

Mistrust Sets Low Ceiling for Russia-China Partnership DECONSTRUCTING THE PUTIN-XI JINPING RELATIONSHIP

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No amount of propaganda can hide the fact that the Russian-Chinese partnership is not progressing well. Economic cooperation was supposed to constitute a solid foundation for a new surge in bilateral ties, as heralded in mid-2014 against the background of the Ukraine conflict and heightened Russia-West confrontation. In reality, trade volume between the two countries contracted by about a third in 2015, which they explained away with adverse external factors such as the decline of oil prices. The Russian president has pointed to the strength of their political ties as moving their relationship from merely “strategic partnership” [to](#) “comprehensive partnership and strategic collaboration.” But it is precisely in the political sphere that the incompatibility between the two is most profound. It is shaped by sharply dissimilar motivations and aspirations among the elites rooted in a gulf between their respective political cultures—a disconnect accentuated by reshuffles initiated by two leaders facing vastly different domestic challenges. A misunderstanding of each other’s responses to these challenges generates a lack of trust, constituting a greater hindrance to upgrading the bilateral partnership than economic setbacks.

Boredom in the “Beautiful Friendship”

The exaggerated friendliness of personal relations between President Vladimir Putin and President Xi Jinping is public relations gloss. These two 63-year old men have very little in common. One is a “[princeling](#)” who had a nice head start on the tenacious climb to the top of the Chinese party ladder; the other is a man of humble origin, propelled to a position of power by others precisely because he was an outsider. One is a happily married man; the other is a divorcé who cannot find the courage to legalize his personal relations with a girlfriend 30 years his junior and who is allegedly the mother of a daughter they had together. One [experienced](#) the senseless cruelty of the Cultural Revolution as a teenager; the other was shocked by a revolution that swept away the

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East German police state and cut short his undistinguished KGB career. The two leaders do not have a language in common. And their meetings have become less frequent: Putin missed the APEC summit in November 2015 and Xi skipped the St. Petersburg Economic Forum in June 2016.

The political careers of the two leaders are also remarkably out of sync, not a great foundation for strong personal chemistry. In 2011-12, Putin was orchestrating his return to the Kremlin amidst unexpected street protests in Moscow while Xi was engaged in a carefully planned process of taking over from President Hu Jintao (who enjoyed broad domestic and international support). Today, Putin is organizing what he hopes will be his uncontested presidential re-election in early 2018 (having now already orchestrated the September 2016 parliamentary elections), while Xi has to make the difficult choice of naming a successor, which has to be approved by the Communist Party Congress in November 2017. It is possible that Xi entertains ideas of altering the rigid pattern of Chinese leadership rotation that was introduced by Deng Xiaoping. Putin, however, illustrates the drawbacks of indefinite rule for an omnipotent leader, including a steep decline in efficiency and the accumulation of unhealthy paternalist rituals.

They do share a pronounced urge to gain political power and skill in wielding it. However, even if Xi has [earned](#) the ironic title of “Chairman of Everything” for his propensity to preside over every important commission, Putin has accumulated far greater power. There are no checks and balances in Russia, and there is no political faction that could conceivably rally around an alternative leader. There is a mature personality cult around Putin, while in China, Xi’s success at establishing himself as the “core leader” at the October 2016 Plenum remains ambiguous (Hu Jintao refrained from assuming that title). Xi has to work with the stout Politburo Standing Committee, which has many Hu Jintao appointees, including Premier Li Keqiang.

Both leaders are presently executing massive purges of bureaucratic cadres, but for Putin, these are primarily a means to assert control over the warring of various loyal clans. Xi is [involved](#) in a real struggle for power focused on undermining the “sixth generation” grouping—potential leaders groomed through the Communist Youth League. Xi and his team understand perfectly well the nature of policymaking in the Kremlin, but it is very doubtful that Putin has a good grasp of the complex and vicious intrigues in Beijing, particularly since nobody in Putin’s “inner circle” is a known China expert.

Presiding over Diverging Economic Trajectories

Ten years ago, Russia and China each enjoyed the status of “emerging power.” Both exhibited strong economic growth. Presently, the two leaders have to deal with urgent but dissimilar economic problems at home. Putin has found himself in the unfamiliar and uncomfortable position of managing a protracted recession, which has reduced

Russia's economy to about one-eighth of China's. Xi has dealt with a mere [slowdown](#), but the spasms of panic on China's stock markets indicate an accumulation of uncertainties caused by stalled reforms. Placing absolute priority on stimulating growth, the Chinese leadership finds it incomprehensible that the Russian leadership continually opts to sacrifice modernization and economic development for the sake of geopolitical ambition.

Xi has assumed greater than usual responsibility for managing the Chinese economy. He helped [set](#) the key guidelines for stimulating the expansion of extra-large state corporations (reducing Li Keqiang's authority). Putin's economic guidelines are actually quite compatible, but the performance of large Russian state-owned corporations is dismal. Chinese pro-market reformers, who insist on reducing the state's ownership of industrial assets, could actually point to the Russian measures as negative examples. Gazprom is well-known in the Chinese Ministry of Energy as a hugely inefficient monopolist. The \$2 billion loan granted to it this year by the Bank of China was necessary to keep it solvent—but this was so that it can keep working on the “strategic” gas deal between Russia and China signed in May 2014; the project's objectives are seriously [behind](#) schedule.

