

Sino-Russia Strategic Alignment and Potential Impact of a Trump Presidency

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Rarely has any issue been more polarising than the assessment of Sino-Russia relations in recent years. Analysts and observers are either convinced of another emerging Sino-Russia alliance against the West, or dismissive of any meaningful, sustainable strategic relationship between the two while citing their 'peril of proximity', painful historical record and the strategic distrust. Neither description accurately reflects the nature of Sino-Russia relations under the Xi Jinping administration in China. In the past three years, China and Russia have forged new foundations for a third option- a strategic alignment primarily based upon a shared sense of vulnerability and threat perceptions regarding their external environment. This is largely the result of the heightened confrontation both China and Russia have encountered vis-à-vis the United States due to their assertive foreign policy in the Western Pacific and in East Europe, (especially in Ukraine), respectively. Furthermore, the personality and preferences of the Chinese top leader and the general public have also played an important role in constructing the strategic alignment as well.

The key variable in the Sino-Russia relations is exogenous rather than endogenous, otherwise such strategic alignment would have emerged between the two neighbours long before with or without the changing external environments for both countries. The United States, or the threat perception of the US, has been an indispensable determinant in both countries' calculations regarding their mutual alignment decisions and actions. In this sense, the alignment between Beijing and Moscow is critically subject to the changes to, and impacts by, their evolving relations with the United States. President-Elect Trump has vowed to improve relations with Russia and indicated his willingness to negotiate with China. While the fundamental differences and the persisting structural issues between the US and the two countries are unlikely to be fundamentally changed by one president, the potential impact of the Trump presidency over Sino-Russia alignment should not be underestimated.

'The best stage of Sino-Russia relations' in the Chinese perception

Generally speaking, from the Chinese perspective, Sino-Russia relationship is currently at its best stage in the recent history, and this positive trajectory has strengthened since Xi Jinping assumed power in 2013. There is a shared sense of strategic

vulnerability between Beijing and Moscow about their positions vis-à-vis the West, especially the US. In the case of China, the American rebalancing to Asia strategy is regarded at best as a denial of China's strategic space and access to the western Pacific, and at worst an attempt to contain China. In the case of Russia, President Vladimir Putin believes that his country's great power status and ambitions are obstructed by the West and he is keen on reasserting Russia's national interests on issues such as the Ukraine crisis and the ongoing Syrian conflict. In terms of domestic politics, among all powers, Russia and China have the most similar authoritarian ideology. Both insist on their own political systems and economic development paths. Both reject Western 'colour revolutions' and military interventions. This shared sense of strategic vulnerability and disadvantage is the most solid foundation that has brought Beijing and Moscow to the same page.

The strategic alignment has manifested itself in many fronts. On the bilateral level, senior-level visits have soared in the past three years, demonstrating a strong sense of mutual support for each other between the top leaders. Xi Jinping and Putin have met with each other in numerous bilateral settings and multilateral venues in which the two countries have membership, such as the BRICS, the Shanghai Cooperation Organization and the G20. In fact, they probably have met each other more often than with any other foreign leaders in the past three and half years. They have supported each other on key strategic issues. For example, China sees Russia as perhaps the most meaningful supporter of Beijing's position on the South China Sea when Beijing was faced with major legal and political difficulties in light of the 12 July ruling by the Permanent Court of Arbitration. Putin's visit of China two weeks before the ruling, and his cooperation commitment on security and political affairs, were perceived both as timely and what China desperately needed. After the ruling, Russia supported China's position and participated in a joint military exercise in the South China Sea in early September. Among all the 70+ countries that have stated their support for China's position, Russia's contribution is seen as the most significant and substantive.¹

1 'Chinese and Russian Warships Flexing Muscles, Indicating A Key Shift in the South China Sea,' [中俄军舰联手秀肌肉, 南海局势现重大转折], Phoenix TV, July 15, 2016, <http://v.ifeng.com/shendianping/special/m/28/index.shtml>.

