Russia-China Relations and Future Dynamics

“In the past six years, we have met nearly 30 times. Russia is the country that I have visited the most and President Putin is my best friend and colleague.”

- President Xi Jinping - Jun 2019

Introduction

Russia-China relations have transformed significantly in the past three decades, from being cold war adversaries to becoming pragmatic partners driven by a common desire to challenge the principles of western dominated international system. The collapse of Russia’s relationship with the West over Ukraine, gave an impetus to the evolving Russia-China strategic partnership. Increased friction under the Trump administration as a consequence of the US designating Russia & China as ‘rival powers’ to the US in its National Security Strategy, have further pushed the two countries together. The relationship appears to have reached a new historic high as the two nations are more aligned than at any point since the Sino-Soviet split of early 1960s. This is evident in the vociferous support to China by Russia in view of criticism with regard to its role in the COVID-19 pandemic by President Putin in Apr 2020, praising the “consistent and effective actions” taken by Chinese authorities in combating the virus. While, Moscow has courted Beijing since 2014 to offset pressure from the West, China is also pursuing greater cooperation with Russia as a bulwark against the US. China is likely to look at Russia even more in achieving its global ambitions in the post COVID world order. It is apparent that the partnership has evolved from a marriage of convenience into one of enduring value for both.

Historical Perspective

The first contact between the Tsars of Muscovy and the ruling Manchu’s of China was in 17th century, during Russia’s eastward expansion across Siberia to the Far East till the Pacific. Russia consolidated its hold on Siberia in 1850s, extending its borders till the Amur and Ussuri Rivers and annexed about 1.5 mn sq km territory (of China), through a number of treaties. These were:

Treaty of Nerchinsk. It was the first treaty between Russia and China (in 1689), which defined the borders between the two countries till mid 19th century.
Treaty of Kiakhta. Signed in 1727, it demarcated the borders of Mongolia West of the Aigun River.

Treaty of Aigun. It was signed in 1858 wherein, Russia got possession of areas North of Amur River.

Treaty of Peking. The treaty signed in 1860 confirmed the treaty of Aigun and further ceded the territory between Ussuri River and the Pacific to Russia.

Towards the end of 19th century, Russia expanded into Manchuria. In 1900, Russia consolidated its presence as part of collective European intervention and built a naval base at Port Arthur (Lushun) and founded the city of Harbin in Manchuria. Subsequently, Soviets became involved in the Chinese civil war, sided with the Chinese communist party, whilst giving arms to Chang Kai Shek's Nationalist party and even providing them with air support against the Japanese. Eventually, it supported the communist party led by Mao Zedong in the civil war.

Contours of Partnership

1949 Till Cold War. Both nations became close after establishment of the Chinese communist rule in 1949 as Soviets provided technical aid, financial assistance as also political advisors to China. In 1950, the Soviets and Chinese signed the treaty of “Friendship, Alliance and Mutual Assistance” among other agreements. Russia was the undisputed leader of global socialist movement and was the stronger partner in the relationship in this period. China benefited immensely from Soviet assistance in all fields during this period becoming a reasonably modern force within a span of a decade. However, ideological differences in late 1950s during Nikita Khrushchev era lead to a formal split in the relations and they become
cold war adversaries with a highly militarised and disputed 4380 km border. While, there are various reasons ascribed for the split\textsuperscript{17}, the primary reason was Mao’s unwillingness to accept Soviet leadership of communism internationally after Stalin’s death in 1953. The relations saw its nadir in a series of border clashes in 1969 at the Damansky-Zhenbao\textsuperscript{18} (Ussuri River) Islands. In the 1970s, China moved closer to the US and remained aligned against the USSR almost till the end of Cold War.

**Cold War and Beyond.** The relations began to improve during Gorbachev’s era\textsuperscript{19} as he made efforts to normalise the relations by visiting Beijing in 1989 and initiating discussions on border issues. The relations improved significantly after the break-up of the Soviet Union in late 1991 (also catalysed by the 1989 Tiananmen incident). The expansion of NATO towards East and operations in the Balkans made Russia resentful of West’s growing power and its lack of consideration to Russian interests. Concurrently, isolated after the 1989 Tiananmen crackdown China had no motive to partner with West or seek European or US assistance. China kept its political system closed, liberalised markets, attracted foreign investment and transformed itself into the world’s factory. Success of China’s strategy led to significant economic growth with no dilution of the communist party’s centralised rule and political control. The Russian disillusionment with West coupled with Chinese ambitions supported by phenomenal economic growth, spurred the detente and led to the “Treaty of Good Neighbourliness and Friendship and Cooperation”\textsuperscript{20} in 2001. It was the first official agreement between the two countries since 1950. President Putin visited China in 2004, post which the 4300 km of border was finally demarcated.\textsuperscript{21} The ‘strategic partnership’ has only strengthened since President Putin’s pivot to Asia\textsuperscript{22} in 2013 and Russia’s break with the west after Ukraine’s crisis in 2014. Russia looks to China as an economic partner and market for its exports given that its economy has been adversely impacted by sanctions. Meanwhile, China has benefitted from Russia balancing the West as also by eliciting favorable bargains in energy, trade and military equipment. The trump administration trade conflict with China has created new dynamics in the relations.

