sovereignty, mutual commitment to non-aggression, non-interference in each other's internal affairs, equality and mutual benefit, and peaceful co-existence." The statement also criticized the United States, noting concerns about "unilateralism," "power politics," and "Cold War mentality."¹

Russian experts are also virtually unanimous in their belief that a shared worldview has been vital for the emergence of cooperation.² A multipolar order, as opposed to the perceived U.S. and Western hegemony "in which the West decides every question at its sole discretion,"³ is at the core of that shared vision. Russian commentators point out that the multipolarity or pluralism (or, as Russian officials prefer, polycentrism) that they seek is a new multipolarity, not a reprise of the

¹ Ministry of Foreign Affairs of the People's Republic of China, "Joint Statement of the People's Republic of China and the Russian Federation on Major International Issues," May 23, 2008.

² This consensus echoes official Russian views. For example, Putin declared in 2012 that "Beijing shares our vision of the emerging equitable world order." Vladimir Putin, "Russia and the Changing World," RT.com, February 27, 2012.

³ Lukin, 2018a, p. 175.

conflict-ridden world order that prevailed between the 17th century and the middle of the 20th century.⁴

In an October 2008 interview with Russian media, then Chinese Premier Wen Jiabao declared that “China-Russia relations were at the best historical period.”⁵ Two years later (in 2010), a PRC analyst told a U.S. scholar that “Russia is *the most important country* for China on all four dimensions of importance in China’s diplomacy: neighboring countries, major powers, developing countries, and multilateral relations.”⁶ Bilateral meetings between Chinese and Russian leaders were held on an annual basis, and they frequently met on the sidelines of meetings of international organizations, such as the Group of Eight (G8), Group of 20 (G20), APEC, and SCO.

Although the bilateral relationship was solid, there were also divergences. The Russo-Georgian War and Russia’s generally more confrontational stance with the United States during the second George W. Bush administration presented problems for China, which had to balance the pursuit of good relations with the United States and sustaining its emerging partnership with Russia. China was likely perturbed by Russia’s actions in Georgia, especially because the conflict began just as the Beijing Olympics opened, and abstained on UN resolutions concerning the crisis rather than supporting Russia outright.⁷

On the multilateral front, China and Russia continued to expand cooperation on a wide variety of issues. During this period, the two countries worked in tandem to form shared positions at the UNSC. As Table 4.1 shows, China and Russia tendered joint vetoes on five UNSC resolutions from 2007 to 2012. Moscow and Beijing adopted similar

⁴ See, for example, Lukin, 2018a, p. 176; and Davydov, A. S., *Pekin, Vashington, Moskva: vzaimootnosheniya v kontekste transformatsii globalnoi arkhitektoniki* [Beijing, Washington, Moscow: relations in the context of a transformation in the global architectonics], Moscow: Institute of Far Eastern Studies of the Russian Academy of Sciences, 2015, pp. 199 and 333.

⁵ Ministry of Foreign Affairs of the People’s Republic of China, “Premier Wen Jiabao Receives Interview of Russian Media,” October 30, 2008.

⁶ David Shambaugh, *China Goes Global: The Partial Power*, New York: Oxford University Press, 2013, p. 83. Emphasis in original.

⁷ Bobo Lo, “Russia, China and the Georgia Dimension,” *Bulletin of the Centre for European Reform*, October 1, 2008b.

Table 4.1
Joint Russian-Chinese Vetoes of UN Security Council Resolutions,
2007–2012

Date	Draft	Agenda Item
January 12, 2007	S/2007/14	Myanmar
July 11, 2008	S/2008/447	Peace and Security: Africa (Zimbabwe)
October 4, 2011	S/2011/612	Middle East: Syria
February 4, 2012	S/2012/77	Middle East: Syria
July 19, 2012	S/2012/538	Middle East: Syria

SOURCE: Compiled from the United Nations Dag Hammarskjöld Library, "Veto List," online database, last updated Jun 1, 2018.

approaches in the Security Council with respect to the 2011 Libyan conflict, attempting to delay international intervention. Although they permitted an intervention resolution to pass without veto, they quickly denounced what they saw as the United States using force to depose Muammar Qaddafi beyond the mandate provided by the original resolution.⁸ In an effort to prevent a repeat of the Libyan case, they subsequently exercised joint vetoes of resolutions on Syria that would have imposed constraints on the Bashar al-Assad regime.⁹

Beyond the UN, China and Russia actively sought to cooperate in other multilateral venues, though with mixed results. In 2009, along with Brazil and India, the two countries launched the Brazil, Russia, India, China (BRIC) Summit, a multilateral venue intended to expand the role of developing and emerging countries in global economic matters.¹⁰ In 2011, South Africa joined the group, which then became the BRICS group and developed as an additional political and economic

⁸ Jonathan D. Pollack, "China: Unease from Afar," in Kenneth M. Pollack et al., *The Arab Awakening: America and the Transformation of the Middle East*, Washington, D.C.: Brookings Institution Press, 2011, pp. 301–303; Alexey Malashenko, *Russia and the Arab Spring*, Moscow: Carnegie Moscow Center, 2013, pp. 11–12.

⁹ Yun Sun, "Syria: What China Has Learned from Its Libya Experience," *Asia Pacific Bulletin*, No. 152, February 27, 2012.

¹⁰ "First BRIC Summit Concludes," *Deutsche Welle*, June 16, 2009.

multilateral forum. From Russia's point of view, the group could be used to increase its leverage against the West.¹¹ The SCO continued to function as a multilateral venue for strategic cooperation among China, Russia, and Central Asian states. The SCO also reflected the limits of shared interests among Russia, the former Soviet states, and China. There was lukewarm support by SCO member states for Russia following the Russo-Georgian War. Beijing and the other SCO states also resisted a Russian attempt to support independence for Abkhazia and South Ossetia at the 2008 SCO summit.¹²

In regional relations, the period from 2007 to 2012 saw China erode Russia's regional hegemony in Central Asia. Although Moscow maintained its privileged regional position—especially in terms of security influence—China made significant advances in the Central Asian economy. By 2010, China had established itself as the region's top trading partner; by 2012, China accounted for 20 percent of the total two-way trade of the five Central Asian republics, while Russia accounted for 15.7 percent.¹³ In December 2009, a new pipeline was completed through Central Asia to transport natural gas from Turkmenistan to China. China expanded its agreement to purchase gas from Turkmenistan from 30 billion cubic meters to 65 billion cubic meters in 2011.¹⁴ Russian analysts were concerned: In 2012, for example, a group of prominent Russian analysts described Russia and China as “latent rivals” in Central Asia.¹⁵ Still, there was considerable overlap in security interests for this region, and Russia accepted increased Chinese economic activity. The fear of ethnic separatism and Islamic

¹¹ Rachel Salzman, “Russia and BRICS: An Introduction,” Russian International Affairs Council, July 9, 2014a; Rachel Salzman, “Russian Goals for BRICS: Then and Now,” Russian International Affairs Council, July 24, 2014b.

¹² Lo, 2008a, pp. 104–107, 111.

¹³ Scobell, Ratner, and Beckley, 2014, p. 43.

¹⁴ Cooley, 2014, p. 94. See Sébastien Peyrouse, Jos Boonstra, and Marlène Laruelle, *Security and Development Approaches to Central Asia: The EU Compared to China and Russia*, Groningen, Netherlands: EUCAM, Working Paper No. 11, May 2012.

¹⁵ Oleg Barabanov and Timofei Bordachev, *Toward the Great Ocean, or the New Globalization of Russia*, Moscow: Valdai Discussion Club, July 2012, p. 50.

fundamentalist movements created common ground for cooperation, especially through such institutions as the SCO.¹⁶

In South Asia, China maintained its close partnership with Pakistan while continuing to incrementally improve its relationship with India. By 2011, China had become India's largest trading partner, with bilateral trade reaching \$73 billion.¹⁷ However, mutual suspicion between China and India persisted because of the aforementioned divisions and a burgeoning trade imbalance favoring China.¹⁸ On the other hand, this period saw Russia normalize relations with Pakistan, though relations with India remained the focus of Russia's South Asia policy.¹⁹ Russia's détente with Pakistan stemmed in part from the deterioration of U.S.-Pakistani ties. In Afghanistan, both Russia and China wanted a stable outcome that would result in the departure of U.S. forces from the region.

Chinese and Russian relations with Northeast Asia during this period were characterized by continued cooperation on nonproliferation in Korea, although the collapse of the Six-Party Talks in 2009 made that goal more difficult. Although the two countries did not staunchly support each other's territorial claims against Japan in the East China Sea and the Kuril Islands, they also did not vocally oppose their respective claims. In Southeast Asia, heightened activity surrounding territorial disputes in the South China Sea led to tense relations between China and some ASEAN states.²⁰ Russia upgraded its relationship with Vietnam to that of a comprehensive strategic partnership in 2012, with developments such as a \$2 billion arms agreement in 2009, the extension of the *Vietsovetpetro* joint Russian-Vietnamese oil

¹⁶ Weitz, 2011.

¹⁷ Frank Jack Daniel, "India Gripes over Border, Trade Woes on Li's First Foreign Trip," Reuters, May 19, 2013.

¹⁸ Ding Qingfen, "China, India to Narrow Trade Gap," *China Daily*, August 30, 2012.

¹⁹ For an overview of Russian and Pakistani ties in this period, see Muhammad Hanif, "Pakistan-Russia Relations: Progress, Prospects and Constraints," *Islamabad Policy Research Institute Journal*, Vol. 13, No. 2, Summer 2013.

²⁰ Carlyle A. Thayer, "Chinese Assertiveness in the South China Sea and Southeast Asian Responses," *Journal of Current Southeast Asian Affairs*, Vol. 30, No. 2, 2011.

and gas exploration enterprise in 2010, and increased trade and mutual investment partnerships contributing to warming ties.²¹ Elsewhere in the region, however, Russia remained a minor player.²²

In the Middle East, both Moscow and Beijing had similar concerns about the potential precedent of the Arab Spring, the popular uprisings that occurred in Tunisia, Egypt, Libya, and Syria. Russia worried that its Muslim population would grow restive and was also concerned by the potential for terrorism and insurgency to spread into the Caucasus.²³ The Chinese leadership was concerned that its populace might see the Arab Spring as a model for response to oppression and instituted harsh measures to control the flow of information about the uprisings to the population.²⁴ Russia and China adopted similar positions in the UN but only loosely cooperated in substantive actions, choosing to pursue their own activities: The Chinese conducted non-combatant evacuation operations from Libya, while Russia backed the Assad regime in Syria, where it operated a naval facility at Tartus.

Military Relationship

In the military domain, however, the relationship regressed, with a return to *calculation* instead of the stronger levels of cooperation demonstrated in the previous period. A chilling in military technical cooperation was the primary cause of this backsliding, with a concurrent downturn in military agreements and military-to-military interactions. In fact, there were no major military agreements concluded between the two countries during this period, although there were some smaller agreements, including one establishing a hotline between the Chinese and Russian defense ministers, notification for ballistic

²¹ Kozyrev, 2014, p. 9.

²² Anton Tsvetov, "Russia Still Seeking a Role in ASEAN," Carnegie Moscow Center, May 19, 2016.

²³ Malashenko, 2013, pp. 15–18.

²⁴ Pollack, 2011, pp. 299–301.

missile launches, and a commercial agreement to respect intellectual property.²⁵

Although Russian arms exports to China exceeded \$3 billion annually by 2005, demand fell precipitously after 2006. For example, in 2005, China received 46.5 percent of Russia's arms sales, but in 2011, that figure had dropped to just 5 percent.²⁶ No significant new arms deals were concluded in this period, although Russia continued to deliver equipment ordered prior to 2006, and China continued to purchase items it had not been able to produce domestically with any success, such as aircraft engines, electronics (such as radars), and helicopters.²⁷

There are a variety of reasons for this change. During the preceding decades, China made considerable investment in its domestic military industry, reaching the point that it was able to produce weapons and equipment to meet many of the demands of its military. China also became more selective in its arms purchases, seeking higher-end systems with more-advanced technologies than Russia was willing to sell.²⁸ Finally, China was growing dissatisfied with the quality of some of the weaponry it was receiving from Russia, to the point that Moscow sent a delegation from the Russian Engineering Union to China in 2011 to discuss improvements in production.²⁹ Russia, for its part, was unwilling to make its higher-end systems available, given considerable concerns about Chinese copying of imported technology.³⁰ Additionally, Russia had begun to embark on a large-scale effort to rebuild its

²⁵ Weitz, 2011; Sinkkonen, 2018 p. 6.

²⁶ Alexey D. Muraviev, "Comrades in Arms: The Military-Strategic Aspects of China-Russia Relations," *Journal of Asian Security and International Affairs*, Vol. 1, No. 2, 2014, p. 173.

²⁷ SIPRI, 2018.

²⁸ Schwartz, 2014, pp. 11–12.

²⁹ Linda Jakobson, Paul Holtom, Dean Knox, and Jingchao Peng, *China's Energy and Security Relations with Russia: Hopes, Frustrations, and Uncertainties*, Solna, Sweden: Stockholm International Peace Research Institute, SIPRI Policy Paper No. 29, October 2011, p. 19, note 99.

³⁰ Sinkkonen, 2018, p. 5.

own military, with domestic arms purchases accounting for 45 percent of the revenue of Russian military industries by 2012. Finally, Russia diversified its export portfolio during this period as Algeria, Venezuela, Vietnam, and Indonesia became significant purchasers of Russian arms.

The one area of military cooperation that did see progress during this period was military exercises. Joint exercises increased from one to almost two per year, with the SCO Peace Mission exercises becoming an annual event and with more-frequent bilateral or regional border control and disaster response exercises. Most importantly, China and Russia began bilateral naval exercises, starting with a Gulf of Aden counterpiracy exercise in 2009, followed by the initiation of an annual maritime exercise series named Joint Sea in 2012.³¹ Although the Peace Mission and border security exercises remained generally small in size and scope, the Joint Sea events represented a significant step forward in the nature and sophistication of the bilateral exercise regime.

Like security agreements and arms sales, major military-to-military engagements also declined, averaging just slightly more than one per year for the period, reflecting the overall slight cooling of military relations between the two countries.³²

Economic Relationship

The economic relationship during the 2007–2012 period continued as one of *cooperation*. During this period, both countries faced the challenge of responding to the global financial crisis in 2008 and 2009, the deepest world economic turndown since the Great Depression. Russia faced an additional challenge of a steep decline in oil prices in late 2008 and 2009.

The Russian economy was vulnerable because of growing government expenditures and private-sector foreign debt.³³ Although Russian real GDP grew by 5.2 percent year-over-year from 2007 to 2008, it fell

³¹ Meick, 2017, p. 25.

³² Meick, 2017, p. 19.

³³ Alexei Kudrin, "Russia and the Global Financial Crisis," *Voprosy Ekonomiki*, No. 1, 2009, English version at the Gaidar Institute for Economic Policy, 2013.

by 7.8 percent from 2008 to 2009 but then rebounded the following year by 4.5 percent. China, in contrast, was generally sound macro-economically and instituted a large stimulus, maintaining growth. Chinese GDP grew by 9.7 percent from 2007 to 2008, 9.4 percent the following year, and 10.6 percent the year after that.³⁴ During the whole period (from 2007 to 2012), average growth in both countries mirrored these diverging experiences, with China continuing to grow rapidly and Russian growth falling dramatically (Table 4.2).

According to one Russian analyst, the growing dynamism of Asian economies made it “an urgent practical necessity for Russia to

Table 4.2
China-Russia Economic Relations, 2007–2017, Annual Averages

Indicator	Russia	China
GDP growth (%)	1.1	8.3
Nominal GDP (U.S. \$billions)	1,687	8,189
Nominal per capita GDP (U.S. dollars)	11,704	6,028
Nominal per capita PPP GDP (international dollars)	23,083	11,503
Total bilateral goods trade (U.S. \$billions)	73.6	
Total bilateral goods trade relative to all imports from the world (%)	4.1	
Share of goods exports to other country (%)	7.1	2.0
Share of goods imports from other country (%)	16.7	2.1
Share of services exports to other country (%)	2.4	0.9
Share of services imports from other country (%)	1.9	N/A
Share of outward FDI to other country (%)	0.1	1.0
Share of inward FDI from other country (%)	N/A	0.04

³⁴ World Bank, 2018.

Table 4.2—Continued

SOURCES: For GDP growth, nominal GDP, nominal per capita GDP, and nominal per capita PPP GDP: World Bank, 2018. For goods trade, United Nations, 2017. Total bilateral goods trade is the sum of imports from China, as reported by Russia, and imports from Russia, as reported by China, and is in nominal values. For services trade: Central Bank of the Russian Federation, undated; and National Bureau of Statistics of the People's Republic of China, 2018. For FDI: UNCTAD, 2018; and National Bureau of Statistics of the People's Republic of China, undated a; and for data in 2007–2012 and 2012–2017, National Bureau of Statistics of the People's Republic of China, undated b.

NOTES: Indicators are annual averages inclusive of beginning and end years, unless otherwise indicated. PPP stands for purchasing power parity and indicates the standard of living. Total bilateral trade is normalized relative to the sum of Russia's imports from the world and China's imports from the world because total bilateral trade is calculated as Russia's reported imports from China and China's reported imports from Russia; the sum of China's reported exports to Russia and Russia's reported exports to China is generally less than the imports sum. Trade shares represent exports or imports from or to the other country relative to total exports or imports. For example, the 7.1 percent in the Russia column in 2007–2017 means 7.1 percent of all Russian goods exports went to China. Likewise, the 16.7 percent in the Russia column in 2007–2017 means 16.7 percent of all Russian goods imports came from China. Data for the share of China's services exports to Russia end in 2016. For Chinese services exports to Russia as a proportion of total Chinese services exports, we used data on Russian services imports from China as a substitute for Chinese services exports to Russia. To derive Russia's share of outward investment flows that went to China, we compared China's reported inward direct investment flows from Russia with UNCTAD's reported Russian outward direct investment flows. FDI data end in 2016.

develop relations with its Asian partners.”³⁵ President Putin urged Russians “to catch the Chinese wind in the sails of our economy.”³⁶ With the expected slowdown within the European economic space, Russians viewed a greater integration into Asian markets as vital to Russia's future economic development.³⁷

³⁵ Lukin, 2018a, p. 70.

³⁶ Putin, 2012.

³⁷ Barabanov and Bordachev, 2012, p. 47; Sergei Karaganov, Timofey Bordachev, Alexey Bezborodov, Vasily Kashin, Alexander Korolev, Anastasia Likhacheva, Igor Makarov, Veronika Shumkova, Anna Sokolova, and Ilya Stepanov, *Toward the Great Ocean—5: From the Turn to the East to Greater Eurasia*, Moscow: Valdai Discussion Club, September 2017, p. 5; Lee and Lukin, 2015, p. 137.

Economic exchange in terms of goods trade was growing in a decidedly one-sided manner. Total bilateral goods trade almost tripled and rose most years except in 2009, when Russia's economy declined. China's share of Russia's imports almost doubled from the previous period, but Russia's share of China's imports actually declined. Endowment patterns continued to dominate trade. On average, Russian exports of minerals and fuels from 2007 to 2012 constituted 75 percent of all Russian exports to China. In large part, this reflected China's rapidly growing demand for such products. In fact, minerals and fuels from Russia, on average, constituted 13 percent of all such imports for China from the world during the period, down from 14 percent during the previous period. Going the other direction, China's exports to Russia (composed of manufactured items) rose again to 94 percent, from 92 percent the previous period. These exports appeared to continue to become more capital- or skill-intensive, with the share of goods in such sectors as machinery and transport rising.

During the 2007–2012 period, bilateral services trade with each other continued to fall relative to each country's services trade with the rest of the world. Detailed bilateral data on sectors are available for Russian services trade starting in 2011.³⁸ The largest trade sector by far was travel. Travel exports (meaning Chinese businesspeople and tourists going to Russia) constituted 45 percent of all services exports, and transport constituted 31 percent. For imports, travel constituted 58 percent (meaning Russian businesspeople and tourists traveling to China), and transport constituted almost 13 percent. More-sophisticated services, such as financial services, charges for intellectual property, computer services, and insurance services, were all in the low single digits or less.

China and Russia had even weaker investment relations from 2007 to 2012 than they did in the previous period. Chinese investment flows to Russia averaged slightly less than 1 percent of all Chinese direct investment flows.³⁹ By the end of the period (2012), Chinese

³⁸ Central Bank of the Russian Federation, *External Trade in Services of the Russian Federation 2011*, Moscow, 2013.

³⁹ National Bureau of Statistics of the People's Republic of China, undated b.

direct investment stock in Russia amounted to only 0.9 percent of total Chinese direct investment stock worldwide.⁴⁰ In comparison, U.S. FDI in Russia in 2012 amounted to \$13.4 billion, or approximately 0.3 percent of total U.S. outbound investment.⁴¹

Transaction-level data confirm this low level of FDI and construction activity. Using alternative data, Chinese investment in Russia amounted to only 2 percent of total Chinese investment during this period.⁴² As before, the vast majority of the \$7.1 billion total went into resource investments, with \$3.7 billion going to energy and \$1.5 billion going to metals. There were also eight construction contracts, amounting to \$4.2 billion, or 1.6 percent of all Chinese foreign construction contracts during this period. The largest was a \$1.2 billion contract to Sinomach, the China National Machine Industry Corporation, for the Russian mining company Aricom for work in the metals sector.

There were several notable special agreements or events that advanced the economic relationship during this period, including the formation of BRICS, mentioned earlier. In 2009, Russian President Dmitry Medvedev and Chinese President Hu Jintao adopted a program of cooperation in Russia's East and Far East and China's Northeast.⁴³ The East Siberia–Pacific Ocean pipeline finally opened in 2011, the first oil pipeline linking the two countries. It was expected to ship 300,000 barrels per day.⁴⁴ Russia, Kazakhstan, and Belarus also developed the Eurasian Economic Community into the Eurasian Customs Union in 2010 and a supranational Eurasian Economic Commission

⁴⁰ National Bureau of Statistics of the People's Republic of China, "Foreign Trade and Economic Cooperation/Overseas Direct Investment by Countries or Region/Overseas Direct Investment Stock at the End of This Year," online database, undated c.

⁴¹ U.S. Bureau of Economic Analysis, 2019.

⁴² Scissors, 2018.

⁴³ Victor Larin, "Russia and China: New Trends in Bilateral Relations and Political Cooperation," in Rouben Azizian and Artyom Lukin, eds., *From APEC 2011 to APEC 2012: American and Russian Perspectives on Asia-Pacific Security and Cooperation*, Honolulu and Vladivostok: Asia-Pacific Center for Security Studies and Far Eastern Federal University, 2012.

⁴⁴ "Russia-China Oil Pipeline Opens," *BBC News*, January 2, 2011.

in 2012.⁴⁵ Although the Eurasian Customs Union and Eurasian Economic Commission attempted to mirror the formal development of the EU, the institutions lacked the same depth of economic integration, partly because the project was so new and partly because Russia shared a similar economic profile with the Central Asian countries as a primary resource exporter.

Explaining the Relationship

According to the changes in the relationship summarized in Table 4.3, we assess the overall relationship between China and Russia from 2007 to 2012 to be one of *cooperation*, as it was from 2002 to 2007. Joint vetoes in the UN, the development of BRICS, and the opening of the Eastern Siberia–Pacific Ocean pipeline offered examples of China and Russia working together on particular issues. Moreover, toward the end of the period, Russian officials and analysts increasingly came to view such fears as a “legacy from [the] distant past” and part of the fictitious “‘yellow threat’ perceived by the Soviet gerontocracy.”⁴⁶ However, there remained suspicion about China copying Russian technology. There was little indication that the countries were willing to take greater risks for each other or meaningfully deepen their economic cooperation. The legacy of confrontation and conflict remained a significant obstacle to surmount. Although dampened economic interactions could at least partly be attributed to the ripple effects of the global financial crisis, stalled arms sales underscored lingering mutual distrust. Beijing was unhappy with the uneven quality of Russian armaments it had purchased, and Moscow was unwilling to sell China more-sophisticated weaponry.

We assess the cooperative relationship to be the result of a small change in the balance of power, a slight diminishment in the threat from the United States, and a steady trend in economic complementarity.

The aggregate power of both countries grew over the period, although China’s increase was greater than that of Russia. By 2012,

⁴⁵ Iana Dreyer and Nicu Popescu, “The Eurasian Customs Union: The Economics and the Politics,” Issue Brief, Paris: European Union Institute for Security Studies, March 2014.

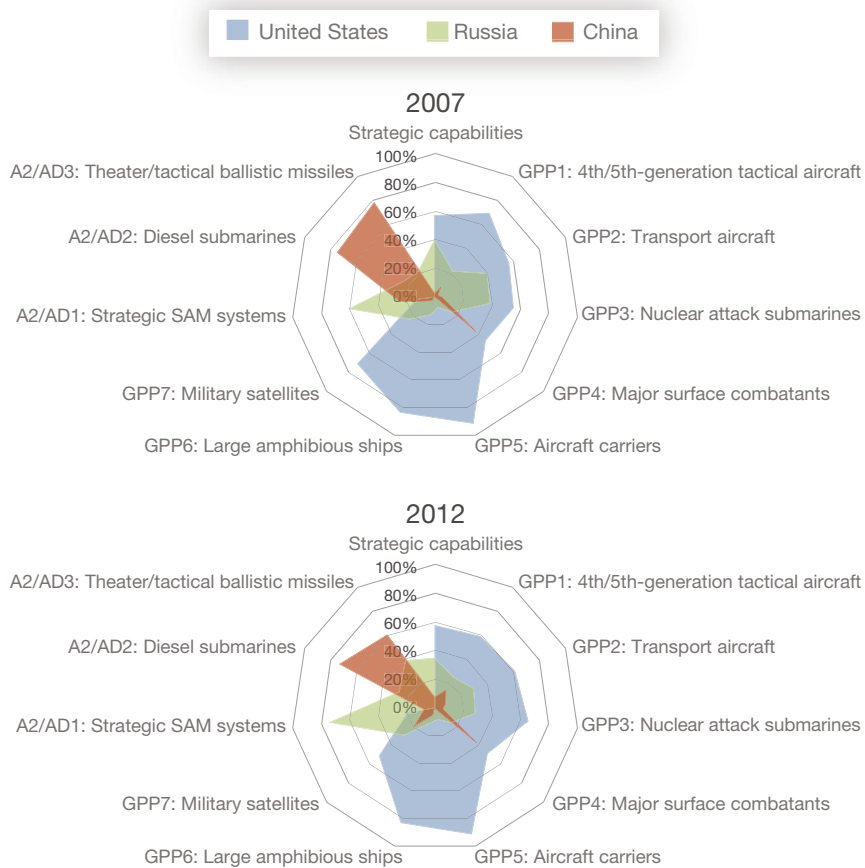
⁴⁶ Barabanov and Bordachev, 2012, p. 25.

Table 4.3
Chinese-Russian Relationship, 2007–2012

Relationship	Assessment	Explanation
Overall	Cooperation	China and Russia worked together in the UN and on the development of BRICS, among other areas. Suspicions about technology theft hindered deeper military cooperation.
Political	Cooperation	<ul style="list-style-type: none"> • Bilateral meetings • Multilateral organizations • Regions <ul style="list-style-type: none"> • Increasing bilateral interactions at all levels • Continued cooperation; shared positions on UNSC; BRICS Summit launched • Russian unease with Chinese economic gains in Central Asia and continued divergence of ties among countries in South and Southeast Asia
Military	Calculation	<ul style="list-style-type: none"> • Agreements and pronouncements • Military technical cooperation • Exercises • Military-to-military engagements <ul style="list-style-type: none"> • No major agreements • Arms trade decreased significantly • At least two joint exercises per year; first naval exercises • Decline in high-level interactions
Economic	Cooperation	<ul style="list-style-type: none"> • Trade • Investment • Projects <ul style="list-style-type: none"> • Growing but one-sided: China is more important to Russia than Russia is to China • Even lower than in previous period • Eastern Siberia–Pacific Ocean pipeline opens

using our measure, China had exceeded Russian power, with 21.3 percent of the total power compared with 18.6 percent for Russia. Together they were also much closer to the United States, with a combined 39.9 percent (up from 34.4 percent in 2007) compared with 60.1 percent for the United States. Chinese military power expanded as it gained military satellites and new aircraft (see Figure 4.1). According to the prediction associated with the balance of power theory, this trend

Figure 4.1
Aggregate Military Capabilities, 2007 and 2012



SOURCES: IISS, 2007; IISS, 2012.

in increasing combined aggregate power would give China and Russia some impetus for increasing cooperation, which aligns with the observation above of increasing political cooperation.

Threat perceptions between China and Russia also remained low, although Russian reservations about the course of Chinese military modernization emerged during the period. In 2009 and 2010, Russian military officials acknowledged China as a potential threat, while Putin observed in 2010, “Foreign experts keep telling us about the threat from China. We are not worried at all. . . . There is no threat on the side of China We know each other very well, and we have got used to respecting each other.”⁴⁷ On the Chinese side, one expert explained that

Russia’s strategic security is fully guaranteed. In terms of politics, China and Russia have no reason to view each other as enemies. In terms of military power, China’s development remains in a catch-up phase While China may close the gap, it will not have overwhelming military advantages. Russia is accustomed to its strategic advantage over China—its current insecurities stem from the degradation of that advantage, not from actual threat.⁴⁸

Therefore, as Chinese military capabilities improved, lingering doubts about the potential for renewed competition or even conflict remained, largely on the Russian side, although these views did not appear to affect the Russian government’s pursuit of good relations with China.⁴⁹

At the same time, China and Russia continued to perceive the United States as a threat to their interests, but this perception was somewhat moderated by what both nations perceived as U.S. over-extension. In terms of the balance of offensive capabilities, although the United States remained dominant in our quantitative measure of military power (Figure 4.1), both Russia and China took note of the

⁴⁷ Quoted in Korolev, 2018a, p. 10.

⁴⁸ Zhao Huasheng, “Zhongguo jueqi duo Elousi shi weixie ma? [Does China’s Rise Threaten Russia?],” *International Studies*, No. 2, 2013a. The author is a leading academic expert on China-Russia affairs at Fudan University in Shanghai.

⁴⁹ Muraviev, 2014, pp. 181–182.

cost and the toll on the U.S. military resulting from extended commitments to the wars in Iraq and Afghanistan as well as other stability and counterterrorism actions. Coupled with growing confidence in their own militaries, it is possible that Moscow and Beijing felt less motivated by the threat of U.S. capabilities and therefore less likely to seek military cooperation to counter potential U.S. threats.

Although China probably did not perceive the United States from 2007 to 2012 as threatening as did Russia, the former remained wary of U.S. intentions. Criticism of human rights abuses in China, particularly during the March 2008 unrest in Tibet, as well as the continuation of arms sales to Taiwan in 2007 and 2008 under the Bush administration and in 2010 under the Barack Obama administration, reinforced the narrative that Washington sought to erode China's territorial integrity and sovereignty. The Obama administration's announcement of a strategic "pivot to Asia" in 2011 and growing U.S. involvement in territorial disputes in the South and East China Seas also raised Chinese perceptions of a U.S.-led effort to contain China.⁵⁰

Ideological alignment increased between the two countries during the period, with a rating of 14/15, because of greater convergence in domestic governance and in their views of the international system (see Appendix A). The domestic political systems of the two countries remained complementary. Moreover, both Beijing and Moscow also continued to be firmly committed to noninterference in the internal affairs of the other. Chinese leadership remained stable, and the stage was set for an orderly transition from Hu to Xi Jinping in 2013. In Russia, the Medvedev years, while in some ways more cooperative and liberal, did not result in a major change in approach to governance or a shift from the consolidation of power within one group. In the international arena, although Russia increased cooperation with the United

⁵⁰ See Michael D. Swaine, "Chinese Leadership and Elite Responses to the U.S. Pacific Pivot," *China Leadership Monitor*, No. 38, July 17, 2012. Initially, China perceived a United States weakened by the global financial crisis and less committed to the Asia-Pacific. However, by 2010, this assessment dramatically altered as Beijing concluded that the United States under the Obama administration had become far more assertive in countering China in the region. See Andrew Scobell and Scott W. Harold, "An 'Assertive' China? Insights from Interviews," *Asian Security*, May–August 2013, Vol. 9, No. 2.

States and reduced outward criticism, both Russia and China sought to assert themselves globally, resisting U.S. and Western involvement in Iraq and Afghanistan and in the Middle East as the Arab Spring unfolded. In contrast, both nations participated in and benefited from the international economic order. China, despite aggressive and protectionist tactics, generally worked within the global economic governance system and promoted the development of free trade agreements and regional economic integration. Even after joining the WTO, Russia also actively worked toward regional economic integration.

Economic complementarity continued in the trade realm, with the primary interdependence coming from the natural resources area, where China's steadily increasing demand for energy and other commodities aligned with Russia's ability to supply those commodities. During this period, this complementarity also manifested in Chinese exports of manufactured goods (along with China moving up the skill ladder), consistent with China's growth as a manufacturing powerhouse. At the same time, Russia's economic dependency on Chinese arms purchases declined with rising domestic demand for weapons from the Russian armed forces and the opening of new markets for Russian armaments in Asia, Africa, and the Middle East.

Solidifying the Strategic Partnership: 2012–2017

There were dramatic improvements in the relationship during this period, with the relationship achieving the level of *collaboration* for the first time since Sino-Soviet times. In the political arena, the relationship became one of collaboration as the countries cooperated more closely because of the U.S. and Western response to the annexation of Crimea, the U.S. rebalance to Asia, and a greater sense of ideological affinity. In the military arena, the relationship also rebounded to become one of collaboration, with an expansion of arms sales and interactions. Economic relations also intensified, but again the result was an increased dependency of Russia on China for markets and imports.

Political Relationship

From 2012 to 2017, especially following a reevaluation in Russia in 2014 following Western sanctions, the political relationship strengthened and became one of *collaboration*. Moscow and Beijing were united in their opposition to perceived U.S. interference. Almost all Chinese researchers who spoke with one of the authors in mid-2018 said that China's relationship with the United States was much more important to Beijing than its relationship with Moscow. By this, Chinese analysts mean that they see Washington as looming much larger both as a partner and a competitor than Moscow. Indeed, most see Russia as important precisely because it provides China with a counterweight of sorts to the United States. Nevertheless, this is not a monolithic view. A retired general officer told one of the authors that "China's relationship with Russia is my country's most important great-power relationship."

The change in the relationship was most pronounced in bilateral affairs. The years 2012 and 2013 saw leadership changes in both Russia and China, with Vladimir Putin winning election to again become the President and Xi Jinping becoming CCP General Secretary and then PRC President. Russia's foreign policy pivot to Asia, while cemented in 2014, was several years in the making. The evolution began in earnest in 2012, when Putin played host to the APEC summit in Vladivostok.⁵¹ Multiple factors, including a desire to be less dependent on Europe and an eagerness to develop the Russian Far East, were driving this shift.

After Russia annexed Crimea in 2014, it faced significant Western sanctions, which targeted Western energy investment and the provision of capital to the state and state-owned enterprises. The sanctions regime, as well as the broader rift with the West over the crisis, led Russia to fundamentally reevaluate its relationship with China. Russia reconsidered the risks of a closer relationship, including China's reverse engineering of Russian technology provided through arms sales, the threat of a Chinese military or demographic takeover of the Far East, and the risks of supporting and cooperating with China in Central

⁵¹ The authors thank RAND colleague Samuel Charap for underscoring this key point.

Asia.⁵² Ultimately, this reevaluation accelerated Russia's pivot to Asia.⁵³ In Russia, a rising perception of threat from the West was accompanied by a *decreasing perception of the threat from China*.⁵⁴ The Ukraine crisis served as a distinct inflection point, as Moscow's 2014 rift with the West became a powerful catalyst for Russia's reorientation toward China, according to many Russian analysts. According to one Russian expert, "China's and Russia's main reason for [greater] cooperation is the United States."⁵⁵ This view was echoed in the writings of others. A different analyst described Russia's turn to China following the Ukraine crisis as "dramatic," while another Russian specialist said that the crisis had "given Sino-Russia relations a wholly different strategic context."⁵⁶ Similar assessments took place in Beijing, according to Chinese researchers (see Appendix C). Many Chinese analysts also identify the Ukrainian crisis as a turning point in Sino-Russian relations. One Chinese scholar said that Russia "turned East [i.e., toward China]" in 2014 because of pressure from the United States and other Western states.⁵⁷

Russia's annexation of Crimea and support for separatists in eastern Ukraine touched on a sore point. Beijing has always been sensitive about its own separatist movements in regions such as Tibet, Xinjiang, and Taiwan, and it did not want to support the precedent of exter-

⁵² Alexander Gabuev, *Friends with Benefits? Russian-Chinese Relations After the Ukraine Crisis*, Moscow: Carnegie Moscow Center, June 2016b, p. 26.

⁵³ Gabuev, 2016b.

⁵⁴ Conversation with expert, Vladivostok, March 2018. See also Appendix B.

⁵⁵ Conversation with expert, Vladivostok, March 2018.

⁵⁶ Gabuev used the adjective "dramatic" and Trenin remarked on the "wholly different context." See Alexander Gabuev, "A 'Soft Alliance'? Russia-China Relations After the Ukraine Crisis," London: European Council on Foreign Relations, Policy Brief No. 126, February 2015a, pp. 1–11; and Dmitri Trenin, *From Greater Europe to Greater Asia? The Sino-Russian Entente*, Moscow: Carnegie Moscow Center, April 2015, pp. 3, 9.

⁵⁷ Ma Bo, "Elousi 'zhuanxiong dongfang zhanlue pingxi-dongji, yuangjing yu taozhan [Russia's 'Turn to the East' Strategy: motivation, prospects, and challenges]," *Russian Studies*, No. 3, 2017.

nally imposed changes in borders.⁵⁸ Nevertheless, in a series of meetings held by the CCP's Foreign Affairs Leading Small Group in April 2014, it was decided that the benefits of embracing Russia outweighed the costs.⁵⁹ For one, Russia's isolation from the West would open up opportunities for Chinese enterprises as the former sought to diversify away from the West. Furthermore, in geopolitical terms, the Ukraine crisis would distract from the U.S. pivot to Asia, providing China with breathing room to more assertively pursue its designs in the region.

