ENHANCED SINO-RUSSIAN PARTNERSHIP: IMPLICATIONS FOR THE EU

Some deem it too asymmetrical too endure, others label it as a "marriage of convenience," but the "Sino-Russian bloc" is here to stay. The enhanced partnership between Moscow and Beijing represents a trend which will likely continue to strengthen, at least in the short-to-medium term, partly due to both countries' worsening relations with the West. This is why the security cooperation between the two neighbours go hand in hand with their economic and political partnership. While this is not good news for the EU, there are steps that Brussels can take to prevent the partnership from turning into a full-fledged alliance.

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"President Putin is one of my closest friends and a great colleague!" This is how the Chinese President Xi Jinping referred to his Russian counterpart during his official visit to Moscow in June 2019.[1] The visit, which overlapped with the 70th anniversary of economic relations between Russia and China, was an opportunity for the two leaders to sign new military and commercial agreements. President Xi was also the guest of honor at the St. Petersburg Economic Forum. Xi's widely quoted declaration of sympathy for Putin is but a small element showcasing the growing cooperation between Russia and China. In fact, the two countries had been hinting at signs of this enhanced partnership in a number of fields, including defense and security, where the two countries are seemingly managing to overcome their decades-long grievances and territorial border dispute.[2] Perhaps, the most evident sign of this military cooperation was Russia's decision to conduct a massive military exercise with China and Mongolia in September 2018. The military exercise named *Vostok-2018* (Dongfang-2018 in Chinese), lasted for one week and represented one of the biggest military deployments of Russian forces ever. There are two elements to consider in evaluating the significance of *Vostok-2018.* In the 1980s, Russia initially considered the Vostok war games as an opportunity to train its armed forces to counter a potential invasion from China in light of their border dispute.[3] In 2018 however, the operation was perceived as a direct response to the worsening security situation between Russia and the EU, and in particular, to NATO's Rapid Trident military drill held in partnership with Ukraine during the same period.[4]

In what follows, I will review the main dimensions of this partnership not only in the security domain, but also in the economical and political fields. The burgeoning partnership between Russia and China in the defense and security domains should indeed be analyzed as part of a general framework of increasing political, economic, and partly normative convergence between the two neighbors. I will then shift focus to the EU and sketch some damage-limitation actions that Brussels may undertake with regards to these geopolitical and international security trends.

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[1] "Xi and Putin, Best Friends Forever?" *Foreign Policy,* 6 June 2019, https://foreignpolicy.com/2019/06/06/xi-and-putin-best-friends-forever/

[2] For more information on the dispute and the Zhenbao Island incident, see: "In 1969, Russia and China Fought a Brief Border War. It could have started a World War III," *The National Interest*, 13 June 2018, https://nationalinterest.org/blog/the-buzz/1969-russia-china-fought-brief-border-war-it-could-have-26240

[3] Alexander Gabuev and Vita Spivak, "The Asymmetrical Russia-China Axis: An Overview" in A. Ferrari and E. Tafuro Ambrosetti (ed.), *Russia and China. Anatomy of a Partnership* (Milan: Ledizioni LediPublishing, 2019), *ISPI*, p. 37, https://www.ispionline.it/sites/default/files/media/foto/report_russia-china_anatomy-of-a-partnership_1.pdf

[4] Kat Hopps, "Russia news: What are Vostok 2018 war games? Why are military drills happening now?" *Express*, 11 September 2018, https://www.express.co.uk/news/world/1015986/vostok-2018-what-are-war-games-why-military-drills-china-nato

Towards an Ever Greater Political Convergence

Although the political alignment between Russia-China is making headlines today, Sino-Russian convergence towards common goals have been visible since the end of the Cold War, when Beijing and Moscow started claiming that their emerging partnership would mark the start of a new security mechanism in the Asia-Pacific region and eventually, a "new international order."[5] Yet today, the West seems to worry more and more about a normative convergence. For instance, the latest United States Intelligence Community Worldwide Threat Assessment (WTA) accuses both countries of endangering US national security at many levels, from cybersecurity to arms control, including waging a normative war against the US-championed global liberal order. According to the review, China and Russia's "interests and threat perceptions converge, particularly regarding perceived US unilateralism and interventionism and Western promotion of democratic values."[6]

> *"The importance of China to Russian trade is on the rise, especially after the imposition of the EU sanctions and Russian countersanctions in 2014."*

At the political-diplomatic level, China and Russia have long been battling against what they define as US unilateralism and the Western normative interference. The two countries converge on some key values (such as multi-polarity, the right to adopt "homegrown" values as opposed to "universal" ones, and sovereign stability in the face of Western interference and democracy-promoted policies). The fact that Russia and China critically approach the "Responsibility to Protect" (R2P) principle –essentially perceiving it as "an abuse of humanitarian language and a smokescreen in the pursuit of geopolitical interests"[7] – is a case in point. The convergence between the two countries is clear within the UN Security Council, where both Russia and China use their veto power jointly on many occasions, as seen in the recent veto on the US-backed draft resolution calling for a "peaceful restoration of democracy" and fair presidential elections in Venezuela.[8] In the global digital information space, China and Russia are the main promoters of a reform of the multi-stakeholder institution Internet Corporation for Assigned Names and Numbers (ICANN) to make it

[5] J. Anderson, *The Limits of Sino-Russian Strategic Partnership* (New York: Routledge, 2013), p. 7.