Beijing has contributed its fair share to the strategic mutual support as well. Legally and politically, China was not completely comfortable with Russia's actions in the Ukraine crisis, nor its annexation of the Crimea. Both set dangerous precedents for the foreign intervention and separatist movements in China's Xinjiang and Tibet.² However, Beijing has refrained from directly censuring Moscow or joining the Western sanctions against Russia. Instead, it excused Russia's bold actions by citing complicated historical factors in Ukraine and Crimea. On Syria, China and Russia have jointly cast four vetoes against draft resolutions on Syria initiated by the West. In the fall of 2016, China even supported a Russia-proposed draft resolution on the Syria crisis.³

There is a question as for whether China and Russia will become so close that they will form an anti-US or anti-Western alliance, like they did in the early years of the Cold War. The possibility of an alliance scenario is insignificant, although there are people in China who see the current state of the bilateral relations as a quasi-alliance.⁴ The senior leaders in both countries enjoy the strategic posturing and political support they can draw from each other, but without the obligation to, and liability for, a formal ally. Also, their early experience as allies during the Cold War attests to the theory that in an alliance, China and Russia could not escape the competition for dominance. In this sense, the Chinese has learned not only the perils of proximity, but also the dangers of an alliance with Russia. Their previous alliance experience has damaged both countries' confidence in the wisdom and feasibility of a similar arrangement today. That does not mean, however, that China and Russia will not align political positions on issues of common interest, only short of direct military mutual defense. Such an alignment will enhance the security and economic interests of both China and Russia, and it is seen as beneficial to balance Western dominance in the current international system.⁵ A China and Russia that align positions against the West, while maintaining a safe distance from each other, would be more effective than an alliance.

On the leadership level, Xi's personal preferences have played an important role in China's strategic alignment with Russia. Xi's revolutionary family background and the pro-Soviet education he received in the early years have instilled a strong sense of affinity and admiration for Russia. In his decision-making, he is said to have been more prone to positive and supportive assessment of Russia's strength rather than a pessimistic and critical view of Russia's economic and political future. China's domestic public opinions also reinforce Xi's propensity to align with Russia. Despite all his problems, Putin has been a highly popular political figure in China, catering to the Chinese people's aspiration for a strong leader after having 'kept a low profile' since the beginning of the reform and opening up. Many nationalistic Chinese admire Putin's courage and ability to make difficult decisions, to wage wars and to stand

up against the US without making compromises, which they believe China consistently has. Perhaps even subconsciously, they compare the Chinese leaders to Putin and lament that Beijing's conciliatory foreign policy posture in the past decades.⁶ This public support of Putin in China significantly augmented Beijing's tendency to strengthen ties with Russia.

China and Russia: A Transactional Relationship?

There is a strong transactional component to the Sino-Russia relations today, where the Chinese believe that Russia depends on China economically and China needs Russia strategically. The case of arms sales is particularly revealing in this aspect. Traditionally, Russia has been reluctant to sell China its most advanced weapon systems. For quite a few years since 2006, India, rather than China, was the largest buyer of Russian arms.⁷ There are multiple reasons for this, but the most important one has been the Chinese copycatting Russian weapons and encroaching on the Russian market share given the Chinese products' cheaper price.⁸ Yet, since 2013, Russia has made two most significant and historically unprecedented arms sales to China: Su-35 fighter jets and S-400 missile systems.⁹ Beijing believes these sales were made possible not just because the Chinese offered good price for the weapons themselves, but rather the economic deals that the Chinese had agreed to along the arms negotiations. Some of the largest ones include the US\$400 billion energy agreement and the 150 billion RMB currency swap deal signed in 2014 and the forty billion RMB loan China will provide for a high-speed railway between Moscow and Kazan.¹⁰

The Ukraine crisis, and Russia's annexation of Crimea, provided additional momentum for close ties. For China, the crisis forced the US to refocus some of its attention on Europe from its rebalancing to Asia. Beijing enjoyed more leverage within the bilateral relations as Russia's vulnerability and isolation exacerbated. In addition to strengthening China's hand in energy negotiations, Moscow is now more willing to cooperate in sectors that were previously restricted for China, such as the asset ownership in Russian energy sectors. For example, during Putin's state visit to China in June, the two sides confirmed the progress made on the Eastern route of the Sino-Russia gas pipeline, which is expected to become operational in 2018.¹¹ Russia's largest crude oil producer Rosneft reached several deals with Chinese companies, including signing off 20% of its Verkhnechonsk unit to Beijing enterprises and 40% stake of its Eastern Petrochemical to ChemChina.¹² China and Russia also signed the intellectual property rights agreements on aerospace and aviation cooperation, the biggest obstacle to the sales of RD-180 rocket engines.¹³