The result of Russia and China's reconsideration was a dramatic strengthening of ties following 2014. Xi and Putin met on at least 20 separate occasions between 2012 and 2017. These face-to-face meetings included six visits by Xi to Russia and eight visits by Putin to China. The two leaders seemed to have developed a personal rapport, which has facilitated cooperation, according to both Russian and Chinese researchers.⁶⁰ These interactions culminated in the signing of a joint statement in July 2017 on further deepening the two countries' comprehensive partnership of coordination.⁶¹ As discussed below, critical elements of the closer bilateral relationship were increased military cooperation and greater Chinese investment in several major projects, including the Yamal liquefied natural gas project and the Power of Siberia gas pipeline project.⁶² A China-Russia Investment Cooperation Committee was formed in 2014 to facilitate bilateral cooperation in large-scale economic projects.⁶³ Russia also removed informal politi-

⁵⁸ Shannon Tiezzi, "China Backs Russia on Ukraine," *The Diplomat*, March 4, 2014.

⁵⁹ Gabuev, 2015a.

⁶⁰ Conversations with Russian analysts, March 2018; conversations with Chinese analysts, May 2018.

⁶¹ "China, Russia to Further Deepen Partnership Amid New Intl Situation," *China Daily*, July 5, 2017.

⁶² Jane Perlez, "China and Russia Reach 30-Year Gas Deal," *New York Times*, May 21, 2014.

⁶³ The inaugural cochairmen of the investment committee were Chinese Vice-Premier Zhang Gaoli and Russian First Deputy Prime Minister Igor Shuvalov. See "China, Russia to Increase Reciprocal Investment," *China Daily*, September 9, 2014.

cal barriers restricting Chinese investment in the natural resource and infrastructure sectors in 2015.⁶⁴

China and Russia's improved relations were also somewhat visible in increased coordination in multilateral venues. The two countries cast four joint vetoes at the UNSC between 2012 and 2017, and analysts highlighted the UN as a major venue of Chinese and Russian political coordination.⁶⁵ Diplomatically, Russia is a useful fellow permanent member of the UNSC, and consultations between senior leaders of both countries occur on a regular basis at least four or five times a year. According to one analyst, cooperation between China and Russia on the UNSC has been growing since 2014.⁶⁶ The SCO continued to function as the premier forum for Chinese and Russian multilateral cooperation, though the two sides did not always see eye to eye on certain issues.⁶⁷ Russian experts note that Russia and China do not agree on all issues in the international arena, or even with regard to their own joint ventures.⁶⁸ According to one Chinese scholar, the SCO has "helped to avoid a possible regional collision between China and Russia" in Central Asia.⁶⁹

China's regional politics became increasingly defined by what would eventually come to be called the Belt and Road Initiative (BRI). The BRI is China's most ambitious foreign policy initiative, aimed at

⁶⁴ "Russia May Accept Majority Chinese Control of Oil and Gas Fields," *China Daily*, February 28, 2015.

⁶⁵ United Nations Dag Hammarskjöld Library, 2018.

⁶⁶ Wang Zhichen, "Zhong-E zai Lianheguo Anlihui de hezuo jiti yingxiang yinsu fenxi [Analyzing Sino-Russian cooperation at the United Nations Security Council and influencing factors]," *Russia, East Europe, and Central Asian Studies*, No. 1, 2017.

⁶⁷ For example, the failure of China and the larger SCO to endorse Russia's stance on the Ukraine crisis and Russia's continued reluctance to embrace Chinese economic proposals highlighted some limitations in Chinese and Russian cooperation. See Marc Lanteigne, "Russia, China and the Shanghai Cooperation Organization: Diverging Security Interests and the 'Crimea Effect,'" in Helge Blakkisrud and Elana Wilson Rowe, eds., *Russia's Turn to the East*, Cham, Switzerland: Springer Nature, 2018.

⁶⁸ Conversations with Russian analysts, March 2018.

⁶⁹ Zhao Huasheng, "China's View of and Expectations from the Shanghai Cooperation Organization," *Asian Survey*, Vol. 53, No. 3, May/June 2013b, p. 459.

integrating Eurasia into a trading and economic bloc to rival the transatlantic region. It calls for the creation of infrastructure and other forms of connectivity linking China with Eurasia, Oceania, the Middle East, and Africa through to Europe. In 2013 in Kazakhstan, Xi announced as the land component of the BRI the Silk Road Economic Belt initiative, which aims to improve China's connectivity to Europe through Eurasia—and for which Central Asia is an indispensable link. Russia's initial reaction to this initiative was that of expected distrust, in view of the risks of expanded Chinese influence undermining Russian prerogatives in its neighborhood. By March 2015, however, Russia overcame its suspicions, with Putin and Xi signing a declaration on “cooperation in coordinating the development of [the Russia-led Eurasian Economic Union] EEU and the Silk Road Economic Belt.”⁷⁰ Among the reasons for Russia's eventual acceptance of the BRI were China's implicit affirmation of Russia's status as the dominant power in Central Asia and Moscow's recognition that it could not make the kinds of investments in Central Asia on the scale that China's plans promised.⁷¹ Investment promised by the BRI has the potential to stimulate economic development, which may bolster the stability of Central Asian and Russian regimes.⁷² In what appears to be a bid to counterbalance the shift in status that comes from Chinese leadership of a large-scale transnational

⁷⁰ “Sovmestnoe zayavlenie Rossiyskoy Federatsii i Kitayskoy Narodnoy Respubliki o sotrudnichestve po sopryazheniyu stroitel'stva Evraziyskogo ekonomicheskogo soyuza i Ekonomicheskogo poyasa Shelkovogo puti” [Joint statement of the Russian Federation and the People's Republic of China on cooperation regarding the docking of the construction of the Eurasian Economic Union and the Economic belt of the Silk Road], May 8, 2015. For more detail regarding the policy debate within Russia on the matter, see Gabuev, 2016b, pp. 25–26.

⁷¹ For Beijing, Moscow is considered its pivotal regional partner in the region because it is the dominant power even though geographically Russia is not a Central Asia state; Andrew Scobell, Bonny Lin, Howard J. Shatz, Michael Johnson, Larry Hanauer, Michael S. Chase, Astrid Stuth Cevallos, Ivan W. Rasmussen, Arther Chan, Aaron Strong, Eric Warner, and Logan Ma, *At the Dawn of Belt and Road: China in the Developing World*, Santa Monica, Calif.: RAND Corporation, RR-2273-A, 2018, pp. 259–260. See also Scobell et al., 2018, Ch. 5.

⁷² See Richard Ghiasy and Jiayi Zhou, *The Silk Road Economic Belt: Considering Security Implications and EU–China Cooperation Prospects*, Solna, Sweden: Stockholm International Peace Research Institute, 2017, p. 40.

initiative that includes an area of traditional Russian influence, Russian elites have articulated the idea of Russia's own macroregional initiative, the "Greater Eurasian Partnership" (GEP).⁷³ At present however, the GEP's existence appears to be limited to a diplomatic initiative, rather than an institutional reality with tangible implications for the Russia-China relationship.

Russia's and China's relations with South Asia were largely a continuation of the previous period. Moscow deepened its détente with Islamabad at little expense to its close ties with India. Notably, Russia and Pakistan signed a landmark defense cooperation agreement in 2014.⁷⁴ In the meantime, China maintained its friendly ties with Pakistan, while its relationship with India remained mutually suspicious.⁷⁵ In spite of growing economic ties, unresolved border issues and China's maritime expansion into the Indian Ocean persisted in driving a wedge between New Delhi and Beijing. In 2017, both India and Pakistan were admitted to the SCO. Some observers viewed the inclusion of India as a divisive issue, perceiving that Beijing saw India's inclusion as a "dilution of its own role in the SCO," while Moscow saw India's membership as a "way of checking Beijing's formidable influence within the group."⁷⁶ In Afghanistan, China took on a somewhat more active role economically and diplomatically but not militarily.⁷⁷ Russia also played an increasing role, including by reaching out to the Taliban and engaging with other political factions.⁷⁸ Russia took the initiative in stepping

⁷³ Sebastien Peyrouse, "The Evolution of Russia's Views on the Belt and Road Initiative," *Asia Policy*, No. 24, July 2017.

⁷⁴ Sudha Ramachandran, "New Era in Russia-Pakistan Relations?" *The Diplomat*, December 3, 2014.

⁷⁵ Notably, Beijing and New Delhi engaged in a prolonged military standoff on the Doklam plateau in the summer of 2017. See Sanjeev Miglani and Ben Blanchard, "India and China Agree to End Border Standoff," Reuters, August 27, 2017.

⁷⁶ Lanteigne, 2018, p. 124.

⁷⁷ Zhu Yongbiao, "China's Afghanistan Policy Since 9/11," *Asian Survey*, Vol. 58, No. 2, March/April 2018; Andrew Scobell, "China Ponders Post-2014 Afghanistan: Neither 'All in' nor Bystander," *Asian Survey*, Vol. 55, No. 2, March/April 2015.

⁷⁸ Julia Gurganus, "Russia's Afghanistan Strategy: How Moscow Is Preparing to Go It Alone," *Foreign Affairs*, January 2, 2018.

up cooperation with China and Pakistan to hold three rounds of talks on Afghanistan's future (with the first two excluding the United States and the United States declining to attend the third).⁷⁹

In Northeast Asia, both China and Russia continued to advocate for restraint on the Korean Peninsula, while jointly voicing opposition to the U.S. deployment of the Terminal High Altitude Area Defense (THAAD) system in South Korea.⁸⁰ Meanwhile, in Southeast Asia, Russia's involvement in the region remained largely limited to its close relationship with Vietnam.⁸¹ In terms of economic engagement, Russia was ASEAN's 14th-largest trading partner in 2014, lagging behind China, the EU, Japan, the United States, and India.⁸² Its involvement with ASEAN was "superficial at best" because of limited influence in the region.⁸³ Although 2017 saw Russia and the Philippines establish incipient efforts at defense cooperation,⁸⁴ arms sales to regional states, such as Vietnam and Indonesia, remained the most prominent aspect of Russian defense engagement in the region.⁸⁵ Although China maintained its strong economic links with ASEAN nations, tensions escalated in the South China Sea because of a series of aggressive maritime confrontations and large-scale island-building activities on disputed features.⁸⁶ Russia sought to ensure good relations with countries in

⁷⁹ Cristina Burack, Mikhail Bushuev, and Masood Saifullah, "U.S. Skips Out on Afghanistan-Taliban Conference in Moscow," *Deutsche Welle*, April 14, 2017.

⁸⁰ Stuart Lau and Zhenhua Lu, "Xi Jinping and Putin Join Forces to Halt North Korean Crisis," *South China Morning Post*, July 5, 2017.

⁸¹ Ekaterina Koldunova, "Russia's Involvement in Regional Cooperation in East Asia: Opportunities and Limitations of Constructive Engagement," *Asian Survey*, Vol. 56, No.3, May–June 2016.

⁸² Ian Storey, "What Russia's 'Turn to the East' Means for Southeast Asia," *ISEAS Perspective*, No. 67, December 3, 2015, pp. 4–5.

⁸³ Storey, 2015, p. 8.

⁸⁴ Prashanth Parameswaran, "Russia-Philippines Military Ties Get an October Boost," *The Diplomat*, October 26, 2017.

⁸⁵ Storey, 2015, p. 7.

⁸⁶ See Bonnie S. Glaser, "Conflict in the South China Sea," New York: Council on Foreign Relations, April 2015.

ASEAN at the same time as it improved its relationship with China and maintained neutrality in the dispute.⁸⁷

In the Middle East, there was general alignment in the views of the two countries but little practical cooperation. Russia asserted its status as a regional force with great-power aspirations through its military intervention in Syria in 2015. It also managed to maintain good relations with all countries in the Middle East despite the friction between these countries, including Iran, Egypt, Iraq, Turkey, Saudi Arabia, and the United Arab Emirates. China also continued to cultivate economic relationships but generally maintained a low profile.⁸⁸ China supported Russia's position on Syria but questioned the nature of Russia's military operations and commitment to political negotiations.⁸⁹

Military Relationship

Improvements in military relations mirrored developments in the political realm, entering a phase of *collaboration*, with new arms sales, exercises, and engagements. Both nations achieved significant improvements in military capabilities across the decade as reform and modernization programs took hold in their armed forces. Moscow and Beijing were increasingly willing to use their growing military power to signal and protect their interests—Moscow in Ukraine and Syria, China in the East and South China Seas—and to challenge what they viewed as U.S. indifference to their geostrategic views and interests.

China and Russia have jointly issued numerous documents articulating their agreement on a wide array of issues. Three of these documents stand out. First is a joint statement on strengthening global strategic stability issued by Putin and Xi on June 26, 2016, in Beijing. The statement highlights the common concern of Moscow and Beijing about “negative factors” threatening to undermine strategic stability, such as “unilateral” (i.e., U.S.) global and regional missile

⁸⁷ Alexander Korolev, “Russia in the South China Sea: Balancing and Hedging,” *Foreign Policy Analysis*, Vol. 15, No. 2, April 2019.

⁸⁸ Andrew Scobell and Alireza Nader, *China in the Middle East: The Wary Dragon*, Santa Monica, Calif.: RAND Corporation, RR-1229-A, 2016.

⁸⁹ Samuel Ramani, “China's Syria Agenda,” *The Diplomat*, September 22, 2016.

defense efforts, including deployment of the THAAD system in South Korea.⁹⁰ The second is a joint declaration on the promotion of principles of international law issued on June 25, 2016, also in Beijing by PRC Foreign Minister Wang Yi and his Russian counterpart Sergey Lavrov.⁹¹ The declaration condemned unilateral military intervention and stressed the principle of noninterference in the internal affairs of other states; both stances implicitly criticize U.S. actions.

The third is the BRICS declaration issued at the organization's seventh summit, held in the Russian city of Ufa in July 2015. The consensus document, jointly issued by Brazil, India, South Africa, Russia, and China, lays out common ground on a wide variety of global order issues in 40 pages of text. Much of the document is noncontroversial and filled with platitudes. However, portions of the document implicitly criticize the United States. For example, the declaration states, "We emphasize the need for universal adherence to principles and rules of international law in their interrelation and integrity, discarding the resort to 'double standards' and avoiding placing interests of some countries above others."⁹² The document goes on to declare, "We condemn unilateral military interventions and economic sanctions in violation of international law and universally recognized norms of international relations."

Security and military strategy documents issued by each side during this period acknowledged a special relationship between the two states and outlined areas of expanded cooperation between the forces. China's 2015 Defense White Paper cites Russia first in a listing of military-to-military relations, noting that "China's armed forces will further their exchanges and cooperation with the Russian military within the framework of the comprehensive strategic partnership

⁹⁰ Russian Federation Ministry of Foreign Affairs, "Joint Statement of Russian Federation and People's Republic of China on Global Strategic Stability," June 26, 2016b.

⁹¹ Russian Federation Ministry of Foreign Affairs, "The Declaration of the Russian Federation and the People's Republic of China on the Promotion of International Law," June 25, 2016a.

⁹² BRICS Information Centre, "VII BRICS Summit: 2015 Ufa Declaration," Toronto: University of Toronto, July 9, 2015.

of coordination between China and Russia, and foster a comprehensive, diverse and sustainable framework to promote military relations in more fields and at more levels.”⁹³ Similarly, Russia’s 2015 National Security Strategy highlights the relationship with China: “The Russian Federation is developing relations of all-embracing partnership and strategic cooperation with the Chinese People’s Republic, regarding them as a key factor of the maintenance of global and regional stability.”⁹⁴ In 2014, the two nations formed the China-Russia North-east Asia Security Dialogue, a vehicle at the deputy minister level to coordinate security policy on regional issues, such as the U.S. THAAD deployment to South Korea.⁹⁵ In June 2017, the countries signed a new plan for bilateral military cooperation from 2017 to 2020. The Chinese defense ministry’s explanation highlighted progress, while also indicating that future progress would remain somewhat vague, at least in public forums:

The roadmap makes top-level design and general plan for the military cooperation between China and Russia in 2017–2020. It shows the high level mutual trust and strategic cooperation; it is conducive for both sides to face new threats and challenges in the security field and to jointly safeguard regional peace and stability. In the next step, the two sides will formulate a concrete plan to promote the military cooperation.⁹⁶

After relatively flat arms sales prior to 2014, Russia dramatically increased its arms sales to China after the 2014 sanctions. Gabuev and Kashin explain: “The sale of modern arms to China became part of the strategy to move closer to Beijing in response to the systemic crisis

⁹³ State Council Information Office (SCIO), *China’s Military Strategy*, Beijing, May 2015, Section VI.

⁹⁴ President of Russia, “National Security Strategy of the Russian Federation,” December 31, 2015, Section 93.

⁹⁵ Korolev, 2018a, p. 7.

⁹⁶ DD Wu, “China and Russia Sign Military Cooperation Roadmap,” *The Diplomat*, June 30, 2017.

with the West.”⁹⁷ Explanations for Russia’s changed decision vary. Some argue that Russia was willing to expand arms sales in spite of reservations over potential future military competition and technology compromises because of the need for better overall relations with China.⁹⁸ Others claim that Russia reconsidered because of economic logic. China would inevitably develop advanced systems on its own, so it was better for Russia to profit by making sales now. Russia might also hope to obtain access to Chinese technology, offsetting losses caused by Western sanctions.⁹⁹ In fact, Russian analysts concluded that, in some areas (such as unmanned aerial vehicles [UAVs]), China’s armaments had become technologically superior to Russia’s.¹⁰⁰

Chinese arms purchases since 2014 appear to be more targeted than in the past, focusing on areas where it continues to have difficulty, such as in the development of high-end systems, including fourth- and fifth-generation fighters, SAMs, and submarines, as well as more-basic (but essential) components, such as aircraft engines. In particular, Russia sold at least four battalions of the S-400 (SA-21) air defense system and 24 Su-35S (Flanker-E) multipurpose fighters to the PLA. It also reopened a failed deal for transport and refueling aircraft and agreed to joint production of military helicopters. Moreover, China now sells some armaments to Russia, including the Type 054A frigate.¹⁰¹

Exercise activity also increased considerably during this period, with the average number of combined or bilateral exercises approaching three per year, along with a concurrent growth in the size of the individual exercises. The Joint Sea series has expanded significantly in scope since 2012. Although the exercise is often conducted in eastern maritime areas off the coast of China and Russia’s Far East, the two

⁹⁷ Gabuev and Kashin, 2017, p. 13.

⁹⁸ Korolev, 2018a, p. 10.

⁹⁹ See Kashin 2018, p 22. Conversations with Russian analysts, Moscow, March 2018.

¹⁰⁰ Gabuev and Kashin, 2017, p. 20.

¹⁰¹ Richard Weitz, “Growing China-Russia Military Relations: Implications and Opportunities for U.S. Policy,” in Ellings and Sutter, 2018, p. 99.

navies in 2015 and 2017 performed activities in the Mediterranean and Baltic Seas, respectively. These exercises have become increasingly large and complex, reflecting the evolving capabilities and capacities of the two navies and the mutual interest of Russia and China in demonstrating maritime power.¹⁰² Starting with Aerospace Security 2016 in May 2016, Russia and China began conducting joint missile defense exercises, pointing to possible cooperation in the air and missile defense domains.¹⁰³ In September 2018, 3,200 PLA personnel participated for the first time in one of Russia's annual strategic exercises, demonstrating the increasing level of exercise collaboration established during this period.¹⁰⁴ China's inclusion in Vostok ("East") 2018 indicated a new level of trust by the Russian military.

Since 2012, there has also been a modest but steady increase in the numbers of high-level engagements. According to a report produced for the U.S.-China Economic and Security Review Commission, "2015 was a landmark year for high-level contacts between the [Russian and Chinese] militaries, led by a surge in top-level contacts; that year, the five top-level contacts were the most since the two countries normalized relations in 1989."¹⁰⁵ In addition to bilateral meetings, Chinese and Russian military officials are increasingly engaging in multinational security forums, such as the Xiangshan Forum, the ASEAN defense ministers meeting, and the Shangri-La Dialogue.¹⁰⁶

Economic Relationship

The economic relationship during the 2012–2017 period grew into one of *collaboration* (at least from the Russian point of view). During this period, the economic trajectory of both countries continued to diverge, but their political trajectories appeared to converge. Russia had recovered from the global financial crisis but then faced the twin

¹⁰² Muraviev, 2014, pp. 177–78.

¹⁰³ Meick, 2017, pp. 11–12.

¹⁰⁴ "PLA and Russian Forces to Stage Massive War Games," *Asia Times*, August 21, 2018.

¹⁰⁵ Meick, 2017, p. 18.

¹⁰⁶ Meick, 2017, p. 18.

challenges in 2014 of an oil price collapse and sanctions following its aggressive seizure of Crimea and deadly support for separatists in eastern Ukraine. China, in contrast, continued to grow rapidly, although more slowly than before. That growth was more and more fueled by debt, and China acted slowly, if at all, to transform its economy from an export- and manufacturing-led one to an innovation- and consumption-led one. The period ended with a new U.S. administration taking office with a view of China as an economic and geopolitical competitor that would need to be confronted.

From 2007 to 2012, average growth in both countries mirrored these diverging experiences (Table 4.2). China continued to grow rapidly (if somewhat less rapidly than before), but the Russian economy stalled. The Chinese economy ended the period at \$12.2 trillion in 2017, above its period average, whereas the Russian economy ended at \$1.6 trillion in 2017, *below* its period average. Russia retained a higher standard of living but with a narrowing gap.

Growth of trade continued the trend of making China more important to Russia than vice versa.¹⁰⁷ The growth of total goods trade slowed and was lower every year from 2015 to 2017 than it was from 2012 to 2014. During the period, China accounted for almost one-fifth of Russia's goods imports and grew as an export destination for Russia, but Russia remained merely one of many trading partners to China and in fact was slightly less important as an export destination.

Endowment patterns dominated goods trade even more during this period. On average, Russian exports of minerals and fuels from 2012 to 2017 constituted 83 percent of all Russian goods exports to China, up from 75 percent the previous period. Despite this, Russia continued to lose share in China. Minerals and fuels from Russia constituted, on average, only slightly more than 12 percent of all such imports for China during the period, down from 13 percent the previous period and 14 percent from 2002 to 2007.

Throughout the 20-year period from 1997 to 2017, China steadily became more capital-intensive, and this is reflected in the trade data. For the first time, machinery and transport goods from China consti-

¹⁰⁷ United Nations, 2017.

tuted the largest single category of China's exports to Russia, with an annual average of 37 percent of all China's exports to Russia. China's exports to Russia composed of manufactured items were slightly below 95 percent of all Chinese exports to Russia, on par with the period before.

Services trade continued to pale in comparison with goods trade, but China became a somewhat more important services destination for Russia.¹⁰⁸ For a sectoral snapshot, we provide detailed Russian bilateral data for 2016.¹⁰⁹ Russian services exports to China measured 3.9 percent of all Russian services exports that year, but again travel and transport dominated. Transport exports—money paid by China to Russia for transporting things, likely natural resources—constituted 54 percent of all services exports, and travel constituted 28 percent. For Russian services imports from China, travel constituted 44 percent. However, services trade started to become somewhat more sophisticated, with 16 percent of Russia's services imports from China in the financial services sector and an additional 7 percent in telecommunications, computer services, and information services.

In the 2012–2017 period, bilateral investment interactions remained modest, according to overall quantitative indicators. Even though the countries had grown closer on several dimensions, direct investment was not among them, although there were major transactions at the end of the period, suggesting the relationship might have been undergoing change. China did become a major lender to Russia following sanctions.¹¹⁰ On a transaction-level basis (an alternative data source to the official sources with aggregate data), Chinese investment in Russia amounted to 2.6 percent of total Chinese investment during this period.¹¹¹ As before, the vast majority of the \$18.6 billion total went into resource investments, with \$10.6 billion going to energy and

¹⁰⁸ We present data for 2012 to 2016, since Russian data for 2017 was unavailable as of September 2018.

¹⁰⁹ Central Bank of the Russian Federation, *External Trade in Services of the Russian Federation 2016*, Moscow, 2017.

¹¹⁰ Kashin, 2018.

¹¹¹ Scissors, 2018.

\$1.9 billion going to metals. Of 28 transactions, eight were of more than \$1 billion, and seven of these were in energy (the other was in agriculture). Russia's share of construction contracts by Chinese companies also rose, to 2.6 percent of the total, or \$12.9 billion. Of the 17 construction contracts, seven were larger than \$1 billion, and all of those were in resources, specifically energy, metals, and timber. By the end of the period, Russia's GDP constituted about 2 percent of global GDP, so China was favoring Russia somewhat in terms of investment. By comparison, U.S. FDI stock in Russia during the same period was \$13.9 billion, or approximately 0.3 percent of total outbound U.S. FDI worldwide.¹¹²

The hallmark of this period economically was a more complete Russian pivot to Asia and China, started before this period but accelerated by the sanctions of 2014.¹¹³ As Russian elites began to focus on Moscow's relations with Beijing, they also placed a new, higher priority on developing Russia's Far East, seeking to redress the Western bias in its domestic economic landscape. Indeed, the foreign and the domestic dimension of the turn East are closely linked, with the latter viewed by numerous experts as the key path for Russia toward "Russia becoming an Asia-Pacific power."¹¹⁴ However, there is implicit recognition that Moscow cannot become a real Asia-Pacific power and must accept China's paramount position there.¹¹⁵

One Russian analyst explains: "Moscow was [initially] ambivalent about Beijing's expansion in Central Asia" and had not immediately embraced the initiative.¹¹⁶ Given its concerns about the increasing dependence of Central Asian states on China—at the expense of Russia's influence—many expected Russia to resist China's attempt to

¹¹² U.S. Bureau of Economic Analysis, 2019.

¹¹³ Samuel Charap, John Drennan, and Pierre Noël, "Russia and China: A New Model of Great-Power Relations," *Survival*, Vol. 59, No. 1, February–March 2017.

¹¹⁴ Barabanov and Bordachev, 2012, p. 55; Trenin, 2015, p. 4.

¹¹⁵ Richard J. Ellings, "The Strategic Context of China-Russia Relations," in Ellings and Sutter, 2018, p. 35.

¹¹⁶ Gabuev, 2015a, p. 4.

deepen its influence in Russia's backyard.¹¹⁷ Thus, Russia's 2015 decision to embrace the BRI and to cooperate with it formally through the EEU was described by some Russian analysts as a major change. According to the same analyst, "[t]he Kremlin's attitude towards Belt and Road underwent a U-turn in the autumn of 2014."¹¹⁸ As with the threats of Chinese takeover of the Far East or military technological competition, the Ukraine crisis was responsible. Each country's major Eurasian initiatives—on China's side, the BRI, and on Russia's side, the EEU—also focused on economic development, and, as noted above, China and Russia agreed to coordinate these activities.¹¹⁹ Along with other BRICS members, China and Russia agreed to establish a New Development Bank in July 2014.¹²⁰ As one leading expert explains, Russia learned that

adding the "OBOR" [i.e., BRI] brand to a project did not elicit any additional concessions from the Chinese side, and . . . in most of cases Beijing has looked for profitable projects with a good internal rate of return. For example, out of 40 projects that support transport connectivity between Western China and Europe through EEU states, Beijing declined to invest in a single one, citing unsustainable financial models and unclear prospects for returns.¹²¹

¹¹⁷ Gabuev, 2015a, p. 4.

¹¹⁸ Alexander Gabuev, "Belt and Road to Where?" *Russia in Global Affairs*, December 11, 2017c.

¹¹⁹ International Crisis Group, *The Eurasian Economic Union: Power, Politics and Trade*, Europe and Central Asia Report No. 240, Brussels, July 20, 2016. For the 2015 agreement, see Alexander Gabuev, "Eurasian Silk Road Union: Towards a Russia-China Consensus?" *The Diplomat*, June 5, 2015b. For the 2017 agreement, see Ministry of Foreign Affairs of the People's Republic of China, "Joint Statement of the People's Republic of China and the Russian Federation on Further Deepening the Comprehensive Strategic Partnership of Coordination," July 5, 2017.

¹²⁰ Alonso Soto and Anthony Boodle, "BRICS Set Up Bank to Counter Western Hold on Global Finances," Reuters, July 15, 2014.

¹²¹ Alexander Gabuev, "Kak Shelkovyy Put' stal rezinovym [How the Silk Road became a rubber one]," *Memory*, September 4, 2018b.

According to Alexander Gabuev,

[a]fter the Ukraine crisis began, the Russian government immediately started to assess the economic implications. In a series of study sessions [in Moscow] . . . experts . . . immediately spotted Russia's three weakest points: critical dependence on the European energy market, critical dependence on Western capital markets, and critical dependence on important technologies They concluded that if the West imposed sanctions, Russia would have no other choice than to be more and more accommodating to China—even if it turned Moscow into the junior partner in the relationship.”¹²²

Postcrisis reassessment further confirmed that the threat of “creeping demographic expansion” was exaggerated because the number of Chinese citizens in Russia is very limited, Chinese labor migrants in the Far East remain there only temporarily, and, after the devaluation of the ruble in 2014, many migrants chose to leave in search of more profitable earning opportunities.¹²³ During the lead author's visit to Vladivostok in March 2018, Russian interlocutors emphasized the absence of significant numbers of Chinese workers, who had previously been present before the currency devaluation in 2014.¹²⁴ Although China retains conventional military superiority over any forces Russia could deploy in the Far East,¹²⁵ Chinese interest in asserting any kind of control over Russia's Far East has been reassessed to be very low because of the absence of need and economic rationale.¹²⁶

¹²² Gabuev, 2015a, p. 3.

¹²³ Gabuev and Kashin, 2017, p.18.

¹²⁴ Conversations with experts, Vladivostok, March 2018.

¹²⁵ Kashin, 2018, p.14.

¹²⁶ On the official reassessment of this risk, see Gabuev and Kashin, 2017, p. 18; for elaboration of the risks, see Kashin, 2018, p. 7; Alexander Gabuev and Maria Repnikova, “Why Forecasts of a Chinese Takeover of the Russian Far East Are Just Dramatic Myth,” *South China Morning Post*, July 14, 2017. To be sure, there remains some divergence of concern about such prospects among experts, with at least one expert conveying the perceived relevance of these threats; conversation with expert, Vladivostok, March 2018.

As noted above, Russia and China have also joined in several major projects, specifically Novatek's Yamal liquefied natural gas project in the Russian Arctic and Power of Siberia, a \$55 billion project set to open in 2019 and designed to bring gas from Eastern Siberia to China, the first gas pipeline for the two partners.¹²⁷ The pipeline was made economically possible at a May 2014 presidential summit, when representatives of the two countries signed a 30-year gas purchase and sale agreement reportedly worth \$400 billion, after some ten years of prior negotiations.¹²⁸ China was at an advantage in the negotiations, since it had other potential sources of gas, whereas Russia more urgently needed to diversify away from Western buyers. Some Western analysts highlight the eventual Power of Siberia agreement as an indication of Russian weakness, noting that China is paying less than Western consumers and that the deal might not be profitable for Russia.¹²⁹ However, according to one analysis, the deal becomes more profitable with different assumptions about the discount rate and export duties.¹³⁰ Russian analysts also emphasized that the project, while expensive, is a major future investment in gas production in a new region that could have benefits beyond the 30-year deal, and they noted benefits for other industries, such as pipeline producers.¹³¹ The energy relationship was further cemented on January 1, 2018 (just at the end of the 2012–2017 period), when a second Russia-China oil pipeline started operations, running parallel to the original East Siberia–Pacific Ocean pipeline.¹³²

Despite these multiple agreements and the summitry, the relationship remains decidedly unequal.¹³³ Russia is only a small part of

¹²⁷ Henry Foy, "Russia's \$55bn Pipeline Gamble on China's Demand for Natural Gas," *Financial Times*, April 2, 2018.

¹²⁸ Charap, Drennan, and Noël, 2017.

¹²⁹ Stronski and Ng, 2018, p. 19; discussions with U.S. analysts, Washington, D.C., and Moscow, March 2018.

¹³⁰ Charap, Drennan, and Noël, 2017 p. 32.

¹³¹ Conversations with Russian analysts, Moscow, March 2018.

¹³² Philip Glamann and Serene Cheong, "Russia Tightens Oil Grip with China's Second Pipeline," *Bloomberg News*, January 1, 2018.

¹³³ Charap, Drennan, and Noël, 2017, p.39, note this inequality with the gas relationship.

China's trade and investment and is one of numerous suppliers of resources and customers of manufactured goods. Furthermore, at least as of the end of 2017, Russia received only a small share of Chinese investment or construction activity. But Russia did become more receptive to such investment. In February 2015, Deputy Prime Minister Arkady Dvorkovich declared at the Krasnoyarsk Economic Forum that Chinese companies would be welcome to purchase assets in the natural resource sector and to bid on infrastructure contracts in sensitive industries.¹³⁴ Multiple Chinese scholars and analysts who spoke with one of the authors in mid-2018 lamented the difficulties of doing business in Russia despite Chinese eagerness to cut deals. According to these experts, Chinese entrepreneurs found their Russian counterparts to be unenthusiastic negotiators and sluggish in following through. This was particularly disappointing in the energy sector, where the proximity of Siberian energy resources made Russia a highly appealing partner for China.¹³⁵

Explaining the Relationship

As shown in Table 4.4, the relationship between China and Russia advanced to one of *collaboration*, driven by changes in the balance of power, threat perception, and ideology. The two sides more clearly articulated the existence of a lasting partnership, with multiple areas of closer joint work, including expanded exercises, arms sales, and investment (especially the Power of Siberia project). Fear of each other also diminished as Russia reassessed the risk of Chinese aggression.

The aggregate power of China and Russia continued to increase, with China growing to possess about 24.7 percent of aggregate power and Russia declining to 17.7 percent. The United States had 57.6 percent of aggregate power, down from 60.1 percent in the previous period. China and Russia thereby continued to gain relative to the United States, although the United States retained a significant advantage in aggregate power.

¹³⁴ Gabuev, 2016b.

¹³⁵ Conversations with multiple Chinese experts in Beijing, Nanjing, and Shanghai, May 2018.

Table 4.4
Chinese-Russian Relationship, 2012–2017

Relationship	Assessment	Explanation
Overall	Collaboration	The relationship greatly improved, especially after 2014 as Russia reassessed the threat from China. The countries articulated a larger range of joint projects, including increased Chinese investment.
Political	Collaboration	<ul style="list-style-type: none">• Bilateral meetings• Multilateral organizations• Regions <ul style="list-style-type: none">• Close ties between Putin and Xi; acceleration of Russia's "pivot to Asia"• Coordination at UN, Russian support for Chinese BRI• Russian acceptance of Chinese economic dominance in Central Asia; collaboration on North Korea
Military	Collaboration	<ul style="list-style-type: none">• Agreements and pronouncements• Military technical cooperation• Exercises• Military-to-military engagements <ul style="list-style-type: none">• Statements in strategic documents• Major expansion after 2014• Average of 3 per year; Russia includes China in Vostok 2018• Surge in high-level interactions
Economic	Collaboration	<ul style="list-style-type: none">• Trade• Investment• Projects <ul style="list-style-type: none">• Continued growth; China remains far more important to Russia than Russia to China• Increase, with Chinese investment in Russian energy projects• Power of Siberia gas pipeline

Threat perceptions between the two countries remained low. Russia's reassessment of Chinese relations in 2014 demonstrated the clear rejection of a significant threat from China. Gabuev notes that "[a]fter the sanctions, the Kremlin rushed to Beijing for support, but before doing so it did a meticulous analysis of possible side effects. As a result, many myths about dangers that China's rise poses to Russia were disproved," which in turn facilitated the arms sales and other cooperation with China mentioned above.¹³⁶ Perceiving no major security disputes or differences with China, Moscow had few reservations about pursuing a closer political and military relationship with Beijing.¹³⁷ Meanwhile, although keen to maintain political and military ties with Moscow, Beijing remains wary of underlying tensions or latent frictions over issues such as competition for influence in Central Asia and Russian arms sales to Vietnam.¹³⁸

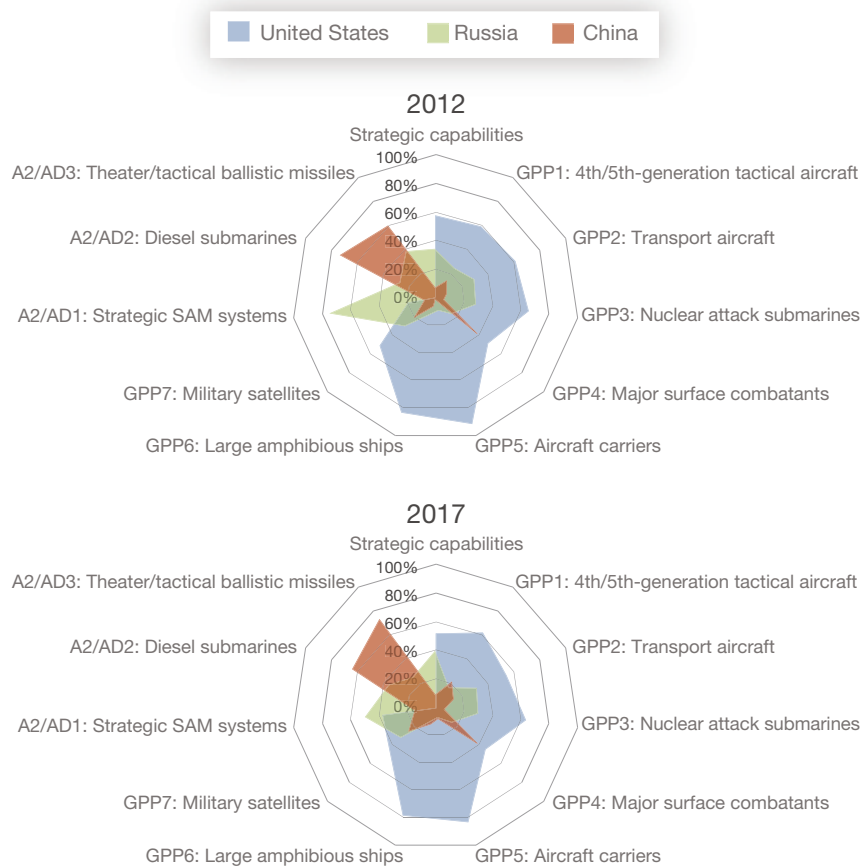
During this period, the threat posed by the United States increased, especially as Russia increasingly saw signs of aggressive U.S. intentions. The balance of offensive capabilities, if anything, shifted in China and Russia's favor. China's navy, air force, and strategic SAMs increased relative to Russia and the United States, although the quantitative balance remained fairly similar to the previous period (see Figure 4.2). At the same time, China and Russia undertook major modernization programs that increased their capabilities. Russia, for example, replaced most of its older SS-21 short-range ballistic missile systems with a smaller number of the much more capable Iskander complex. Similarly, the PLA Navy's number of surface combatants remained the same over the period, but more than 20 new classes of destroyers and

¹³⁶ Alexander Gabuev, [@AlexGabuev], "After the sanctions, the Kremlin rushed to Beijing for support, but before doing so it did a meticulous analysis of possible side effects . As a result, many myths about dangers that China's rise poses to Russia were disproved - those very myths that drive Kissinger's thinking 5/," Twitter post, July 27, 2018a.