China's experience with Rosneft is more positive. Its CEO, Igor Sechin, is [known](#) as a proponent for expanding business with China. The completion of the ESPO pipeline has allowed Rosneft to become a major supplier in the Chinese market (on par with Saudi Arabia), but with Russian oil production on a [plateau](#) with a probable decline ahead, there is little capacity for expansion. An interesting new development this year has been China's direct participation in the Yamal-LNG project led by Novatek in the extreme north of western Siberia. This unusual engagement with a non-state company is not driven by the need for additional gas. Rather, according to some Russian experts, it was a good-will gesture made by Xi to rescue Novatek's owner, Gennady Timchenko, who is close to Putin and was personally [targeted](#) by Western sanctions.

The struggle against corruption occupies a major place in the economic agendas of both leaders, but these places are different, not fitting well together. Xi unleashed a campaign for “catching tigers and flies,” which was a sustained attack on his political opponents. He put behind bars about 200 senior officials (the “tigers”), [targeting](#) associates of Hu Jintao in particular. For Putin, high-profile corruption investigations are mostly a means of regulating infighting between rival clans, and they rarely result in jail sentences. Trust levels between the two leaders were not increased when Putin dispatched to Beijing confidential proposals carried by First Deputy Prime Minister Igor Shuvalov and Deputy Prime Minister Arkady Dvorkovich earlier this year—both of these emissaries were implicated in corruption scandals at the time and their Chinese counterparts were perfectly aware of this, leading the latter to wonder why such figures would be sent their way.

***Siloviki* are Poor Bridge-Builders**

The dissimilar campaigns against corruption mirror the differences in how Putin and Xi cultivate their respective security apparatuses. In principle, domestic security could be an area where the two non-democratic regimes could pursue compatible agendas. However, the control over and political profiles of each state's security services are strikingly at variance.

The central role in Xi's struggle against corruption belongs to the Central Commission for Discipline Inspection, which is an institution of the Communist Party of China (CPC), currently [led](#) by Xi's trusted ally Wang Qishan, who most probably will have to [leave](#) his post in 2017. In Russia, it is the Investigative Committee led by Alexander Bastrykin that spearheads high-profile corruption cases—that is, until it came under direct attack from the more powerful FSB under Alexander Bortnikov in the summer of 2016. Putin has played the role of arbiter in the turf wars between various law enforcement agencies, but as the stakes in controlling Russia's diminishing cash flows rise, Russia's feuding *siloviki* are hitting each other with various scandalous corruption revelations.²

The composition of each leader's entourage is crucially important for the further development of their personal ties and for cultivating political networks that can add depth and sustainability to the bilateral relationship. A mismatch is apparent here as well, and it is growing sharper. Xi relies on his old associates and schoolmates, like Liu He, his key economic adviser. Xi is also investing much effort into [building](#) a "Zhejiang faction," named after the province where he was party secretary from 2002 until 2007. Putin is now ditching old cronies like Vladimir Yakunin, Yevgeny Murov, and Andrei Belyaninov, and [promoting](#) a new generation of *siloviki* with the expectation that they will be blindly loyal and somewhat more efficient. He is even appointing some of his trusted bodyguards as regional governors, a practice which is incomprehensible to those in charge of cadres in China's leadership.

The Russian government's over-reliance on high- and mid-level FSB officers negatively impacts Putin's control over the Russian Armed Forces, where the officer corps still resents the reforms implemented by former Putin protégé Anatoly Serdyukov. Putin therefore has to delegate substantial authority to Defense Minister Sergei Shoigu, who has the respect of Russia's top brass but cherishes his own political agenda and independent profile. In China, Xi has taken personal responsibility for advancing military reform, which is broadly supported by the Armed Forces, and has [promoted](#) close associates, such as Zhong Shaojun, to key positions in China's military hierarchy.

² See *Foreign Policy's* [parody letter](#) to the "Most Esteemed Vladimir Vladimirovich!"

Conclusion

Behind the veneer of a “perfect rapport” between Putin and Xi lies a deep lack of trust that grows out of a mismatch in personalities and strikingly dissimilar domestic agendas. Putin has exterminated all political alternatives and positioned himself as the only source of legitimacy for the Russian state. Xi must contend with strong opposing factions and the unavoidable issue of his own succession. Their circles of associates are not compatible—the Chinese provincial political cliques have little interest in relations with Russia, while Putin’s FSB networks are far better at intrigues than they are at foreign relations. Corruption is a major problem in both states, but their anti-corruption campaigns differ: Xi uses anti-corruption initiatives as a strategic weapon against opponents while Putin dabbles in them as a selective punishment mechanism to promote loyalty.

All told, Putin has a poor grasp on the unique combination of China’s sustained economic growth and renewable political stability and certainly cannot reproduce it. Xi Jinping knows the value of “patriotic” mobilization but cannot comprehend Putin’s decision to sacrifice economic growth and modernization for the sake of geopolitical ambition. Chinese policy-makers have carefully studied the lessons from the collapse of the USSR and, after initially blaming Mikhail Gorbachev’s mistakes, have concluded that the more fundamental problem was the escalation of a systemic crisis. Chinese analysts have good reasons to suspect that Putin has unleashed a similar crisis, one growing beyond his ability to control it. They also know that unlike Gorbachev, Putin cannot give up without a fight. This does not mean Putin would win the fight, only that the crisis would turn violent without becoming controllable. And this does not make Putin a predictable or trustworthy partner in China’s eyes.