2 Ted Carpenter, 'Beijing's Nervous Ambivalence about Crimea,' *China-US Focus*, March 31, 2014, <http://www.chinausfocus.com/foreign-policy/beijings-nervous-ambivalence-about-crimea/>.
 3 "Russia Vetoes UN Resolution on Syrian, China Abstained." [俄否决联合国涉叙决议草案 中国投弃权票], *CanKaoXiaoXi*, October 9, 2016, <http://www.cankaoxiaoxi.com/world/20161009/1334298.shtml>.
 4 Interviews with Chinese scholars, Beijing, October 2016.
 5 "Fu Ying on Sino-Russia Relations: Partners or Allies." [傅莹谈中俄关系: 是伙伴还是盟友], *Guangming Daily*, December 23, 2015, http://epaper.gmw.cn/gmrb/html/2015-12/23/nw.D110000gmrB_20151223_2-16.htm

6 "Which Chinese Are Worshiping Putin?" [哪些中国人在崇拜普京], *Tiexue BBS*, http://bbs.tiexue.net/post_8637431_1.html.
 7 'India Tops List of Russian Arms Buyers in 2014,' *Sputnik News*, March 27, 2015, <https://sputniknews.com/business/201503271020094241/>.
 8 'Russia Cautious about Arms Sales to China and Never Sells Its Best Weapons,' [俄对华军售很谨慎 从不把最好武器卖给中国], *Global Times*, February 2, 2015, <http://mil.huanqiu.com/observation/2015-02/5570817.html>.
 9 "Russia Plans to Sell China S-400 Missile System, Another Concession to China on Arms Sales," [俄拟售中国S-400导弹 对华军售再做让步], *Global Times*, June 27, 2013, <http://mil.huanqiu.com/observation/2013-06/4067719.html>.
 10 "Russian Scheme: Refusing To Sell S-400 to China After Getting \$40 billion loan," [俄罗斯的骗局: 400亿贷款到手后拒售中国S-400], *Sohu Military*, June 6, 2016, <http://mt.sohu.com/20160606/n453247357.shtml>.
 11 "Putin To Sign Multiple Cooperation Documents on Highspeed Railway and Natural Gas," [普京访华将签署高铁、天然气等多个合作文件], *Global Times*, June 21, 2016.
 12 Wang Xinxin, 'During Putin's Visit, Rosneft Sells 20% Equity of Its Subsidiary to Beijing Group,' [普京访华之际, 俄油向北京控股集团出售子公司20%股权], *The Paper*, June 26, 2016, http://www.thepaper.cn/newsDetail_forward_1489371.
 13 'Russia, China To Sign Rocket Technology IPR Agreement,' [俄中两国将签署火箭技术知识产权协议], *Tencent Space*, June 21, 2016, <http://tech.qq.com/a/20160621/020809.htm>.

Finally, Beijing believes that the new regional and bilateral dynamics have made Moscow more open-minded and accept China's Silk Road Economic Belt across Central Asia. China well-understands that in the early days of the initiative, Moscow had its suspicions and concerns about an initiative in its traditional sphere of influence. Nevertheless, Russia seems to have expressed favourable reception of the initiative by Central Asian countries and is now interested in exploring the benefits for Russia in the infrastructure development China could provide. China's Silk Road Fund and China Development Bank have committed some financing for the Moscow-Kazan high-speed railway. If successful, it might mark the beginning of a new page on Sino-Russia infrastructure cooperation. The other consideration of Russia is to connect and integrate the Belt and Road initiative with the new Eurasian Economic Union to prevent exclusivity.

A major weakness of Sino-Russia relations lies with economic relations, which are fragile, unbalanced and lag behind the political ties. While China is Russia's second largest export destination and the largest import supplier, bilateral trade with Russia only makes about 2% of China's total foreign trade.¹⁴ Last year, the bilateral trade dropped by 22.4%.¹⁵ The downfall of natural resource prices, the depreciation of Russian currency and China's economic slowdown all contributed to the downturn. However, in the long run, how to diversify their trade structure and enhance intra-industry trade is a question that both Beijing and Moscow have to answer.