¹³⁷ Korolev, 2018, p. 10.

¹³⁸ Evan S. Medeiros and Michael S. Chase, "Chinese Perspectives on the Sino-Russian Relationship," in Chase et al., 2017, pp. 10–12.

Figure 4.2
Aggregate Military Capabilities, 2012 and 2017



SOURCES: IISS, 2012; IISS, 2017.

frigates entered the force, replacing ships designed and launched in the 1960s to 1980s.¹³⁹

Even as their military capabilities improved, Russia and China perceived increasingly confrontational U.S. policies toward both countries.¹⁴⁰ Russia perceived a major threat from the United States, especially because of U.S. support for pro-democracy protests. This threat included perceived U.S. backing for the 2011–2012 Bolotnaya protests against Putin, U.S. support for the Arab Spring, and the subsequent U.S. support for the Maidan protests in Ukraine.¹⁴¹ After the Maidan Revolution forced Ukrainian President Viktor Yanukovich from power in 2014, Russia seized and annexed Crimea, justifying its actions as being based on a Western threat.¹⁴² The U.S. and Western response to the Russian seizure of Crimea, in addition to the deployment of anti-ballistic missile systems and other military deployments, reinforced Moscow's threat perceptions.¹⁴³ For China, the U.S. pivot or rebalance to Asia was clearly interpreted as a hostile effort to contain China's rise.¹⁴⁴ Although there were limited substantive changes in permanent U.S. military presence in the region, U.S. actions to bolster allies and partners—Japan, South Korea, and the Philippines, in particular—further raised concerns regarding U.S. intentions. Finally, both countries took note of a change in tone in U.S. security and defense strategy documents citing the return of great-power competition and calling for renewed investment in high-tech capabilities and systems contained in concepts such as air-sea battle and the Third Offset Strategy.

¹³⁹ See IISS, *The Military Balance*, London: Routledge, 2018.

¹⁴⁰ Korolev, 2018a, p. 8.

¹⁴¹ Fiona Hill and Clifford G. Gady, *Mr. Putin: Operative in the Kremlin*, Washington, D.C.: Brookings Institution Press, 2015, pp. 262–263, 305–311.

¹⁴² President of Russia, “Address by the President of the Russian Federation,” March 18, 2014.

¹⁴³ See Christopher S. Chivvis, Andrew Radin, Dara Massicot, and Clint Reach, *Strengthening Strategic Stability with Russia*, Santa Monica, Calif.: RAND Corporation, PE-234-OSD, 2017.

¹⁴⁴ Kenneth G. Lieberthal, “The American Pivot to Asia,” Brookings Institution, December 21, 2011.

Ideologically, the two countries remained strongly aligned, with a convergence rating of 14/15. In the domestic governance domain, although there remained major differences in governance in China and Russia, both countries moved toward greater authoritarianism and shared similar views on the challenges toward their leadership: domestic dissent, lack of information control, and terrorism. The return of Putin to the Russian presidency for another term combined with the announcement that Xi could be leader for life shows a strong convergence in views toward consolidated political power with little to no room for opposition. Russia and China continued to collaborate in international and regional forums, holding that these forums must adhere to international law and norms while respecting state sovereignty. China supported Russia's stance opposing Western intervention in Syria against the Russian-backed government of Assad and viewed Russian actions in Ukraine as an appropriate response to U.S. and Western efforts to expand their areas of influence through instability and color revolutions.¹⁴⁵ On the other hand, we rated the two countries' convergence in this area slightly lower compared with the previous period because of the sharp deterioration in Russia-U.S. relations that led Russia to more actively attempt to undermine the existing order, while Chinese dissatisfaction was more rhetorical by comparison (although certainly not benign). With regard to the international economic order, while China continued to participate and promote its role in international economic institutions, Russia grew more critical but wanted reform rather than the dismantling of that order. Despite the de facto ideological alignment, Chinese elites stressed in conversations with one of the authors that Beijing does not share a consistent worldview with Moscow. The reason seems to be that the PRC officially insists that it is an independent great power with its own views, since China is not formally aligned or allied with any other country ideologically or militarily.¹⁴⁶

¹⁴⁵ Alexander Lukin, "Russia, China and the Emerging Greater Eurasia," *Asian Forum*, August 18, 2015.

¹⁴⁶ Conversations with Chinese analysts in Beijing, Nanjing, and Shanghai, May 2018.

Economic complementarity provided an opportunity for a stronger economic relationship. However, the relationship improved not for economic reasons, but because of political shifts. China's full emergence as an economic power, coupled with Russia's political isolation and weakened economic position as a result of sanctions and falling oil prices, pushed Russia to seek greater economic relations with China. The alignment of the two states' political and strategic interests softened Russia's resistance to moderating its approaches on economic policies, such as Chinese investment in Russia and renewed sales of high-tech weapons, but the nature of economic relations was driven by the fundamental need by Moscow for a trading partner and China's dominant position in this aspect of their relationship. China's decisions, such as to invest in Power of Siberia, reflected a political imperative for China to support Russia but did not imply a reassessment about the overall economic prospects of investing in Russia.

Although there are lingering concerns about Russia's growing power asymmetry with China, Moscow's worry about being dominated by Beijing economically or otherwise has paled in comparison with the growing threat it perceives from Washington. Moreover, by 2017, earlier concerns about "two risks" from China—the threat of a Chinese demographic or military takeover of Russia's Far East and China's copying of Russian military technology—were determined to be exaggerated or no longer important.¹⁴⁷ Although Chinese "suspicions" toward Russia persist,¹⁴⁸ a former PRC diplomat observed that "[t]he fact that we [Russia and China] can [now] be friends and no longer fear each other is significant in itself."¹⁴⁹

¹⁴⁷ Gabuev and Kashin, 2017, p. 18.

¹⁴⁸ Cao Jianfeng, "'Xijiaozhilu jingjidai' he Ouzhou jingji lianmeng duijixiade Zhong-E guanxi [Sino-Russian relations after the docking of the 'Silk Road Economic Belt' and the Eurasia Economic Union]," *Contemporary World and Socialism*, No. 4, 2017.

¹⁴⁹ "China and Russia: Unlikely Partners," *The Economist*, July 29, 2017, p. 36.

Conclusion

From 2007 to 2017, the Sino-Russian relationship greatly strengthened. A key inflection point occurred in 2014, when U.S. support for regime change in Ukraine and sanctions after the annexation of Crimea pushed Russia to pursue a much closer relationship with China. Although Russia might have considered pivoting eastward before 2014, U.S. actions catalyzed Russian policy and drove China and Russia much closer together.

Shared ideology led to joint China-Russia policy statements expressing frustration with U.S. unilateralism in the 2000s and contributed to much closer Sino-Russian ties. Economic complementarity, especially Russia's endowment in natural resources, also increased commercial interactions. Nevertheless, the key explanatory factor was stronger political motivation from Moscow after 2014 to stimulate greater Chinese investment activity in Russia. Even with that investment, China did not appear to see Russia as a particularly attractive market because of strong state regulation and weak rule of law. Chinese investment in Russia remained a very small portion of Beijing's overall trade and investment activity. However, this is to be expected, since the PRC's total trade volume is large, and its overall outbound foreign investment numbers are vast. In the final analysis, the overarching calculus driving Beijing's relations with Moscow has tended to be guided by power politics and efforts to balance against a greater common perceived threat from the United States.

Conclusion

China and Russia are neighbors with a long history: In the past 70 years, their relationship has spanned the full range of interstate relations, from conflict to alliance. After slowly improving their relations since the mid-1980s, China and Russia have become much closer since 2014. Given the competitive relationship between these countries and the United States, closer ties between China and Russia are concerning for U.S. policymakers.

This study has detailed the political, military, and economic dimensions of the China-Russia relationship over time and sought to understand what explains the changes in the relationship. We identify two factors that offer the best explanation for the observed trajectory: shifts in the global balance of power, especially China's increasing power relative to Russia and the United States, and U.S. actions that raise the perceived threat of the United States to China and Russia. Our analysis also indicates several limitations on closer ties between the two states, including both China and Russia's desire to maintain good relations with other countries and a lack of desire to be pulled into conflict or pay costs on behalf of each other.

We expect that the Sino-Russian relationship will continue to strengthen within the general framework of collaboration.¹ Trends in the balance of power will lead to a continued strengthening of China and Russia's aggregate power compared with the United States. Still, a desire for independence and divergent political interests will lead

¹ This is consistent with the findings of another major study of China-Russia relations. See Ellings and Sutter, 2018.

China and Russia to avoid the risks that might emerge from closer cooperation, which will prevent them from seamlessly combining their power and more effectively challenging the United States. At the same time, U.S. policy is also unlikely to change in a way that would accommodate either country's concerns about U.S. aggressive intentions. Nor should the United States necessarily change its policy in deference to Chinese or Russian interests, given other priorities at stake. For example, a major driving factor in Russia's decision to move closer to China is U.S. sanctions toward Russia. However, maintaining sanctions might best serve U.S. interests, given ongoing Russian influence activities and provocations in countries around the globe.

Our analysis therefore implies that there is little that the United States can or should do to change the overall trajectory of Sino-Russian relations, given current overall U.S. policy priorities, especially policy toward Russia. Although the U.S. government cannot easily change the general trajectory of Sino-Russian relations, it can prepare for the impact of potential closer cooperation, especially given a better understanding of how the Chinese-Russian relationship will evolve.

Below, we first synthesize our historical analysis of which factors best explain the Sino-Russian relationship. We then consider several future scenarios for how the Chinese-Russian relationship might evolve in the next five to ten years. A final section assesses the implications of our analysis for U.S. national security and the U.S. Army.

Analysis of Which Factors Mattered over Time

Our analysis indicates that power politics and perceived threat from the United States have consistently been at the heart of the China-Russia relationship, although there have been some changes in terms of which factors best explain the Chinese-Russian relationship over time. The importance of power and threat is particularly clear in the final period, from 2012 to 2017, when a dramatically increased threat from the United States spurred Russia to pursue further cooperation with China. In Tables 5.1 and 5.2, we summarize the findings of the previous chapters.

Table 5.1
Influential Factors in the China-Russia Relationship, 1950s–1990s

	1950s	1960s	1970s	1980s	1990s
Relationship	Collaboration: Sino-Soviet alliance	Confrontation and conflict: Sino-Soviet split	Confrontation and calculation: triangular diplomacy	Cooperation	Cooperation
Best explanation	Ideology and power	Ideology and power	Ideology and power	Power	Power; later, the start of U.S. threat
Why?	Shared communist ideology, Chinese weakness	Increasing Chinese power facilitates Chinese break with Russia	Sino-Soviet competition over communist bloc	Soviet weakness produces desire for normalization	Russia very weak, U.S. threat seems more real by mid/ late 1990s
Other important factors		Khrushchev/Mao disagreement	U.S. pursuit of good relations with Soviets and Chinese	Soviet domestic problems push Gorbachev to reconcile	

Table 5.2
Influential Factors in the China-Russia Relationship, 1997–2017

	1997–2002	2002–2007	2007–2012	2012–2017
Relationship	Calculation	Cooperation	Cooperation	Collaboration
Political	Cooperation	Cooperation	Cooperation	Collaboration
Military	Calculation	Cooperation	Calculation	Collaboration
Economic	Calculation	Cooperation	Cooperation	Collaboration
Best explanations	Power and threat	Power and threat	Power and threat	Power and threat
Why?	China and Russia perceive threat from the United States, but threat is diffuse; collectively, China and Russia are too weak to balance.	China and Russia perceive threat from the United States, but threat is moderated by U.S. overexpansion.	China and Russia have increasing power and wealth relative to the United States and are feeling a more acute threat.	Dramatic increase in U.S. threat to Russia produces Russian pivot; Beijing shifts to Moscow; growing combined power relative to the United States.

During the 1950s to 1970s, ideology appeared to play a significant role in the development of an alliance between China and Russia and the subsequent Sino-Soviet split. Since the 1980s, ideology has declined as an apparent motivation for Chinese and Russian policy. As explained in Chapters Three and Four, China and Russia still share many views about domestic politics and the international order; in particular, they share a view that U.S. dominance is problematic. These shared views could facilitate a closer relationship, but ideology in the contemporary period seems to be more reflective of power and threat than it having an independent causal impact. One reason for the decreased contemporary importance of ideology could be that the current great-power ideologies of China and Russia are more closely aligned with the power and threat variables than were their shared communist ideology of the 1950s.

Economic factors in general do not appear to be especially important in determining the overall relationship between China and Russia, although they do explain some elements of the trade and investment relationship. We attempted to measure the incentive for economic cooperation between China and Russia by studying their factor endowments.

Throughout the 20-year period from 1997 to 2017, Russia had greater relative natural resources and arable land, while China had more labor. Russia began the period with greater relative capital, although that advantage declined over time. The observed complementarities explain what was traded: Russian exports were primarily oil, gas, and arms, while China's imports to Russia grew over time to include more and more manufactured goods. Overall, we find that trade between China and Russia fluctuated in proportion to China's overall trade with the world, but Russia was not a disproportionately important trade partner for China, despite their proximity. Even after 2014, although there was a political imperative for China to invest more in Russia, including through the Power of Siberia project, investment in Russia continued to represent a small portion of overall Chinese investment. From the perspective of experts in both China and Russia (see Appendixes B and C), Russia was simply not a particularly attractive economic partner, given its problematic institutional structure and the existence of lower-cost producers of desired Chinese imports. Therefore, although an economic relationship was part of the overall relationship, it did not drive the overall relationship.

The previous chapters identified several other factors that likely also influenced the Sino-Russian relationship. First, the quality of the personal relationship between the leaders of China and Russia has correlated with closer periods in the two countries' relationship. In the late 1950s, the poor relationship between Khrushchev and Mao undermined Sino-Soviet ties, whereas a good relationship between the soul mates of Putin and Xi is often identified as a positive factor in China and Russia's current good relations. It is striking, however, that other geopolitical trends—specifically, China's growing strength in the late 1950s and Russia's perception of an increased threat from the United States—occurred at the same time as these weaker or stronger personal ties.

Second, domestic political factors have influenced the relationship in addition to the four theories identified in Chapter One. Examples include the economic collapse that contributed to the end of the Soviet Union in 1991, the protests against the ruling regime in China in 1989, and the 2011–2012 anti-Putin protests at Bolotnaya. Chinese

and Russian foreign policies appeared to change in parallel as each regime faced domestic unrest. However, the influence of these protests and such instability appeared to be most important in terms of their effect on the main four theories. Domestic instability sometimes mirrored changing global power trends, such as in the case of the economic collapse of the Soviet Union. Internal upheaval likely also affected foreign policy because it shifted perceptions in Beijing and Moscow that the United States was encouraging domestic unrest and therefore posed a threat.

The possible role of leadership and domestic unrest in mediating the effects of power and threat highlight the general challenge of causal inference in explaining the Chinese-Russian relationship. Power, threat, ideology, and economic complementarity are clearly interrelated, especially in the case of ideology, as noted above. Multicausal factors appear to be at work, although some factors seem more important than others. Balance of threat and balance of power factors seem to offer the most compelling explanations for the changes in the Sino-Russian relations. Nevertheless, ideological affinities and economic complementarity also appear to hold significant explanatory value.

Future Scenarios of Cooperation and Potential Impacts on U.S. Interests

In this section, we draw from our analysis to identify scenarios for how China and Russia's relationship could evolve. A first scenario extrapolates from current trends to describe the most likely development of the political, military, and economic relationships over the next five to ten years. A second set of scenarios posits two ways in which China and Russia's relationship could worsen, either through a slowdown in interactions or a possible militarized confrontation between the two countries. A third set of scenarios involves closer Sino-Russian cooperation, either through closer regional cooperation in a North Korean crisis or, in a more extreme example, a potential alliance. We do not think the second or third sets of scenarios are especially likely: Our assessment would be that the continuation of the first scenario is more than 90 percent likely to occur. Still, it is worth considering what would

need to change for the extreme outcomes we posit to occur, and the consequences of these high-impact events.

These scenarios draw on our observations above that the most important factors shaping the development of China and Russia's relationship in the contemporary period are the relative power of the two countries and the perceived threat of the United States. To be sure, these two factors underscore the relationship: There are many ways in which the relationship could develop given current levels of power and threat. To elucidate more details for future developments, we draw as well from other observations from the previous chapters and Chinese and Russian views (described in Appendixes B and C). These views offer insight, albeit uncertain, into how China and Russia might behave in future scenarios.

China and Russia's Future Relationship Under Current Trends

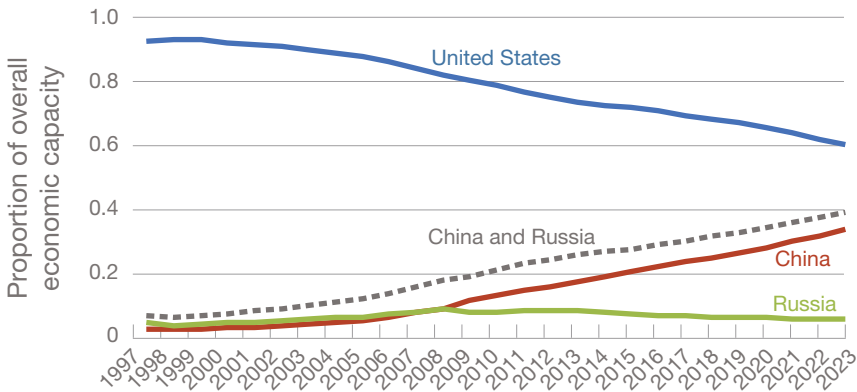
Assuming that current trends in aggregate power and U.S. policy continue, we expect that China and Russia's relationship will continue to strengthen, while remaining one of *collaboration*. This is certainly the consensus of analysts in both Russia and China. Most Russian experts are optimistic about the future of Moscow-Beijing relations and anticipate a continuation of current trends (Appendix B). Meanwhile, Chinese experts characterize Sino-Russian relations as either "stable" or "relatively stable" and believe this condition will continue for the foreseeable future (Appendix C). Moreover, according to Alexander Lukin:

[A]nyone in Washington who thinks that the United States can use Russia as pawn in its confrontation with China is sorely mistaken. . . . Whatever challenge China might pose for Russia, it is not an existential threat, unlike that posed by the West For this reason, Russia will never align itself with the United States against China.²

We offer projections of aggregate world power using our index of world power and two economic forecasts. In Figures 5.1 and 5.2,

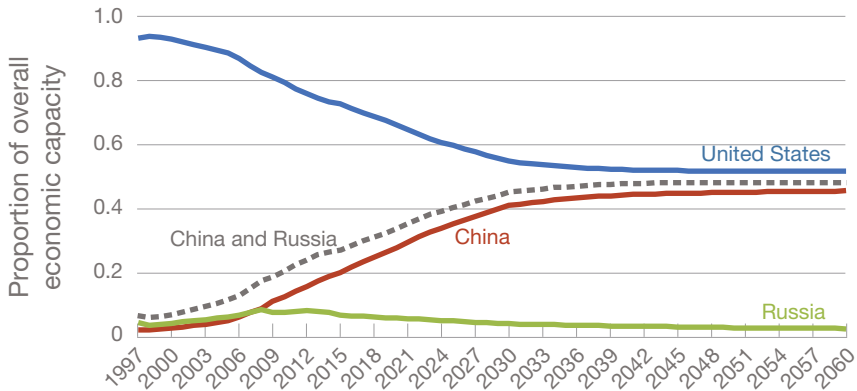
² Alexander Lukin, "A Russian Perspective on the Sino-Russian Rapprochement," *Asia Policy*, Vol. 13, No. 1, January 2018c, pp. 24–25.

Figure 5.1
Economic Capacity Projection Through 2023 (IMF Data)



SOURCES: IMF, UN (for population data).
NOTE: Economic capacity calculated as GDP multiplied by GDP per capita, using UN medium projection.

Figure 5.2
Economic Capacity Projection Through 2060 (OECD Data)

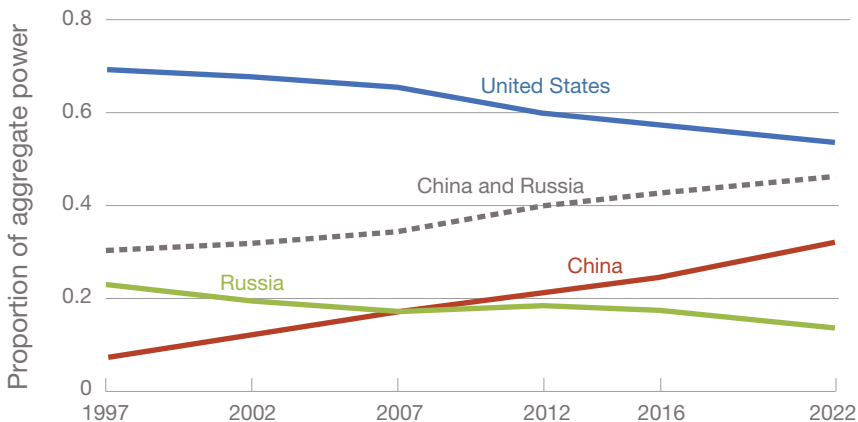


SOURCES: Organisation for Economic Co-operation and Development (OECD), UN (for population data).
NOTE: Economic capacity calculated as GDP multiplied by GDP per capita, using UN medium projection.

we chart our metric of economic capacity using two projections: one through 2023, using IMF data, and a second through 2060, using OECD projections. Using the IMF projections and linear projections of our metrics of technology and military capacity, we provide in Figure 5.3 a projection of the aggregate power of China, Russia, and the United States through 2022.

As shown in Figure 5.3, our projections show a projected increase in aggregate Chinese power and a continued decline in Russian and U.S. power. The Chinese growth is largely based on projections of the increase in Chinese technological advantage because military capabilities are projected to remain flat. We do not attempt to project our military and technology indexes beyond 2022 because linear projections could become increasingly misleading. However, based on the longer-term economic projections in Figure 5.2, we expect China's economic capacity to level out after 2030, which could mean that whatever U.S. advantage remains (if any) at that point could persist as China's economic growth slows. Based on these observations, the balance of power theory expects that Russia and China will develop an increasingly close

Figure 5.3
Aggregate Power Projection Through 2022



SOURCES: IMF, IISS, UN (for population data).

NOTE: Economic capacity uses IMF projections in Figure 5.1; military and technology are linear projections in Appendix A.

relationship as their aggregate power continues to approach the United States through 2022. As China's power increases, we expect it to exert greater influence abroad. But it is uncertain when China's power will exceed that of the United States, at which point China's incentive to build a closer relationship with Russia to balance the United States could diminish.

The challenge of military power posed by the United States to China and Russia is also unlikely to change. Previous RAND research suggests Russian military capabilities are likely to continue to slowly improve, with Russian spending leveling out to approximately 3 percent of GDP and a predicted 1 percent to 2 percent growth in GDP. Likely improvements include investments in additional long-range strike capabilities and command, control, communications, computers, intelligence, surveillance, and reconnaissance (C4ISR), which will give Russia a greater ability to damage NATO countries in the event of war but will not dramatically alter the military balance in Europe, which Russia currently finds threatening.³ Similarly, Chinese capabilities are expected to improve and expand in the near to medium term. The comprehensive organizational restructuring of China's national defense establishment launched by Xi can be expected to produce a more capable joint force able to fight and win "informatized limited wars" at or beyond China's borders. Moreover, greater attention to missile, maritime, and strategic support components and improved capabilities in the domains of space, cyber, and information means that the PLA will be better postured to execute its counterintervention (or A2/AD) strategy.⁴ Although the United States' advantage will erode, especially in Asia, there will continue to be a perceived threat to both China and Russia—or their interests or perceived sphere of influence—given U.S. capabilities.

Chinese and Russian perceptions of U.S. aggressive intentions are also unlikely to change. As mentioned above, the NDS and NSS identify China and Russia as "strategic competitors" to the United States. U.S. policy toward Russia, as of early 2019, appears likely to

³ Radin et al., 2019.

⁴ Scobell et al., 2018.

become more hawkish, if anything, although there is significant uncertainty. President Donald Trump has sought to improve the U.S.-Russia relationship at a summit in Helsinki, but as of early 2019, the U.S. Congress is considering additional sanctions, which were the original impetus for much closer Chinese-Russian relations in 2014.⁵ Similarly, U.S. policy toward China appears to be more hawkish, especially in the trade arena. U.S. policy toward China as of late 2018 is tense and increasingly contentious. Washington and Beijing are engaged in a brutal trade war, which shows no signs of easing any time soon. Although each country recognizes that its collective interests would be better served by dialogue and resolving their economic differences through negotiation, the mutual suspicion and enduring distrust are significant impediments to resolving the trade conflict. Moreover, economic issues combined with political and military matters seem likely to underscore the primacy of power and threat dynamics.⁶

Consequently, current U.S. policy trends appear more likely to reinforce Chinese and Russian perceptions about potential U.S. aggressive action and reinforce greater cooperation between them.

Chinese and Russia ideology is also likely to continue to align, at least so long as Putin and Xi remain in office, which is at least through 2024 for Putin and at least through 2023 for Xi.⁷ The factor endowments underlying economic complementarity are slow to change, as noted above, but the current trend in the increase of Chinese capital is likely to continue. This increase could lead to a dampening of Chinese imports of capital-intensive Russian goods, such as high-technology weaponry, and some increase in Russian imports of capital-intensive Chinese goods, such as consumer electronics. The motivation for energy exports from Russia to China is likely to persist. Even if eco-

⁵ Max Seddon and Henry Foy, "US Sanctions Proposals Shrugged Off in Russia," *Financial Times*, August 3, 2018; "Trump-Putin Summit Is Over. The Head-Scratching? Not So Much," *New York Times*, July 16, 2018.

⁶ Jane Perlez, "China Is Confronting New U.S. Hostility. But Is It Ready for the Fight?" *New York Times*, September 23, 2018.

⁷ Of course, it is possible—indeed likely—that Xi will extend his tenure as China's top leader beyond 2023. In March 2018, Xi engineered an amendment to the PRC constitution to remove term limits for the most powerful offices of state power. See Scobell et al., 2020.

conomic cooperation is reduced, the political and military motivations that currently drive the relationship will remain.

Limits on greater cooperation are also likely to continue. For Russia, an alliance with China could undermine its relations with other countries in Asia, including India, Vietnam, and Japan. For China, committing to support Russia could damage its relations with the United States, whom China sees as a critical economic partner. Neither country appears willing to be drawn into each other's conflicts or pay costs to support the other's interests, unlike NATO allies.

Given these trends, we expect China and Russia to continue to improve their political and military relationship while remaining within the general rubric of collaboration. Russia and China will likely continue to have bilateral summits and collaborate in multilateral venues, of which the June 2018 SCO summit (held in Qingdao, China) is a demonstrative example. During the summit, Xi presented Putin with a medal and described Putin as his "best, most intimate friend."⁸ At the same time, there appeared to be few major tangible changes in their formal relations. More concrete collaboration could hypothetically include supporting each other's parochial regional policies (such as Russia's activities in Ukraine or China's activities in the South China Sea) or establishing a division of labor on particular political issues. There are hints of a division of labor with China taking the lead on North Korea and Russia doing the same on Syria, but this setup seems weakly developed. Additional collaboration would enable China and Russia to more efficiently combine their resources. But it would also involve accepting risk on behalf of the other, which neither is willing to do. Russia appears to remain concerned about the growing Chinese influence in Central Asia, for example, even as it remains supportive of Chinese investment.⁹ The lack of willingness to assume risk on behalf of the other could dampen the prospects for deeper collaboration and

⁸ Adam Withnall, "China's Xi Declares Putin His 'Best, Most Intimate Friend' as Russia Looks to the East for Allies," *Independent*, June 8, 2018.

⁹ Artyom Lukin, a Russian professor based in Vladivostok, also observed that Russia could use the SCO "as a multilateral hedge balancing possible Chinese attempts to dominate continental Eurasia, even though this particular purpose is kept implicit and tacit"; Withnall, 2018.

the coordination of policy in other regions of the world, or it could be tolerated as par for the course in great-power interactions.

Military relations are also likely to improve but remain at the level of collaboration. As Korolev notes, China and Russia have not eliminated past high-level security engagements, leading to a current rate of 20 to 30 consultations per year, and these engagements are likely to continue.¹⁰ Russia will likely continue to sell China high-tech systems, such as the S-400, and pursue additional opportunities for collaboration in aircraft engines or naval shipbuilding.¹¹ China's participation in Vostok 2018 could indicate a future trend of collaboration in Russian strategic exercises, which could lead to further integration between the two militaries. The overall two-decade trajectory in military cooperation has been established: The first field exercise in which China and Russia participated was in 2003; since then, such hands-on collaboration has become routinized, and the content of the exercises has gradually become more substantive.¹²

However, for the reasons noted above, an alliance remains unlikely. But as a Russian analyst noted in a conversation with the authors, "it is only a sheet of paper away," meaning that an alliance could emerge but only if a mutual security threat that overcame previous risk concerns emerged, such as a more immediate threat from the United States.¹³ Chinese analysts expressed similar views to the authors, although in more measured terms.

In terms of economic relations, Chinese and Russian trade and investment will likely increase but not out of proportion with Chinese trade with other countries. There is likely to be a continuing upward trend in Russian energy exports, especially with the eventual opening of the Power of Siberia gas pipeline.¹⁴ Existing Chinese investment in

¹⁰ Korolev, 2018a, p. 6.

¹¹ Kashin, 2018, pp. 21–22.

¹² Weitz, 2018.

¹³ Author conversation with Russian researcher, March 2018.

¹⁴ Charles E. Ziegler, "China-Russia Relations in Energy, Trade, and Finance: Strategic Implications and Opportunities for U.S. Policy," in Ellings and Sutter, 2018.

Russia will remain, and there could be some additional smaller agreements, but larger trade or investment agreements will depend on additional political pressure from the Chinese leadership, which is unlikely to emerge. There remains modest economic logic for China to make major investments in Russia other than primary resources, armaments, and other opportunities for natural resources. U.S. policy could put pressure on China through increased tariffs or U.S. sanctions enforcement against China for buying Russian military equipment.¹⁵ These pressures are unlikely to make China significantly change its economic engagement with Russia. In the event of U.S. tariffs, Russia is not a sufficiently large market to absorb Chinese exports, and sanctions against Chinese companies that import Russian military equipment are unlikely to deter these companies or have a systemic effect on the Chinese economy.

A Slowdown or Potential Conflict in Sino-Russian Relations

Although the Sino-Russian relationship is currently on a positive trajectory, it could again decline. We posit two possible divergent scenarios involving a decline in relations and identify the least dramatic changes that we expect would bring about these outcomes.

First, China and Russia could have a less intense interaction, to the point where the relations would be considered *cooperation* on our scale. This would amount to a return to the level of cooperation from 2002 to approximately 2012. China and Russia would continue to meet regularly and work together in multilateral forums, but their cooperation would not imply a shared interest quite to the degree it does now. We argue that this outcome is possible if the West were to drop sanctions against Russia and pursue a sustained positive interaction with Russia. Notably, in the early 2000s, Russia pushed its cooperation to the back burner as it pursued cooperation with the West over countering terrorism in Afghanistan, as noted in Chapter Three. A strong signal from the West that it was interested in good relations with Russia and was willing to accommodate Russian desires might similarly lead Russia

¹⁵ See, for example, Andrew Desiderio, "U.S. Sanctions Chinese Company That Bought Russian Military Equipment," *Daily Beast*, September 20, 2018.

to pivot again toward Europe, which has long been a greater foreign policy priority.

Both Russian and Chinese analysts downplay the likelihood of this scenario. As noted in Appendix B, Alexander Lukin claims that “Russia’s pivot to Asia, which is the result of its actual interests as well as a reaction to the inimical attitude of the West, is largely irreversible.” This view was repeated in discussions with many Russian analysts, along with observations about the broader trend in the Russian foreign discourse toward Asia. However, despite its pivot to Asia, Russian foreign policy, trade, and views of its prestige remain focused on the West. Western acceptance of Russia, especially if there is some costly signal of Western good intentions, could very likely make Russia refocus its diplomatic energy. In this scenario, Russia would not completely abandon its interactions with China: Regular meetings, arms sales, and other forms of exchange would likely continue. But high-level dialogues might decrease in number, the intensity of military cooperation might decrease, and the positive relationship with China would no longer be a primary theme of Russian policy. Similarly, conversations with many Chinese scholars and analysts revealed a widespread consensus that China-Russia cooperation was likely to continue and even expand. Nevertheless, Moscow might chafe if it constantly feels as though it is treated as the junior partner in the relationship. Washington could explore how to leverage this dynamic.

A second scenario would involve a militarized dispute or even actual conflict between China and Russia. Such a scenario is difficult to imagine under current circumstances, not only because China and Russia have a highly developed relationship, but also because China and Russia appear to have resolved their border dispute, which was a key contributing factor to fighting during the Sino-Soviet split. Many observers have noted China’s growing role in Central Asia as a point of contention, however. To date, the potential for Chinese-Russian conflict over Central Asia has been reduced by the development of a division of labor, in which China provides economic assistance while Russia provides security, and by regular consultation through the SCO. This division of labor appears to have been tacitly accepted by both Moscow and Beijing, at least for the time being (see Appendixes B and C).

Chinese researchers voiced concern about turmoil in Central Asian states triggered by political crises that could pose challenges for China-Russia relations.¹⁶ Another possibility is a scenario in which China uses military force without coordinating with Russia. This could occur in the event of a cross-border terrorist incident in Xinjiang, where China could decide to take military action despite opposition from the Central Asian governments. Another possibility is that China could take military action to protect its investments in the BRI in the event of unfriendly activities by one of the governments in the region.¹⁷ If Russia is asked for assistance by one of its CSTO allies and historical partners, Russia might be inclined to act militarily to back one of the Central Asian countries against China. Under current circumstances, such scenarios are unlikely. But they do suggest that the current positive interaction in Central Asia might not be sustainable indefinitely, especially as China becomes more aggressive in its political and military outreach to the region.

Moreover, mutual suspicions have not disappeared completely, and some Russians detect a wariness about the future of Sino-Russian cooperation. Contrary to more optimistic pronouncements, Russian experts such as Gabuev and others note persistent levels of mistrust between the elites.¹⁸ For these and related reasons, some experts hold less confidently optimistic expectations. Artyom Lukin (writing with an American coauthor), for example, thinks that “the continuation of close friendship into the decades ahead cannot be guaranteed, mainly because the relationship is still short on critical ingredients—trust and mutual affinity.”¹⁹

¹⁶ Author discussions with Chinese researchers, 2012–2018.

¹⁷ Andrew Scobell and Nathan Beauchamp-Mustafaga, “The Flag Lags but Follows: The PLA and China’s Great Leap Outward,” in Phillip C. Saunders, Arthur S. Ding, Andrew Scobell, Andrew N. D. Yang, and Joel Wuthnow, eds., *Chairman Xi Remakes the PLA: Assessing China’s Military Reforms*, Washington, D.C.: National Defense University Press, 2019.

¹⁸ Gabuev, 2016b, p. 30.

¹⁹ Lee and Lukin, 2015, p. 130.

Closer China-Russia Collaboration

A second set of more extreme outcomes involves a significantly improved Sino-Russian relationship.

A first possibility is for greater political and military cooperation in a regional crisis. Based on author discussions in Russia and China, we believe one likely location for such cooperation is in North Korea, although other countries, such as some in the Middle East, are possible. Although Moscow and Beijing vigorously vied for influence in Pyongyang during the Cold War, Russia has tended to be supportive of Chinese initiatives on North Korea in the 21st century. One analyst explained that Chinese and Russian interests converge but differ in that China sees North Korea as a more vital interest than Russia does.²⁰ Chinese researchers expressed similar views to one of the authors, but they were divided as to whether Russia could or should play an active role on Korea. RAND research for the U.S. Army also provides some indication that Chinese and Russian joint exercises could be preparing capabilities that could be used in a North Korean scenario. In July 2017, for example, the Russian and Chinese foreign ministries made a joint statement proposing a plan to resolve the North Korean nuclear challenge, specifically through a freeze in North Korean nuclear development in exchange for a cessation of large-scale military exercises by South Korea and the United States.²¹ Assuming ongoing poor relations between the United States and Russia, it is likely that Russia will continue to support Chinese policy on North Korea.²²

Therefore, in the event of a North Korean contingency, we envision Russia supporting a Chinese military operation to intervene in the country to stabilize all or a portion of North Korea. Such cooperation,

²⁰ The result, according to him, is that China takes the lead on Korea in exchange for Russia taking the lead in the Middle East; conversation with Russian analyst, Vladivostok, March 2018.

²¹ Russian Federation Ministry of Foreign Affairs, "Joint Statement by the Russian and Chinese Foreign Ministries on the Korean Peninsula's Problems," July 4, 2017.

²² Rensselaer Lee and Artyom Lukin observe that there is a potential for Russia and U.S. cooperation on Korea but that, if Russia's relations with the United States remain tense, "Russia would rather obstruct Washington's Korea policies and instead play second fiddle to China on the Korean affairs"; Lee and Lukin, 2015, p. 215.

according to one analyst, could involve some niche Russian contributions of air defense forces or commandos.²³ For China, such contributions could legitimize its operation in North Korea and make it more difficult for the United States to undermine its operation. For Russia, supporting the Chinese operation could generate Chinese goodwill, frustrate the United States, and help prevent a refugee crisis from emerging on its border.

A Sino-Russian military operation in the event of a North Korea contingency would pose significant policy challenges for the United States and major operational challenges for U.S. and allied forces in theater. Chinese and Russian intervention would complicate efforts to secure nuclear weapons, other weapons of mass destruction, and ballistic missiles, as well as raise major questions about the timetable for and process of Korean unification. In addition to these larger issues, there would be the very practical challenge of deconfliction. There would be the very real danger of unintended conflict between the military units of different countries, with significant escalation potential.

A second, more extreme outcome for closer Sino-Russian collaboration is a full military alliance. As discussed in Appendixes B and C, under current circumstances, an alliance would not serve the interests of either country, and neither Russia nor China claims to seek an alliance, although experts from both countries argue that the other country has raised the issue as a possibility. The discussion of a possible alliance by both countries seems to indicate that although they reject the current possibility, they are not ruling it out entirely. Nevertheless, Russian experts also identify limits to military cooperation. With regard to military technology, the growth of cooperation might be “limited by the extreme technological nationalism of both countries’ defense establishments.”²⁴ Although prominent experts such as Karaganov describe the relationship with China as a “*de facto* alliance,”²⁵ Russian voices are unanimous that no matter how close military or

²³ Conversation with Russian analyst, Vladivostok, March 2018.