[6] Daniel R. Coats, *Worldwide Threat Assessment of the US Intelligence Community,* 29 January 2019, p. 4.

[7] X. Kurowska, "Multipolarity as resistance to liberal norms: Russia's position on responsibility to protect," *Conflict, Security & Development*, Vol. 14, No. 4 (2014), pp. 489-508, cit. p. 489.

[8] UNSC, "Security Council 8476th Meeting," 28 February 2019, https://www.un.org/en/ga/search/view_doc.asp?symbol=S/PV.8476

adhere to the principle of national sovereignty. Russia is also following the Chinese "Great Firewall" example to create a "sovereign" internet − demanding independence from global servers while striving to create a localized network.[9]

Furthermore, both countries are also fighting against the domination of the dollar for international transactions. Russia and China signed an agreement in 2014 that established a bilateral currency swap of 150 billion renminbi (about 25 billion dollars), which was extended at the end of 2017 for another three years. As the Russian macroeconomist Vasilii Nosov claims, despite the emphasis on the Western media, this agreement is of a rather modest value and cannot lead to a "de-dollarization" in the Sino-Russian commercial exchanges but should be read as another political message for the West.[10]

Where Economy and Politics Meet

The importance of China to Russian trade is on the rise, especially after the imposition of the EU sanctions and Russian countersanctions in 2014. Even if the EU-28 remains the main trade partner for Russia (in particular, Germany and Italy), Beijing is consolidating its position as a crucial import source and export destination for Moscow.[11] Russian and Chinese companies, which often act as vehicles of the political will expressed by the Kremlin and the Chinese Politburo, are leading characters in the economic rapprochement saga between the two neighbors.

Energy, for example, is a significant component in Sino-Russian trade. Despite the slowdown in Chinese energy demand, Beijing remains the largest energy consumer in the world and will represent 22 percent of world consumption by 2040, according to the 2019 edition of the BP Energy Outlook.[12] Russia is one of the largest oil and gas producers in the world and has increasingly been counting on China to reduce its dependence on the European market. To date, Russia is China's biggest supplier of oil and electricity and its fifth-biggest source of imported coal.[13] As evidence of how crucial the energy sector is, the two countries (at the explicit request of their presidents) created an Energy Business Forum in 2018, an increasingly important

[9] James Reston, "The Authoritarian Quest for a Sovereign Internet," *Fair Observer,* 5 June 2019, https://www.fairobserver.com/region/europe/sovereign-internet-russia-china-firewall-net-segmentation-news-14232/

[10] V. Nosov, "The Sino-Russian Challenge to the US Dollar Hegemony" in A. Ferrari and E. Tafuro Ambrosetti (ed.), *Russia and China. Anatomy of a Partnership* (Milan: Ledizioni LediPublishing, 2019), *ISPI*, https://www.ispionline.it/sites/default/files/media/foto/report_russia-china_anatomy-of-a-partnership_1.pdf .

[11] For Russia's profile on *The Observatory of Economic Complexity:* https://oec.world/en/profile/country/rus/#Exports

[12] BP, "BP Energy Outlook 2019-China," https://www.bp.com/content/dam/bp/business-sites/en/global/corporate/pdfs/energy-economics/energy-outlook/bp-energy-outlook-2019-country-insight-china.pdf

[13] A. Amighini, "Russia and China: The Progressive Building of a Major Trading Bloc" in A. Ferrari and E. Tafuro Ambrosetti (ed.), *Russia and China. Anatomy of a Partnership* (Milan: Ledizioni LediPublishing, 2019), *ISPI*, p.94, https://www.ispionline.it/sites/default/files/media/foto/report_russia-china_anatomy-of-a-partnership_1.pdf

meeting that has initiated the signing of several agreements between Russian and Chinese companies in its second annual gathering.[14]

Furthermore, Moscow has progressively oriented its imports from Beijing towards technological goods. The tightening of US duties and the ban of Chinese technology giant Huawei have contributed to accelerating Sino-Russian cooperation in the latest generation (5G) networks. One of the agreements signed during Xi's visit to Moscow–that received international media attention–concerns the technology that will allow Chinese telecommunications companies to develop a 5G network in Russia in collaboration with the Russian mobile operator MTS. According to a statement released by MTS, the experimental launch of fifth-generation connection networks in Russia could start as early as 2019–20. In addition, Huawei will begin talks with officials from the Russian Ministry of Communications this summer over the possibility of using the Russian operating system Avrova.[15] Some American media outlets, such as CNN, have described these moves as further signs of the emergence of an "iron curtain of the internet."[16]

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Russia and China: Does Security Tie Them Together?