It will be interesting to see where this bilateral relationship evolves. Without major disruption, China will make nice with Russia, using its economic advantage and Russia's strategic disadvantage to maximize gains in the areas such as the strategic balance of power, economic cooperation, and on issues Russia previously was unwilling to collaborate, such as arms sales and ownerships in Russian energy assets. On political and security issues, China and Russia will continue to support or echo each other's position without overt joint military actions. However, a key question is whether this relationship and cooperative momentum could endure a shift in their external relations, especially the potentially positive development of their relations with the United States.

Sino-Russia Relations and the Trump Administration

Within the broad framework of Sino-Russia relations, an exogenous factor plays a key determining role. That is the structure and balance of power of the international system. Where and how China and Russia fit in the system respectively, and whether they identify the external environment is friendly or hostile, greatly shapes their perceptions of each other's utility and determines their alignment choices. Historically, the US-China rapprochement in the 1970s was made possible and necessary by Beijing's judgment that in the bipolar system of the cold war, an alignment with US would diffuse or at the minimum dilute the security threat by Russia from the north. Yet today, when China and Russia both perceive US as the largest strategic threat to their national interests, it

is the exogenous US factor that has brought along the alignment between Beijing and Moscow. Endogenous factors also influence the scope and depth of their cooperation, such as the mutual complementarity of their economies and defence needs, as well as the Chinese admiration of Putin. However, in the case of Sino-Russia relations, they are constrained by the bigger, strategic structural factors between the two countries.

The heightened alignment between China and Russia since 2013 attests to this theory. In the aftermath of the Ukraine crisis, Russia has been faced with exacerbating international isolation, Western sanctions and domestic economic difficulties. At the same time, China under Xi has been flexing its muscles and pursuing an assertive foreign policy, confronting the American presence and alliance system, especially in the West Pacific. The shared perception of US as their biggest threat to their national interests and foreign policy agenda is both the necessary and sufficient condition to bring China and Russia together. In other words, the strategic, political and economic benefits of cooperation have always existed, yet such benefits alone are not adequate to offset the negative factors in the bilateral relations. China and Russia need a common enemy to work together. Like some Chinese analysts pointed out: 'Sino-Russia relations could endure hardships, but cannot survive the fair weather.'

The trend of alignment between China and Russia potentially faces some important uncertainties due to the changes to their external environment. The 2016 US presidential election resulted in a rather unexpected presidency under the Republican candidate Donald Trump. While Trump's policies toward China and Russia remain unclear at this stage, some key developments seem to indicate that US will be seeking major changes on both fronts. President-elect Trump is famous for his favourable feelings toward Russian president Putin. During the campaign, he had praised Putin's strong leadership and promised to improve relations upon being elected. Their first phone calls after Trump's victory was said to be 'warm', according to the Kremlin, and both sides agreed that US-Russia relations were 'absolutely unsatisfactory'. This forms a sharp contrast to President Obama's strenuous relationship with Putin, especially after the Ukraine crisis and given the US-Russia clash over Syria's civil war. With the victory of Trump, Washington and Moscow could likely start over with a clean slate. Indeed, if Trump and Putin could agree on the priority of fighting terrorism and extremism in Syria over the current disagreements about Assad and his political future, there is a possibility that US and Russia could move beyond their differences and reset their relations.

The same possibility of improving ties might also exist for China. Beijing has favored Trump over Clinton during the presidential campaign. Other than a natural tendency to identify with the pragmatism of the Republican Party, the Chinese see Trump as a shrewd business elite who prioritizes transactions over principles and negotiations over use of force.¹⁶ More importantly, Trump's isolationist propensity, his trade protectionism, the opposition to the Trans-Pacific Partnership and the desire to prioritize burden-sharing over alliance commitment all increasingly suggest a retracting US posture in Asia, or a retrenchment strategy under the Trump presidency. China

14 'Distribution of Chinese Exports in 2014 by Trade Partner,' *The Statistics Portal*, <http://www.statista.com/statistics/270326/main-export-partners-for-china/>.