**Drivers and Limitations**

**Drivers.** The drivers of Russia-China relationship are:

**Relations with US.** The most important factor shaping the Russia-China partnership is the common desire to challenge the US hegemony and western-dominated international system. A series of events in recent years, such as the expansion of NATO in Russia’s near abroad, sanctions post 2014, Skripal poisoning\textsuperscript{23}, withdrawal of US from the Intermediate-range Nuclear Forces treaty (INF), designation of Russia-China as rivals in US NSS etc underlines the adversial nature of US relations with Russia and further pushes it towards China. Similarly, China after the Tiananmen has faced Western sanctions (exacerbated US-China tensions by Trump administration since 2017) and strengthened its relations with Russia.
**Economic Cooperation.** Growing trade and energy relations are the new ‘strategic basis’ and a significant aspect of the relationship. Russia views China’s economic clout as an opportunity (to overcome its traditional dependence on West) reflected in President Putin’s statement, “China’s rise carries colossal potential for business cooperation and is a chance to carry Chinese winds in our sail”\(^4\). Cooperation in energy sector is symbiotic, as China is one of world’s largest importers whereas; Russia is one of the largest exporter\(^5\) of energy\(^\text{26}\). Salient aspects of this economic cooperation are:-

Bilateral trade crossed $ 100 bn for first time in 2018\(^27\) ($ 69.6 bn-2016). China is Russia’s largest trading partner.

- Russia is largest supplier of crude oil to China\(^\text{28}\) since 2016.
- Power of Siberia\(^29\) (POS) natural gas pipeline operationalised in Dec 2019.\(^30\)
- Russia and China both wants to avoid over dependence on each other. Russia wishes to diversify from European markets, similarly, China’s gas consumption in 2018 reached 280 bcm.\(^31\)
- Huawei\(^32\) has been permitted to launch 5G network in Russia, which is a significant political signal in the context of technology split with West.

**Military Ties.** The sale of weapons (advanced military technologies) from Russia to China is a key element of military cooperation. In 1990s China begun modernising its Air force and Naval and required Russian assistance to modernise PLA. At the same time, the Russian arms industry was in doldrums with domestic orders and those from the former Soviet countries practically drying up. Hence, mutually beneficial arms trade became a significant part the relations, apart from military consultations at higher levels, joint exercises/training etc now leading to strategic cooperation such as missile defence (President Putin’s speech at Valdai forum in 2019 confirmed that Russia is assisting China to create a missile launch detection\(^33\) system), hypersonic technology and maybe construction of nuclear submarines. Since, Russia’s military technology is still superior to China’s (gap continues to exist-through may not last forever), cooperation in this area provides Russia an opportunity to partially balance the relationship (increasingly tilting towards China). Salient aspect of their military cooperation are :-

- China has purchased more weapons from Russia than any other country (1991 to 2010 more than 90% of China’s weapon import was from Russia and Russian exports to China were 40%).
- China’s A2AD capability in the Asia-pacific has enhanced considerably by Russian weapons import.
- In 1990s China purchased approximately $1bn worth of Russian arms annually, which increased to more than $2bn in mid 2000s.
- In recent years, China bought some sophisticated weapons like SU-35s fighter aircrafts and S-400 Air Defence system. Notably before 2014, Russia was not exporting latest generation weapons fearing that China might copy them.
• Chinese Navy carried out a joint exercise in the Baltics\(^3\) for the first time in 2017 (raising concern among NATO countries). In Jul 2019, both countries conducted a first joint patrol by long-range bomber aircraft over the Pacific Ocean\(^5\). Also 3200 Chinese troops participated in Vostok-2018\(^6\) for the first time in history.

**Position on Global Issues/Respect for Strategic Space.** These relations driven by real and compelling common interests have reached the level of an ‘entente’ or a common world view. In UN both sides closely coordinate their positions on North Korea, Syria, Afghanistan etc. They give importance to multilateral forums (profess multi-polarity) and are engaged in many such forums such as BRICS, RIC, SCO and G-20, generally taking a common position. Another example of convergence is both the countries opposing US policies on internet governance/ cybercrimes and outer space. Even where their interests are not aligned such as Russia’s annexation of Crimea or China’s claim in South China, both have been careful to not accentuate tensions.

