

Are Xi Jinping and Vladimir Putin Partners?

INTERPRETING THE RUSSIA-CHINA RAPPROCHEMENT

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The blossoming of relations between the Russian and Chinese presidents has been prominently on display. Images have been widely distributed of Xi Jinping awarding Vladimir Putin the newly created Medal of Friendship, the two leaders celebrating Putin's birthday, and Xi giving Putin Chinese cooking lessons. Since Xi became China's president in 2013, he has met the Russian president around thirty times. This warming of relations has recently extended to a wide array of trade and investment agreements and cooperation in numerous joint naval and land military exercises. The Sino-Russia rapprochement has emerged alongside the intense deterioration of both U.S.-Russian and U.S.-Chinese relations. The Trump Administration's 2017 National Security Strategy [characterized](#) both Russia and China as challengers to "American power, influence, and interests, attempting to erode American security and prosperity." The report continues that they "are determined to make economies less free and less fair, to grow their militaries, and to control information and data to repress their societies and expand their influence."

As the United States distances itself from both of these countries with trade wars and extended sanctions regimes, the connection between Russia and China is growing closer, with these emerging partners identifying new areas for economic, cultural, and military cooperation. The question remains, however, whether this is a temporary response to growing strategic competition with the United States or whether the advantages of enhanced cooperation run deeper, leading to a longer-term realignment in great power politics. The main answer is that in the present era, the Putin-Xi personal relationship will likely deepen given their shared values, interests, and common external pressures and constraints. One potential stumbling block, however, may be an emergent and sharply increasing rivalry involving the Belt & Road program and the Eurasian Economic Union, despite the leaders' repeat expression of compatibility of the two economic initiatives.

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Expanding Economic and Military Cooperation

In the economic realm, these two countries have identified numerous areas for cooperation. In order to cope with some of the negative impacts of the U.S. and EU sanctions, in particular Russian firms' highly constrained access to capital, Russia has sought to attract Chinese investment. To this end, the Russian government first formally endorsed China's Belt and Road Initiative (BRI) in May 2015, pronouncing the BRI compatible with the aims of the Eurasian Economic Union (EEU); and more recently, Putin reaffirmed his support in April 2019 when attending the Belt and Road Forum in Beijing, [stating](#) that the BRI "built an important platform for expanding international cooperation." Since 2015, China and Russia have advanced plans for long-term energy cooperation, and agreed to natural gas projects worth 400 billion dollars. Russia has also pursued Chinese investment in the oil sector, [agreeing](#) to sell to CEFC China a 14 percent stake in Rosneft for \$9 billion in September 2017. Although this deal with Rosneft has stalled since 2018, China continues to negotiate with the Russian giant in order to secure access to Russian oil. This relationship is crucial given that Russia has become China's greatest [supplier](#) of oil, surpassing Saudi Arabia in 2016.

In addition, Putin and Xi [signed](#) a simplified customs and free trade agreement in May 2018. These efforts to expand trade and capital flows between their countries have already borne fruit. In 2018, Russian-Chinese trade surpassed 100 billion dollars, more than a 20 percent increase in bilateral trade from the previous year. China became Russia's largest [trading](#) partner in 2018 (with \$56 billion in export sales) and is also its greatest source of foreign direct investment. These advantages are not one-sided given that Russia has not only become China's largest source of crude oil and electricity imports, but major increases in gas flows are imminent with the [expected](#) completion of a new pipeline in late 2019 (called "The Power of Siberia"). Moreover, Russia and China have repeatedly asserted their plans to reduce the use of U.S. dollars when possible in their trade with each other. They have [reaffirmed](#) their goal to denominate more bilateral contracts in rubles and RMBs rather than dollars, aiming to reduce the dominance of the dollar as a reserve currency.

The substantial increases in bilateral trade and impressive new investment deals are matched by important advances in military cooperation. For the past several years, Russia and China [engaged](#) in joint naval exercises in the Sea of Japan, the Baltic Sea, and the Mediterranean Sea. China also sent 3,500 troops to participate in Russia's massive Vostok ("East") military exercises in September 2018. According to some analysts, this is a notable development given that in the past, the Vostok exercises were [interpreted](#) by many as sharpening Russia's readiness for a potential conflict with China. Joint naval exercises continued in May 2019, with the naval and airspace exercises held near Qingdao, an eastern coastal city.

In addition to joint simulations and exercises, Russia has loosened its controls on weapons exports to China. For several years, Russia had refused to sell advanced technology to China, alleging that Beijing had copied Russian technology and mass-produced it for export, capturing new market share. Specifically, Russia concluded that China's Surface-to-Air Missiles System (SAM) was copied from Russia's S-300 platforms, its submarines were copied from the Russian Project-877 and Project 636 Kilo class submarines, and China's military aircraft Jian 11 was reverse engineered from Russia's Sukhoi-27. Russia also determined that China's L-15 supersonic aircraft and Hongqi SAM system were based on Russia's weapons technology. However, in late 2015 Russia [reversed](#) its position and agreed to [sell](#) China some of its most advanced weapons systems for \$7 billion, including 24 of Russia's SU-35 Fighter Jets, Amur Submarines, and four of its S-400 Surface-to-Air Missile Systems.