²⁴ Kashin, 2018, p. 22

²⁵ Karaganov et al., 2017, p. 6

political relations become, they are highly unlikely to transform into a formal alliance.

For China and Russia to pursue an alliance, we argue that both countries need to perceive simultaneous, shared, and tangible military pressure from the United States. Such a threat could take the form of a significantly increased U.S. military deployment in Eastern Europe, perhaps combined with a large U.S. military operation or deployment in the South China Sea. These moves could indicate to both countries that they both face an eventual war with the United States and that an alliance could benefit both as they seek to avoid such a war or fight it more effectively. To be sure, an alliance would only likely be attractive if both countries believe that they would necessarily be involved in a war with the United States. Otherwise, they would be reluctant to fight on the other's behalf. But clearer signs of pending U.S. military action against both could create real incentives for committing to fight together.

Implications for the U.S. Government and Army

Developing Sino-Russian relations could challenge several U.S. interests and require a range of possible responses. We discuss the impact of and possible U.S. responses to potential political, economic, and, in more detail, military cooperation, drawing from the above scenarios.

We focus primarily on the implications of intensified cooperation, which is of higher risk and greater consequence for the United States. A slowdown in the political relations between China and Russia might not necessarily be particularly meaningful to the United States. In part, this is possible because some ongoing interactions, such as the 2018 SCO summit, can be more important symbolically than they are in terms of actual anti-American cooperation or coordination. Other interactions, such as military exercises—the 2018 Vostok exercise being of particular note—are far more alarming. And military cooperation with China should continue, even if Russia pivots back toward the West. Conflict between China and Russia in Central Asia could be beneficial by reducing the potential impact of Sino-Russian

cooperation. Otherwise, it would have little obvious impact to the United States, since Central Asia is not a major region of interest to the United States, with the notable exception of ongoing U.S. military operations in Afghanistan. It is unlikely that a confrontation between China and Russia would affect U.S. activities in Afghanistan, save for reducing China and Russia's influence in the country (which could be beneficial, albeit unpredictably so). By contrast, closer cooperation between China and Russia could greatly affect U.S. policy in many regions in unpredictable ways.

Risk and Impact of Greater Political Cooperation

Potential political cooperation could pose a variety of risks, depending on the intensity it takes. Under the most likely scenario described above (of continuing strengthened Sino-Russian relations at the general level of collaboration), significant greater political cooperation is unlikely, and the risk to the United States should be relatively contained. The United States should expect to see more organized political opposition in venues such as the UN, as in the case of Chinese-Russian collaboration on human rights and information security.²⁶ China and Russia working together might be better able to shape the agenda of international institutions, although this impact is likely to be moderated by the influence of the United States and its allies. China and Russia might have each other's support in political interventions in various regions of the world, such as the Middle East or Africa. Chinese or Russian cooperation could present a more organized competitor for U.S. influence in these regions, but it is uncertain what the practical impact on U.S. policies might be in the near term.

Of course, greater collaboration between Russia and China in the Asia-Pacific could become challenging for the United States and its allies. This collaboration might be particularly problematic in North-east and Southeast Asia (discussed later). In the event of greater Sino-

²⁶ Colum Lynch, "At the U.N., China and Russia Score Win in War on Human Rights," *Foreign Policy*, March 26, 2018; Yuxi Wei, "China-Russia Cybersecurity Cooperation: Working Towards Cyber-Sovereignty," Henry M. Jackson School of International Studies, University of Washington, June 21, 2016.

Russian political collaboration in a regional crisis, the United States could face greater challenges in leading negotiations to end the crisis in a manner that is advantageous to U.S. interests. However, there are questions of how much greater Chinese and Russian coordination will really change the negotiation dynamics in such a case as North Korea, where China and Russia would already likely be participants in any negotiation process. In other potential regional crises, such as in Africa, the Middle East, and Europe, broader Chinese-Russian cooperation could introduce another great-power actor to already delicate negotiations, thereby diluting U.S. leadership. But the impact of Chinese-Russian cooperation would depend on how closely they coordinate their policy.

Another risk of closer Sino-Russian cooperation is that China and Russia could better combine their resources in influence operations. China and Russia are active in shaping political outcomes around the globe, including (by some recent reports) in Europe, using the full range of tools of state power.²⁷ Chinese investment, including through the BRI, could shape domestic politics in societies such as the Czech Republic,²⁸ and Russia could work with China to leverage this investment to pursue mutual goals.²⁹ Although Sino-Russian coordination of their respective influence campaigns is possible, coordination poses risks and complications, given that China and Russia might have divergent desires and different preferred outcomes. Coordination of Chinese and Russian influence campaigns could enable them to more effectively combine their resources and assets and more effectively shape political outcomes in different countries. Under the steady state scenario, closer coordination of influence campaigns appears unlikely, but it could be possible in certain countries.

²⁷ For example, see Juan Pablo Cardenal, Jacek Kucharczyk, Grigorij Mesežnikov, and Gabriela Pleschová, *Sharp Power: Rising Authoritarian Influence*, Washington, D.C.: National Endowment for Democracy, December 2017.

²⁸ David Barboza, Marc Santora, and Alexandra Stevenson, "China Seeks Influence in Europe, One Business Deal at a Time," *New York Times*, August 12, 2018.

²⁹ To date, there is no evidence of Sino-Russian cooperation in influence operations. See Peter Mattis, "Russian and Chinese Political Interference Activities and Influence Operations," in Ellings and Sutter, 2018.

A full-blown Chinese-Russian political alliance, if it occurred, could affect U.S. political relations around the world. U.S. allies, especially in the Asia-Pacific, would face a dual threat from China and Russia. Hypothetically speaking, China and Russia might be able to combine their capabilities and forces, which would enable them to put significantly more pressure on U.S. allies, such as Japan, South Korea, or the Philippines. However, given Russia's current policies of maintaining good ties with other countries in Asia, it is difficult to imagine Russia backing China's policies toward these countries. Even a strong threat from the United States would not necessarily compel Russia to alter its policies toward Japan or, in South Asia, India. Even a mutual defense pact, which both countries currently reject, would not necessarily seamlessly transition into close political coordination.

Therefore, the United States and its allies will continue to face a challenge from closer political coordination between Russia and China in international institutions and possibly in particular regions. But there is little likelihood of the more comprehensive coordination that might fundamentally reshape the global political environment.

Risk and Impact of Greater Economic Cooperation

Trade or investment between China and Russia is likely to increase, especially with the completion of the Power of Siberia project. Further cooperation between China and Russia could also blunt the effect of sanctions on the Russian economy by providing Russia with other sources of capital and technology. However, a dramatic growth in economic cooperation appears unlikely under current trends. Furthermore, Western technology is still more advanced than Chinese technology. And, by the Russians' own account, China has other, better opportunities for its capital. If greater investment and trade were to occur, it could boost incomes and investment in Russia, especially in certain regions of Russia, such as by increasing agricultural output in the Far East. These changes are unlikely to have a large effect on the Chinese economy, given China's size and other investment and trade relationships. In any event, the economic benefit to China or Russia from this cooperation would have only indirect effects on the United States.

China and Russia could engage in economic cooperation that would be problematic for the United States, however, by challenging the dominance of the U.S. financial infrastructure. Based on the fear of additional U.S. sanctions, Russia has developed its own payment system, Karta Mir, after 2014 and has investigated linking this system with China's alternative payment systems.³⁰ Further Chinese and Russian cooperation on financial infrastructure could aim to undermine the dominance of the U.S. dollar and of the use of U.S. banks to settle international transactions. But perhaps of more concern would be the greater use of other currencies, such as the euro or renminbi, in international transactions (i.e., a shift away from the extensive use of U.S. dollars). The rise of an alternative, most likely Chinese-controlled, international financial settlement system could limit the ability of the United States to unilaterally impose sanctions, and the U.S. dollar could lose the benefits of being the world's primary reserve currency. However, success at creating such alternatives is far from assured, and the likelihood of success as of 2018 was low. In the 33 quarters from the beginning of 2010 through the first quarter of 2018, the U.S. dollar maintained its share of global reserves, constituting 63 percent of global reserves, on average, when the currency of those reserves can be identified and ranging from 61 percent to 66 percent.³¹ It retained this position despite the presence of the euro as a valid alternative currency and efforts by China to gain greater acceptance for the renminbi.

³⁰ Sarah Zheng, "Sanctions-Hit Russia Mulls Payment System Tie-Up with China to Cut Reliance on the West," *South China Morning Post*, November 1, 2017.

³¹ International Monetary Fund, "Currency Composition of Official Foreign Exchange Reserves (COFER)," online database, last updated July 2, 2018. The euro share has been more volatile but has trended downward. It was above 25 percent of reserves (where the currency could be identified) through the third quarter of 2011 but stayed within the narrow range of 19 percent to 21 percent from the first quarter of 2015 to the first quarter of 2018. The renminbi, China's currency, has been rising, but from a very low base: from zero before the end of 2016 to 1.4 percent in the first quarter of 2018. The IMF's coverage of international reserves has greatly improved. In the first quarter of 2010, the IMF had currency data for only 56 percent of global reserves. By the first quarter of 2018, that had risen to almost 90 percent. Even with that increase, the U.S. dollar share held steady, suggesting that many of the unallocated reserves were in dollars.

Risk and Impact of Greater Military Cooperation

The most practical challenge for the U.S. military is the potential for increased military cooperation. Perhaps the most significant possibility is increased military technical cooperation, especially through arms sales. On the present trajectory, we can expect to see Russia continue to provide more sophisticated, high-end systems and technologies to China, although Moscow is still likely to withhold its best capabilities and the volume of its support remains subject to other political, economic, and security considerations. Over the past decade, China has improved its indigenous military technical capacity and now has better systems and technologies than Russia in certain niche areas, such as anti-ship ballistic missiles, long-range UAVs, and possibly integrated command systems. We could easily see some of these systems appear in the Russian inventory in the coming years. In the event of closer China-Russia collaboration, we anticipate relaxation in the constraints on the exchange of military technologies. Russia and China might share their best capabilities; collaborate in high-impact research and development, such as with hypersonic glide vehicles, counter-space systems, and artificial intelligence; and expand military coproduction agreements, potentially increasing the quality and quantity of platforms and weapons in their armed forces. There is also a possibility of joint research efforts, potentially following the model of Russian-Indian collaboration, or new collaboration on cybersecurity.³² However, given Russian hesitation about Chinese intellectual property violations, joint ventures could remain unlikely. But cooperation is occurring in other areas, such as outer space.³³ The net impact would be an overall increase in the capacity, sophistication, and interoperability of the two militaries, especially in the domains where they anticipate confronting the United States.

A second possible form of military cooperation is collaborative military planning. Under the current trajectory, there are only limited

³² See, for example, "India, Russia Further Collaboration in Defense Tech After Success of BrahMos," *Sputnik*, November 24, 2017; and Sinkkonen, 2018.

³³ See, for example, "China, Russia Agree Cooperation on Lunar and Deep Space Exploration, Other Sectors," *GBTimes*, November 2, 2017.

indications that China and Russia have engaged in any type of significant collaborative planning. The SCO, for example, “has no joint command or standing military structures or functions.”³⁴ The consistent volume of high-level exchanges and the expanding joint exercise program suggest a willingness to cooperate on a small number of potential scenarios: counterterrorism action, freedom of navigation, and intervention to address instability in a neighboring country (possibly even in North Korea), but there is no evidence that any substantive joint planning has taken place outside of these exercises.³⁵

Such planning is a logical next step should the relationship continue to improve or accelerate toward an alliance. There are several areas in which Moscow and Beijing would benefit from collaborative planning. The most straightforward would involve developing cooperative response plans for instability in North Korea, Afghanistan, or another Central Asian state. In an expanding and more committed relationship, we could see collaborative planning for space and missile defense, air and naval defense in Northeast Asia, and joint responses to potential conflict in East Asia or the Middle East. Such planning would likely lead to the establishment of joint command and control facilities or systems, increased joint exercises, and even routine deployment or stationing of forces in each other’s country. This collaboration could pose a major risk to both China and Russia, both because of the exchange of information and growing dependence on each other. However, any degree of Chinese-Russian collaborative planning would complicate U.S. strategy and response options, even if the planning only implied the possibility of a combined Chinese-Russian response to a security crisis. For example, just the presence of Russian ships during a South or East China Sea confrontation—a capability they demonstrated during Exercise Joint Sea 2016—would demand U.S. attention and resources. China-Russia cooperative action in a major

³⁴ Weitz, 2018, p. 83.

³⁵ However, the extent of Chinese participation in Vostok 2018 likely indicates some form of fairly intensive joint planning. See the detailed analysis of the Vostok exercise on Michael Kofman’s blog, *Russia Military Analysis*, beginning September 1, 2018; Michael Kofman, “Vostok 2018: Pre-Exercise Review of Events,” *Russia Military Analysis* blog, September 1, 2018.

conflict or intervention would dramatically alter the political and military context against which the United States would have to plan and respond.

Continuing or improved Chinese-Russian collaboration could also result in enhanced military cooperation in a final area: global military presence. Currently, neither China nor Russia has the assets or infrastructure to sustain a significant global military presence. China is establishing a foundation for expanded presence in the Indian Ocean region with its new base in Djibouti and investments throughout South and Southeast Asia, while Russia has reinvigorated its presence in the Middle East through its Syria operations. These moves do not provide true sustained global reach. Cooperation on the current trajectory between the two countries could result in the sharing of basing and other resources and mutual support for out-of-area military deployments. Should the relationship accelerate, Moscow and Beijing could agree to enhance their global military footprint through joint basing, mutual deployments, and cooperative participation in security operations, such as peacekeeping, counterpiracy, counterterrorism, or non-combatant evacuations. As in the case of joint planning, joint basing poses risks of dependence and is unlikely under the current trajectory. But an enhanced global presence from either Russia or China, enabled by their collaborative relationship, increases the likelihood for U.S. forces of contact or confrontation with their military forces and injects an additional factor to be considered.

If a Chinese-Russian alliance does occur in the event of a major war, the United States military would clearly face major challenges. The NDS proposes that the United States should be prepared to “defeat aggression by a major power,” not two major powers.³⁶ The size and capabilities of both the Chinese and Russian militaries are challenging enough on their own, much less when working together. In theory, it is possible that China and Russia could begin to establish a division of labor for building military capabilities, much like NATO allies have aspired to do. If they were able to do so, it would enable them to more thoroughly combine their economic and military capac-

³⁶ U.S. Department of Defense, 2018, p. 6.

ity to challenge the United States and its allies. However, it is unlikely that either country will have sufficient trust in each other to divide the development of specific military technologies or capabilities. Given the strong opposition to an alliance in both China and Russia, an extreme and unlikely situation would have to come about for both countries to form an alliance, absent highly aggressive, simultaneous U.S. policy against them both.

Mischief Without Military Alliance and a Strategic Dilemma

China and Russia do not need to establish a full-blown alliance to cause significant combined challenges for the United States. At a minimum, continued Sino-Russian cooperation or collaboration in the security realm could considerably complicate planning and operations. Beyond this, even loose coordination between Beijing and Moscow could overstretch U.S. military capabilities to the point where operational success might be in doubt. The situation could be as simple as a simmering crisis in the Baltics combined with indications of a separate looming crisis in the South China Sea. In other words, China might seek to exploit a U.S. military focused on an extant contingency in Europe by concocting another crisis in Asia. And if the two crises were to escalate to outright conflict, the United States would be faced with “simultaneous wars in Asia and Europe.”³⁷

Moreover, Washington cannot afford to ignore the peacetime implications of perpetually poor U.S. bilateral relationships with both China and Russia combined with extended Sino-Russian strategic collaboration. The United States could be on the brink of a core dilemma: If Washington continues down the path of simultaneous heightened great-power competition with Beijing and Moscow, then a possible outcome is that it will become engaged in not one but two cold wars.³⁸ China and Russia need not be formal allies to provide aid or support to each other. Is a future with two cold wars a desirable outcome for the United States? Is a future with two cold wars a sustainable situation for the United States? If the answer to at least one of these questions

³⁷ Ellings, 2018, p. 3.

³⁸ The authors are indebted to Samuel Charap for suggesting this trenchant line of thinking.

is “no,” then a strategic reassessment could be in order. Fundamentally, it is not advisable for the United States to have poor relationships with both Moscow and Beijing, especially for extended periods. Which great-power constitutes the more significant long-term threat to U.S. interests? Answering this question might not be difficult (China), but it leads to follow-on questions that are far more difficult to answer. Foremost among these questions are how the United States might go about mending its relationship with the lesser of the two threats and to what specific end.

Some Modest Suggestions

Although there might be little the United States in general or the Army in particular can do to influence the trajectory of the China-Russia relationship and, by extension, the potential military impacts of the relationship, the U.S. military and Army should consider the following actions going forward, given the possible military developments outlined above:

- First, given the likelihood of continued Chinese-Russian military technical cooperation, the U.S. military must prepare to encounter increasingly sophisticated weapon systems in greater numbers in the inventories of both of its primary strategic competitors. Although China and Russia have long shared military technologies, it was possible (until recently) to treat PLA capabilities as a lesser version than those of Russia, particularly in the air, naval, and missile domains. That is no longer the case. And although preparing to counter the same system in both the Russian and Chinese militaries could seemingly simplify the development of countermeasures, it is likely that weapon series provided by one country to the other will have some variation or modification that makes it unique, especially given the accelerating trend of software-driven weapon systems.
- Next, the potential for Chinese-Russian joint military planning complicates U.S. military calculus and should drive a reevaluation of contingency plans. For example, as mentioned above, Chinese-Russian cooperation in a security crisis on the Korean

Peninsula is a reasonable possibility and raises the specter of combined efforts to limit U.S. freedom of action in the event of such a crisis. At the extreme end of the spectrum, full integration of Chinese and Russian capabilities in certain domains, such as cyber or counter-space, would significantly enhance what is already a challenging threat environment.

- Finally, the potential for enhanced global presence by Chinese and Russian forces enabled by leveraging each other's currently limited extra-regional resources and footprint increases the likelihood of contact and perhaps confrontation with those forces on a global scale. The U.S. military should expect to encounter Chinese and Russian forces during out-of-area or contingency operations on a more regular basis and develop appropriate skills (such as increased numbers of Foreign Area Officers) and protocols to engage with them on a hopefully nonconfrontational basis. Increased military-to-military contacts between the United States and both Russia and China could enhance understanding and provide a basis for cooperation during out-of-area operations.

Research Methodology

This appendix details our methodology for measuring the four input variables that we believe are especially useful for understanding the development of Chinese-Russian relations, including overall power, threat perception, economic complementarity, and ideology. Our choice of which input variables to focus on, and how to measure these variables, derives from the international relations literature, as outlined in Chapter One. For each variable, we explain our methodology and sources for developing our measures and summarize our observations from 1997 to 2017.

Power

We seek to measure aggregate power in the international system, especially for China, Russia, and the United States from 1997 to 2017.

There are several existing, commonly used measures of aggregate power, but each has flaws that make them not useful for our purposes. A commonly used measure is the National Material Capabilities score, provided by the Correlates of War Project, which includes six indicators relevant to aggregate power from 1816 to 2012: military expenditure, military personnel, energy consumption, iron and steel production, urban population, and total population. Although these measures might be useful for longer historical comparisons, they are less relevant to contemporary power, especially given the role of technology and the decreasing importance of metal production. In his 2018 book, Michael Beckley, drawing from historian Paul Bairoch, uses GDP multiplied

by GDP per capita as a measure of overall power, seeing GDP as a rough measure of military and economic capacity and GDP per capita as a measure of economic and military efficiency.¹ Beckley's method is a persuasive measure of economic capacity, and we use it below. The problem with Beckley's measure is that it does not directly measure military capabilities, which could vary from economic wherewithal, especially in the case of Russia.

Instead, we draw from a methodology developed by Stephen Brooks and William Wohlforth to study aggregate power that separately measures "military capabilities, economic capacity, and technology capacity."² Although we agree with Brooks and Wohlforth's general approach and several of their metrics, we make several changes to their measures. Our changes are necessary to measure change in aggregate power over time, and we find that Brooks and Wohlforth make choices that underappreciate Russia's relative capabilities.

Military

Following Brooks and Wohlforth, we measure military power by developing an index of key capabilities.³ However, while their index focuses only on capabilities associated with global power projection and command of the commons, we expand the index to include several other types of capabilities. We also measure our index over time, looking at five-year increments starting in 1997, 20 years before our study began. With the exception of strategic capabilities, we draw data for our indicators from the IISS's *The Military Balance*, an annual assessment of military capabilities across the globe.⁴ Wherever gaps exist in *The Military Balance*, we use alternative sources to fill them.

We consider four types of capabilities. First, *strategic capabilities* cover each country's strategic nuclear forces. Strategic nuclear forces are important because they provide an ultimate strategic deterrent

¹ Beckley, 2018, pp. 15–18.

² Brooks and Wohlforth, 2015/2016, pp. 16–17.

³ See Brooks and Wohlforth, 2015/2016, pp. 19–22.

⁴ IISS, 1997, 2002, 2003, 2007, 2012, and 2017.

and associated political heft. It is likely that Russia's nuclear arsenal, for example, influences its interaction with the United States. For the United States and Russia, we leverage Strategic Arms Reduction Treaty (START) and New START disclosure data from 1997 to 2017.⁵ We use the following formula to determine an overall figure: The number of deployed ICBMs and their associated launchers, plus the number of deployed SLBMs and their associated launchers, plus the number of deployed heavy bombers. Because China does not publicly disclose a numerical value for its nuclear capabilities, we rely on estimates provided by secondary sources, such as previous RAND reports and the Federation of American Scientists.⁶ We recognize that Russia and the United States also have nuclear forces that are not declared under New START and that both countries also possess nonnuclear strategic capabilities (e.g., cyber). Although measuring these other capabilities

⁵ For 1997 START disclosures, see U.S. Department of State, "Start I Aggregate Numbers of Strategic Offensive Arms," fact sheet, Washington, D.C., October 1, 1997. For 2002 START disclosures, see U.S. Department of State, "START I Aggregate Numbers of Strategic Offensive Arms," fact sheet, Washington, D.C., October 1, 2002. For 2007 START disclosures, see U.S. Department of State, "START Aggregate Numbers of Strategic Offensive Arms," fact sheet, Washington, D.C., October 1, 2007. For 2012 START disclosures, see U.S. Department of State, "New START Treaty Aggregate Numbers of Strategic Offensive Arms," fact sheet, Washington, D.C., October 3, 2012. For 2017 disclosures, see U.S. Department of State, "New START Treaty Aggregate Numbers of Strategic Offensive Arms," fact sheet, Washington, D.C., October 1, 2017.

⁶ For estimates of Chinese nuclear capabilities from 1997, 2007, and 2017, see Table 3.1 in Eric Heginbotham, Michael S. Chase, Jacob L. Heim, Bonny Lin, Mark R. Cozad, Lyle J. Morris, Christopher P. Twomey, Forrest E. Morgan, Michael Nixon, Cristina L. Garafola, and Samuel K. Berkowitz, *China's Evolving Nuclear Deterrent: Major Drivers and Issues for the United States*, Santa Monica, Calif.: RAND Corporation, RR-1628-AF, 2017, p. 44. For estimates of Chinese nuclear capabilities in 2002, see Hans M. Kristensen and Robert S. Norris, "Chinese Nuclear Forces, 2003," *Bulletin of the Atomic Scientists*, Vol. 59, No. 6, 2003. For estimates of Chinese nuclear capabilities in 2012, see Hans M. Kristensen and Robert S. Norris, "Chinese Nuclear Forces, 2013," *Bulletin of the Atomic Scientists*, Vol. 69, No. 6, 2013. The tally of Chinese nuclear capabilities accounted for ICBMs such as the DF-4, DF-5A, D-5B, DF-31, and DF-41, as well as SLBMs such as the JL-1, JL-2, and JL-3. According to the 2017 edition of the U.S. Department of Defense's annual report to Congress on Chinese military power, the PLA Air Force "does not currently have a nuclear mission." See U.S. Department of Defense, *Annual Report to Congress: Military and Security Developments Involving the People's Republic of China 2017*, Washington, D.C., May 15, 2017, p. 61.

is desirable, it is also difficult, so we use the strategic nuclear forces as a proxy, albeit one that indicates parity between Russia and the United States.

Second, we use a modified set of the command of the commons and *global power projection* capabilities that Brooks and Wohlforth list. Brooks and Wohlforth argue that it is necessary to evaluate capabilities associated with what Barry Posen referred to as “command of the commons.” The commons include “the global commons—that is, the sea (outside littoral regions), space, and air (above 15,000 feet).” Brooks and Wohlforth see these capabilities as especially important, since they represent “the military capacity that allows the United States to act as a superpower” and, according to Posen, represent “the key military enabler of the U.S. global power position.”⁷ We agree that these capabilities are important, especially for a country’s ability to project power and to undertake high-intensity contemporary conflict, but they represent just one element of great-power military capabilities. In addition to global power projection, China and Russia are land powers that also seek to deny access to peer adversaries, which leads to our focus on A2/AD and ground combat below. We use the following capabilities to measure global power projection:

- fourth- and fifth-generation tactical aircraft⁸
- heavy and medium transport aircraft
- aircraft carriers
- major surface combatants, encompassing total cruisers, destroyers, and frigates
- nuclear attack submarines
- large amphibious ships capable of carrying more than 300 troops
- total military satellites.⁹

⁷ Brooks and Wohlforth, 2015/2016, p. 19.

⁸ We have elected to combine fourth- and fifth-generation tactical aircraft into one indicator, as only the United States has considerable capability in this area as of writing.

⁹ Neither the 2002 nor the 2007 edition of *The Military Balance* provides complete tallies of military satellites operated by China. For 2002, we used the 2003 edition of *The Military Balance*. For 2007, we used a figure cited by India’s Institute for Defence Studies and Analyses from the now unavailable January 2009 iteration of the Union of Concerned Scientists’

Third, we assess *A2/AD* capabilities that allow each country to limit access to its region, including by impeding or denying the movement of an adversary into the region in wartime. We examine the following indicators:

- strategic (or long-range) SAM systems
- diesel submarines
- theater and tactical ballistic or cruise missiles.¹⁰

Lastly, we examine capabilities for *ground combat*. Although some of these capabilities could be expeditionary, they are also relevant in the case of a local ground war with a peer competitor or against another regional adversary. For example, Russian ground forces could be relevant in a conflict with NATO in Europe, continued conflict in Ukraine, or conflict with another former Soviet republic. To assess ground combat capabilities, we examine the following:

- tube artillery and multiple rocket launchers (MRLs)
- tanks and infantry fighting vehicles (IFVs)
- high-readiness light infantry brigades or regiments.

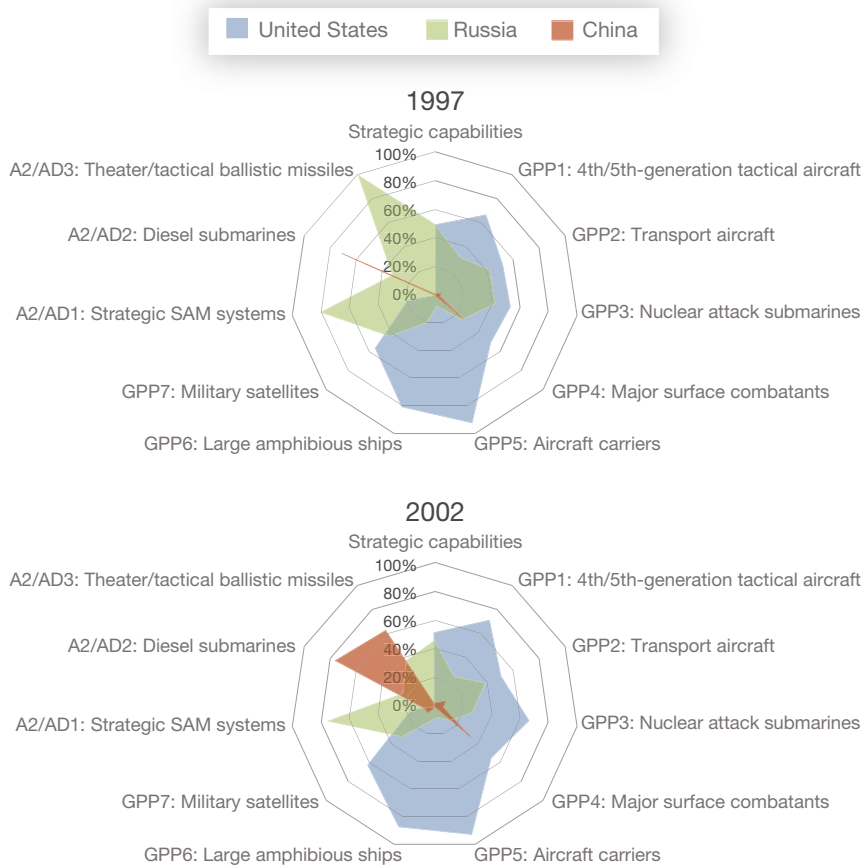
However, in examining the ground force data, we found significant anomalies, primarily because of changes in the way equipment was accounted for during ongoing Russian and Chinese ground force reform efforts, as well as inconsistencies across the time periods with regard to the treatment of equipment for reserve forces and in long-term storage. Even with these anomalies, we found that the impact of ground force capability on our cumulative measures of military power remained generally constant across the study periods and did not alter the picture of relative military capability among the three nations.

satellite database. See Deepak Sharma, *Space Capability and India's Defence Communications Up to 2022 and Beyond*, IDSA Occasional Paper No. 15, New Delhi: Institute for Defense Studies and Analyses, November 2010, p. 11.

¹⁰ We do not include an indicator for coastal defense cruise missile batteries, given the absence of reliable data through all time periods covered, although they are certainly a capability that contributes to regional power projection.

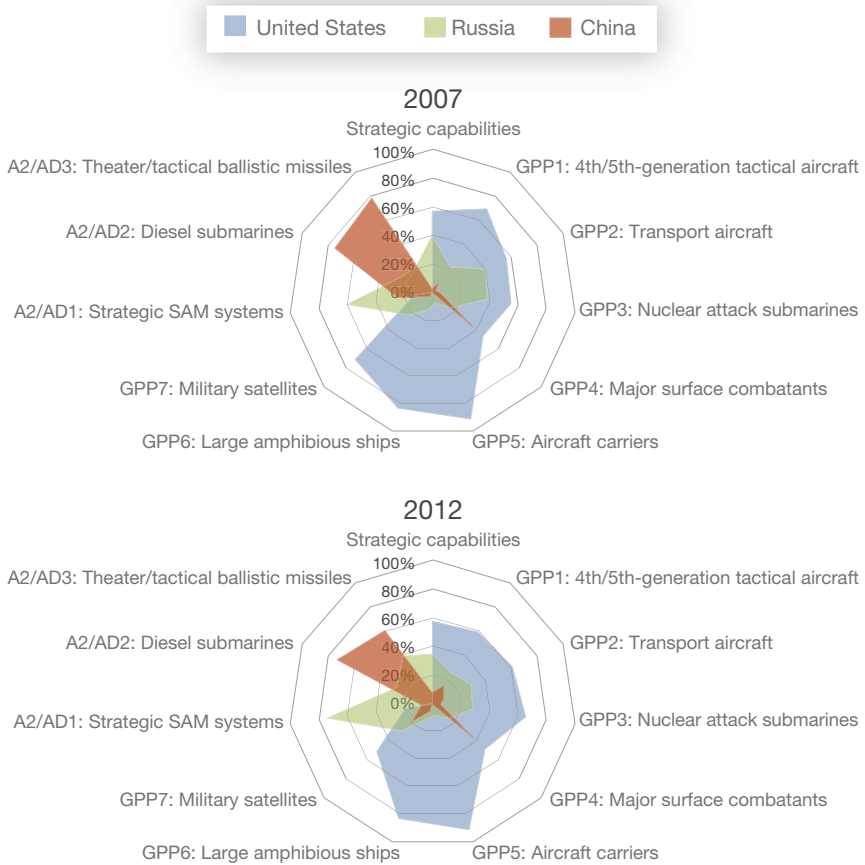
The full range of the indicators for strategic capabilities, global power projection, and A2/AD capabilities are displayed in Figures A.1, A.2, and A.3 as distributions displaying the share of each indicator possessed by the United States (blue), Russia (green), and China (red), with each distribution covering a single year, beginning in 1997 and moving forward in five-year increments until 2017. We excluded the ground force factors because of data anomalies noted above.

Figure A.1
Aggregate Military Capabilities, 1997 and 2002



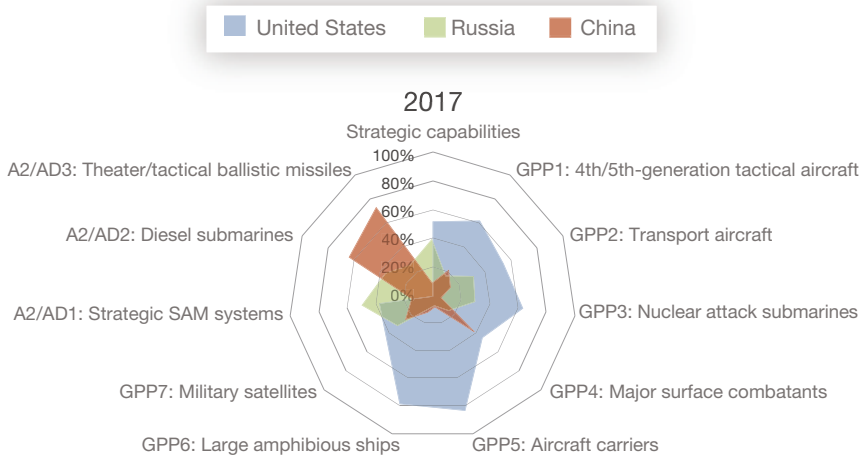
SOURCES: IISS, 1997; IISS, 2002.

Figure A.2
Aggregate Military Capabilities, 2007 and 2012



SOURCES: IISS, 2007; IISS, 2012.

Figure A.3
Aggregate Military Capabilities, 2017



SOURCES: IISS, 2017.

The key takeaway from these figures is that although the United States over time has remained the predominant military power across the majority of indicators—especially in indicators connected to global power projection—China and Russia hold advantages conducive to A2/AD while also starting to grow their capabilities for power projection. What is most notable is the growth of Chinese military capabilities in comparison with Russia’s, with China holding an advantage over Russia in four indicators in 2017 (diesel submarines, theater and tactical ballistic or cruise missiles, fourth- and fifth-generation tactical aircraft, and major surface combatants). Each of the five distributions could be summarized as follows:

1. Pre-1997: U.S. dominant in power projection, Russia has numbers, China has few capabilities.
2. 1997–2002: Growing Chinese A2/AD capabilities, decline in Russian relative power.
3. 2002–2007: Little change.

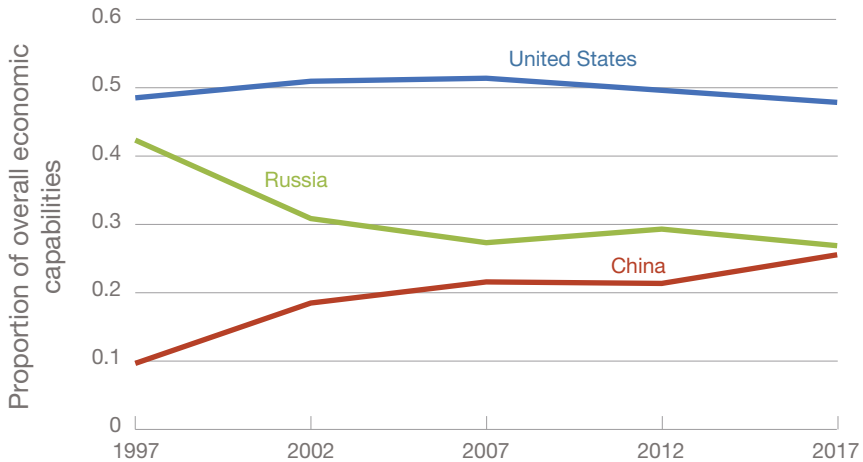
4. 2007–2012: Chinese growth in air and naval capabilities, Russia begins showing limited growth in A2/AD factors, U.S. maintains dominance in power projection.
5. 2012–2017: China possesses more A2/AD capabilities than Russia, U.S. power projection still dominates.

To develop a single measure of military capabilities, we also measured the proportion of these capabilities that each country possessed in each of these years (Figure A.4).

Economic Capacity

We measure economic capacity using the Beckley/Bairoch method (discussed above) of multiplying GDP by GDP per capita. We use GDP in purchasing power parity (PPP) to account for the actual cost

Figure A.4
Proportion of Military Capabilities Possessed by the United States, Russia, and China (1997–2017)



SOURCE: IISS, 1997, 2002, 2007, 2012, and 2017.

of goods in the different countries and therefore the comparative size of their economies.¹¹

Technology

To measure technological capacity, we look at the ability to produce and commercialize advanced technology over time. Our technological capacity index is composed of four variables: R&D expenditure, number of researchers per 1,000 employees, number of triadic patents, and high-tech exports as a share of total manufactured exports. The first two variables mainly measure the inputs in the national innovation system, while the second two variables measure the output.

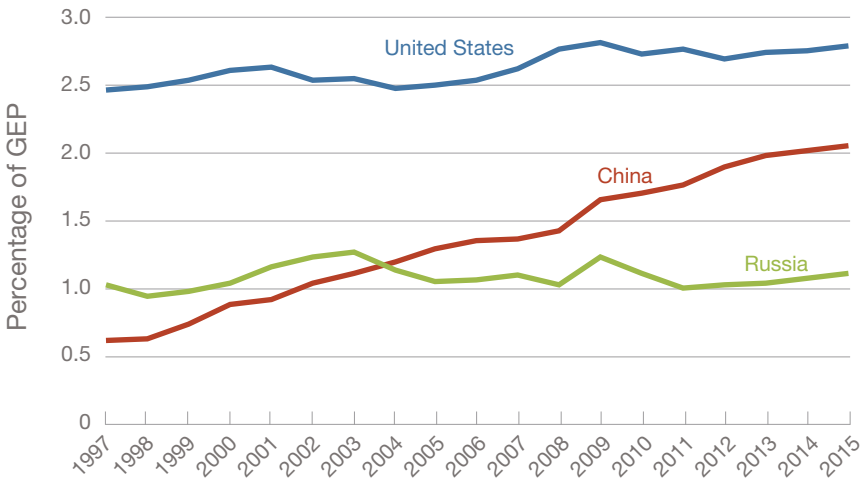
Expenditure on R&D is an important indicator of public- and private-sector efforts to develop a competitive advantage in science and technology and covers capital and current expenditures in private firms, government, higher education institutions, and nonprofits as a share of the GDP. Over the studied period, the U.S. expenditure on R&D grew from 2.47 percent of GDP in 1997 to 2.79 percent of GDP in 2016 (Figure A.5).¹² Measured in PPP dollars, the United States spent \$276 billion in 1997, \$333 billion in 2002, \$400 billion in 2007, and \$464 billion in 2016.¹³ Over the same period, China displayed a vigorous growth in R&D expenditure in both absolute and relative terms. In 1997, China spent only \$23 billion on R&D; in 2016, absolute spending reached \$410 billion. In relative terms, China's spending on R&D as a share of GDP grew from 0.63 percent in 1997 to 2.06 percent in 2016, reaching the level of advanced economies, which tend to spend between 2 percent and 3 percent of GDP on domestic R&D. As of 2018, China spent only 5 percent of its R&D funds on

¹¹ See, inter alia, Lester Gunnion, "Comparing Economies: How Is Economic Size Measured and Why Does It Matter?" Deloitte Insights, July 2016; Graham Allison, *Destined for War: Can America and China Escape Thucydides's Trap?* New York: Houghton Mifflin Harcourt, 2017, pp. 11–12; and Central Intelligence Agency, "The World Factbook: Definitions and Notes," webpage, undated.