Together with the intensification of military-to-military contacts and joint exercises,[17] the aforementioned Vostok-2018 war games speak to China and Russia's efforts to enhance strategic trust and establish a tighter institutional framework. While the two sides have significantly influenced each other's strategic cultures in the past,[18] the cooperation reached new heights in the current framework of conflict with the West. A recent example of this is China's consideration of purchasing an upgraded version of the Russian-made Sukhoi Su-27 fighter jets–ignoring US

[14] "Meeting with participants of Second Russian-Chinese Energy Business Forum," *Office of the President of Russia,* 7 June 2019, http://en.kremlin.ru/events/president/news/60706

[15] Aly Song, "China's Huawei to start talks with Russia on using Avrora OS: RIA," *Reuters*, 21 June 2019, https://www.reuters.com/article/us-huawei-tech-usa-russia-idUSKCN1TM0XA

[16] James Griffiths, "A world divided by 5G: Russia's Huawei deal is the latest sign of an emerging internet iron curtain," *CNN*, 7 June 2019, https://edition.cnn.com/2019/06/07/business/huawei-russia-china-splinternet-intl/

[17] Another recent example of joint exercises is the bilateral naval drills "Maritime Cooperation" that Russian and Chinese navies kicked off in April: "International 'Maritime Cooperation' drills kick off in China," *TASS*, 29 April 2019, https://tass.com/defense/1056300

[18] Vasily Kashin, "Russian-Chinese Security Cooperation and Military-to-Military Relations," *ISPI*, 21 December 2018, https://www.ispionline.it/it/pubblicazione/russian-chinese-security-cooperation-and-military-military-relations-21828

sanctions. In early July, Chinese air defense expert Fu Qianshao claimed in the Communist Party's newspaper *The Global Times* that one of the main reasons for the purchase would be political–namely to stress the close links between China and Russia at a time when their relationship with the US is deteriorating.[19]

China is one of the most prominent actors in a region that is very much perceived by Russia as a key part of its legitimate sphere of influence; however, Russia's economic integration initiatives, such as the Eurasian Economic Union, are not as attractive as China's much more dynamic Belt and Road Initiative (BRI). Russia cannot overpower China's growing influence, mainly due to the difficult economic situation Moscow has been facing for some years. In fact, this is the main reason behind Russia increasing its cooperation with China in the Central Asian region.

On that note, Chinese-Russian cooperation has been further strengthening in Central Asia through the Shanghai Cooperation Organization (SCO). The SCO, whose members met in Bishkek, Kyrgyzstan on 13-14 June, reiterated Beijing and Moscow's efforts in fostering greater regional integration based on a sort of "division of labor"– where China is essentially seen as an economic power while Russia remains a security provider. In addition, counterterrorism plays a big role in the security cooperation within the SCO through the Regional Anti-Terrorist Structure (RATS)– whose main mission is to fight the "three evils" of terrorism, separatism, and extremism.[20] Given that both countries still face dangers of separatism and internal terrorism, Russia and China hold a shared view on the nature and implications of terrorist threats –which are essentially seen as a domestic source of danger to national unity.[21]

The cooperation is not only gaining momentum in Central Asia but is also materially invested in the Middle East, where the BRI could become a central component of Syrian President Assad's plans for the reconstruction of Syria.[22] Russia's use of Private Security Companies (PSCs) in Syria establishes an alternative example to Western-led counter-terrorism efforts and Western use of PSCs, an example that China appears to be following to tackle the security issues concerning the BRI's land segment in Central Asia.[23]

[19] "China may consider more Su-35 fighters after Russian new offer: report," *Global Times*, 30 June 2019, http://www.globaltimes.cn/content/1156219.shtml

[20] Z. Mingwen, "Shanghai Cooperation Organization: A New Stage, New Challenges, and A New Journey," *China Institute for International Studies (CIIS)*, August 2018, http://www.ciis.org.cn/english/2018-8/10/content_40456539.htm

[21] A. Ferrari and E. Tafuro Ambrosetti, "Russia and China: Countering the Dominance of the West" in A. Ferrari and E. Tafuro Ambrosetti (ed.), *Russia and China. Anatomy of a Partnership* (Milan: Ledizioni LediPublishing, 2019), *ISPI*, p.28, https://www.ispionline.it/sites/default/files/media/foto/report_russia-china_anatomy-of-a-partnership_1.pdf