The Kremlin seems willing to look past certain hurdles or challenges that deterred warmer relations with China in the past. For example, not only has Moscow moved beyond the issue of China copying Russian military technology, it has also downplayed other issues, such as sensitivities related to its 4,200 km border, in particular the territory around the Amur River with massive imbalances in population size and density. There are approximately six million Russians north of the border and 107 million Chinese to the south, and at times there have been tensions [arising](#) from shuttle trade and the movement of migrants. In a similar vein, Russia is [showing](#) greater flexibility toward China regarding the development of Arctic sea routes, despite the potential for competing interests. Both countries have strong interests in northern sea routes: Russia hopes to develop and control northern sea routes as the polar ice cap melts, and China wants to ensure its access to this alternative route to the Suez Canal to ship goods from eastern China to Europe. For China, the [opening up](#) of these sea lanes for longer periods of the year means reducing travel time from Dalian in China to Rotterdam in The Netherlands by 13 days.

Perhaps the most striking area where Russia has yielded to Chinese interests is in Central Asian development. Russia has offered verbal [support](#) to massive Chinese investment in Central Asia, a territory that had been part of Russia's perceived sphere of interest. China has become the largest trading partner and source of FDI in Central Asia. China's Belt and Road Initiative (BRI) has [led to](#) enormous investment in transportation infrastructure, electricity grids, irrigation systems, and energy production in Central Asia. These investments secure China's access to raw materials in Central Asia for the long run and facilitate the reorientation of the region toward China, especially Kazakhstan, Kyrgyzstan, and Uzbekistan. The BRI's major projects [include](#) the China-Central Asia Pipeline—a gas pipeline through Turkmenistan, Uzbekistan, and Kazakhstan; the Eurasian Land Bridge—developing land transport through Mongolia, Kazakhstan, and Russia; and major railway lines like the China-Central Asia-West Asia Corridor connecting China to Kyrgyzstan, Tajikistan, and Kazakhstan.

While Russia [affirmed](#) in May 2015 that the BRI is compatible with the EEU's agenda and aims, Russia may see things differently down the line. It is likely that China's massive presence in Central Asia rankles even now, but Moscow has demurred simply because its position is not strong enough to push back on China in this geopolitically sensitive area. In the future, an emboldened Russia may express its disapproval of China's engagement in these former Soviet Republics and this could become a strain on Russian-Chinese relations. This dynamic existed with Europe in 1990s when Russia acquiesced to EU expansion into Eastern Europe and the Baltic states. Years later, Russia expressed opposition to the loss of influence in its traditional sphere of influence, prompting the conflict in Ukraine. In other words, like the delayed objection to the expansion of European trade and military cooperation with countries formerly part of the Soviet bloc, Russia in the future may take a similar opposing stance to Chinese investment and trade dominance in Central Asia. Once again, this region includes not only Russian allies but also former Soviet republics, and Chinese engagement in Central Asia may become seen as dismissive of Russian interests.

For now, the time is ripe for a Sino-Russian rapprochement. Both Russia and China share a desire to push back on a unipolar, U.S.-dominated world order. Both have demonstrated a growing desire to project power in their neighborhoods and beyond, and both are asserting their strength after a period of weakness.² In Russia, Putin has gained popularity and legitimacy at home by defending Russian interests in the near abroad, thwarting U.S. foreign policy aims, and becoming a key actor in various conflicts around the world, such as in Iran, North Korea, Venezuela, and Syria. In a similar vein, under Xi, China has sought to project more power abroad and augment China's global prestige. Not only has China increased its investment in the military, it has used economic statecraft employing its vast savings to grow the country's influence in multiple continents and its reach through the creation of new institutions like the Asian Infrastructure and Investment Bank. Despite early interpretations that Chinese lending would have no strings attached, it is now clearer that Chinese loans [require deference](#) to its "One China" policy and other priorities. Countries that deviate from this are not eligible for investment. Moreover, China has been more assertive in its foreign policy, especially in the South China Sea where its artificial islands allow it to claim more maritime and navigation rights.

Finally, there are important shared interests and norms that are not waning but strengthening. The leaders of China and Russia approach governance at home similarly. Both have relied upon heightened use of coercion and both favor the strong centralization of power. They are highly sensitive to political succession and internal threats. Despite the potential for new challenges, Putin and Xi's personal relationship is likely to deepen,

² Both oppose American extension of missile defense capabilities, such as the deployment of THAAD (Terminal High Altitude Area Defense) weapon system in Japan and South Korea and the radar system and defense shield in Central Europe. See Elizabeth Wishnick, "[The Sino-Russian Partnership and the East Asian Order](#)," *Asian Perspective*, 42, 2018, pp. 355-386.

not diminish in the near future, given their shared values, interests, and experiences,³ and common external constraints. These shared values are becoming more significant as both countries cope with continued deteriorating relations with the United States. In March 2019 the United States extended the existing sanctions regime begun in 2015 targeting over 700 individuals and companies following Russia's actions in Crimea and Eastern Ukraine, Russian interference in the U.S. presidential elections, and the poisoning of a former Russian spy in Great Britain. The deterioration in US-China relations is more recent, but it is as substantial as it is sudden. In 2018, the Trump administration imposed tariffs on \$50 billion worth of Chinese goods entering the United States, extending them in May 2019 on another \$200 billion worth of goods. China has [responded](#) with tariffs on \$110 billion worth of U.S. goods.

As the strategic competition between the United States and China intensifies, we should look for additional areas of cooperation and expect new photo ops of presidents Xi and Putin, making sure no one misses the ability of China and Russia to profit from a warming relationship as the United States continues to pull away from them both.

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³ Note that Putin was born in 1952 and Xi in 1953. Putin joined the KGB in 1975 and Xi joined the Communist Party in 1974.