¹² World Bank, 2018.

¹³ Gross domestic spending on R&D as measured in U.S. dollar constant prices, using 2010 as a base year and PPPs; OECD, "Gross Domestic Spending on R&D," online database, 2018a.

Figure A.5
Research and Development Expenditure



SOURCE: World Bank, 2018.

basic research and 84 percent on experimental research, compared with 17 percent spent on basic research and 64 percent spent on experimental research in the United States. China's more limited spending on basic research could be a result of a larger share of private-sector spending in R&D, as well as the opportunity to use the results of basic research conducted elsewhere.¹⁴

In contrast, Russia's spending on R&D roughly matched its GDP growth over the studied period. In 1997, Russia spent 1.04 percent of its GDP on R&D; in 2016, the figure stood at 1.13 percent, significantly lower than spending in the United States and in China. In absolute terms, Russia's spending increased from \$15 billion (PPP) in 1997 to \$37 billion in 2016. Notably, although China and Russia were spending comparable dollar amounts on R&D in 1997, China by 2016 outspent Russia at roughly 11 to 1.¹⁵

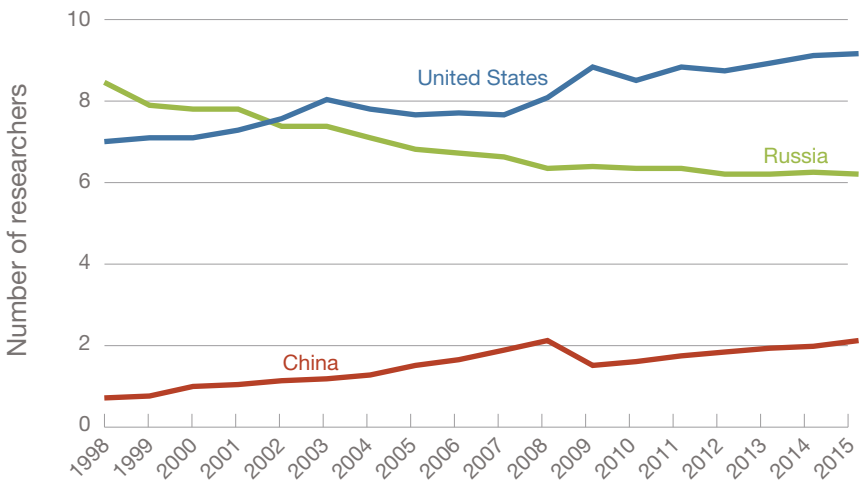
¹⁴ National Science Board, *Science & Engineering Indicators 2018*, Alexandria, Va., 2018, p. 16.

¹⁵ As measured in U.S. dollar constant prices, using 2010 as a base year and PPPs; OECD, 2018a.

The second input indicator is a measure of human capital: the number of researchers engaged in the creation of new knowledge, products, processes, methods, and systems, as well as the number involved in the management of the concerned projects, measured per 1,000 people employed.¹⁶ Over the past 20 years, the share of researchers in the working population in the United States increased from 7 per 1,000 employed in 1998 to 9.1 researchers per 1,000 employed in 2016. From 1998 to 2015, China roughly tripled the number of researchers, from 0.68 per 1,000 employed in 1998 to 2.09 per 1,000 employed in 2015. Russia had 8.4 researchers per 1,000 employed in 1998 and only 6.2 researchers per 1,000 employed in 2015 (Figure A.6).

To measure the output of R&D activities, we look at the development of high-quality patents and commercialization of advanced technologies. The commercialization of high technology products, such as computers, pharmaceuticals, scientific instruments, electrical machinery, and aerospace, is measured as the share of total manufac-

Figure A.6
Researchers per 1,000 Employed



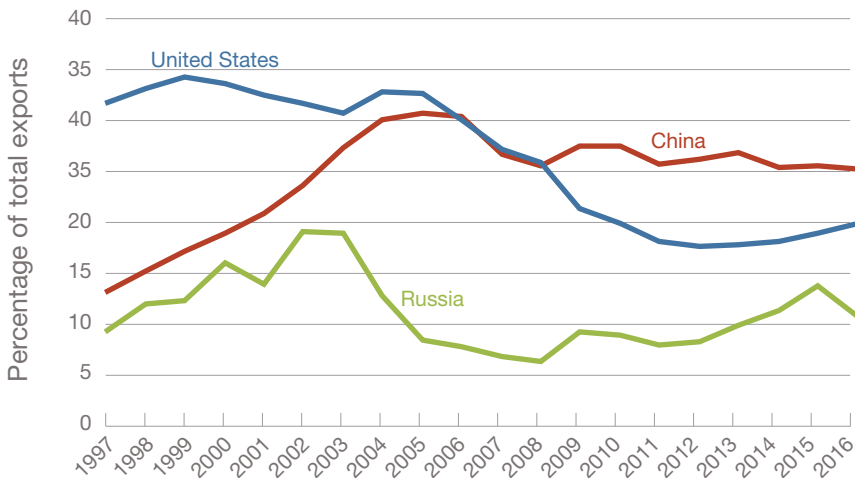
SOURCE: World Bank, 2018.

¹⁶ OECD, “Researchers,” online database, 2018b.

tured exports. High-tech exports are important because they show the distribution of global supply chains for the production of high-tech goods (Figure A.7). In 1997, the United States was the leader in both absolute and relative terms, with over 30 percent of its exports being high-technology products. China was mainly exporting lower value-added goods, with only 13 percent of high-tech goods in its export mix. The figure for Russia was even lower, at 9.3 percent. By 2005, the indicators for the United States and China reached comparative values: 32.7 percent for the United States and 30.8 percent for China. This parity reflected China's accession to the WTO and accelerating offshoring of high-tech production to China. Over the same period, although Russia doubled the dollar value of its high-tech exports from 1.89 billion current dollars in 1997 to 3.82 billion current dollars in 2005, the relative share of high-tech products in its exports decreased from 9.3 percent in 1997 to 8.4 percent in 2005, mainly because of the increase in other commodities, such as chemicals.

By 2012, the high-tech goods share of U.S. exports declined to 17.7 percent because of continuing offshoring, while the share of high-

Figure A.7
High-Tech Exports (as Percentage of Manufactured Exports)



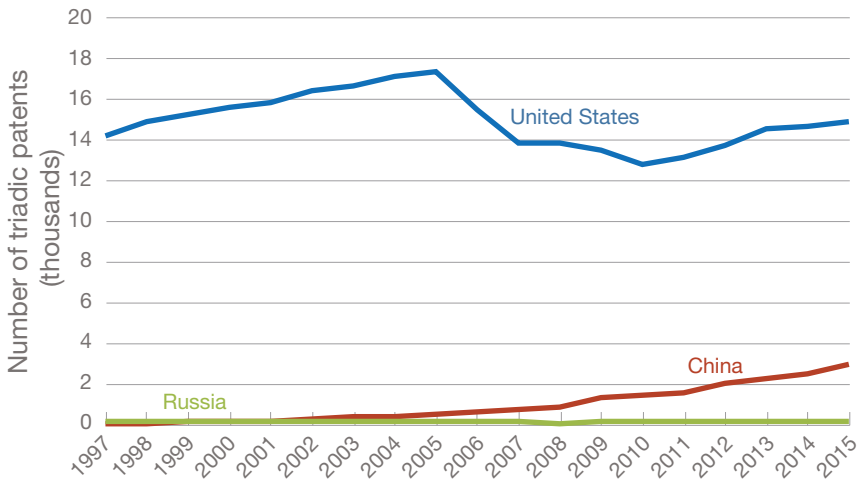
SOURCE: World Bank, 2018.

tech exports of total Chinese exports decreased to 26.2 percent. In absolute terms, however, U.S. high-tech exports decreased from 190 billion current dollars in 2005 to 148 billion in 2012, while Chinese exports increased from 215 billion current dollars in 2005 to 506 billion in 2012. The relative decline in the case of China is explained by the fact that other manufactured exports grew at a higher rate. Russia's high-tech exports also increased in absolute terms, from 3.8 billion current dollars in 2005 to 7 billion in 2012, while the relative share of high-tech goods in overall manufactured exports remained at 8 percent. In 2016, China's high-tech exports slightly decreased in absolute and relative terms, to 496 billion current dollars (25.2 percent of its total manufactured exports), while U.S. high-tech exports slightly increased, from 148 billion current dollars and 17.7 percent of total manufactured exports in 2012 to 153 billion current dollars and 20 percent of total manufactured exports in 2016.

The second R&D output indicator is the number of *triadic patent families*: sets of patents to protect the same invention that are filed in the European Patent Office, the Japan Patent Office, and the U.S. Patent and Trademark Office. These patents might be particularly valuable because they are patented in the three largest advanced economies. In 1997, the United States produced roughly 14,000 triadic patents, whereas China and Russia combined produced less than 100. Over the following two decades, the United States first increased its output from 1997 to 2005, then declined from 2006 to 2010, and increased again after 2010, reaching 14,866 patents in 2015. Over the same period, China steadily increased its output, from 42 triadic patents in 1997 to 2,889 patents in 2015, with most of the growth occurring after 2005. Russia, on the other hand, has made very modest progress over the years, from 71 triadic patents in 1997 to 87 triadic patents in 2015 (Figure A.8).

To further assess the relative positions of the countries, we construct a composite technological capacity index that is defined as the average of the sum of the relative proportions within each of the four indicators discussed above. For example, the value for the United States is determined by first calculating the relative share of the United States from the sum of the values for the United States, China, and Russia

Figure A.8
Triadic Patents



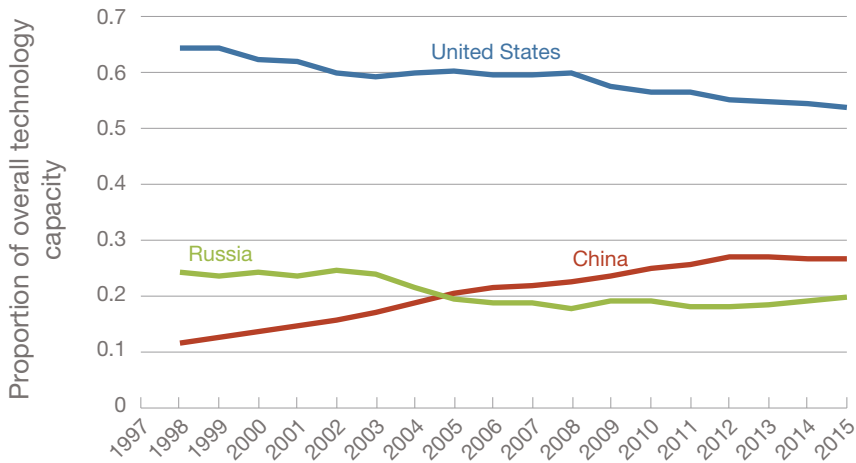
SOURCE: OECD, "Triadic Patent Families," online database, 2018c.

within a given indicator, and then calculating the average of the relative values for the four indicators. As shown in Figure A.9, America's technological capacity has declined since 1997 from 0.64 to 0.54, while China's technological capacity increased from 0.11 to 0.26. Over the same period, Russia's technological capacity declined from 0.24 to 0.10.

Threat

As described in the introduction, we hypothesize that the military threat posed to China and Russia, both from each other and from the United States, is a key factor shaping their relationship. In each five-year period from 1997 to 2017, we assess the threat posed by China and Russia to each other and the threat posed by the United States to both countries. In both assessments, we consider the balance of offensive capabilities and perceptions of aggressive intentions. Given the greater importance of the threat of the United States in shaping China and

Figure A.9
Technological Capacity Index



Russia's relationship over this period, we focus most of our attention on assessing that threat.

Assessing Threat of China and Russia to Each Other

We first consider the presence and balance of military capabilities by examining the ground forces stationed in the military districts adjacent to the Russia-China border. In the case of Russia, this is the Eastern Military District, covering the Russian Far East. In China, we consider the Northern Theater Command (formerly the Shenyang Military Region), responsible for the defense of China's northeastern regions. Although a border adjacent to Russia's Central Military District and China's Western Theater Command (formerly the Lanzhou Military District) exists, it is short and remotely located. We disregard the naval and air capabilities, which are likely focused toward the United States and Japan. We then consider the perception on both sides of the other's aggressive intentions, as indicated by perceptions or behavior during the period.

Table A.1 illustrates the ground force capabilities of each country in the respective border military districts/regions, measured in brigade equivalents for maneuver and combat support (artillery, air defense,

Table A.1
Ground Force Maneuver and Combat Support Units in Border Military Districts/Regions

Unit Type	1997	2002	2007	2012	2017
Chinese maneuver units	36	28	28	25	25
Chinese combat support units	3	9	9	7	8
Russian maneuver units	32	25	26	16	16
Russian combat support units	17	18	18	10	10

SOURCE: IISS, 1997, 2002, 2007, 2012, and 2017.

antitank brigades). The relative stability of ground force deployments from 2002 forward suggests a consistent perception of threat for the two countries. Ground force combat capability remained almost constant for China across the period. Russia had a significant decrease from 2007 to 2017; however, this decrease is probably not reflective of any change in threat perception. It is most likely attributed to the major military reforms instituted within the Russian military at the time, which resulted in wholesale reductions, reorganizations, and redeployments of ground force units.¹⁷ The size of the forces stationed in the border districts/regions does not indicate a particularly high level of concern, given the size of the districts/regions and, for China, the concern over potential conflict or instability on the Korean Peninsula, for which the Northern Theater Command would be responsible.

Assessing Threat of the United States to China and Russia

We begin by examining the U.S. force posture positioned directly opposite Russia and China as measured by total personnel deployed in the U.S. European and Pacific Commands as well as the total U.S. global force projection capabilities over the study period (see Table A.2). Our review of personnel figures indicates a steady decline in posture in both theaters, with the European Command experiencing a roughly 50 percent decrement over the 20-year period. Overall force projection

¹⁷ IISS, 2007, 2012, and 2017.

Table A.2
U.S. Offensive Capabilities and Personnel Deployed in Unified Combatant Commands

Capability	1997	2002	2007	2012	2017
Fourth-generation tactical aircraft	2,373	2,665	2,527	1,990	1,929
Fifth-generation tactical aircraft	0	16	19	165	334
Transport aircraft	428	414	417	408	303
Nuclear attack submarines (SSGN or SSN)	75	54	35	57	54
Major surface combatants	121	108	95	103	93
Aircraft carriers	12	12	12	11	10
Large amphibious ships	42	41	37	31	33
Military satellites	67	75	107	104	127
Strategic/operational UAVs	0	16	59	333	461
Tanker aircraft	355	355	291	275	260
C4ISR aircraft	164	168	178	176	181
Personnel in Pacific Command	91,881	96,385	73,352	78,278	69,088
Personnel in European Command	111,291	112,548	66,161	67,145	55,624

SOURCES: IISS, 1997, 2002, 2007, 2012, and 2017; Defense Manpower Data Center, "DoD Personnel, Workforce Reports & Publications: Military and Civilian Personnel by Service/Agency by State/Country (Updated Quarterly)," online database, last updated June 2018.

NOTES: SSGN = cruise missile submarine; SSN = nuclear-powered general-purpose attack submarine.

capabilities have also decreased over the period, although the results are decidedly mixed, with some categories showing growth, such as C4ISR capabilities (military satellites, C4ISR aircraft, and UAVs); some categories sharply declining, such as tankers and transport aircraft; and some categories remaining generally stable, such as aircraft carriers, nuclear attack submarines, and surface combatants (after the draw-

downs of the 1990s were completed). Although largely reflective of overall U.S. force reductions over the period and a reorientation of U.S. military capabilities toward the Middle East after 9/11, these numbers should indicate a reduced threat posture to both Russia and China.

Next, we look at China and Russia's perceptions of the extent to which the United States has aggressive intentions. We base this assessment on China and Russia's responses to U.S. actions during the period (as described in the political relations sections), especially during major interventions and political events, such as the 1999 Kosovo War and the 2003 Iraq War. In general, Chinese and Russian views were fairly similar; we document these views in Table A.3.

Finally, to assess the balance of offensive capabilities, we consider the overall level of U.S. capabilities and how these capabilities would match up against China's or Russia's. In addition to our assessment of military capabilities described above under aggregate power, it is necessary to take into account qualitative changes in the U.S., Chinese, and Russian militaries. In Table A.3, we describe the development the U.S. military and how Chinese and Russian capabilities developed in comparison for the periods of study.

Economic Complementarity

Economic complementarity is meant to measure the factor endowments that make it advantageous (or not) for countries to engage in trade or other forms of exchange. A fundamental proposition of economic theory and empirical investigation is that global trade patterns are shaped by factor endowments, the types of economic inputs available within an economy. More specifically, these patterns are shaped by *relative* endowments. This is the idea behind the workhorse theory of trade in economics, the Heckscher-Ohlin theory.¹⁸ As translated into modern economic models, the theory at its most basic features two countries producing two goods with two factors, labor and capital. The country with more capital relative to labor will produce the capi-

¹⁸ Heckscher and Ohlin, 1991.

Table A.3
Chinese and Russian Perceptions of U.S. Threat

Potential Threat	1997–2002	2002–2007	2007–2012	2012–2017
U.S. actions (implied intentions) on domestic politics and unilateral military activities	Use U.S. military superiority to enforce new set of global norms (Kosovo, Afghanistan) without regard for views and interests of other powers. United States exploits military strength to intimidate Russia and disregard its interests (NATO expansion, aggression against Serbia). United States is hostile to and frustrates PRC aspirations, as demonstrated by reaction to Taiwan Strait Crisis and attack on Chinese embassy in Belgrade.	Initiate and conduct unilateral military operations (including Iraq) under justification of Global War on Terrorism without regard for views or interests of other powers. China and Russia support war in Afghanistan but not Iraq. U.S. support for color revolutions in Ukraine, Georgia. United States perceived as ultimate obstacle to achieving PRC vision.	Continue to intervene against Russian and Chinese interests in Libya. Support Arab Spring. Opposition to China in South China Sea and pivot to Asia reflects anti-China alliance. Perceived support for anti-Putin protests at Bolotnaya.	Russia perceives growing threat from 2014 U.S. support for Maidan revolution in Ukraine and post-Crimea sanctions. Explicit recognition of Russia and China as growing threats in U.S. pronouncements signals reemergence of great-power competition.
U.S. capabilities	U.S. superiority in power projection and long-range precision strike reinforced by operations in Kosovo and Afghanistan.	Despite reorientation to counterterrorism and counterinsurgency, U.S. forces still have dominant nuclear and conventional superiority. U.S. superiority reinforced by capabilities demonstrated during invasion of Iraq.	Although United States retains nuclear and conventional superiority, a decade of counterterrorism and counterinsurgency operations have strained U.S. capacity. China and Russia start to close gaps in conventional capabilities.	Although United States retains overall superiority, especially in high-end systems and global reach, Russia and China now have capabilities to challenge for regional military control and impose costs on United States

Table A.3—Continued

Potential Threat	1997–2002	2002–2007	2007–2012	2012–2017
Chinese capabilities relative to United States	Low. Chinese military modernization program in early stages. Economic growth enables double-digit increases in defense spending, but PLA starting from very low base.	Low. PLA “New Historic Missions” point to PRC expanding interests and capabilities. Investment emphasizes air, air defense, naval, and missile forces to develop counterintervention (A2/AD) capabilities.	Moderate. Further acceleration of modernization sees deployment of new, modern ships, ballistic missile systems (IRBM, medium-range ballistic missile, and anti-ship ballistic missile), and fourth-generation fighters.	Moderate/high. Well on way to achieving goal of fighting localized war under informatized conditions. A2/AD capabilities able to challenge U.S. power projection. PLA establishing regional presence in East China Sea and South China Sea. Greater participation in extra-regional operations (peacekeeping, counterpiracy, noncombatant evacuation operations) Embarking on major command reform program. Still limited in ability to conduct joint operations in multidomain environment.

SOURCES: Key sources for this table include IISS, 1997, 2002, 2003, 2007, 2012, and 2017; Defense Intelligence Agency, 2017; Russian Federation, *Military Doctrine of the Russian Federation*, December 25, 2014; Scott Boston and Dara Massicot, *The Russian Way of Warfare: A Primer*, Santa Monica, Calif.: RAND Corporation, PE-231-A, 2017; Lionel Beehner, Liam Collins, Steve Ferenzi, Robert Person, and Aaron Brantly, *Analyzing the Russian Way of War: Evidence from the 2008 Conflict with Georgia*, West Point, N.Y.: Modern War Institute, March 20, 2018; Office of the U.S Secretary of Defense, *Annual Report to Congress on PRC Military Power*, Washington, D.C., 2002–2018; Peng Guangqian and Yao Youzhi, eds., *The Science of Military Strategy*, Beijing: Military Science Press, 2005; Heginbotham et al., 2015; and Chase et al., 2015.

NOTE: The assessments of qualitative military capabilities draws from a wide body of literature, including Chinese and Russian governmental and military literature, U.S. government documents, and RAND and other independent analysis of the evolution of military capabilities over the past two decades.

tal-intensive good and export it to the other country, which produces the labor-intensive good. Even if one country has more of both capital and labor than the other country, they will both be better off if they specialize and trade than if one country produces everything. This theoretical formulation expands on the original idea of comparative advantage—specialization by producing and exporting the good for which a country has a productivity advantage—articulated by English investor and political economist David Ricardo in 1817.¹⁹

Since then, the theory has been expanded to include production technologies, in what is known as the Heckscher-Ohlin-Vanek theory, and much empirical investigation has occurred to find out whether it is actually correct. Initial tests indicated that factor endowments are related to trade patterns.²⁰ But as economists started taking the theory more literally and trying to match the data to the theoretical equations, it proved to be a poor predictor of trade patterns.²¹ Further investigation found that factor endowments were important, but trade patterns were also determined by the different production technologies that countries used, by economies of scale in production and product differentiation, and by the preference of people in a country to disproportionately purchase goods made in their country rather than overseas.²²

Delving into specific production technologies, economies of scale, and consumption preferences is both difficult and fraught with error. As a result, we focus on factor endowments to understand economic complementarity. Most research analyzing factor endowments concentrates on variants of labor, capital, and land. This includes research that uses different combinations and counts of factors, including net capital stock, total labor, professional/technical workers, managerial workers, clerical workers, sales workers, service workers, agricultural workers,

¹⁹ Library of Economics and Liberty, “David Ricardo, 1772–1823,” webpage, undated.

²⁰ Edward E. Leamer, *Sources of International Comparative Advantage: Theory and Evidence*, Cambridge, Mass.: MIT Press, 1984.

²¹ Bowen, Leamer, and Sveikauskas, 1987.

²² Helpman, 1998; Requena, Artal, and Castillo, 2008.

production workers, arable land, pastureland, and forestland;²³ capital, college graduates, and noncollege graduates, or capital and nine categories of labor;²⁴ the working population, land, and capital stock;²⁵ and agricultural land, forest and woodland, low-educated labor, high-educated labor, stock of R&D capital, and stock of physical capital.²⁶

Using this literature, we focus on five factor endowments: capital stock, total labor force, skilled labor force, oil and gas reserves, and arable land. In line with the literature on endowments and trade, we create ratios of the endowments relative to each other and then relative to those ratios in the other country as an indicator of which country is *relatively* more endowed with each factor. In each case, unless otherwise specified, we use data from 1997, 2002, 2007, and 2012. We show relative factor intensities in Table A.4 from the point of view of Russia. The point of view of China would just be the reciprocal.

Capital stock comes from the Penn World Tables 9.0 and measures capital stock at constant national prices converted to millions of 2011 U.S. dollars.²⁷ Russia's capital stock rose from \$5.3 trillion in 1997 by 32 percent to \$7.0 trillion in 2012. In contrast, China's capital stock rose from \$11.0 trillion in 1997 by almost 400 percent to \$54.7 trillion in 2012. On the surface, it appears that China was the more capital-rich country at all times. However, as noted by the literature, the important issue for trade patterns is not absolute levels but levels relative to other factors. What is important here is that China's capital stock relative to other factors increased more rapidly than Russia's, although China's relative endowment of capital did not catch up to Russia's during the period of analysis.

Labor is total labor force, which includes people ages 15 and older who either are employed or are actively seeking work. Data are from

²³ Bowen, Leamer, and Sveikauskas, 1987.

²⁴ Davis et al., 1997.

²⁵ Hummels and Levinsohn, 1995.

²⁶ Requena, Artal, and Castillo, 2008.

²⁷ This is variable rkna of the Penn World Tables; Robert C. Feenstra, Robert Inklaar and Marcel P. Timmer, "The Next Generation of the Penn World Table," *American Economic Review*, Vol. 105, No. 10, 2015.

Table A.4
Russia's Factor Intensities Relative to China's

Relative Factor Ratio	1997	2002	2007	2012
Capital/labor	4.84452255	3.080499	2.0066004	1.31167921
Capital/skilled labor	0.53439646	0.3466697	0.21956286	0.12947968
Capital/oil and gas	0.03730158	0.02279781	0.02216465	0.01771601
Capital/arable land	0.45169969	0.28235108	0.17619354	0.11358213
Labor/capital	0.20641869	0.32462273	0.49835533	0.76238153
Labor/skilled labor	0.11030942	0.11253686	0.10942032	0.09871292
Labor/oil and gas	0.00769974	0.00740069	0.01104587	0.01350636
Labor/arable land	0.09323926	0.09165758	0.08780699	0.08659291
Skilled labor/capital	1.87126987	2.88459018	4.55450445	7.7232193
Skilled labor/labor	9.0654091	8.88597717	9.13907047	10.1303862
Skilled Labor/oil and gas	0.06980132	0.06576233	0.10094899	0.13682465
Skilled labor/arable land	0.84525203	0.81446715	0.80247428	0.87721967

Table A.4—Continued

Relative Factor Ratio	1997	2002	2007	2012
Oil and gas/capital	26.8085152	43.8638683	45.1168892	56.4461124
Oil and gas/labor	129.874456	135.122603	90.5315681	74.0391924
Oil and gas/skilled labor	14.3263757	15.2062739	9.90599301	7.30862484
Oil and gas/arable land	12.1093981	12.3850105	7.94930458	6.41126949
Arable land/capital	2.21386026	3.54169003	5.67557687	8.80420212
Arable land/labor	10.725096	10.9101726	11.3886148	11.5482889
Arable land/skilled labor	1.18307909	1.2277966	1.24614586	1.13996531
Arable land/oil and gas	0.08258049	0.08074277	0.12579717	0.15597535

NOTE: The table shows the ratio of Russia's ratio for each pair of factors relative to China's ratio for each pair of factors. For example, in 1997 for the capital/labor ratio, Russia's ratio was 0.075 and China's was 0.016, giving a ratio of 4.845. This indicates that, relative to labor, Russia was the more capital-intensive economy by a wide margin.

the World Bank's World Development Indicators.²⁸ In 1997, Russia's labor force totaled 70.6 million. By 2012, that figure had risen by 9 percent to 76.8 million. In contrast, China's labor force in 1997 totaled 709.7 million, almost ten times that of Russia's. By 2012, that figure had risen by slightly less than 11 percent to 784.5 million.

For skilled labor, we use the number of people ages 15 and older with a completed tertiary education degree. We draw this information from the Barro-Lee dataset, which contains consistent data on education for every five years from 1950 to 2010 for 146 countries.²⁹ Unfortunately, data are unavailable for our target years of 1997, 2002, 2007, and 2012. Accordingly, we use data from 1995 for 1997, 2000 for 2002, 2005 for 2007, and 2010 for 2012. The Barro-Lee data set does not present education numbers in levels. Instead, it has data for the percentage of the population ages 15 and older with completed tertiary schooling and the total population ages 15 and older. We used these figures to derive the number of people with completed tertiary schooling. Despite the fact that China has a much larger population than Russia, the number of highly educated people in both countries is very close. Highly educated people in Russia totaled 15.5 million in 1995, rising by 89 percent to 29.3 million in 2010. Highly educated people in China totaled 17.2 million in 1995, rising by 72 percent to 29.6 million in 2010.

Oil and gas data are from the 2018 *BP Statistical Review of World Energy*.³⁰ We use data on proved reserves of oil in thousands of millions of barrels and on proved reserves of natural gas in trillion cubic meters. To combine them, we use a conversion factor of 1 billion cubic meters

²⁸ In World Development Indicators, this is variable SL.TLF.TOTL.IN, "Labor force, total"; World Bank, 2018.

²⁹ The data are available, as of August 24, 2018, at Robert Barro and Jong-Wha Lee, "A New Data Set of Educational Attainment in the World, 1950–2010," *Journal of Development Economics*, Vol. 104, 2013.

³⁰ We use the 2018 edition for all years. Estimates of oil and gas reserves change, and numbers are often revised. It would have been better to use the edition for the year in question because that would have captured what was known at the time, but, unfortunately, we did not have access to editions before 2007; BP, *BP Statistical Review of World Energy*, 67th edition, London, June 2018.

of gas equal to 5.883 million barrels of oil equivalent, also drawn from the *BP Statistical Review*. As measured in barrels of oil equivalent, Russia is clearly the energy powerhouse, although its reserves have stayed largely steady. In 1997, it had oil and gas reserves of 311 billion barrels of oil equivalent. In 2012, that figure was 309 billion. China's reserves have risen but are still small compared with Russia's. In 1997, China had oil and gas reserves of 24 billion barrels of oil equivalent. In 2012, that figure was 43 billion, a 77 percent increase.

Our final measure of endowments is arable land, drawn from the World Bank's World Development Indicators.³¹ Just as with oil and gas, Russia has more of this natural resource. In 1997, it had 127 million hectares of arable land. It steadily lost small amounts throughout the period, ending down 6 percent, with 120 million hectares in 2012. China started with almost 120 million hectares in 1997 and lost land more rapidly, likely because of rapid urbanization. By 2012, it was down 11 percent, with 106 million hectares.

Combining these indicators points to potential patterns of trade between Russia and China. An important caveat is that these are only two countries out of many. However, they are both economically large relative to most countries of the world, and they are adjacent to each other. Decades of empirical economic research shows that large, nearby countries tend to have high levels of trade.³²

Russia is unambiguously dominant in oil and gas (Table A.4). Ratios of oil and gas relative to all other factors in Russia are well above those same ratios in China. This advantage has declined through 2012, but Russia's endowment of oil and gas relative to arable land even in 2012 was six times that of China's, and that was the lowest such relative ratio. In contrast, China is unambiguously dominant in labor. China's relative labor advantage was high and rising relative to land and skilled workers, based on the inverse of the numbers in Table A.4. Its relative

³¹ In World Development Indicators, this is variable AG.LND.ARBL.HA, "Arable land (hectares)"; World Bank, 2018.

³² Keith Head and Thierry Mayer, "Gravity Equations: Workhorse, Toolkit, and Cookbook," in Gita Gopinath, Elhanan Helpman, and Kenneth Rogoff, eds., *Handbook of International Economics*, Vol. 4, Oxford, United Kingdom: North-Holland, 2014.

labor advantage was falling relative to oil and gas: China's ratio of labor to oil and gas even in 2012 was 74 times that of Russia's. China comes close to Russia in the labor-to-capital ratio, but even in that measure China has a relative advantage in labor. These two patterns suggest that Russia is highly likely to serve as an energy supplier to China and that China is highly likely to serve as a supplier of labor-intensive goods to Russia.

Patterns are less well defined for the other endowments. Russia has a consistent and growing advantage in skilled labor relative to labor and capital, suggesting that it would be more likely to sell goods that use highly educated workers but not natural resources. Russia also generally has an advantage in land, suggesting it is more likely to be an agricultural provider to China. The one distinct change through time is China's capital accumulation. In 1997, China's ratio of capital to labor was only 21 percent of Russia's. By 2012, that had risen to 76 percent. Likewise, China's ratio of capital to skilled labor in 1997 was 87 percent higher than that of Russia's. By 2012, it was 672 percent higher. These changes suggest that, over time, China was more likely to export capital-intensive products (although not necessarily skill-intensive products).

Ideology

The final factor that is believed to influence countries' alignment is ideology. As discussed in Chapter One, we conceive of each country's political ideology as the combination of three components: the system of domestic government, its view of the world political order, and its view of the world economic order. By system of domestic government, we mean the view of those in power toward the desired system of governance of the country. The world political order component includes statements about the desired structure and practices of international politics, including the level of acceptance of the post-1991, U.S.-led world order and the role of the United States, the UN and multilateral organizations, and other great powers. The world economic order is understood to be China and Russia's perspective on how the international economic system should function, including their support for

and desire to participate in the IMF, WTO, World Bank, and other international economic institutions. We describe in more detail below what we mean by these components and our assessments of the convergence between Chinese and Russian ideology over time.

To rate convergence, we coded generalized views of each country in five-year increments within each of the above categories. To do this, we first separately examined Russian and Chinese views in official documents and statements for a given period to understand their perspective on each of the three components of ideology. We developed summaries of the two country's views on each component of ideology for each period. We then compared these summarized findings and used a 1–5 scale to assess their convergence. A score of 1 represented little to no alignment between Russia and China within a given ideological category, and a 5 represented virtual agreement. For example, from 1997 to 2002, Russia and China each sought membership in the WTO and did not endorse significant change in the global economic order. These actions resulted in a score of 5 in the world economic order category. By the 2012–2017 period, we found virtual agreement on Russian and Chinese views toward domestic governance, which we also scored a 5. We added the scores for the components together to come up with an overall indicator of ideological convergence (out of 15) for each time period. The input data and the results are presented in a series of charts and tables at the end of this section.

China

We derived China's views on its domestic governance system from authoritative documents, specifically the government work reports presented by China's Premier at each annual session of the National People's Congress. For our purposes, we used premier government work reports from 1998, 2003, 2008, 2013, and 2018.³³ These documents

³³ Li Peng, Premier of the State Council, *Report on the Work of the Government*, delivered at the Ninth National People's Congress of the People's Republic of China, Beijing, March 5, 1998; Zhu Rongji, Premier of the State Council, *Report on the Work of the Government*, delivered at the Ninth National People's Congress, Beijing, March 5, 2000; Zhu Rongji, Premier of the State Council, *Report on the Work of the Government*, delivered at the Tenth National People's Congress, Beijing, March 5, 2003; Wen Jiabao, Premier of the State Council, *Report*

also provided insight into China's views—rhetorically speaking—of the world economic order. Selected biennial defense white papers published by the State Council Information Office (SCIO) provided insight into China's views of the world political order.³⁴

In terms of domestic government, we observed a continuous emphasis on a preference for “developing a socialist democracy under the leadership of the Communist Party of China.”³⁵ The desire to maintain a one-party state is a solidly entrenched preference across all years examined, based on our examination of authoritative Chinese government documents.

Chinese perceptions of the world political and military order have remained consistent with the New Security Concept promulgated in the late 1990s.³⁶ The concept focused on establishing a post–Cold War new world order based on mutual respect for territorial integrity and sovereignty, mutual nonaggression, noninterference in each other's internal affairs, equality and mutual benefit, and peaceful coexistence, while rejecting military alliances and opposing a unipolar international system.³⁷ According to examinations of Chinese security documents from the late 1990s to the present, Chinese perceptions of the world order more or less adhered to the broad contours of the New Security Concept.

Finally, China has long held views supporting integration into the global economic order. It actively lobbied to join the WTO in the 1990s before its admission in 2001. In the words of then Premier Zhu

on the Work of the Government, delivered at the 11th National People's Congress, Beijing, March 5, 2008; Wen Jiabao, Premier of the State Council, *Report on the Work of the Government*, delivered at the 12th National People's Congress, Beijing, March 5, 2013; Li Keqiang, Premier of the State Council, *Report on the Work of the Government*, delivered at the 13th National People's Congress of the People's Republic of China, Beijing, March 5, 2018.

³⁴ SCIO, 2015; SCIO, *The Diversified Employment of China's Armed Forces*, Beijing, April 2013; SCIO, *China's National Defense in 2008*, Beijing, January 2009; SCIO, *China's National Defense in 2002*, Beijing, December 2002; SCIO, *China's National Defense in 1998*, Beijing, July 1998.

³⁵ For example, see Wen, 2008.

³⁶ SCIO, 1998.

³⁷ SCIO, 1998.

Rongji in his 2000 report to the National People's Congress, China "must lose no time in adjusting to the new situation created by the accelerated process of China's entry into WTO."³⁸ Since then, China has exhibited, at least rhetorically, its desire to develop free trade zones and regional economic integration and has been opposed to protectionism in all its forms.³⁹

Russia

Russia's views on each of the ideological categories were drawn from its behavior, official statements, and strategic documents, such as the National Security Strategy and the Foreign Policy Concept, the latter of which has been published intermittently since 1991 and provides insight into evolving Russian thinking on foreign, economic, and security policy.

Regarding Russia's views on its system of domestic governance, there has been an even greater emphasis on the desire to establish a "strong and effective state,"⁴⁰ despite rhetorical support for democracy and accompanying institutions and norms. Over time, this emphasis has increasingly meant a state ruled by one person who is relatively free from genuine political competition and criticism. Evidence for this system includes the virtually unchallenged return of Vladimir Putin to the presidency for a third and fourth term. Threats to the continuation of this system of governance have been characterized as an attempt to sow internal chaos and control Russia from abroad.⁴¹

Since the mid-1990s, Russia has somewhat inconsistently maintained that the world is gradually becoming multipolar or has already become multipolar. In any case, the international system, in Russia's

³⁸ Zhu, 2000.

³⁹ For a recent example, see SCIO, *China and the World Trade Organization*, Beijing, June 2018. Also see SCIO, *China's Foreign Trade*, Beijing, December 2011.