[22] John Calabrese, "China and Syria: In War and in Reconstruction," *Middle East Institute,* 9 July 2019, https://www.mei.edu/publications/china-and-syria-war-and-reconstruction

[23] A. Arduino, "Russia and China: An Enhanced Security Cooperation" in A. Ferrari and E. Tafuro Ambrosetti (ed.), *Russia and China. Anatomy of a Partnership* (Milan: Ledizioni LediPublishing, 2019), *ISPI*, p.75, https://www.ispionline.it/sites/default/files/media/foto/report_russia-china_anatomy-of-a-partnership_1.pdf

Where the EU Fits

Contrary to the US, for whom Russia does not represent a major trade partner, Moscow and Brussels are still economically interdependent. Despite the efforts the EU put into getting rid of its energy dependence on Russia, Moscow still represents the main source for gas and oil, respectively covering 40 percent and 30 percent of the total EU-28's demand.[24] Furthermore, most of the crises that the EU faces at its borders require dealing with Russia. The fact that Moscow is finding an increasingly relevant economic, political, and security partner in Beijing isn't good news for Brussels.

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There are several reasons that can explain Russia's pivot towards China, one being the reality that global economic power itself is shifting towards the East. The size of the European economy (at current market prices) was more than six times larger than China's in 2005, but today's China boasts an economy worth 11.4 trillion euros against 15.9 trillion euros for the EU-28 (or 13.5 trillion euros for the EU-27).[25] While the attractiveness of Beijing's economy is certainly a pull factor, economic reasons are not enough to explain the enhanced partnership between China and Russia. The EU should keep two important considerations in mind while approaching present and future challenges that could arise from the Sino-Russia partnership. First, Brussels should look at this increased cooperation holistically and avoid over compartmentalizing it. While it is certainly true that Sino-Russian relations are asymmetrical and that there are areas of potential conflict, Russia and China are indeed demonstrating the political will to come to terms with their divergences −even in those areas where they were previously at odds − at least, in the short-term. Secondly, and strictly related to the previous consideration, as both countries' relations with the West decline, their partnership becomes even stronger. While we cannot call the relationship between Russia and China a mere "marriage of convenience," we can neither ignore the fact that a perceived common threat from the West is only converging that relationship closer.[26]

[24] "From where do we import energy and how dependent are we?" *Eurostat*, 2017, https://ec.europa.eu/eurostat/cache/infographs/energy/bloc-2c.html

[25] "Global Trends to 2030: Challenges and Choices for Europe," *ESPAS*, April 2019, p.3, https://ec.europa.eu/epsc/sites/epsc/files/espas_report2019.pdf

[26] A. Ferrari and E. Tafuro Ambrosetti (2019), p.35.

That being said, the relationship with China certainly isn't risk-free for Russia. Several Russian and European experts and economists remain skeptical about the feasibility of the economic cooperation between China and Russia due to technical difficulties and a lack of prospective economic benefits, and moreover, warn of the dangers of Russia's growing dependence on China. The EU still has heavy economic leverage and political cards to play in order to prevent Moscow from further drifting towards China. This does not mean accommodating all of Moscow's requests in Ukraine or Syria but insisting on facilitating dialogue and engagement beyond the economic sphere. The proposed endeavor is highly controversial, given that for many EU countries ending Brussels' current political isolation of Russia would equal to a sort of appeasement policy on the EU's part. Yet leaving private companies and/or individual EU member states with specific interests being the main – or only – channels of communication with Russia is proving to have unfortunate consequences. Furthermore, efforts to reach out to Russia's civil society should be enhanced as well.

The convergence of Chinese and Russian security interests certainly reduces the EU's chances at engaging with China at a non-economic level. This level of engagement is crucial as the BRI continues to advance, enabling China to evolve into a security provider not only in Central and South Asia but in the MENA region and Western Balkans as well, affecting the EU's ability to project its own values in those regions. In order to promote broader cooperation and avoid potential damages springing from the BRI, the EU could propose that the EU neighbors who are part of the BRI scheme, especially the candidate and potential candidate states, use a code of conduct for Chinese PSCs protecting Chinese BRI investments. That would allow for the implementation of conflict mitigation measures and the promotion of sustainable development – which in turn would have an impact on the growing presence of Russian PSCs along the BRI. Given that a closer security relationship between Brussels and Beijing could be an alternative partnership for China, an enhanced EU-China security cooperation would be in line with US interests as well. In such case, the US could also benefit from an enhanced EU-China security cooperation, as it would give Beijing an alternative before its security ties with Russia develops towards a full-fledged military alliance.