15 'Sino-Russia Trade Drops \$20 billion in 2015,' [2015年中俄贸易额下滑近200亿美元], *Ministry of Commerce of China*, March 3, 2016, <http://finance.sina.com.cn/roll/2016-03-03/doc-ixpzzhk2052711.shtml>.

16 'Why Some Chinese Like Trump,' *Xinhua News Agency*, March 30, 2016, http://news.xinhuanet.com/english/2016-03/30/c_135237783.htm.

had been anticipating the continued US rebalancing to Asia under the Clinton Administration and a heightened effort by her government to suppress China's space and sphere of influence in the Asia Pacific region. Under the Trump Administration, these concerns have been almost immediately alleviated. China might need to prepare for a different set of problems and challenges in dealing with President Trump. However, the belief that President Trump will ease pursuit of American global supremacy and work with China and Russia on key security issues allude to a potentially positive and desirable trajectory of American foreign policy that will be in China's favour.

However, the potential good news for both China and Russia individually may not translate into good news for Sino-Russia relations collectively. The logic is simple: if Russia could improve its relations with US and remove some of the key sanctions that have severely damaged the Russian economy, Russia will have many more options in terms of partners, energy buyers and investors to choose from rather than an imposed reliance on China. If Russia's strategic, political and economic need for China diminishes, its willingness to work with China on security cooperation, arms sales, foreign policy coordination will decrease accordingly.

On the other hand, although China might improve its relations with the US, in the Chinese assessment, the competition between US and China is embedded in the structure of the international system between a presumably revisionist rising China and an established status quo power- the US. In other words, the conflict between Russia and US is about the American military alliance inching into Russian's traditional sphere of influence. However, the conflict between China and the US is about the rising China claiming its 'deserved' space by changing or reforming the existing international order, including the American dominance. Given that Russia and China are on different end of the defensive-offensive equation vis-à-vis the US, the consequences and impacts of a US retrenchment strategy is also largely different. Moscow might be pleased to find peace with a conciliatory, inward-looking US but China might have higher ambitions and Trump could only delay, rather than eliminate a US-China confrontation. The different nature of security challenges faced by China and Russia in terms of US determines the

variation of their long-term security concern related to the US.

This means that in the event of a retrenchment strategy under Trump, China will be likely to exploit the perceived weakening of the US, pushing the envelope assertively and cutting deals when US pushes back. Trump could 'reset' relations with Russia, but he can hardly do the same with China as China's challenge is more acute and systematic. Under the circumstances, China's strategic demand for Russia's support is likely to continue, or even increase. Yet, Russia's need for China will diminish significantly the moment the US eases its pressure on Moscow. The diverging trends will undermine China's position in its relations with Russia and damage the existing and future cooperation between the two, especially in the security front.

Indeed, according to the Chinese, since Trump's victory in early November, Russia's tone toward China has undergone noticeable changes. One such adjustment widely cited in the Chinese media was a denial in mid-November by a retired Russia general that the sales agreement for Su-35 fighter jets had yet to be finalized even though in principle, Russia agreed to the sales as long as its intellectual property rights were protected.¹⁷ For Beijing, this subtle change of tone signifies a profound and keen tendency of Russia to backpedal on its previous commitment to China now its relations with US stands to improve. More importantly, the Chinese are worried that Russia might use its arms trade with China as leverage in dealing with Washington.¹⁸

In brief, China and Russia have forged a highly beneficial strategic alignment in the past several years. The relationship is determined primarily by their shared judgement about their hostile external environment and has been strengthened by the positive feelings the Chinese leaders and general public bear toward Russia. Since the alignment is motivated primarily by exogenous factors, its sustainability will also depend on the same external variables. As Trump begins his presidency and changes US policy toward Russia, China may find the cost to maintain the existing momentum with Russia significantly higher than before, if such maintenance is at all still attainable.

17 "Russia Changes Mind on Arms Sales to China, Forcing China to React," [俄售华武器变卦 逼中国出招], *Sina Military Channel*, November 23, 2016, <http://mil.news.sina.com.cn/jssd/2016-11-23/doc-iffxwrwh4988417.shtml>.
18 *Ibid.*

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