**Rapport Between Leaders.** Close rapport between President Putin and Xi Jinping, with their multi-polar world view has propelled the partnership (*President Xi Jinping visited Moscow more than any other capital city in the world*\(^7\)).

**Islamic Radicalization in Central Asia & Afghanistan.** Russia and China are both concerned about spread of Islamic fundamentalism in CAR and Afghanistan posing a security threat, as they have common borders. China is conscious of Uyghur unrest in Xinjiang province whereas, Russia having a large Muslim population is wary of the Chechnya experience.

**Limitations.** While Russia-China relations have grown significantly, there are challenges and these relations are not ‘problem-free’. Salient aspects limiting the partnership are:

**Historical Context.** There is a historical distrust between Russia and China, dating three centuries. A section of the Chinese population carry bitter memories of Russian imperialism in the early 20\(^{th}\) century and believe that, the border agreement favoured Russia. Similarly, many Russians have not forgotten the Chinese role in the containment of the Soviet Union.

**Growing Economic Divide.** The economic relationship is marked by deepening asymmetries. China is Russia’s largest trading partner, yet Russia is not in the top 10 in China’s imports and ranks 10\(^{th}\) in Chinese exports. The West is likely to remain China’s leading trade partner for the foreseeable future. While, China remains the 3\(^{rd}\) largest global source of outward FDI flows worth $124.6bn (in 2017), the central bank of Russia shows Beijing FDI to Russian economy as $16 bn from 2011 to 2017. Moreover, 3/4\(^{th}\) of Russian exports are raw material, whereas China sells back manufactured goods and electronics. This imbalance worries Russia, as it fear it is becoming a mere resource appendage to China–lesser important than Beijing’s other partners.

**Junior Partner Status.** Traditionally Russia has never been a junior partner to China and there are signs of uneasiness with China’s increasing influence and power. There is a growing asymmetry in conventional forces,
through Russian retains superiority in nuclear arsenal and technology in certain areas. While China is conscious to defer to Russian security interests, the Russian elite remain wary of this asymmetry.

**Competition in Central Asia, Far East and Arctic.** Central Asia and Caucasus are areas of special interest to Russia and part of near abroad. So far, both have successfully managed their differences, but divergent interest remains.

**Central Asia.** China is emerging as an influential player other than Russia in Central Asia due to enhanced economic engagements. The BRI in these countries have seen large Chinese investments. The arrangement is fairly stable but in case China increases its security profile, it will clash with Russian interest.

**Russian Far East.** It comprises 40% of Russia's territory and is rich in natural resources. The population disparity is immense – Russian population of 6 mn which is in sharp contrast to 111mn Chinese in three provinces.

**Arctic.** Russia considers Arctic as part of its privileged sphere of interest, while China is eager to access the Arctic economic potential.

Prognosis

**China Holds the Upper Hand.** Power asymmetry is likely to grow, especially on the economic front, with a growing view that this will benefit China at the expense of Russia. However, both will gain from cooperation than competition, and the partnership is only likely to strengthen barring an unlikely course correction in Russia's relations with the west. Russian pride will not allow it to become a junior partner in their relations. It still has significant structural power, a superior military industrial base, nuclear capability and the capability of force projection, which China lacks. Although China holds the upper hand in this relationship, it needs Russia's political heft in the international arena as well as military expertise.

**Military Alliance.** While Russia and China have a growing military cooperation across many domain including recent sale of high tech weapons to China, it is evident that the two sides are interacting but integration is not happening. A formal military alliance is unlikely and they will continue to prefer the status quo, as this combines reassurance with flexibility needed by both sides as also avoids the tricky issue of hierarchy.
Differing Geo-Political Vision. Russia has relations with other Asian countries like South Korea, Japan, India and Vietnam (later two are important buyers of Russian arms) and notably all of them have a tense relations with China. In spite of Russia’s current orientation, it is interested in Europe in the long term (culturally more oriented towards Europe than China). China also wants to avoid over dependence on Russia and is looking towards European markets. It is also critical of Russian actions in Ukraine and has not officially recognised annexation of Crimea. These differences could accentuate in the eventuality of anyone of them coming close to West/ US.

Relations May be Tempered. The relations may be tempered due to unfulfilled expectations on either side. China seeks an active role in regional and global affairs, its long-term view with respect to Russia are obscure (intents in geo-political affairs can change anytime). It appears that Chinese decision will influence the future course of relationship more as compared to Russia.

Expanding US-China Trade Conflict. The growing US-China trade rift may be a blessing in disguise for Russia’s quest to be a more reliable or even indispensable partner to China (to offset the economic asymmetry). China’s rapid growth and integration with global trade has given strong dividends, but at the same time made it vulnerable to geo-political threats. In this scenario, Russia could emerge as a natural hedge, a reliable partner capable of withstanding international confrontation, crucial to China’s trade and energy strategy.