⁴⁰ See, for example, the discussion of Putin's use of this phrase in Katja Ruutu, "The Concepts of State and Society in Defining Russia's Domestic Political Unity: A Research Note," *Europe-Asia Studies*, Vol. 69, No. 8, 2017.

⁴¹ President of Russia, "Presidential Address to the Federal Assembly," Moscow, December 1, 2016b.

view, cannot be unipolar and should correspond to the emerging geopolitical reality in which the United States is not the sole arbiter in international affairs. However, this view did not initially mean Russia pursued full-blown confrontation with the United States in the period we examined. In the early 2000s, Putin declared that the “era of confrontation is over” and set Russia on a course of strategic cooperation with the West in the hope of gaining benefits while also molding the order to better represent new power centers.⁴² By 2007, Russian rhetoric evolved to a harsh denunciation of a U.S. foreign policy centered on “democratization,” a policy which stood in contradiction to Russia’s desire for a world political order based on noninterference in the domestic affairs of states, among other principles. Since 2014, Russia’s strategic documents have described a world order characterized by greater competition and instability as the West attempts to disrupt the natural transition to a multipolar world in which Russia plays a leading role.⁴³

In terms of the global economic order, Russia has generally pursued a path of integration while also prioritizing economic relations within the CIS region. For nearly two decades, it pursued membership in the WTO, with an explicit objective dating back to the early 2000s of “full and equal participation” in the world economy and institutions.⁴⁴ More recently, Russia has sought to revise what it sees as an imbalance in representation in global financial and economic organizations. The current arrangement, in its view, is an anachronism that no longer corresponds to the growing economic clout of such countries as Russia, China, and India, among others. However, Russia does not desire a complete dismantlement of the global economic system but rather a system that is “more open, balanced and better correspond[s] to the reality of a globalizing world.”⁴⁵

⁴² President of Russia, “Annual Address to the Federal Assembly of the Russian Federation,” Moscow, April 18, 2002a.

⁴³ President of Russia, “National Security Strategy of the Russian Federation,” December 31, 2015.

⁴⁴ President of Russia, 2000a.

⁴⁵ President of Russia, “Foreign Policy Concept of the Russian Federation,” 2016a.

Alignment over Time

Within the category of domestic governance, we found consistent growth in convergence over time. In the late 1990s and early 2000s, there was less overlap with China because of Russia's stated objective of eventually establishing a relatively consolidated democracy in the mold of Western countries. Although China rhetorically embraced the idea of "developing a socialist democracy," there was no equivocation from the beginning of our investigation about the unchallenged role of the Communist Party. By 2017, there was little discernible difference between Russia and China, in the sense that each country had seemed to embrace the idea of an unchallenged, single leader, backed by the only viable political party.

In general, there has been relatively close convergence between China and Russia in their views of the world order from 1997 to 2017. China has remained extremely consistent in its views of the world order, never fully embracing the order because China perceives it as a unipolar construct that does not serve Chinese interests. Russia has also consistently rejected the idea of a unipolar international system and has long claimed that the order should reflect other centers of power. Each country has emphasized several key principles, such as respect for sovereignty and noninterference by an outside power in its domestic affairs. The dip in the 2012–2017 period stemmed from increased hostility on the part of Russia toward the United States and its leadership in the world political order, which was not found to a similar degree on the part of China.

Finally, we find a high level of convergence over time of Russian and Chinese views on the world economic order. Both countries are, for the most part, willing participants in the current system and have actively pursued greater integration in the post–Cold War era. Both also share grievances against the economic order and have taken actions to build or participate in alternative institutions.

Tables A.5, A.6, and A.7 present our generalized inputs from the aforementioned sources and the indicators of ideological convergence between China and Russia over time.

Table A.5
China's Ideology, 1997–2017

Category	1997–2002	2002–2007	2007–2012	2012–2017
Domestic government	Emphasis on “socialistic politics with Chinese characteristics” and “developing a socialist democracy under the leadership of the Communist Party of China.”	Continued emphasis on “leadership of the Communist Party of China.”	Continued emphasis on “leadership of the Communist Party of China.”	Continued emphasis on “leadership of the Communist Party of China.”
World political order	Promulgation of a New Security Concept based on mutual respect for territorial integrity and sovereignty, mutual nonaggression, noninterference in each other's internal affairs, equality and mutual benefit, and peaceful coexistence. Rejection of military alliances; opposition to unipolar international system.	Continued focus on the New Security Concept, as well as a concerted emphasis on China's “peaceful rise” and a “harmonious world” based on mutual respect. Tampered criticism of the U.S.-led global order post-9/11.	Continued adherence to the New Security Concept, albeit with more assertive efforts to protect “core national interests” amid growing awareness of China's growing comprehensive national strength after the 2008 financial crisis.	Emphasis on “new model of major country relations” with the United States, as well as a new regional security architecture devoid of zero-sum gamesmanship, with respect for international rule of law and norms, partnerships rather than alliances, development, emphasis on comprehensive and multilayered regional institutions, and promotion of common development and prosperity.

Table A.5—Continued

Category	1997–2002	2002–2007	2007–2012	2012–2017
World economic order	Despite growing competition and protectionism abroad, China stands by its decision to join the WTO.	Promotion of the Doha round of trade talks under the WTO, active participation in the formulation of multilateral trade rules, and steady promotion of the development of bilateral and regional free trade zones.	Continued adherence to global economic governance and cooperation while promoting the development of free trade zones and regional economic integration, as well as opposition to protectionism in all its forms.	Continued commitment to promoting global economic cooperation and multilateral trade agreements (i.e., economic globalization is in the fundamental interests of all countries).

Table A.6
Russia's Ideology, 1997–2017

Category	1997–2002	2002–2007	2007–2012	2012–2017
Domestic government	Reestablishment of Russian statehood is central to future prosperity.	Strong, effective state required to reestablish Russia as political, economic, and military power. "Sovereign democracy" limits independent media, political opposition, and corrupt bureaucracy.	Strong, effective state is increasingly under threat from external powers seeking to foment domestic unrest.	The maintenance of a strong state protects against coups, anarchy, and, ultimately, a state controlled from abroad.
World political order	World gradually becoming multipolar. Russia is a great power and rejects unilateral international system and desires cooperation based on mutual respect.	From 2002 to 2007, Putin's rhetoric about the world order evolved from proclaiming that the "era of confrontation is over" in 2002 to a harsh denunciation in 2007 of U.S. foreign policy, the unipolar world order it sought to maintain, and the destabilizing influence of "democratization."	Greater role for Russia in world order as power and influence are being redistributed to non-Western countries.	Continued trend toward polycentric world that includes Eurasian and Asia-Pacific power centers.
World economic order	Russia desires full and equal participation as it gradually integrates into world economy and institutions.	Russia continues to pursue WTO membership and regional economic integration of CIS and broader neighborhood.	After 2008, Putin was more hesitant to seek WTO accession, but by 2011, Russia changes approach and joins WTO in 2012. Russia not hostile to existing world economic order. Actively working toward regional economic integration.	Russia seeks international monetary and financial systems that are "more open, balanced and better correspond to the reality of a globalizing world."

Table A.7
Convergence Indicators of China and Russia's Ideology, 1997–2017

Category	1997–2002	2002–2007	2007–2012	2012–2017
Domestic government	2 ^a	3 ^b	4 ^c	5 ^d
World political order	5	4 ^e	5	4 ^f
World economic order	5	5	5	5
Total	12	12	14	14

NOTE: 1 = no ideological convergence, 2 = little ideological convergence, 3 = modest ideological convergence, 4 = considerable ideological convergence, 5 = complete ideological convergence.

^a Russia at this time was not explicitly seeking to be a socialist country (China's stated path), and it was not yet clear that a strong state in Russia required one party or one leader, as was the case in China.

^b Sovereign democracy and the limitation of political competition made it clear that Russia was moving toward more centralized rule, if not by one person, then by like-minded leaders. China's domestic political trajectory remained unchanged.

^c The Medvedev years, while in some ways more cooperative and liberal, did not result in any change in approach to governance or shift from consolidation of power within one group, further consolidating Russia's path toward the Chinese approach to domestic governance.

^d The return of Putin for a third (and later a fourth) term, combined with the announcement that Xi would be leader for life, showed a strong convergence in views toward consolidated political power with little room for opposition.

^e Russia became more critical of the U.S.-led order at the end of this period, while China was less critical, at least explicitly.

^f Again, we note some divergence in this period as Russia became more hostile in word and deed to the U.S.-led world political order, a hostility which China had not matched through 2017 (or after).

Russian Perspectives on Russia's Relationship with China

As we demonstrated in Chapter Four, the relationship between Russia and China within the past five years has achieved the level of *collaboration* for the first time since the Soviet era. This appendix presents the perspective of Russian experts (including some members of the governing elite and government officials) on the driving forces behind the evolution of the relationship toward collaboration. Although Russian analysts and officials often agree that the same factors discussed in Chapters Three and Four (power, threat, ideology, and economic complementarity) are important in influencing the relationship, at times they offer different assessments of the importance of these factors. Moreover, Russian analysts offer a more contextualized account of the key factors driving cooperation, which sheds light on, for example, how the rift with the West over Ukraine influenced Russian expert and elite perspectives.

This analysis is based on not-for-attribution conversations conducted in March 2018 and a variety of written sources. Some might question the utility of assessing the views of various analysts and officials to understand Russian decisionmaking. Russia has a centralized decisionmaking system under Putin, who might seem to take little account of competing views. There is a risk, moreover, that Russian interlocutors are not entirely forthcoming. We are mindful of these risks in presenting the insights gathered from our conversations. However, although analysts generally follow the government's official line on major established policy positions, there are important divisions

among them that are likely reflective of the underlying debate within Russia's decisionmaking circles. Furthermore, analysts can provide a distinct perspective on *why* Russia took the positions it did at particular times.

We begin by situating the most recent era of the Russian-Chinese relationship within the broader Russian expert and elite discourse. Then we examine the explanations Russian analysts offer for the political and military dimension of the relationship, followed by the economic dimension. We then identify Russian perspectives on the future course of the relationship.

Contextualizing Russian Perspectives on China

The views of Russian analysts regarding Russia's relationship with China are shaped both by the countries' shared history and the imperatives of the present. The history of bilateral relations between these neighbors goes back hundreds of years before the Soviet era, during which the two states managed to largely avoid significant direct conflicts. Against the long history of management of relations and conflict avoidance, both the ideologically driven alliance and subsequent period of confrontation in the Soviet era are viewed as "deviations from the norm."¹ The Sino-Soviet split casts a long shadow, entrenching in the Russian mind-set a sense that some degree of cooperative relations with their largest, and now most powerful, neighbor are a necessity. Thus, Russian analysts emphasize the long historical record of the quest to improve and deepen relations with China (as well as the broader Asia-Pacific region), going back to the late Soviet era.² Russians see a notable improvement in Russian-Chinese relations since the late 1980s, and, according to Alexander Lukin, a professor and prolific analyst on Chinese-Russian relations, the relationship has "evolved steadily" since.³ Russia's 1992 Foreign Policy concept, for example, called for a

¹ Kashin, 2018, p. 2.

² Lukin, 2018a, p. 174; conversation with expert, Moscow, March 2018.

³ Lukin, 2018a, p. 174; Kashin, 2018, p. 1.

“[r]ealistic transformation of our relations with China . . . based on the fact that there is no alternative for Russia for the friendly, intensive and substantial relations with China. In the past the confrontation with China did cost too much for the USSR (and China).”⁴

Contemporary Russian Approaches to Russian-Chinese Relations

Over the course of the past decade or so, Russians have viewed their rapprochement with China through the lens of a shift in the overall orientation of Russia's foreign policy and domestic development strategy: Russia's “turn to the East” or “pivot to Asia.” A group of experts of the Valdai Discussion Club, one of Russia's most prominent international affairs organizations, argues that, prior to the 2010s, Russia effectively lacked a strategy toward Asia.⁵ The “pivot” marked the appearance of such a strategy for the first time, with a distinct adherence among the Russian elite, who actively promote it.⁶ Although relations with other Asian countries are also hailed as an important part of the pivot, it is the increasingly close relationship with China that has become the most “vivid example” and a key sign that the pivot is real.⁷ Notwithstanding an emphasis on the continuous evolution of relations since the 1980s, Russian elite views appear to have significantly shifted in the past five years or so, a shift that Sergei Karaganov, a leading commentator on Russian foreign policy, describes as a “change in the geostrate-

⁴ “Kontseptsia vneshney politiki RF 1992 g [Concept of the Russian Federation's Foreign Policy 1992],” in *Foreign and Security Policy of Russia, 1991–2002*, Vol. 4, Moscow: MGIMO University, 2002, p. 39.

⁵ Sergei Karaganov, Oleg Barabanov, Alexey Bezborodov, Timofey Bordachev, Anastasia Kazakova, Anastasia Likhacheva, Alexander Lukin, Igor Makarov, Anastasia Pyatachkova, Andrey Skriba, Anna Sokolova, Dmitry Suslov, and Ivan Timofeev, *Toward the Great Ocean 4: Turn to the East*, Moscow: Valdai Discussion Club, May 2016, p. 7.

⁶ Karaganov et al., 2016, p.7.

⁷ Karaganov et al., 2016, p. 12; Trenin, 2015, p. 8.

gic and geoideological positioning in Russia's ruling elite."⁸ At the same time as elites began to focus on Russia's relations with China, they also placed a new, higher priority on developing Russia's Far East, seeking to redress the Western bias in its domestic economic landscape. Indeed, the foreign and domestic dimensions of the turn East are closely linked, with the latter viewed by numerous experts as the key path for Russia toward "Russia becoming an Asia-Pacific power."⁹ However, there is implicit recognition that Moscow cannot become a real Asia-Pacific power and must accept China's paramount position there.¹⁰

For Russian analysts, Russia's pivot East is partly a reaction to the increasingly adversarial relations with the West. Putin once conjured a vision of a "greater Europe," a political space that spanned from Lisbon to Vladivostok.¹¹ That vision began to yield rhetorical and intellectual space to the idea of "Greater Eurasia," articulated by a group of Russian experts circa 2015, after a widespread conclusion that the long-brewing deterioration of relations with the West had become irreversible.¹² The deterioration of relations, combined with a perception of the decline of the West and the rise of the East, launched the popularity of Greater Eurasia as a new metaphor for Russia's place in the world. Nonetheless, some of the most frequent commentators on these matters emphasize that although Greater Eurasia is a conceptual alternative to Greater Europe, it should not lead Russia to decisively turn away from the West. In the view of Russian analysts, the binary choice of Europe or Asia is unprofitable and potentially dangerous, and Russia, as a power at the crossroads of Europe and Asia, has to look both West and East.¹³ The aspiration behind the idea of Greater Eurasia, then, is simply a "pragmatic orientation to new opportunities" to keep pace with the

⁸ Karaganov et al., 2016, p. 5.

⁹ Barabanov and Bordachev, 2012, p. 55; Trenin, 2015, p. 4.

¹⁰ Ellings, 2018, p. 35.

¹¹ Trenin, 2015, p.1.

¹² Lukin, 2018a, p. 183.

¹³ For example, Lukin, 2018a, pp. 71, 77; Barabanov and Bordachev, 2012, p. 9.

changing global realities.¹⁴ It is “Europe-centrism” that proponents of Greater Eurasia reject; however, as one of Greater Eurasia’s most vocal proponents, Sergei Karaganov, puts it, “interested European partners ought to be brought into the Eurasian project.”¹⁵

Greater Eurasia is a rather nebulous concept of a geopolitical and geo-economic community, within which Russia can play a (if not the) leading role. Karaganov conceives of Greater Eurasia in expansive geographic terms, spanning all the countries of the SCO, the EEU, ASEAN, and the Regional Comprehensive Economic Partnership (RCEP),¹⁶ as well as Turkey, Iran, Israel, and Egypt.¹⁷ Greater Eurasia has no institutional form but is instead an idea that captures Russia’s reorientation toward Asia and its desire to replace what it views as a failed unipolar international system.¹⁸ It is, as a Russian official put it, “a basis for dialogue on integration of different multilateral projects.”¹⁹ These integration ambitions have made their way into official discourse through the proposed Greater Eurasian Partnership (GEP).²⁰ The GEP, raised by Putin publicly around 2015–2016, voices an ambition for an economic partnership among the EEU, China, and other members of the SCO, as well as a not-well-defined set of other countries and blocs, includ-

¹⁴ Karaganov et al., 2016, p.35; Barabanov and Bordachev, 2012, p. 9.

¹⁵ Sergei Karaganov, “How to Win a Cold War,” *Russia in Global Affairs*, September 4, 2018b.

¹⁶ China is a champion of the RCEP, a macroregional free trade agreement with ASEAN and major economic powers with which ASEAN already has agreements. In contrast with the now-failed Trans-Pacific Partnership, which excluded China and India, the RCEP excludes the United States.

¹⁷ Sergei Karaganov, “S Vostoka na Zapad, ili Bol’shaya Evraziya [From East to West, or Greater Eurasia],” *Russian Gazette*, October 24, 2016b.

¹⁸ Karaganov, 2016b.

¹⁹ Conversation with official, Moscow, March 2018.

²⁰ Alexander Lukin and Vladimir Yakunin, “Eurasian Integration and the Development of Asiatic Russia,” *Journal of Eurasian Studies*, Vol. 9, No. 2, July 2018, p.104; Vladimir Petrovsky, “Na puti k Bol’shomu Evraziyskomu Partnerstvu: Vyzovy I Vozmozhnosti [On the path towards the Greater Eurasian Partnership],” *International Affairs* No. 6, 2017.

ing ASEAN.²¹ Some Russian experts note frankly that Greater Eurasia and its partnership exist largely as narratives, for which there is not yet an elite consensus.²² At the same time, however, they emphasize the importance of a narrative as a guide and basis for future developments, with one expert observing that it is really Russia's first "original" or "native" foreign policy strategy.²³ Some prominent experts believe that giving reality to such original ideas is vital for the future of Russia: As Karaganov warns, "Beijing is moving towards creating a Sino-centric system in Asia. We risk remaining on the periphery, albeit friendly, unless we propose our own ideas."²⁴

Russian Views on Political and Military Relations

As Chapter Four documents, the political and military dimensions of the Russian-Chinese relationship have now reached a level of collaboration unseen since the 1950s. Long-time Russian observers of these developments and participants in the relevant policy debates articulate several discrete factors that drove the relationship to its present-day state.

At the level of longer-term drivers, Russians explain the political and military dimensions of the rapprochement with China by reference to the **changing global distribution of power**. Alexander Lukin; Dmitri Trenin, a prominent expert at the Carnegie Center in Moscow; and others note that, because the Cold War ended in a Western victory,

²¹ See, for example, Vladimir Putin, "Plenarnoe zasedanie Peterburgskogo mezhdunarodnogo ekonomicheskogo foruma [Plenary meeting of the Petersburg international economic forum]," June 17, 2016.

²² Conversation with expert, Moscow, March 2018; Lukin and Yakunin, 2018, p. 5.

²³ Conversation with expert, Moscow, March 2018. Some of the more polemical commentators object to the notion that the GEP is no more than an idea, arguing that the agreement between the EEU and BRI, for example, is a concrete first step toward building such a partnership. See Mark Entin and Yekaterina Entina, "Vseob'emlyushee Bol'shoe Evraziyskoe Partnerstvo: ukhod ot real'nosti ili vozvraschenie k ney [All-encompassing Great Eurasian Partnership: escape from reality or return to it]," *All Europa*, Vol. 11, No. 115, 2016.

²⁴ Karaganov, 2018b.

Russia had an incentive to seek better relations with China as leverage in dealing with the more powerful West.²⁵ In other words, Russians seem to view the relationship as driven by the classical balance of power on some level, part of a broader recognition that Russian foreign policy is guided by balance of power concerns.²⁶ At the same time, Russians observed a shift in the center of global economic and, to a lesser extent, political power to Asia.²⁷ Simultaneous with Asia's rise, voices such as those affiliated with the Valdai Discussion Club perceived the United States as "inevitably poised to step back from global affairs,"²⁸ the EU in "systemic crisis," and the West as a whole undergoing "socio-political turbulence."²⁹ In this light, Russian analysts describe Russia's shift to the East as a natural response to the shifting global landscape³⁰ and not unique to Russia, in view of the United States' attempt to pivot toward Asia.³¹

²⁵ See Lukin, 2018a, p. 175; Dmitri Trenin, *True Partners? How Russia and China See Each Other*, London: Centre for European Reform, February 2012, p.3; and Alexander Lukin and Sergei Sanakoev, "Rossiyskiy podshod k Kitayu na rubezhe vekov: problemy i resheniya [Russian approach to China at the turn of the century: problems and solutions]," Analytic Notes, Scientific Coordination Council on International Research, 2005.

²⁶ Official rhetoric reflects this recognition. See, for example, Putin's statement in Beijing in 2000 that "Russia's main goal in international politics is to preserve the balance of forces and interests in the international arena"; President of Russia, "Interview with the Chinese newspaper Renmin Ribao, the Chinese News Agency Xinhua and the RTR TV Company," July 16, 2000b.

²⁷ See, for example, Davydov, 2015, p. 324; Barabanov and Bordachev, 2012, p. 1; Igor Makarov, Oleg Barabanov, Tomofei Bordachev, Evgeny Kanaev, Victor Larin, and Vladimir Ryzhkov, *Toward the Great Ocean—2, or Russia's Breakthrough to Asia*, Moscow: Valdai Discussion Club, February 2014; and Aleksandr G. Larin, "Neskol'ko zamechaniy o vozrozhdenii Dal'nego Vostoka Rossii na fone vozrozhdeniya Kitayskoy natsii [Some comments about the renaissance of Russia's Far East against the background of the renaissance of the Chinese nation]," in K. A. Kokareva, E. V. Sukhonina, and B. M. Volkhonskiy, eds., *Asian-Pacific Cooperation and the Place of Russia in Regional Development*, Moscow: Russian Institute for Strategic Studies, 2014, p. 22.

²⁸ Karaganov et al., 2016, p. 5.

²⁹ Barabanov and Bordachev, 2012, p. 7.

³⁰ Barabanov and Bordachev, 2012, p. 8.

³¹ Conversation with official, Moscow, March 2018.

Against the background of shifts in the global distribution of power, Russians point to **changing threat perceptions** as crucial for understanding Russia's turn to Asia and its embrace of China. As one expert explained starkly in a conversation with the authors: "China's and Russia's main reason for cooperation is the United States."³² Russians identify the usual laundry list of grievances against the United States and the West as the roots of rising threat perceptions and the deterioration of relations, including interventions in Iraq, Kosovo, and Libya; the expansion of NATO; the deployment of ballistic missile defense; and criticism of Russia's internal governance.³³ Over time, U.S. and Western policies—which Valdai experts describe in part as "[t]he greedy and irresponsible neo-Weimar-style policy to expand Western alliances to territories that Russia viewed as vital in terms of its security"—have reshaped Russia's perceptions of Western intentions.³⁴ If Russia in the 1990s believed it had a future in the West, as the 2000s wore on, this belief increasingly seemed to be a fantasy. President Yeltsin gave an early, unusually sharp, public articulation to the notion that Russia's perceptions of the United States would shape its views of the Russian-Chinese relationship in 1999, when he chose a meeting with Jiang Zemin in China to blast President Bill Clinton's criticism of Russia's handling of the Chechnya conflict. Clinton, Yeltsin had said, "allowed himself to pressure Russia," but "he will not unilaterally dictate to the whole world how to live." Appealing to the foundational character of a multipolar world, Yeltsin declared that it is "we [Russia and China] who will dictate to the world, and not he alone."³⁵

As the new century unfolded, it became progressively clearer to Russian analysts—including Trenin, Alexander Lukin, and others—that "the West was offering Russia only a subordinate position" in the Western order, leading to a "search for partners with whom [Russia] can

³² Conversation with expert, Vladivostok, March 2018.

³³ For example, see Davydov, 2015, pp. 327–328; and Lukin, 2018a, pp. 14–15.

³⁴ Karaganov et al., 2017, p. 8; see also Lukin, 2018a, p. 93.

³⁵ Boris Yeltsin, "Boris Yeltsin: pust' Klinton ne zabyvaetsya [Boris Yeltsin: Clinton should not forget himself]," Lenta.ru, December 9, 1999.

stand on equal terms.”³⁶ China and, more broadly, Asia are seen as the obvious alternatives to replace the abandoned vision of a unified Europe that included Russia.³⁷ Perceptions of a rising threat from the United States, moreover, introduced anxieties about the possibility of Sino-American cooperation on discrete issues to the detriment of Russia, which provided a further impetus for closer relations with China.³⁸ The rising perception of threat from the West was accompanied by, and likely encouraged, a *decreasing perception of threat from China*.³⁹ As one Russian scholar (collaborating with an American researcher) explains, sheer balance of power considerations could have led Russia to balance against China as easily as against the United States, but perceptions of relative threat drove Russia's choice.⁴⁰ Perceptions of “the China threat fluctuated depending on the state of relations with the West”: In the 2000s, compared with the threatening actions and policies of the West in Russia's ex-Soviet neighborhood as well as toward Russia itself, the limited nature of China's engagement with Central Asia, its diplomatic circumspection, and its tolerance of diverse regime types all ensured that the West became viewed as a more immediate threat than China.⁴¹ Thus, China became Russia's partner in various efforts to counter the United States. For instance, as Alexander Gabuev, a prominent expert on Russian-Chinese relations at the Carnegie Center in Moscow, explains, early steps toward greater cooperation in Central Asia occurred as Moscow and Beijing “joined forces in opposing US military presence in the region after the beginning of the

³⁶ Lukin, 2018a, p. 175; Trenin, 2012, p. 3; Davydov, 2015, p. 328; Karaganov et al., 2016, pp. 4, 7.

³⁷ Lukin, 2018a, p. 175.

³⁸ Davydov, 2015, p. 334, for example, offers a hypothetical cooperation between the United States and China to seek the maintenance of low prices on hydrocarbons, which would harm Russia's interests.

³⁹ Conversation with expert, Vladivostok, March 2018.

⁴⁰ Lee and Lukin, 2015, pp. 104–106.

⁴¹ Lee and Lukin, 2015, pp. 104–106.

Afghan campaign, and helped remove US bases from Uzbekistan and Kyrgyzstan.”⁴²

In the evolution of perceptions of the United States and the West and China, the Ukraine crisis served as a distinct inflection point. Russia’s rift with the West over Ukraine in 2014 served as a powerful catalyst of Russia’s reorientation toward China. Most Russian commentators ascribe importance to the breakdown in relations over Ukraine in 2014—though to varying degrees. Some described 2014 as an absolutely crucial turning point, while others, including Russian officials, describe it in more muted terms, observing a longer-term trend of a shift in Russian relations toward China.⁴³ Gabuev calls the turn to China in the wake of Ukraine “dramatic,”⁴⁴ while Trenin observes that the crisis has “given Sino-Russian relations a wholly different strategic context.”⁴⁵ Yet another expert suggested starkly that the pivot to Asia would have remained merely rhetorical were it not for Ukraine.⁴⁶ Other commentators, such as Lukin, place the origins of the turn to Asia and China elsewhere but view the 2014 crisis as accelerating it.⁴⁷ And some experts argue that the crisis was not really important for the political dimension of the relationship in contrast with economic ties.⁴⁸

Despite such hedging on the question by some, there is much to suggest that Ukraine was indeed a turning point in the minds of Russian leadership and elites, leading to a more decisive embrace of China to both replace and counter the West.⁴⁹ The general tone of policy dis-

⁴² Gabuev, 2015a, p. 4.

⁴³ Conversation with official, Moscow, March 2018.

⁴⁴ Gabuev, 2015a, p. 1.

⁴⁵ Trenin, 2015, pp. 3, 9.

⁴⁶ Conversation with expert, Moscow, March 2018; Gabuev and Kashin, 2017, p. 17.

⁴⁷ For example, Lukin, 2018a, p. 176.

⁴⁸ Conversations with experts, Moscow, March 2018.

⁴⁹ Karaganov, for example, writes that it is only after Ukraine that it became clear to him beyond a doubt that the Western-dominated European security architecture could not bring peace and stability and was unacceptable to most of the Russian elite; Sergei Karaganov, “Prazdnovat’ eschyo rano [Too early to celebrate],” *Russian Gazette*, January 11, 2016a. The Ukraine crisis led him to retreat from concerns about the relationship with China voiced

cussions and the elite mind-set in Russia appears to have changed in the wake of the crisis, with “disparate circles of Russian society” realizing the need to “seek closer cooperation with China.”⁵⁰ By one account, Ukraine “led to a dramatic reassessment in the attitudes among the moderate liberals”—i.e., officials and experts who have great-power aspirations for Russia but generally believe that Russia belongs to the European civilization—“with most of them conceding that, under the circumstances, Russia’s drift toward China is both inevitable and makes strategic sense.”⁵¹ Voicing a similar thought, Vladimir Portyakov, a prominent scholar of East Asia, argues that the views of Western-oriented elites were undermined after Ukraine, because “any unbiased person understands much better than before that today and tomorrow, the threat from the West is considerably bigger and more dangerous than the hypothetical day-after-tomorrow threat from rising China.”⁵² By another account, experts and other elites who favored a Western course for Russia and distrusted China were marginalized after the Ukraine crisis.⁵³ Even Lukin, who does not ascribe decisive weight to Ukraine, conjectures that “under different conditions Moscow would

earlier: for example, that Russia “will turn into an appendage of China—first as a warehouse of resources, and then economically and politically”; Sergei Karaganov, “Russia’s Asian Strategy,” *Russia in Global Affairs*, July 2, 2011.

⁵⁰ Lukin, 2018a, pp. 90–91. Lukin also notes the greater demand for and attention to Russia’s China experts.

⁵¹ Lee and Lukin, 2015, p. 108.

⁵² Vladimir Portyakov, “Vozyvshenie Kitaya: chto dalshe? [Rise of China: what’s next?],” *Russia in Global Affairs*, July 2, 2014.

⁵³ In a conversation, one expert observed that “voices against [deepening the relationship with China] usually came from within pro-Western parts of the government—but now [after 2014], everyone accepts it’s necessary.” Lukin, 2018a, pp. 89 and 93, also notes that “before the clashes in Ukraine, leading Russian politicians were unanimous in their conviction that closer cooperation with Asia would complement rather than weaken Russia’s partner relationships with the U.S. and the EU,” and that through its “anti-Russian policies, the West has already done much to undermine the positions of the pro-Western groups within Russia and has supplied their opponents with fresh arguments against cooperation.”

have demonstrated greater restraint” with regard to reorienting so decisively toward China.⁵⁴

According to Gabuev and Vasily Kashin, a leading expert on military relations and East Asia, the Russian government conducted a detailed assessment of the benefits, costs, and risks of a closer engagement with China in early 2014.⁵⁵ Gabuev and Kashin highlight the reassessment of two risks: a threat of a Chinese takeover (demographic or military) of Russia’s Far East and China’s copying of Russian military technology, both of which were determined to be exaggerated or no longer important.⁵⁶ In addition, Russian decisionmakers reevaluated Russia’s position on China’s BRI in Central Asia.⁵⁷

Fears that the numerically superior Chinese could wrest Siberia and the Far East from Russian control have a long history. In the Soviet period, officials feared that the sparsely populated regions of Russia were vulnerable to a demographic and/or military dominance by the Chinese.⁵⁸ The media and commentators continued to raise alarm about a Chinese threat to the Far East in the 1990s and 2000s—alarm that was shared by regional authorities and, occasionally, the Kremlin.⁵⁹ Russian commentators note that the plans to develop the Far East and Siberia in that period were motivated in part by those fears of China (and other Asian powers), as evidenced by Putin’s cautionary note in 2000: “I don’t want to dramatize the situation, but unless we make real efforts [at regional development] soon, then even the indig-

⁵⁴ Lukin, 2018a, p. 92.

⁵⁵ Gabuev and Kashin, 2017, p. 18; Gabuev, 2016, pp. 23, 26.

⁵⁶ Gabuev and Kashin, 2017, p.18.

⁵⁷ Gabuev, 2016b, p. 26, describes the decision to cooperate with the BRI through the EEU as a result of “painful internal discussions, in which the economic team led by Shuvalov—with support from Russian experts and members of the business community—sought to win Putin’s support and overcome the concerns of the security establishment.”

⁵⁸ Kashin, 2018, pp. 6–7.

⁵⁹ In the 1990s, some regional officials, who enjoyed greater authorities under Yeltsin, pushed for measures to oppose Chinese presence in their regions. See Lukin, 2018a, pp. 75–76. In the mid-2000s, concerns about potential Chinese expansion resurfaced, leading to a set of measures to limit trade near the Far East–Chinese border and a “soft ‘squeezing out’” of several Chinese investors from Russian territory; Gabuev and Kashin, 2017, p.16.

enous population will in several decades from now be speaking mainly Japanese, Chinese and Korean.”⁶⁰ By the later 2000s, however, Russian officials and analysts increasingly came to view such fears as a “legacy from distant past” and as the fictitious “yellow threat” perceived by the Soviet gerontocracy.”⁶¹ Postcrisis reassessment further confirmed that the threat of “creeping demographic expansion” is exaggerated because the number of Chinese citizens in Russia is very limited, Chinese labor migrants in the Far East remain there only temporarily, and, after the devaluation of the ruble in 2014, many migrants chose to leave in search of more-profitable earning opportunities.⁶² During the lead author’s visit to Vladivostok in March 2018, Russian interlocutors emphasized the absence of significant numbers of Chinese workers, who had been present before the currency devaluation in 2014.⁶³ And although China retains conventional military superiority over any forces Russia could deploy in the Far East,⁶⁴ Chinese interest in asserting any kind of control over Russia’s Far East has been reassessed to be very low because of the absence of need and economic rationale.⁶⁵

With regard to the risks presented by military technology transfers, China’s potential to compete with Russia on arms exports (as a result of such transfers) was a live concern for the Kremlin and the arms industry as recently as 2010, as also noted in Chapter Four.⁶⁶ In

⁶⁰ President of Russia, 2000c.

⁶¹ Barabanov and Bordachev, 2012, p. 25.

⁶² Gabuev and Kashin, 2017, p.18.

⁶³ Conversations with experts, Vladivostok, March 2018.

⁶⁴ Kashin, 2018, p.14.

⁶⁵ On the official reassessment of this risk, see Gabuev and Kashin, 2017, p. 18; for an elaboration of the risks, see Kashin, 2018, p. 7; and Gabuev and Repnikova, 2017. To be sure, there remains some divergence of concern about such prospects among experts, with at least one expert conveying the perceived relevance of these threats; conversation with expert, Vladivostok, March 2018.

⁶⁶ As Gabuev and Kashin point out, this prospect troubled the Kremlin sufficiently to request a study on Chinese strategy and competitive prospects on the arms market. See Ilya Azar, “Nagleet Vostok: Rossiya uvidela v Kitae konkurenta na rynke vooruzheniy [The East is getting bold; Russia sees a competitor on the arms market in China],” *Gazeta.ru*, July 8, 2010.

the 1990s and 2000s, China engaged in unlicensed copying of Russian military technology, which led Russian policymakers to seek a “technology gap” by withholding the most advanced weapons from the Chinese.⁶⁷ In 2014, the Kremlin’s reassessment suggested that China catching up technologically was inevitable—and, in some areas, China had already become technologically superior to Russia.⁶⁸ Moreover, in the time it took China to reverse engineer Russian technology, Russia could develop the next generation of the technology, profiting in the meantime.⁶⁹ Finally, as Gabuev and Kashin explain, China is becoming less and less reliant on licensing violations and more reliant on its own development efforts.⁷⁰ In the long term, China will depend less and less on Russia for military technology, which will limit future earnings. In this light, fears of Chinese reverse engineering of Russian weapons ceased to be important.

Several key decisions, noted in Chapters Three and Four, followed these reassessments of the Chinese threat, which brought about a noticeable shift toward greater cooperation. One decision was to begin selling China more-advanced fighter aircraft and the S-400 air defense systems.⁷¹ Although this decision is in part motivated by economic logic—i.e., the desire to revive a significant arms market, which has slumped since the 2000s—Russian analysts also point to its instrumental nature as a “political investment” to advance the Russian-Chinese relationship.⁷²

A second decision was to increase and formalize cooperation with China’s BRI through the EEU in Central Asia.⁷³ The launch of the

⁶⁷ Kashin, 2018, p. 15.

⁶⁸ For example, with regard to UAVs; Gabuev and Kashin, 2017, p. 20.

⁶⁹ Conversation with expert, Moscow, March 2018.

⁷⁰ Gabuev and Kashin, 2017, p. 2.

⁷¹ To be sure, as Gabuev and Kashin, 2017, pp. 19–20 notes, these deals have been in the works since 2010, but the Ukraine crisis accelerated the deals. Kashin, 2018, p. 21, also notes that, in the wake of the Ukraine crisis, “Russia started limited procurement of Chinese components for some of the Russian-made platforms.”

⁷² Gabuev and Kashin, 2017, pp. 19, 22.

⁷³ Gabuev, 2016b, p. 26.

“Silk Road Economic Belt” as part of the BRI in Kazakhstan in 2013 was the highest-profile step yet toward greater Chinese involvement in the region, to which Russia’s acquiescence was by no means a natural or expected answer. In fact, as Gabuev explains, “Moscow was [initially] ambivalent about Beijing’s expansion in Central Asia” and had not immediately embraced the initiative.⁷⁴ Given its concerns about the increasing dependence of Central Asian states on China—at the expense of Russia’s influence—many expected Russia to resist China’s attempt to deepen its influence in Russia’s backyard.⁷⁵ Thus, Russia’s 2015 decision to embrace the BRI and to cooperate with it formally through the EEU was described by some Russian analysts as a major change. In Gabuev’s words, “[t]he Kremlin’s attitude towards Belt and Road underwent a U-turn in the autumn of 2014.”⁷⁶ As with the threats of Chinese takeover of the Far East or military technological competition, the Ukraine crisis was responsible. According to Gabuev’s account, in the course of official discussions, those who were in favor of coordination with the BRI—consisting chiefly of economic officials, experts, and the business community—prevailed over the concerns of the security sector.⁷⁷ Since then, just about every Russian analyst addressing the issue emphasized the absence of conflict or rivalry between the two powers in Central Asia.⁷⁸

⁷⁴ Gabuev, 2015a, p. 4.

⁷⁵ Gabuev, 2015a, p. 4.

⁷⁶ Gabuev, 2017c.

⁷⁷ Gabuev, 2016b, p. 26.

⁷⁸ Conversations with experts, Moscow, March 2018; Timofey Bordachev, Wan Qingsong, and Andrew Small, *Rossiia, Kitay i SShA v Tsentralnoy Azii: Balans Interesov I Vozmozhnosti Sotrudnichestva* [Russia, China, and USA in Central Asia: A Balance of Interests and Possibilities for Cooperation], Moscow: Valdai Discussion Club, September 2016. We recognize that the unanimity of these views might reflect the dominance of the official Kremlin view about the need for close relations with China. However, Gabuev offers a very plausible explanation for these views: Because the BRI has not had dramatic economic consequences for Russia itself, which caused some disappointment in Russia, it ceased to be viewed as a threat. The consensus among officials, businessmen, and experts “in private conversations,” he reports, is that the BRI is not a threat to Russia, as it is merely “an umbrella brand that describes any Chinese activity abroad”; Gabuev, 2018b.

Russian perspectives also ascribe fundamental weight to changing threat perceptions when it comes to Russia and China's cooperation in a multilateral format. For instance, Lukin argues that BRICS was formed not out of economic logic but primarily because of "the geopolitical rapprochement between Moscow and Beijing" to counter Western domination of the international system.⁷⁹ Experts such as Lukin suggest that the same desires to counter U.S. regional involvement underwrote the creation, and later the enlargement, of the SCO from a looser grouping.⁸⁰ Moreover, Russians said that shared perceptions of the threat presented by the United States constrain overt disagreements between Russia and China. According to Trenin, for example, China did not condemn Russia's actions in Ukraine because, to the Chinese leaders, "a Western-supported color revolution, like Ukraine's Euromaidan protests, was a bigger threat to stability, including potentially China's own, than Moscow's response."⁸¹

But a changing global distribution of power and threat perceptions do not fully account for the political and military dimensions of the relationship that developed between Russia and China, in the Russians' view. Russian experts are also virtually unanimous that a **shared worldview** has been vital for the emergence of cooperation.⁸² A multipolar order, as opposed to the perceived U.S. and Western hegemony "in which the West decides every question at its sole discretion,"⁸³ is at the core of that shared vision. Russian commentators point out that the multipolarity or pluralism⁸⁴—or, as officialdom prefers, polycentrism⁸⁵—that they seek is a "new" multipolarity, not a reprise of the conflict-ridden world order that prevailed from the 17th century

⁷⁹ Lukin, 2018a, p. 176.

⁸⁰ Lukin, 2018a, p. 88; Gabuev, 2015a.

⁸¹ Trenin, 2015, p. 6.

⁸² This echoes official Russian views. For example, Putin declared in 2012 that "Beijing shares our vision of the emerging equitable world order"; Putin, 2012.

⁸³ Lukin, 2018a, p. 175.

⁸⁴ For example, Lukin, 2018a, p. 176.

⁸⁵ For example, Davydov, 2015, pp. 199, 333.

to the middle of the 20th century. The new multipolarity relies on multilateralism, wherein “the influence of the Western center of power will diminish, while that of the other center . . . will grow.”⁸⁶ This order is to be buttressed by principles of sovereignty and noninterference in others’ domestic affairs. These principles entail a tolerance and “respect for the rights of states to choose their own development path and socio-political system.”⁸⁷ Russian commentators emphasize the shared importance of those principles, which many believe are violated by Western interventions aimed at regime change, Western efforts to foster democracy and human rights abroad, and Western criticisms of the internal governance of countries such as Russia and China.⁸⁸ Russians view these policies by the West as unilateral lawlessness, against which they juxtapose Russia’s preference for international law and international institutions, such as the UN.

The pillars of this shared worldview have been articulated since the 1990s,⁸⁹ and Russian commentators attribute many of the major political moments and developments in the Sino-Russian relationship to those views.⁹⁰ According to Putin as well, this shared vision underwrites continuing mutual support and collaboration on “acute regional and global problems,” as well as “cooperation within the UN Security Council, BRICS, the SCO, the G20 and other multilateral forums.”⁹¹ Shared views on foundational principles of the international order drive Russia and China to see eye to eye on a variety of issues of global or regional importance, according to Russian commentators. This unity

⁸⁶ For example, Lukin, 2018a, p. 32.

⁸⁷ Sergei Luzyanin, Zhao Huasheng, et al., *Russian-Chinese Dialogue: The 2017 Model*, Moscow: Russian International Affairs Council, 2017, p. 6.

⁸⁸ Some Russian experts also point out the similarity between Russia and China’s tendencies to see the West’s hand when faced with domestic challenges or unrest. See, for example, Trenin, 2015, p. 9, who points that out that “[i]n 2011–2012, Vladimir Putin blamed street protests in Moscow on U.S. support for Russian civil society” and “[i]n 2014, Beijing saw a foreign hand behind the protest movement in Hong Kong.”

⁸⁹ See, for example, Lukin, 2018a, p. 82.

⁹⁰ Conversations with experts, Moscow and Vladivostok, March 2018.

⁹¹ Putin, 2012.

includes views on strategic stability, which Russians have long complained are undermined by unilateral U.S. policies. Russia and China are thus able to find common cause in their opposition to the U.S. ballistic missile defense deployments, including the plan to place the THAAD missile system in South Korea.⁹² This unity also includes the two states' positions on the North Korean and Iranian nuclear programs.⁹³ A shared opposition to U.S. and Western unilateralism and encroachments on sovereignty led Russia and China to dial up their level of cooperation on a variety of issues, including voicing such opposition in the UNSC to shield countries such as Iran, Myanmar, Sudan, and Zimbabwe from perceived Western overreach.⁹⁴

Among the background forces pushing in favor of a rapprochement, Russians note certain enduring **practical necessities stemming from proximity**. Russia and China share a long border and a volatile neighborhood. These facts, quite apart from any global power trends or shifting threat perception, necessitate some degree of cooperation and assure that attempts at cooperative relations will be a perennial feature of the policies, even if punctuated by periods of tension or enmity. As one expert put it, Russia and China had a recent period of noncooperation and no one wants to return to those days.⁹⁵ The experience of the Sino-Soviet split was, according to Kashin, "painful indeed": Protecting and fortifying the border imposed a serious burden on the Soviet economy, and China's opening of a "second front of the Cold War" is viewed as a contributing cause of the Soviets' eventual decline.⁹⁶ The lessons of this history have not been lost on Russian leadership, elites, and experts and form the impetus for more cooperative relations at the political and military levels since the late Soviet era.⁹⁷

⁹² See, for example, Lukin, 2018a, p. 159; and Luzyanin, Zhao, et al., 2017, p. 8.

⁹³ See, for example, Lukin, 2018a, p. 159.

⁹⁴ Gabuev, 2015a, p.2.

⁹⁵ Conversation with expert, Moscow, March 2018.

⁹⁶ Kashin, 2018, p. 4.

⁹⁷ This necessity has been recognized by late-Soviet leaders, who oversaw the resolution of many border issues with China, as well as by post-Soviet Russia's first President Yeltsin, who declared in 1995 that China "is our neighbor, with whom we share the longest border in

Russian analysts sometimes discuss Central Asia as one location where cooperation is virtually a practical necessity by virtue of geographical proximity and shared interests.⁹⁸ Stability in the region is important to both Russia and China. The immense border Russia shares with Central Asia means that instability in these countries can easily spill over into Russia, and defending such a large border would present a monumental challenge.⁹⁹ As Gabuev notes, both powers seek to assure stability in the region without the involvement of the Western alliance.¹⁰⁰ Moreover, Russians believe that both powers understand “stability” in the same terms—i.e., the maintenance of the status quo and the ability of existing regimes to ward off potential challenges and upheavals.¹⁰¹ The fact of China's growing presence and influence in Central Asia means that Russia's ability to effectively pursue goals in the region unilaterally is limited. Thus, cooperation with China in the region, including through welcoming China's BRI, is viewed as a logical and necessary approach.

Russians identify the importance of leadership and the **rapprochement between Presidents Putin and Xi** as a further catalyst of cooperation. Russian experts and elites are attentive to the fact that relationships between leaders have historically been a significant force in shaping relations between China and Russia, including the souring of relations between Khrushchev and Mao and the decent rapprochement between Yeltsin, and later Putin, and Jiang Zemin. No kind of personal rapport was observed between Putin and Jiang's successor, Hu Jintao. Putin and

the world and with whom we are forever destined to live and work side by side. The future of Russia depends on how successfully we cooperate with China”; quoted in Lukin, 2018a, p. 77.

⁹⁸ For example, Bordachev et al., 2016; and conversation with expert, Moscow, March 2018.

⁹⁹ See, for example, Timofey Bordachev, “Rossiya i Kitay v Tsentral'noy Azii: Bol'shaya Igra s Pozitivnoy Sumмой [Russia and China in Central Asia: the great win-win game],” *Russia in Global Affairs*, July 1, 2016, p. 9; and Vitaliy Vorobyov, “Stykovka na strategicheskoy orbite [Docking at the strategic orbit],” *Russia in Global Affairs*, September 8, 2016.

¹⁰⁰ Gabuev, 2016b, p. 27.

¹⁰¹ Timofey Bordachev, Anastasiia Kazakova, and Andrei Skriba, “Institutions for a Peaceful Eurasia,” *International Organizations Research Journal*, Vol. 11, No. 2, 2016, p. 24.

Xi assuming power (anew, in the former case) in 2012 inaugurated a new, more energetic phase of the bilateral relationship. Xi, as Gabuev observes, could be deemed Putin's "soul mate—a strong leader with a vision of his country becoming a great power again."¹⁰² The two leaders have formed a personal connection, and on numerous occasions, both have stepped in to facilitate concrete steps toward greater cooperation.¹⁰³ Russian analysts and officials observe that the continued leadership of Putin and Xi is likely to buoy cooperation in the future because influential actors on both sides can count on continuity.¹⁰⁴

Notwithstanding the high level of cooperation achieved, Russian experts recognize **limits to cooperation in the political and military realms**. They note that Russia and China do not see eye to eye on all issues in the international arena or even with regard to their own joint ventures. Notably, experts point out that neither country supports—nor should they be expected to support—each other's contentious territorial claims. China's territorial disputes could become a real source of tensions, experts observe, if China pressures Russia to support it against countries with which Russia also seeks to maintain good relations, such as Vietnam, Japan, and India.¹⁰⁵ The two have different visions of some multilateral institutions, such as the SCO, with Russia focused on its security role and China seeking to enlarge its economic functions. Nonetheless, almost no Russian voices view these disagreements as significant shortcomings or seriously damaging to the relationship.¹⁰⁶

Experts also identify limits to military cooperation. With regard to military technology, the growth of cooperation could be "limited by the extreme technological nationalism of both countries' defense establishments."¹⁰⁷ More significantly, although prominent experts,

¹⁰² Gabuev, 2016b, p. 5.

¹⁰³ Gabuev, 2016b, pp. 4–5.

¹⁰⁴ Conversations with experts, Moscow, March 2018; Trenin, 2015, p.10.

¹⁰⁵ Lee and Lukin, 2015, pp. 127–128.

¹⁰⁶ Conversations with experts and official, Moscow, March 2018.

¹⁰⁷ Kashin, 2018, p. 22.

such as Karaganov, describe the relationship with China as a “de facto alliance,”¹⁰⁸ Russian voices are unanimous that no matter how close military or political relations become, they are highly unlikely to transform into a formal alliance. The reasons offered for this prediction are numerous, centering on Russia's (and China's) need for flexibility rather than rigid commitments. Neither country is willing to back the other with respect to disagreements on contentious territorial issues that are core to one or the other but peripheral to the would-be ally.¹⁰⁹ Russia seeks to maintain and build relationships with other Asian countries, and many of them are also involved in territorial and border disputes. Were Russia to be compelled to take a side in any dispute involving China, it would inevitably harm relations with some of these other countries.¹¹⁰ Even apart from the territorial disputes, Russia's relations with other countries, such as India, Japan, and Vietnam, would be jeopardized by the creation of a formal alliance with China.¹¹¹

Russians also seem to view a military alliance as almost beside the point: It is not a shortcoming of the relationship, because a traditional military alliance is not what Russia (or, in the Russians' view, China) wants or needs. Similar to the distinction some Russian voices draw between the historical and the “new” multipolarity, they tend to view a formal military alliance as an anachronism, a device unsuited to the demands of the modern era.¹¹² A formal alliance, with its binding and rigid commitments, represents a loss of sovereignty, something that Russia and China oppose in principle.¹¹³ Both desire to maintain independent foreign policies and perceive any condominium that mir-

¹⁰⁸ Karaganov et al., 2017, p. 6

¹⁰⁹ Conversations with experts, Moscow, March 2018.

¹¹⁰ Dmitriy Streltsov, “Rossiyskiy podkhod k territorial'nym konfliktam v Vostochnoy Azii [Russian approach to territorial conflicts in East Asia],” *International Affairs*, No. 9, 2017.

¹¹¹ Conversations with experts and official, Moscow, March 2018.

¹¹² Conversations with experts, Moscow, March 2018. As one expert noted, a formal alliance to balance against the Western alliance would evoke too strongly a parallel with the early 20th century, which produced a world war.

¹¹³ Conversations with experts, Moscow, March 2018; Kashin 2018, p. 25; Davydov, 2015, p. 334.

rors the Western alliance to be antithetical to their worldviews. Finally, an alliance, in the Russian understanding, is a combination formed against someone; as Bordachev puts it, “any union between great powers that excludes the U.S. would inevitably have an anti-American character.”¹¹⁴ And Russians are explicit that their relationship with China is not about countering or containing a common enemy (with a pointed contrast to the Western alliance implied).¹¹⁵

Russian Views of Economic Relations

Russian experts espouse a generally positive view of economic relations between Russia and China, emphasizing progress that has been achieved since the 1990s.¹¹⁶ At the same time, many recognize that progress on economic cooperation is lagging behind cooperation at the political level.¹¹⁷ Progress within the economic sphere is commonly attributed to many of the same factors that have influenced the strengthening of the political and military dimensions of the relationship, as well as to the logic of economic complementarity and economic needs.

As with the political and military dimensions of the relationship, Russians point to the **changing global distribution of power** as influencing economic ties. The rise of Asia, after all, is a primarily economic phenomenon. The rise of Asian economies has made it, according to Lukin, “an urgent practical necessity for Russia to develop relations with its Asian partners”¹¹⁸—or, as Putin put it, “to catch the Chinese

¹¹⁴ Bordachev, 2016.

¹¹⁵ See, for example, Vorobyov, 2016.

¹¹⁶ See, for example, Mikhail Titarenko, Vladimir Petrovsky, Vladimir Portyakov, Andrey Ostrovsky, and Viktoria Kovalevskaya, *Development of Russian-Chinese Trade, Economic, Financial, and Cross-Border Relations*, working paper, Moscow: Russian International Affairs Council, 2015, p. 4.

¹¹⁷ For example, Titarenko et al., 2015, p. 17; and conversation with expert, Moscow, March 2018.

¹¹⁸ Lukin, 2018a, p. 70.

wind in the sails of our economy.”¹¹⁹ Combined with the expected slowdown within the European economic space, Russians viewed a greater integration into Asian markets as vital to Russia's future economic development.¹²⁰ From this perspective, Russia's pivot is a much-belated rectification of its earlier, unsustainable economic orientation, which a Valdai Discussion Club expert collective described as an “unprofitable and unsound trade structure . . . whereby the country exchanged its energy resources for relatively expensive and less cost-efficient Western products, primarily from Europe.”¹²¹ A pivot East and a diversification of economic ties is the needed antidote that would move Russia into a “more lucrative position.”¹²² Moreover, insofar as shifting global markets underpinned Russia's reorientation, it was to some extent independent of political decisions by the Kremlin. In Kashin's view, for example, the reorientation toward the Asia-Pacific has an “objective and inevitable character, and depends little on the current political outlook,” being based in “the gradual decline and weakening of Europe.”¹²³

Russian analysts also point to **changing threat perception** as affecting economic relations with China, in several ways. They emphasize the role of changing threat perceptions in driving trends in bilateral relations, with regard to the arms and energy sectors in particular. As noted above, Russia's apprehensions about China's pursuit of technological superiority led decisionmakers to pursue a technology gap with China by withholding sales of more-advanced weapon systems prior to 2014. The proliferation of unregulated trade across the Sino-Russian border and a black market on the Russian side powered by Chinese entrepreneurs chasing economic opportunities in the 1990s, at a time when none were to be had on the Chinese side, likewise fueled

¹¹⁹ Putin, 2012.

¹²⁰ Barabanov and Bordachev, 2012, p. 47; Karaganov et al., 2017, p. 5; Lee and Lukin, 2015, p. 137.

¹²¹ Karaganov et al., 2017, p. 5.

¹²² Karaganov et al., 2017, p. 5.

¹²³ Vasily Kashin, “Povorot na vostok ne zavisit ot politikov [Pivot East does not depend on politicians],” *The Record*, April 6, 2016.

anxieties in Russia.¹²⁴ And, as noted above, fears of a Chinese take-over were commonly voiced in the media and by the local authorities in regions bordering China. Even as economic relations picked up in the 2000s, fears of China turning the Far East and Siberia into a raw materials appendage or a “resource subsidiary” of “China Inc.” were considerable.¹²⁵ These fears led Russian decisionmakers to limit the role that China would play in Russia’s internal development. This goal was advanced through informal limitations on Chinese investments in sensitive sectors, such as energy and infrastructure, and Chinese entrepreneurs were subtly pushed out of parts of the Far East.¹²⁶

But as perceptions of the West as a threat grew throughout the 2000s, the perception of the Chinese economic or demographic threat shrunk in proportion. The domestic plans for the development of Russia’s Far East transformed from a way to keep Asian powers in check into “a means for connecting the country to the Asian economy,”¹²⁷ and to China specifically. Even as one group of experts (commissioned by the government) assessed China to be the main economic threat to Russia in 2012,¹²⁸ Putin gave voice to the shifting opinion among the elite by linking China’s economic ascendance to Russia’s interests—in part because of China’s potential role in developing Siberia and the Far East.¹²⁹

As was the case with the political and military dimensions of the relationship, a more decisive shift in elite and expert opinion was catalyzed by the Ukraine crisis. As we observed in Chapter Three, apart from the purely economic impact of the sanctions regime (addressed below), Western responses to Russia’s actions led to a revision of Russian threat perceptions, and as a result, Russians’ attitudes toward eco-

¹²⁴ Gabuev, 2015a, p.2; Lukin, 2018a, p. 95.

¹²⁵ Gabuev, 2015a, p. 2.

¹²⁶ Gabuev, 2015a, p. 2.

¹²⁷ Lukin and Yakunin, 2018, p. 104.

¹²⁸ “Strategiya-2020: Kitay – glavnaya ugroza dlya Rossii [Strategy-2020: China – the main threat for Russia],” Interfax, March 15, 2012.

¹²⁹ Putin, 2012. This comes as a change from the views about the Chinese threat in the Far East that Putin expressed in 2000, as noted above.

conomic relations “changed dramatically.”¹³⁰ This change was manifest in a new willingness to sell advanced arms to China, as noted above, and a retrenchment from barriers to Chinese participation in Russia's economy and development plans for the Far East. In 2014, informal barriers on Chinese investment were eased, and Chinese companies were invited in 2015 to buy assets in natural resources and bid on infrastructure contracts in sensitive industries. Chinese financial institutions were also encouraged to fill the gap vacated by Western firms.¹³¹

Some analysts also suggest that **shared worldviews**—in this context, with respect to the international economic order—also played some role in driving Russia toward China in the economic sphere, in combination with other factors. Russia's opposition to the Western dominance of the international order extends to economic institutions, which Russians deem to be unfair to emerging economies. Russia and China share the desire to move from the Bretton-Woods institutions dominated by the United States and the West. And China's rise made it plausible for Russia to look to China as a partner in the enterprise of reforming the international financial system “in efforts to create a system for managing the IMF and [World Bank] more equitably” and in searching for an alternative global currency (instead of the dollar).¹³²

Russian experts point to the economic logic of expanding economic relations, viewing the relationship as partly a product both of **economic complementarities** and Russia's (and sometimes China's) **economic needs**, although not always distinguishing between the two factors. Russian interlocutors frequently note the importance of complementarities: China is a manufacturing powerhouse, a market for natural resources and arms, and a source of financing and labor, and Russia is a natural resource and weapon producer in need of finance and labor.¹³³ The character of contemporary bilateral relations certainly reflects these complementarities, as Chapter Three documents.

¹³⁰ Gabuev, 2015a, p. 3; Lee and Lukin, 2015, p. 108.

¹³¹ See Gabuev, 2016b, pp. 5–6.

¹³² Lukin, 2018a, p. 95.

¹³³ Conversations with experts and official, Moscow, March 2018; Gabuev, 2016b, p. 29.

Some Russian experts also deem China to be the “optimal partner” for Russia’s eastern domestic development plans on account of regional complementarities, with heavy, extractive, and high-tech industries being more developed in Russia’s east, while China’s east is focused on agriculture and light industry and has a large labor pool.¹³⁴

These perspectives point out that foundations of bilateral economic relations in the post–Cold War era were laid because of complementarities and mutual need. In particular, many note that the 1990s arms trade was due to a confluence of Russia’s military technology production superiority, China’s demand and inability to purchase arms from elsewhere because of sanctions imposed after Tiananmen Square, and the Russian need for a significant market to keep its defense industry afloat after the Soviet collapse.¹³⁵ For more than a decade, Russia’s need for markets to keep its defense enterprises alive sustained the arms trade with China.¹³⁶ Once exports to China ceased being an economic necessity—because of the recovery of domestic demand, the diversification of export markets, and increasing hydrocarbons revenues—exports dropped significantly, furnishing evidence for the crucial role of economic need.¹³⁷

The sanctions regime imposed in response to Russia’s actions in Ukraine produced another set of economic imperatives for Russia. Russia’s dependence on Western markets created an urgent economic need to reorient its economy to new markets. Russian experts argue that this need could not have been met without a decisive turn to China.¹³⁸ China was the biggest trading partner with the greatest financial resources and an expressed interest in Russian projects who did not go

¹³⁴ Titarenko et al., 2015, p. 7.

¹³⁵ Conversation with expert, Moscow, March 2018; Kashin and Gabuev, 2017, pp. 7–8; Gabuev, 2015a, p. 2.

¹³⁶ Kashin, 2018, p. 10.

¹³⁷ Gabuev and Kashin, 2017, p. 14. The force of economic need in this case suggests the relative unimportance of complementarities, which push in favor of this trading relationship; however, Russian commentators tend not to bring up this observation.

¹³⁸ Gabuev and Kashin, 2017, p. 17; Trenin, 2015; Gabuev, 2015a; conversation with expert, Moscow, March 2018.

along with Western sanctions. Other Asian countries, as Gabuev and Kashin point out, “could not help Russia, however willing.”¹³⁹ Russian decisionmakers understood this very well: In Gabuev’s account, expert evaluations of the likely impact of Western sanctions in 2014 conveyed to the Kremlin that Russia had “no other choice than to be more and more accommodating to China—even if it turned Moscow into the junior partner in the relationship.”¹⁴⁰ These conclusions led to several decisions, noted above, to effect the economic turn to China. In addition to revitalizing arms sales, dropping constraints on China’s participation in sensitive sectors, and reversing course on China’s BRI in Central Asia, major deals that previously had been stalled were concluded. Notably, reflecting Russia’s acute need for new hydrocarbons markets, the Power of Siberia deal was signed during Putin’s landmark visit to China in May 2014, as Chapters Three and Four recount.¹⁴¹

As with the political and military dimensions, the **rapport between Presidents Putin and Xi** was key in jumpstarting economic relations. Experts emphasize that the personal involvement of both was

¹³⁹ Gabuev and Kashin, 2017, p. 17; Trenin, 2015, p. 14.

¹⁴⁰ Gabuev, 2015a, p.3, describes the assessment made by experts assembled by the Kremlin in the following way:

After the Ukraine crisis began, the Russian government immediately started to assess the economic implications. In a series of study sessions in the Kremlin and in the government building on Krasnopresnenskaya Embankment in the spring of 2014, experts went through the sanctions regimes applied by the West in recent years, including Iran and North Korea, and immediately spotted Russia’s three weakest points: critical dependence on the European energy market, critical dependence on Western capital markets, and critical dependence on important technologies including offshore drilling, [liquefied natural gas] plants, or telecommunications (discussions on telecoms equipment had started a year earlier, after the Edward Snowden revelations, but nothing had been done). They concluded that if the West imposed sanctions, Russia would have no other choice than to be more and more accommodating to China—even if it turned Moscow into the junior partner in the relationship.

¹⁴¹ A couple experts observed in conversations that the Power of Siberia deal had been in the works for years preceding the Ukraine crisis and offered reasons why progress was so slow that were unconnected to the economic need created by the crisis (such as the fact that large, complex deals take a long time and fluctuations in the gas market). Nonetheless, even these experts do not deny the role of the sanctions regime as accelerating the deal; conversations with experts, Moscow, March 2018.

crucial to get certain initiatives off the ground.¹⁴² The realization of the Power of Siberia deal, for example, was understood to be a result of direct intervention from both leaders.¹⁴³

At the same time, Russian experts are mindful of the **limitations and shortcomings in the economic relationship**.¹⁴⁴ Two related aspects are often raised as significant: the *imbalance in the economic relationship* and Russia's *unfulfilled expectations* with regard to the relationship. As Chapter Four details, the composition of trade between the two countries is considerably unbalanced, with the lion's share of Russian exports consisting of raw materials and imports from China consisting of manufactured goods—an aspect of economic relations that experts identify as a “point of friction.”¹⁴⁵ Some experts express concern that Russia could be becoming excessively dependent on exports to China and therefore a “raw materials appendage” to China.¹⁴⁶ Although a natural resource deal, such as the Power of Siberia, benefits both sides, it strengthens China's position vis-à-vis Russia, because China gains options in pursuit of energy security, while Russia becomes dependent on China as the sole buyer.¹⁴⁷

Russia also harbors a sense of unfulfilled expectations of China. Especially after the rift with the West over Ukraine and the decision on EEU-BRI cooperation, some commentary suggests that hopes for deepening economic cooperation with China were high but thus far have been disappointed.¹⁴⁸ Russia sought Chinese investment in industries other than raw materials and large-scale infrastructural projects, which was not forthcoming. Deals that were concluded remained on paper, and Russians were surprised to learn that some Chinese banks

¹⁴² Gabuev, 2016b, p. 4.

¹⁴³ Gabuev, 2015a, p. 4.

¹⁴⁴ Titarenko et al., 2015, p. 4.

¹⁴⁵ Lee and Lukin, 2015, p. 139.

¹⁴⁶ Barabanov and Bordachev, 2012, p. 28; Titarenko et al., 2015, p. 22; Larin, 2014, p. 21.

¹⁴⁷ Conversation with expert, Moscow, March 2018.

¹⁴⁸ Lukin, 2018a, p. 172; Gabuev, 2016b, p. 29; Gabuev, 2018b.

were intent on observing the sanctions regime.¹⁴⁹ Likewise, as a leading expert explains, Russia learned that

adding the “OBOR” [i.e., BRI] brand to a project did not elicit any additional concessions from the Chinese side, and . . . in most of cases Beijing has looked for profitable projects with a good internal rate of return. For example, out of 40 projects that support transport connectivity between Western China and Europe through EEU states, Beijing declined to invest in a single one, citing unsustainable financial models and unclear prospects for returns.¹⁵⁰

Russian analysts offer numerous explanations for these limitations and for why the economic relationship is not more developed than it is, which fit within two categories. First, Russian experts readily submit that the limits to China's participation in Russia's economy are rooted in “Russian problems,” rather than “Chinese problems”¹⁵¹—i.e., Russia's unfavorable climate for investment, trade, and business relations, broadly speaking. These problems pertain to both bureaucratic obstacles to doing business and the level of corruption and rent-seeking, especially at the regional level in areas bordering China.¹⁵² As Gabuev puts it, what Russia would need to do to increase its profit from cooperation with China is “reform its economy and improve the investment climate,” and if progress in economic cooperation is lacking, it is not “the fault of the scheming Chinese.”¹⁵³ Beyond these insti-

¹⁴⁹ Gabuev, 2016b, p. 29. As a result, “capital markets in Shanghai and Hong Kong have remained largely closed to Russian issuers as well. The few existing channels of access to Chinese money through political banks remain open only for a handful of strategic state-owned companies and members of Putin's inner circle.”

¹⁵⁰ Gabuev, 2018b.

¹⁵¹ Conversation with expert, Moscow, March 2018.

¹⁵² For example, one expert cites the case of the tourism industry in Buryatiya, where regulations were issued to require that all tour guides be Russian, cutting Chinese tour businesses out of the market. Citing an example of obstacles at the federal level, the expert noted that the Russian Federal Migration Service is opposed to a visa-free regime with China. See also Karaganov et al., 2017, pp. 5, 23.

¹⁵³ Gabuev, 2018b.

tutional problems, the underdevelopment of border infrastructure on the Russian side inhibits cross-border trade and travel from China.¹⁵⁴ Analysts also note that Russia has failed to make a concerted effort to inform the Chinese in China about business opportunities in Russia.¹⁵⁵ Moreover, and perhaps more consequentially, Russia's economy is growing too slowly, offering few attractive investment opportunities to business-savvy Chinese.¹⁵⁶ Russia is resistant to proposals for infrastructure projects that are realized by Chinese companies using predominantly Chinese labor, the preferred model for the Chinese.¹⁵⁷ Analysts in the Far East also note that the Far East has only limited economic potential, notwithstanding the Kremlin's attempt to make its development a national priority.¹⁵⁸ These factors matter because Russian observers perceive Chinese actors to be primarily driven by business and financial considerations, even if political pressure from the top can at times produce concrete results.¹⁵⁹ Close Russian observers also point to softer, cultural factors as inhibiting more-robust economic relationships. Although Sinophobia is no longer as widespread as it once was, Russian analysts observe unmistakable differences in

¹⁵⁴ Titarenko et al., 2015, p. 17

¹⁵⁵ Karaganov et al., 2017, p. 23.

¹⁵⁶ Karaganov et al., 2017, p. 23; Titarenko et al., 2015, p. 11; conversations with experts, Moscow and Vladivostok, March 2018.

¹⁵⁷ Conversation with expert, Moscow, March 2018; Igor Makarov and Anna K. Sokolova, "Sopryazhenie evraziyskoj integratsii i Ekonomicheskogo poyasa Shelkogo puti: vozmozhnosti dlya Rossii [Docking of Eurasian integration and the Economic belt of the Silk Road: possibilities for Russia]," *International Organizations Herald*, Vol. 11, No. 2, 2016.

¹⁵⁸ Conversations with experts, Vladivostok, March 2018; see also Kashin, 2018.

¹⁵⁹ Conversations with experts, Moscow and Vladivostok, March 2018. As one of Russia's wealthiest men, Victor Vekselberg, put the point: "There was a certain level of optimism regarding Chinese companies. It was thought they were coming to the Russian market to spend big money. But the Chinese turned out to be very rational and very good business-people, so they wouldn't give money away for nothing"; quoted in Alexander Gabuev, "A Pivot to Nowhere: The Realities of Russia's Asia Policy," Carnegie Moscow Center, April 22, 2016a.

business culture, combined with Russians' generally poor understanding of the Chinese culture.¹⁶⁰

On the other hand, some voices emphasize that the limited character of economic cooperation is not, in fact, a genuine problem for the broader Russian-Chinese partnership.¹⁶¹ Bordachev, for example, argues that "it is still an open question to what extent trade and the economy in general are guarantees of strong political relations and non-existence of a conflict potential," pointing to the high levels of economic exchange between Britain and Germany on the eve of the Second World War.¹⁶² Moreover, experts (including Karaganov) suggest that a broader and deeper trade relationship would not uniformly serve Russia's interests because the last thing Russia needs is to replace one dependence (i.e., on the West) with another.¹⁶³ Instead, as experts such as Gabuev point out, Russia needs to diversify its economic partners, particularly by building stronger relations with other Asian countries.¹⁶⁴ (Indeed, the perception that Russia needs to diversify its economic ties had even spurred some experts to propose methods for reengaging Western actors in investment projects.¹⁶⁵) Although China was instrumental in filling some of the urgent gaps produced by the sanctions regime, the fundamental basis for Russian-Chinese cooperation lays "not in economic interests, but in their similar vision

¹⁶⁰ Conversation with expert; Lukin, 2018a, p. 177; Titarenko et al., 2015, p. 19.

¹⁶¹ We are mindful of the possibility that this line of explanation could be partly a face-saving talking point; however, the arguments are repeated often enough that they bear mention here.

¹⁶² Timofey Bordachev, "Russia-China: An Alliance for Peace or War?" *Russia in Global Affairs*, June 20, 2017.

¹⁶³ Conversation with expert, Moscow, March 2018; Karaganov, 2016a.

¹⁶⁴ For example, Gabuev, 2015a, p.8.

¹⁶⁵ According to press reports, a proposal has been made to offer the United States and Europe the prospect of involvement in these megaprojects, in return for dropping sanctions. See Yelizaveta Kuznetsova and Denis Skorobogat'ko, "Dirizhabli podnimut \$200 mlrd [Dirigibles will raise \$200 billion]," *Businessman*, August 11, 2016; see further discussion in Lukin and Yakunin, 2018, p. 13.

of a future, multipolar world.”¹⁶⁶ Proceeding from these considerations, Russian decisionmakers might not be doing all in their power to accommodate China on purpose, so as to deepen economic cooperation. For instance, analysts point to Russia’s tepid interest in joining regional economic initiatives that China is leading, especially when these call for free trade areas, as well as the reluctance to allow the SCO to play a meaningful economic role.¹⁶⁷ Russia’s own proposals for regional economic integration—notably, the Greater Eurasian Partnership—are seen by some as predominantly symbolic and lacking firm content. Gabuev, for example, describes the GEP as a “geoeconomic chimera, which, in contrast to the TTP or the RCEP has no clear form. Asian and European diplomats are laughing, because no one in Moscow has been able to name at least three concrete mechanisms enabling this partnership to work, or three reasons why any country should want to join it.”¹⁶⁸ Thus, some of these perspectives convey the sense that, given the current nature of economic ties and Russia’s economic and broader political interests, the anemic indicators of the economic relationship do not point to a serious deficiency in the relationship.

In sum, Russian perspectives on the economic dimension of the relationship with China tend to converge on largely the same explanatory factors that drive the political and military dimensions, with an emphasis on the shifting balance of (economic) power and threat perceptions. Economic complementarities—and, perhaps more clearly, urgent economic needs—are also identified as playing an important role with regard to significant leaps forward in the relationship. At the same time, many Russian experts are cognizant of the limits of economic ties with China: Some attribute these limits to deficiencies in the Russian economy and business climate, while others downplay the significance of these limitations.

¹⁶⁶ Lukin, 2018a, p. 175; conversation with expert, Moscow, March 2018.

¹⁶⁷ Lukin, 2018a, pp. 85–86; Alexander Gabuev, “Bigger, Not Better: Russia Makes the SCO a Useless Club,” Carnegie Moscow Center, June 23, 2017b.

¹⁶⁸ Alexander Gabuev, “Vmesto Ameriki. Kak Tramp dal Kitayu shans na global’noe liderstvo [Instead of America. How Trump gave China a chance for global leadership],” Carnegie Moscow Center, January 25, 2017a.

Russian Assessments of the Future

Outlook for the Future

Russian expert assessments of the future of the Russian-Chinese relationship tend to be optimistic, predicting continuing development and deepening of the partnership. In Trenin's words, the trajectory will be "tending toward a quasi-alliance and quasi-integration," leading to "a Eurasia [that is] more closely interlinked than at any time in modern history, with the exception of the brief Sino-Soviet alliance in the 1950s."¹⁶⁹ Portyakov offered a hopeful prediction that, should conditions continue to be favorable, the 2001 treaty will be transformed into a shape resembling an alliance "in spirit, if not in the letter" by 2021.¹⁷⁰ And although Russians universally deny that Russia wants a formal alliance, several voices noted that the Chinese side has raised the issue, conveying their view that China's interest in cooperation with Russia runs deep.¹⁷¹ Experts say the probability of a serious conflict with China is low, citing firm mutual interests, ample channels of communication, and increased mutual trust.¹⁷² These optimistic perspectives foresee continuing or greater cooperation across multiple domains. In the military sphere, the post-2014 breakthroughs in the arms trade are seen as a harbinger of continuing and closer military cooperation. Kashin, for example, foresees the relationship transcending asymmetry and moving closer to "a mutually dependent military industrial alliance," with expanded cooperation to "the most sensitive sectors of the defense industry, such as ballistic missile defense technology and ballistic missile attack early warning systems, and possibly to future long-

¹⁶⁹ Trenin, 2015, pp. 3–4.

¹⁷⁰ Portyakov, 2014.

¹⁷¹ Conversations with experts, Moscow, March 2018; Bordachev, 2017. Portyakov, 2014, notes that "within the last year or two, under conditions of increasing encirclement of China by the U.S. and its allies, Chinese political scientists repeatedly raised the question regarding raising the level of cooperation with Russia to that of an alliance."

¹⁷² See Lee and Lukin, 2015, p.106, for a description of official consensus; conversation with official, Moscow, March 2018.

range bomber projects.”¹⁷³ In the realm of foreign policies, experts note likely greater cooperation in responding to conflicts around the world and, in particular, in the Middle East, as well as in dealing with other salient security issues, such as the Iranian nuclear program or security on the Korean Peninsula.¹⁷⁴ Likewise, experts foresee continuing and greater cooperation in multilateral forums, including the UN and the UNSC, and in organizations that exclude the United States and the West, reflecting the emphasis both states place on multilateralism in contrast with Western unilateralism.¹⁷⁵ Experts such as Trenin also forecast success in Russia and China’s efforts to collect Asian countries under an umbrella of multilateralism.¹⁷⁶

Still, Russian analysts recognize that there are obstacles in the way of greater cooperation. For one thing, as Karaganov points out, the lingering “Eurocentrism” of Russian elites, with their sense that Russia is, at bottom, a European country, slows down the Greater Eurasian project and the strengthening of ties with China.¹⁷⁷ These Eurocentric attitudes also mean that Russia is slower to develop the kind of familiarity with China and its culture that Russia has with Europe.¹⁷⁸ Moreover, no commentator claims that Russia and China will ever completely harmonize their policies or resolve all disagreements. Differences over issues such as Russia’s annexation of Crimea, other “frozen conflicts” in the former Soviet space, and China’s territorial claims will doubtless remain. Such differences, most experts tend to believe, will remain managed and will not taint the broader relationship.¹⁷⁹ There is a fre-

¹⁷³ Kashin, 2017, p. 3

¹⁷⁴ Trenin, 2015, pp. 12, 18; Kashin, 2017, p. 3

¹⁷⁵ Conversations with experts, Moscow, March 2018; Trenin, 2015, p. 12

¹⁷⁶ For example, Trenin, 2015, p. 4, predicts that “[m]uch of continental Asia will be drawn into the process of economic integration and political alignment, and the European Union (EU) will be faced with an economic space from St. Petersburg to Shanghai.”