Strong Leadership. The leaders of two countries are likely to stay in power in foreseeable future (amendments in respective constitutions for enhancing their terms) and provide strengthen to the relationship. The strong bonds between President Xi Jinping and President Putin are likely to act as a driver and if need arises, as shock absorbers in the relationship.

Deterioration of US-Russia Relations. It appears that Russia has abandoned the principle of reintegration with the West which was a fundamental goal in post-Soviet era and wishes to achieve a co-equal political status in an international system dominated by US. Russia will continue to challenge perceived US hegemony even if it has to overextend itself as it has the support of the Russian political class and citizenry in this geo-political strategy.

Implications for India

The growing partnership between Russia and China has obvious implications for India as it will finds its strategic options increasingly constrained. India will have to balance against them by moving close to the US and at the same cooperate with Russia and China. Also, the possibility of Russia growing closer to Pakistan because of its strategic partnership with China and the transfer of Russian technology to Pakistan via China cannot be ruled out.

Historically India shares a close relationship with Russia and it has been a dependable partner. The salient aspects of India’s policy should be as follows:-
• Deepen and broaden its relationship with Russia as a balancer with China. Both countries can cooperate in number of areas where it has similar interests e.g. Afghanistan.

• Push the development of North South transport corridor to open routes between India and Russia.

• Leverage the framework of close military relationship with Russia to deny or delay transfer of technology to China which is detrimental to India’s security in the long run.

• Encourage trilateral cooperation between Russia, India and China to reduce mistrust and suspicion between India and China.

• Develop closer relations with US and attempt to promote a trilateral involving US, Russia and India to counter Russia-China relations.

Conclusion

The relationship between the two countries appears to have reached a historic high (reflected in recent survey in Russia showing China as the nation’s friendliest ally) with a high level of congruence. The trade and energy cooperation has deepened. The growing differences in US-Russia ties suggest that current confrontational relationship is likely to continue in the foreseeable future. It is apparent that ongoing alienation with US will continue to push Russia and China together and both are likely to follow a strategy where they are “never against each other but not necessarily with each other” and continue to pursue their interest without affecting their growing partnership. However, the increasing asymmetry in the power dynamics may cause friction in future.
End Notes


5. Paul Stronski & Nicole NG, “Competition: Russia and China in Central Asia, the Russian Far East, and the Arctic”.


9. Ibid.


12. Paul Stronski & Nicole NG, “Competition: Russia and China in Central Asia, the Russian Far East, and the Arctic”.


14. The Treaty of 1950 bound the two states to help each other militarily in case of an attack by Japan or any other state aiding Japan in aggression but not against US or any other country.

15. Large amount of military equipment, rocket technology and other technological assistance

16. Paul Stronski & Nicole NG, “Competition: Russia and China in Central Asia, the Russian Far East, and the Arctic”.

17. Apart from Soviet unwillingness to provide nuclear weapons technology, as also the Russian objective to form a ‘joint fleet’ viewed by China as an encroachment on its sovereignty.


19. Ibid.
Paul Stronski & Nicole NG, ““Competition: Russia and China in Central Asia, the Russian Far East, and the Arctic”.


Russia has 48 tcm of discovered gas reserves – first in the world, 6.5 bn tons of petroleum reserves and 200 bn tons of coal reserves – second in the world.


The project in Russia has been dubbed the “Power of Siberia.” The $400 billion, 30-year deal for Russia to pipe 38 bcm gas annually to China was first signed in 2014 between Russia’s Gazprom and China National Petroleum Corporation. The expansive project is being heralded as a flagship of Sino-Russian cooperation. Cooperative projects like the Power of Siberia in the Russian Far East are lauded by Chinese and Russian leaders and analysts alike as a potential source of new growth across Asia.


About the Author

Brigadier LS Lidder, SM, VSM, was commissioned in 2 JAK RIF (BODYGUARD) in December 1990, a battalion he later commanded. He has served in CI/CT operations in J&K and along the LAC in Eastern theatre and also commanded a brigade along the Northern borders. He has served as the Adjutant of Indian Military Academy, Director in Military Operations Directorate and as a Defence Attache in Kazakhstan. He has attended the Higher Command and National Defence College Course and is currently posted at HQ Integrated Defence Staff.

The United Service Institution of India was founded in 1870 by a soldier scholar, Colonel (later Major General) Sir Charles MacGregor for the “furtherance of interest and knowledge in the art, science, and literature of the Defence Services”. The present Director of USI is Maj Gen BK Sharma, AVSM, SM & Bar (Retd).