¹⁷⁷ Sergei Karaganov, “Svoboda v vybore puti [Freedom in the choice of path],” *Russian Gazette*, June 6, 2018a.

¹⁷⁸ Although some experts claimed that China’s expertise in Russia is now well developed, others disagreed; conversation with expert, Moscow, March 2018; Karaganov, 2018a.

¹⁷⁹ Conversations with experts, Moscow, March 2018.

quently articulated belief that the levels of trust that have been built up over the recent years are high enough to prevent significant discord over anything of real importance.¹⁸⁰ That level of trust, several experts note, assures that China would not intentionally act against Russia's interests, and vice versa.¹⁸¹

Contrary to these more optimistic pronouncements, experts such as Gabuev and others note persistent levels of mistrust between the elites.¹⁸² For these and related reasons, some experts hold less confidently optimistic expectations. Artyom Lukin (writing with an American coauthor), for example, thinks that "the continuation of close friendship into the decades ahead cannot be guaranteed, mainly because the relationship is still short on critical ingredients—trust and mutual affinity."¹⁸³ In the military sphere, Kashin, although predicting a further deepening of the relationship, warns that cooperation might not progress as far as the level that existed "among the Warsaw Pact countries, let alone at the current level of cooperation within the U.S.-led system of alliances."¹⁸⁴ In a conversation with the authors, one expert was considerably more pessimistic, noting that the stagnation of Russia's economy is bound to be felt in the defense sector.¹⁸⁵ Juxtaposed with the rapid economic and technological progress made by China, such a view suggests, it should be expected that Russia might soon have little to offer its partner.¹⁸⁶ By and large, our conversations suggest that officials and the better known and publicly visible experts tended toward greater optimism about the future of the relationship than those with a lower public profile, although there are some exceptions.

Optimism is somewhat more muted with regard to **economic relations**, based on the limitations described above. Some predict that

¹⁸⁰ Conversation with official, Moscow, March 2018.

¹⁸¹ Conversation with expert, Moscow, March 2018.

¹⁸² Gabuev, 2016b, p. 30.

¹⁸³ Lee and Lukin, 2015, p. 130.

¹⁸⁴ Kashin, 2018, p. 22.

¹⁸⁵ Conversation with expert, Vladivostok, March 2018.

¹⁸⁶ Conversation with expert, Vladivostok, March 2018.

bilateral economic relations can improve somewhat but not dramatically so.¹⁸⁷ At least under the current conditions in Russia, considerably more Chinese investment or a shift in the profile of the goods and services traded should not be expected.¹⁸⁸ One economic expert, for example, said that China is unlikely to expand its interest in investment much beyond the raw materials it would import.¹⁸⁹ Another observed that the only conditions under which Chinese investment will pick up considerably is if either Russia allows China to proceed as it does in African countries (providing China with greater freedom of action and allowing exclusive reliance on its own labor), or the Russian economy is reformed or otherwise stimulated to greater growth.¹⁹⁰ Overall, Lee and Artyom Lukin predicted that, in the long term, “the EU will retain its role as Russia’s main economic partner, which is dictated by the nation’s economic and demographic core lying west of the Urals.”¹⁹¹ Some analysts, however, are more optimistic that both bilateral ties and multilateral cooperation in the economic sphere will flourish, even if it takes some time. As Alexander Lukin points out, it is unreasonable to expect China (or Asia) to replace the West overnight, and gradualism is the only sensible expectation.¹⁹² And there are many encouraging trends when taking the longer view: Even in the absence of spectacular joint ventures, the level of trust, engagement, and the number of bilateral agreements signed by Russia and China suggest that the economic “rapprochement is taking a less sensational but a more practical, routine, solid, and irreversible form.”¹⁹³ Barring significant discontinuities—such as the end to the sanctions regime or radical structural reforms within Russia—it appears likely that Russia

¹⁸⁷ Conversations with experts, Moscow, March 2018; Gabuev, 2016b, pp. 29–30.

¹⁸⁸ Conversation with experts, Moscow, March 2018.

¹⁸⁹ Conversation with expert, Moscow, March 2018.

¹⁹⁰ Conversation with expert, Moscow, March 2018.

¹⁹¹ Lee and Lukin, 2015, p. 138.

¹⁹² Lukin, 2018a, p. 177.

¹⁹³ Lukin, 2018a, p. 177.

will gradually “continue to slip further into China’s embrace, at least in the economic sphere.”¹⁹⁴

Influential Factors

Discussions of the future course of Russian-Chinese relations across domains inevitably highlight the role of two factors that can significantly affect those futures: (1) U.S. and Western policies and (2) Russia and China’s management of the growing power imbalance between them.

Because Russian views tend to ascribe great weight to changing threat perceptions as a driver of the Russian-Chinese rapprochement, it is unsurprising that the question of **U.S. and Western policy** looms large. Russians consistently emphasized that actions by the United States or the West that are hostile to Russia or China and generally worsening relations between the West and the two countries would drive Russia and China closer together (at least on the political and military fronts).¹⁹⁵ Indeed, one interlocutor suggested that Russia would prefer to maintain a more independent foreign policy, but U.S. pressure on both Russia and China would lead both to give up some of that independence for a closer union.¹⁹⁶ Another suggested, only half in jest, that only American hostility could tip Russia and China into a military alliance.¹⁹⁷

Interestingly, Russian commentators profess that Russia remains open to more cooperative relations with the West—of course, on terms acceptable to Russia.¹⁹⁸ Even Karaganov, one of the most prolific proponents of Greater Eurasia, suggests that the formation of that entity and the pivot to Asia does not mean forever breaking with the West.¹⁹⁹

¹⁹⁴ Gabuev, 2016b, p. 31.

¹⁹⁵ Conversations with experts, Moscow, March 2018; Timofey Bordachev, “Rossiya i Kitay: sbyvshiysya koshmar SShA [Russia and China: A USA nightmare come to life],” *Gazeta.ru*, February 5, 2018.

¹⁹⁶ Conversation with expert, Moscow, March 2018.

¹⁹⁷ Conversation with expert, Moscow, March 2018.

¹⁹⁸ Conversation with official, Moscow, March 2018.

¹⁹⁹ Karaganov, 2018b.

Experts are split, however, when it comes to speculating about the likely effects of a hypothetical improvement in Russia's relations with the United States and/or the West on its relationship with China. Experts who assess the rapprochement between Russia and China to be predominantly a function of the U.S. threat tend to predict a significant cooling of the Russia-China partnership if, for example, the sanctions regime is dropped and Russia is rehabilitated in Western eyes as a full member of the international community.²⁰⁰ Others predict something of a slowdown, but not a rollback, in the development of the relationship, which could come about because a continuing focus on China and Asia requires a continuing buildup of expertise, and a warming of relations with the West would discourage that.²⁰¹ Better relations with the United States might lead Russia to reassess the alignment with China on particular international issues: For example, Lee and Artyom Lukin suggest that, in principle, cooperation with the United States on North Korea could be more beneficial to Russian interests than playing "second fiddle" to China.²⁰² Alexander Lukin points out that accommodating actions by the Western alliance would also likely return some of the lost influence to the pro-Western members of the government and the elite, potentially resulting in some more-Western-oriented policies.²⁰³ However, many voices insist that a complete return to the status quo ante is impossible, in large part because the relationship is also based on powerful mutual interests.²⁰⁴ Alexander Lukin, for example, gives a blunt articulation of that view by way of addressing a hypothetical U.S. design to drive a wedge between Russia and China by repairing relations with the former:

[A]nyone in Washington who thinks that the United States can use Russia as a pawn in its confrontation with China is sorely mistaken. Russia's pivot to Asia, which is the result of its actual

²⁰⁰ Conversation with expert, Vladivostok, March 2018.

²⁰¹ Conversation with expert, Moscow, March 2018.

²⁰² Lee and Lukin, 2015, pp. 214–215.

²⁰³ Lukin, 2018a, p. 93.

²⁰⁴ Conversations with experts and official, Moscow, March 2018.

interests as well as a reaction to the inimical attitude of the West, is largely irreversible. . . . Whatever challenge China might pose for Russia, it is not an existential threat, unlike that posed by the West For this reason, Russia will never align itself with the United States against China.²⁰⁵

In sum, the weight of the consensus is that U.S. and Western policy can further stimulate the relationship but might not be as successful at reversing it.

Like Western analysts, Russian voices note the **growing power imbalance** between the partners—and, implicitly or explicitly, recognize that it contains the seeds of future tensions.²⁰⁶ In contrast to the Soviet era, Russia is now facing a China that is more powerful than itself and becoming more powerful still. China's rise, and Russia's relative decline, happened with unprecedented speed, affording Russia little time to come to terms with the new realities.²⁰⁷ Such trends in relative power could mean that "Moscow . . . end[s] up providing crucial resources that Beijing needs (such as military technology, natural resources, and access to new markets) to boost the latter's ambition to be the next global superpower in exchange for an economic and financial lifeline."²⁰⁸ This state of affairs might not sit with status-conscious Russia too well.²⁰⁹ After all, as several interlocutors noted with regard to Russia's response to the BRI, "Russia does not think it's worthy of a great power to join other's initiatives."²¹⁰ However, a growing power imbalance would mean increasingly that Russia would be in a position

²⁰⁵ Lukin, 2018c, pp. 24–25.

²⁰⁶ Conversations with experts, Moscow, March 2018; Titarenko et al., 2015, p. 8; Trenin, 2015, p. 9; Gabuev, 2016b, p. 30.

²⁰⁷ Trenin, 2012, p. 8.

²⁰⁸ Gabuev, 2016b, p. 4.

²⁰⁹ As Trenin, 2015, points out, it was status grievances in the other direction that were partly responsible for the Sino-Soviet split, with Khrushchev not treating Mao like an equal great power.

²¹⁰ Thus, Russia could not simply join China's BRI in Central Asia and had to propose coordination with Russia's own project, the EEU. Conversations with experts, Moscow, March 2018.

to join (or not join) China's initiatives. And, as noted above, Russia's turn to Asia and to China was motivated by a search for partners who would treat Russia as an equal, unlike the West.²¹¹ In the same article in which Putin first gave voice to the shifting official and elite opinion toward China, he also implied that Russia's improved perceptions of China are spurred by "China's conduct on the world stage," which "gives no grounds to talk about its aspirations to dominance."²¹² Thus, as Karaganov and other Valdai experts conclude, the success of a Eurasia built around a Russian-Chinese partnership depends on China remaining a "first among equals" and eschewing overt aspirations to hegemony.²¹³ Several experts note that China has been accommodating of Russia's sensitivities, showing deference in Central Asia and symbolically treating Russia as an equal.²¹⁴ The continuing progress of cooperation depends on China's ability to maintain a balance between asserting its interests and treating Russia as an equal and on Russia's ability to cope with the reality of a junior partner status, however softened through Chinese efforts.

Conclusion

As this appendix has demonstrated, Russian expert perspectives identify several salient factors that have driven the increased cooperation between Russia and China since the end of the Cold War: a changing global distribution of power, changing threat perceptions, a shared worldview, and a good rapport between Presidents Putin and Xi. Proximity, economic complementarities, and economic needs are also believed to drive cooperation. Importantly, the rift with the West over Ukraine both significantly affected threat perceptions and created an acute economic need, thus serving as a catalyst for the overall relation-

²¹¹ Lukin, 2018a, p. 175; Trenin, 2012, p. 3; Davydov, 2015, p. 328; Karaganov et al., 2016, pp. 4, 7

²¹² Putin, 2012.

²¹³ Karaganov, 2018; see also Karaganov et al., 2017, p. 5; Karaganov et al., 2016, p. 6.

²¹⁴ See, for example, Gabuev, 2016b, p. 25.

ship between the two powers. Russian experts tend to converge toward optimism on the future of Russia-China relations, while remaining more realistic about the prospects of significant improvement in economic relations. Lastly, experts recognize that the ultimate fate of the current partnership between Russia and China can be affected significantly by U.S. or Western policies toward both countries and by the way in which the partners manage the growing power imbalance between them.

Chinese Perspectives on China's Relationship with Russia

In this appendix, we examine the perspectives of Chinese elites toward Russia—specifically, assessments by PRC analysts and academics of the PRC's relationship with the Russian Federation. First, we review Chinese perspectives on the history of and trends in bilateral relations. Second, we examine Chinese assessments of the nature and characteristics of the contemporary relationship. Third, we consider Chinese assessments of the political dimension of the relationship. Fourth, we examine Chinese assessments of the military dimension of the relationship. Fifth, we discuss Chinese speculation about the future of bilateral relations. Lastly, we summarize our findings. This synthesis of Chinese perspectives draws on discussions with analysts and academics held in Beijing, Shanghai, and Nanjing in mid-2018 and on recent writings and commentaries by PRC scholars and analysts.

Contextualizing Chinese Perspectives on Russia

Chinese perspectives on contemporary Russia and the current PRC relationship with Russia are influenced by their assessments of the long and tumultuous history of bilateral relations. According to one prominent former Chinese diplomat, Sino-Russian relations were “often riven by rivalry and mistrust.”¹ Two episodes hold special significance and

¹ Fu, 2016. Although Fu might be considered a mouthpiece of Beijing who parrots the official party line, her observations and assessments nevertheless appear to the authors to be

tend to make the Chinese quite wary of their Russian neighbors. The most recent and therefore most vivid episode is the PRC's experience with the Soviet Union, which is not considered a positive experience, on balance. This episode included a "short-lived" formal alliance that, from a Chinese perspective, ended badly (see Chapter Two).² Archival records capture a July 1958 conversation between Mao Zedong and Nikita Khrushchev in which the two leaders engage in banter about Chinese perceptions of Russia as the Sino-Soviet alliance was unraveling before their eyes. Khrushchev asked Mao if the Chinese actually considered Russians to be "red imperialists." Mao answered sarcastically, saying that "a man by the name of Stalin . . . took Port Arthur [Dalian] and turned Xinjiang and Manchuria into semi-colonies."³

The second episode is more dated and blurred but still poignant for many Chinese: imperial Russia's repeated bullying of a weaker China and Russia's annexations of territory. This older episode continues to resonate centuries later because it is consistent with the official PRC narrative contained in history textbooks: Before 1949, China was bullied and humiliated by stronger foreign powers.⁴ These two historical episodes prompt present-day Beijing to be measured and circumspect in its dealings with Moscow.

authentic and to echo the thinking of other Chinese analysts with whom we conversed (only more eloquently). Therefore, we have chosen to cite her repeatedly. Of course, this can make us vulnerable to two charges: (1) We are faithfully regurgitating the official PRC narrative on Sino-Russian relations, or (2) we are unwittingly accepting a groupthink mentality among Chinese analysts and academics and/or are failing to recognize that the Chinese foreign and security policy community functions as an echo chamber. Nevertheless, based on the range of our conversations and our review of expert writings, we believe that the views outlined in this appendix represent the authentic views of individual analysts. Moreover, although there is a consistency and coherency to these views, we conclude that each individual's assessment is sufficiently nuanced and distinctive so as to embody his or her professional viewpoint.

² Fu, 2016. See also Lo, 2008a, Ch. 2.

³ Vladislav M. Zubok, "The Mao-Khrushchev Conversations, July 31–August 3, 1958, and October 2, 1959," *Cold War International History Project Bulletin*, Nos. 12–13, 2001, p. 254.

⁴ Zheng Wang, *Never Forget National Humiliation: Historical Memory in Chinese Politics and Foreign Relations*, New York: Columbia University Press, 2012.

According to most Chinese researchers, the logic driving and underpinning China's relationship with Russia is pure pragmatism. Beijing finds Moscow to be very useful for its purposes in the realms of diplomacy, security, and economics. At their most basic level, cordial and stable relations with Russia are considered to be in China's vital national interests. According to retired PRC ambassador Fu Ying, "Beijing hopes that China and Russia can maintain their relationship in a way that will provide a safe environment for the two big neighbors to achieve their [respective] development goals."⁵ Indeed, Beijing is highly motivated to avoid contention or conflict with Moscow because growing tensions with Russia would be extremely problematic for China. The resolution of territorial disputes and the demilitarization of their common border (see Chapters Two and Three), combined with reasonably good ongoing coordination in proximate regions, such as Central Asia, means that China does not need to focus extensive military resources or security attention on its northern or western frontiers.

Contemporary Chinese Approaches to Sino-Russian Relations

Chinese analysts and scholars adhere to the official depiction of China-Russia relations as being a "comprehensive strategic partnership of coordination." In part, this terminology is used because it is the official characterization. But the term "strategic partnership" is also used because these individuals are at a loss to find a more satisfactory term.

According to PRC researchers, Sino-Russian ties are not simply a casual or short-term liaison. Indeed, for all Chinese analysts and academics, there seems to be real substance and staying power in the bilateral relationship between Beijing and Moscow. Nevertheless, Chinese scholars and analysts are adamant that the relationship falls short of an actual alliance.⁶ However, some PRC researchers say that many Russians would be quite happy to transform the partnership into a

⁵ Fu, 2016.

⁶ Fu, 2016; conversations in Beijing, Shanghai, and Nanjing, 2018.

military pact. Although some analysts and scholars, notably Professor Yan Xuetong of Tsinghua University,⁷ contend that this step should not be ruled out immediately, most of their colleagues show no enthusiasm. Yet, if one looks closely at the logic of Yan, he simply articulates a pragmatic and open-minded view that China should keep its options open and be prepared to make sober-minded decisions about whether to establish an alliance according to a strategic assessment of China's national security interests at a particular point in time.

When China considers Russia, there seem to be no illusions or wishful thinking. Without exception, all Chinese analysts and scholars consider Moscow to be a valuable partner for Beijing in multiple realms: geopolitics, military, and the economy. Moreover, the more mundane manifestations should not be overlooked: China does not worry about a Russian threat. As former diplomat Fu notes, "The fact that we can be friends and no longer fear each other is significant in itself."⁸ Several researchers say that China-Russia relations are the "best in . . . history."⁹ And one Chinese analyst writes that bilateral relations are "deepening."¹⁰

All Chinese researchers who spoke with one of the authors in mid-2018 mentioned the United States as a factor in Sino-Russian relations, but they differed on how important Washington was to Beijing-Moscow ties. Some considered countering U.S. influence and pressure to be a key element in the bilateral relationship, while others viewed it as a relatively modest factor. Nevertheless, almost every Chinese researcher noted that China's relationship with Russia was impossible to separate completely from each country's relationship with the United States.

⁷ See, for example, Yufan Huang, "Q. and A.: Yan Xuetong Urges China to Adopt a More Assertive Foreign Policy," *New York Times*, February 9, 2016.

⁸ Quoted in "China and Russia: Unlikely Partners," 2017.

⁹ Conversations with Chinese scholars and analysts, mid-2018. See also Feng Yujun and Chen Yu, "Zhong-E guanxi: zai shijie dabianju jixu shenhua [China-Russia relations: deepening as the world undergoes great transformation]," *Journal of Boundary and Ocean Studies*, Vol. 2, No. 1, 2017.

¹⁰ Feng and Chen, 2017.

Beijing perceives China's relationship with Russia as inescapably linked to the United States. According to Fu, "relations among China, Russia and the United States are intertwined."¹¹ The geometry of a triangle is frequently invoked to conceptualize PRC-Russia ties. Fu says, "Relations among China, Russia, and the United States currently resemble a scalene triangle, in which the greatest distance between the three points lies between Moscow and Washington."¹² Multiple analysts and scholars in 2018 conversations with one of the authors used the term *sanjiao guanxi* [triangular relations] to interpret the linkages between China-Russia relations, China-U.S. relations, and Russia-U.S. relations.¹³ When queried about whether this meant that the *zhanlue sanjiao* [strategic triangle] was operative, Chinese researchers said it was not an accurate way to depict the geopolitics of the early 21st century. According to several analysts and scholars, although each bilateral relationship influenced the other two relationships, it would be highly improbable for a full-blown Sino-Russian split to occur (unlike during the Cold War) and for either Russia or China to then align with the United States to counter the other. This view was based on the logic that Moscow and Beijing both view Washington as far more threatening than they view each other. Indeed, one prominent retired PLA general, writing in 2017, asserted that Russia was China's "major strategic partner," while the United States was China's major rival.¹⁴

Despite these relative threat perceptions, almost all Chinese researchers said that China's relationship with the United States was much more important to Beijing than its relationship with Moscow. By this, many Chinese analysts mean that they see Washington as loom-

¹¹ Fu, 2016.

¹² Fu, 2016.

¹³ See, for example, Liu Fenghua, "Yukelan weiji yilaide Zhong-E-Mei sanjiao guanxi: diaozheng yu zouji [Triangular relationship among China, Russia and the US after the Ukraine Crisis: adjustments and trends]," *International Economic Review*, No. 4, 2017.

¹⁴ Wang Haiyun, "Teyipu shangtaihou E-Mei guanxide zouxiang jiqi Zhong-E guanxide keneng yingxiang [Trends in Russia-US relations after Trump's election to the presidency and its possible influences on China-Russia relations]," *Journal of Russian Studies*, No. 1, 2017.

ing much larger, both as a partner and a competitor, than Moscow. Indeed, most see Russia as important precisely because it provides China with a counterweight of sorts to the United States. Nevertheless, this is not a monolithic view. A retired general officer told one of the authors that “China’s relationship with Russia is my country’s most important great-power relationship.” This is consistent with what one PRC analyst told a U.S. scholar eight years earlier (in 2010): “Russia is *the most important country* for China on all four dimensions of importance in China’s diplomacy: neighboring countries, major powers, developing countries, and multilateral relations.”¹⁵ Nevertheless, it is clear that Beijing views its bilateral relationship with Moscow as a very high priority—if not number one, then second only to Sino-American relations.

But the high value assigned to Russia and the close relationship between the two capitals does not mean that Beijing and Moscow always see eye to eye on international relations. Chinese researchers are adamant that Beijing maintains an independent foreign policy. Given the extensive overlap in perspectives between Russia and China (noted in Chapters Three and Four), why do Chinese elites so forcefully deny this largely consistent worldview? The answer is that Beijing officially insists that the PRC is an independent great power that is not formally allied or closely aligned with any other great power. Consequently, China cannot be seen to be closely aligned politically or ideologically with any one power.

Multiple scholars and analysts, in mid-2018 conversations with one of the authors, stressed that Beijing and Moscow do not share a single common worldview. However, the two national elites do share similar or overlapping perspectives on multiple issues, according to multiple researchers. Yet, when pressed to cite concrete examples, many Chinese civilian and military researchers were at a loss to identify specific issues in which China and Russia were in complete agreement. Elites were better able to define what both countries are against rather than what they are for. For example, Moscow and Beijing are staunchly opposed to terrorism, separatism, and extremism. Another key issue

¹⁵ Shambaugh, 2002, p. 83. Emphasis in original.

that brings the two countries together is opposition to what both sets of elites perceive as U.S. heavy-handedness and pressure toward China and Russia.

Chinese Views of Political Relations

PRC scholars and analysts see political ties between China and Russia as solid and as having become stronger since the 1990s. Many identify perceptions in Beijing and Moscow that Washington has become increasingly hostile toward the two great powers. Fu says that “[c]hanges in international relations since the end of the Cold War have . . . brought the two countries [i.e., China and Russia] closer together.”¹⁶ Several researchers identified the Ukrainian crisis as being a turning point. One analyst wrote that Russia “turned East [i.e., toward China]” in 2014 because of pressure from the West and the United States.¹⁷ Diplomatically, Russia is a useful fellow permanent member of the UNSC, and consultations between senior leaders of both countries occur on a regular basis at least four or five times per year. According to one analyst, cooperation between China and Russia on the UNSC has been growing since 2014.¹⁸

Sino-Russian diplomatic coordination, including high-profile bilateral and multilateral summitry, is very useful in countering U.S. pressure. Chinese researchers identify bilateral interactions as being the most important but also note that Russia's role in the SCO is particularly significant. Not only is this organization a matter of prestige for Beijing—having a successful and high-profile China-sponsored multilateral forum—but it is also an extremely useful venue for managing China's relations with countries on its northern, western, and southern periphery (India and Pakistan were admitted to full membership in 2017). According to one scholar, the SCO has been very

¹⁶ Fu, 2016.

¹⁷ Ma, 2017; see also Liu Debin, “Zhong-E guanxi yu OuYa bianju [Sino-Russian relations and the Eurasia transformation],” *Northeast Asia Forum*, No. 2, 2017.

¹⁸ Wang Zhichen, 2017.

useful and “helped to avoid a possible regional collision between China and Russia.”¹⁹ This judgment, while speculative, seems plausible given the bilateral frictions over Central Asia acknowledged by both Chinese and Russian analysts (see below).

Chinese researchers do not see the partnership between China and Russia as being free of tension or conflict. It might seem counter-intuitive, but the most oft-cited areas of bilateral friction and even animosity tended to be within the areas of significant cooperation, including Central Asia. According to one prominent PRC expert on Russia, “China considers Russia to be a strategic partner in Central Asia and tried hard to maintain a positive relationship.”²⁰ The clear implication is that partnering with Moscow in this region has proved quite challenging, and this reality was confirmed during mid-2018 conversations with Chinese scholars and analysts. Multiple researchers complained that Russians were unenthusiastic about cooperating with the Chinese in Central Asia because they considered the region to be within Moscow’s sphere of influence and considered Beijing an unwelcome interloper. Some Chinese analysts suggested that there was an implicit division of labor: Russia shouldered primary responsibility for security cooperation in the region, while China focused largely on economic cooperation and development in Central Asia. Chinese researchers identify the economic sphere as a contentious issue between Russia and China in Central Asia.²¹

Several analysts and academics said that the China-Russia relationship was “narrow,” especially in comparison with Sino-American relations. In contrast to the extensive and vast set of economic relationships and interactions connecting the United States and China, Sino-Russian business and commercial links have been extremely modest. Moreover, the broad and robust range of people-to-people relationships linking the United States and China are noticeably absent in

¹⁹ Zhao, 2013, p. 459.

²⁰ Zhao Huasheng, “Central Asia in Chinese Strategic Thinking,” in Thomas Fingar, ed., *The New Great Game: China and South and Central Asia in the Era of Reform*, Stanford, Calif.: Stanford University Press, 2016, p. 183.

²¹ Zhao, 2016, p. 184; conversations with Chinese analysts and academics, mid-2018.

Russia-China relations. The firmest set of interactions is confined to elites—notably, political elites in Moscow and Beijing. Several Chinese researchers remarked on the importance to bilateral ties of the apparently genuine friendship forged between Vladimir Putin and Xi Jinping.

Multiple Chinese scholars and analysts noted the existence of a deficit of trust and the presence of enduring suspicions in relations between Moscow and Beijing. Wang Cungang, a Shanghai-based academic writing in 2017, emphasizes a “crucial” need to establish and then maintain “mutual trust” in the relationship.²² Xu Xiangmei, a Russian specialist at the Chinese Academy of Social Sciences, writing with Russian coauthor A. G. Larin, observes that “mutual trust” is “an issue” in bilateral relations.²³ Cao Jianfeng, a professor at the PRC Foreign Affairs University, writes of a pressing need to “reduce suspicions in the relationship.”²⁴

Chinese Views of Military Relations

From a Chinese perspective, one of the most vibrant and valuable dimensions of China's relationship with Russia has been military ties. The military dimension encompasses high-level dialogues and consultations, sales of Russian weaponry, field exercises, and exchanges between professional military educational institutions. According to the PRC's 2015 Defense White Paper, China's armed forces “develop military-to-military relations that are non-aligned, non-confrontational, and not directed against any third party.” Only two states are mentioned by name in the document in the section on “Military and Security

²² Wang Cungang, “Xinquanqihua shidai daguo zhanlue huanxinde shengcheng yu weihe—juyu Zhong-E guanxi to yanjiu [Establishment and maintenance of strategic trust in the era of new globalization: research on Sino-Russian relations],” *International Review*, No. 5, 2017.

²³ A. G. Larin and Xu Xiangmei, “Dangdai Zhong-E guanxizhongde xinren wenti [Mutual trust in contemporary Sino-Russian relations],” *Russian, Central Asian and East European Markets*, No. 6, 2017.

²⁴ Cao, 2017.

Cooperation”: Russia and the United States. It is clear that China considers these two countries to be its most important partners for military-to-military engagement and is keen to maintain both relationships into the future. With Russia, China officially desires to “foster a comprehensive, diverse and sustainable framework to promote military relations in more fields and at more levels.”²⁵

Although Beijing is an active participant in defense cooperation, Moscow exhibits far more enthusiasm, according to some Chinese scholars and analysts. Moreover, some PRC researchers insist that Russian leaders have pressed their Chinese counterparts to raise their security partnership to the level of a bilateral military alliance. However, Beijing has politely rebuffed these advances because China is not interested in being tied down in an exclusive or restrictive relationship—military or otherwise.

According to a Shanghai-based Chinese analyst, speaking with one of the authors in mid-2018, China-Russia military-to-military relations have continued to improve across the board, and the researcher singled out joint Russian-Chinese production of weaponry for special mention. A Beijing-based scholar said that these joint armaments production efforts had worked so well for China that China was expanding domestic production of weapon systems and was increasingly less reliant on Russia for defense technology. Russians, this same scholar noted, were upset with what they viewed as China’s theft of Russian technology. At the same time, multiple Chinese researchers expressed the view that Russia has been unwilling to sell its best weaponry to China and unprepared to share its most advanced military technology with China. However, according to several of the same researchers, Russia appeared to be more amenable in recent years to selling the better systems in its inventory, but these analysts were uncertain as to what was driving this change. They speculated that Russian defense industries could have become more desperate for foreign currency or perhaps Putin had given the green light for more-aggressive foreign sales.

²⁵ SCIO, 2015, Section VI.

Another visible indication of active defense ties between China and Russia is the regular field exercises that have taken place since 2003. Some of these have been bilateral, others multilateral, and most but not all have been held under the auspices of the SCO.²⁶ Multiple Chinese researchers who spoke with one of the authors in mid-2018 remarked on the significance of the SCO as a mechanism for Chinese security cooperation with Russia and noted that the SCO had proved useful for organizing military exercises. Several of these researchers noted that these exercises have expanded in recent years beyond land power displays to include maritime drills. Moreover, China and Russia held their first bilateral computer simulated missile defense command post exercise in May 2016 in Moscow, followed by a second held in Beijing in December 2017.²⁷

Since the 1990s, thousands of PLA personnel have reportedly studied in Russia, and Russian officers have attended training courses in the PRC, including at China's National Defense University.²⁸ This estimate of PLA personnel is consistent with a figure provided by Russia's defense minister in late 2016.²⁹

Chinese Views of Economic Ties: Energy Cooperation, Belt and Road Initiative

Chinese researchers said that although China attaches much importance to the economic dimension of the relationship, Russia tends to be much more interested in the political and military dimensions. Some of the same Chinese researchers remarked on the “complemen-

²⁶ For a list of field exercises conducted under SCO auspices between 2002 and mid-2013, see Scobell, Ratner, and Beckley, 2014, pp. 38–39.

²⁷ SCIO, *China's Policies on Asia-Pacific Security Cooperation*, Beijing, January 2017; Franz-Stefan Gady, “China, Russia Kick Off Anti-Ballistic Missile Defense Exercise,” *The Diplomat*, December 12, 2017.

²⁸ Fu, 2016.

²⁹ See Kashin, 2018, p. 20.

tary” nature of the two economies.³⁰ In the field of energy, for example, Russia is the world’s largest producer of petroleum, while China has become one of the largest consumers of petroleum. Expanded energy cooperation with Moscow is especially significant to Beijing because it permits China to diversify its sources of petroleum and liquefied natural gas (LNG) imports.

However, scholars and analysts in Beijing, Shanghai, and Nanjing lamented the difficulties of dealing with Russians and spoke of Chinese businesses keen to cut deals and build pipelines. According to Chinese researchers who spoke with one of the authors, Russian counterparts were unenthusiastic in negotiating and sluggish in implementing energy deals. Two analysts, one Russian and one Chinese, writing in 2017 remarked on Russia’s “unfavorable business climate.”³¹ Another Chinese analyst commented on the need to “reduce suspicions” as a precondition to expanding economic cooperation.³²

PRC analysts and scholars consider Russia a desirable energy partner, given the country’s proximity to China. However, in conversations with one of the authors, a variety of Chinese researchers complained that bureaucratic inertia and limited Russian infrastructure had severely constrained and delayed gas exports to China. These impediments caused Sino-Russian energy cooperation and Russian exports to China to move at a glacial pace. According to some Chinese analysts, the only thing that seemed to speed up the process was when Putin became personally involved, but the situation is far more complicated (see Chapter Four). A critical inflection point came in 2014 with the Ukrainian crisis. Putin promptly flew to Shanghai in May 2014 and committed to expanding ties with China across the board, including in energy.

Petroleum exports were slow to get off the ground and initially were exported to China solely by rail. The first oil pipeline from

³⁰ See, for example, Shi Zhi, “Eluosi dongbu kaifa: Zhong-E hezuo de shijiao [Development of Russia’s east: from the perspective of Sino-Russian cooperation],” *International Studies*, No. 1, 2017.

³¹ Larin and Xu, 2017.

³² Cao, 2017.

Russia to China—the Eastern Siberia–Pacific Ocean line—was not completed until January 2011, and the second pipeline—running parallel to the Eastern Siberia–Pacific Ocean line from the Russian border to Daqing—was not completed until six years later, in January 2018. Nevertheless, momentum gradually built up and, by the end of 2017, Russia had become China's largest foreign supplier of imported petroleum.

A similar tale is evident for natural gas exports. Russia had long insisted that China should pay the same price for piped gas that its European customers did. China is also interested in LNG and has taken steps to import Russian LNG. The Yamal LNG project is one such energy deal singled out by several Chinese analysts in mid-2018 to one of the authors. By the terms of an agreement signed in late 2014 by the China National Petroleum Corporation, the Chinese state-owned energy conglomerate acquired a 20 percent stake in Yamal LNG and agreed to purchase 3 million tons per annum for a 20-year period.³³ This LNG is transported to China by sea from the Yamal Peninsula, which juts out into the Arctic Sea on Russia's northern coast.³⁴

Russia, according to Chinese analysts and scholars in three Chinese cities, sends mixed messages where the BRI is concerned. On the one hand, Moscow expresses considerable interest in the economic opportunities this initiative presents to Russia. On the other hand, multiple researchers told one of the authors in mid-2018 that Moscow seems extremely wary of BRI projects in practice, perceiving them as a strategy for China to increase its power and influence in Central Asia and elsewhere at Russian expense. According to one analyst, writing in 2017, Russia's GEP can mesh with China's BRI, but he observed that

³³ The 2014 agreement is summarized in James Henderson and Tatiana Mitrova, *Energy Relations Between Russia and China: Playing Chess with the Dragon*, Oxford, United Kingdom: Oxford Institute for Energy Studies, August 2016, pp. 17–18. The Silk Road Fund is also an investor in the Yamal project.

³⁴ The LNG usually travels by tanker to China via the Suez Canal, a journey lasting almost 30 days. But in mid-July 2018, the first two tankers arrived in Jiangsu via the Arctic Sea route, taking only 15 days. See “Russia's Novatek Ships First LNG Cargo to China via Arctic,” Reuters, July 19, 2018.

the GEP remains a “concept” rather than a reality.³⁵ Another researcher contended that Russia’s EEU could link or “dock” with China’s Silk Road Economic Belt.³⁶

Chinese Assessments of the Future

All the Chinese researchers who spoke with one of the authors in mid-2018 consider the relationship to be *wending* [stable] or *bijiao wending* [relatively stable] and anticipate that the current state of relations will continue for the foreseeable future. This is consistent with what former diplomat Fu Ying wrote in 2016, describing Beijing-Moscow ties as “positive and stable” and saying that relations were unlikely to “rupture” any time soon.³⁷ The logic behind this consensus assessment by Chinese scholars and analysts is that both Russia’s national interests and China’s national interests are served by the relationship and will continue to be served by the relationship.

Nevertheless, most scholars and analysts see limitations to China’s relationship with Russia. This includes Fu and the researchers with whom one of the authors spoke in 2018. However, several civilian and military researchers provided this assessment along with a caveat: The one development that would alter their forecast was if Washington’s relations with both Moscow and Beijing deteriorated drastically to the point of outright confrontation or actual military conflict; then it was possible that China and Russia could form an anti-U.S. security alliance.

³⁵ Li Ziguo, “Da Ouzhou huoban guanxi: Chongxing Ou-Ya xinxiyu? [The Greater Eurasian Partnership: remodeling the Eurasian order?]” *International Studies*, No. 1, 2017.

³⁶ Cao, 2017.

³⁷ Fu, 2016.

Conclusion

Conversations with Chinese analysts and scholars in mid-2018 reveal a largely consistent and coherent assessment of China's current relationship with Russia. Across the board, Chinese researchers offer remarkably clear-eyed and extremely pragmatic assessments of Beijing's relationship with Moscow. They are frank about the areas of tension and unambiguous about the logic of the PRC's relationship with Russia. China-Russia ties are useful because they serve Chinese interests, which are advanced by continued cordial relations and cooperation in diplomatic, military, and economic spheres. Chinese elites consider Sino-Russian economic complementarity and a shared desire to counter what both sets of elites perceive as a U.S. ideology of militarism, interventionism, and the forcible imposition of U.S. values on other countries as noteworthy factors pushing Beijing and Moscow together. However, the most significant logic driving Chinese and Russian alignment, in their view, is balancing against U.S. hard and soft power. Moreover, the impetus behind closer cooperation across political, military, and economic spheres is the common perception in Moscow and Beijing that Washington had become more hostile and threatening to the two Eurasian capitals in recent years.

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China and Russia are perceived as major, long-term competitors with the United States. Since 2014, China and Russia have strengthened their relationship, increasing political, military, and economic cooperation. In this report, the authors seek to understand the history of cooperation between Beijing and Moscow, the drivers of and constraints on the relationship, the potential future of cooperation between China and Russia, the impact of the Chinese-Russian relationship on the United States, and implications for future U.S. policy.

The authors find that the main motivations for closer 21st century cooperation between China and Russia are the declining relative power of the United States and the persistent perceived threat from the United States to both China and Russia. If current trends continue, the authors expect the collaborative relationship between China and Russia to be sustained.

Absent major (and likely undesirable) changes in U.S. policy, there is little the U.S. government or Army can do to influence the trajectory of the China-Russia relationship. The U.S. military can prepare for the results of greater Sino-Russian cooperation, including by expecting further diffusion of Chinese and Russian military equipment, additional joint planning and exercises, potential joint basing, and eventually the possibility of joint military operations.

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