The “Great Game”: Russia and China in Central Asia

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Introduction

Russia and China are the two largest and the most prominent powers in Asia in terms of their size, population, and military strength. Their relationship has become more vital and closer in the political arena in the past few decades. Their partnership is perceived by the United States and Western countries through mutual opportunities and vulnerabilities against Western pressure. Russian and Chinese leaders and officials have reached a historic high relationship in the light of all these tensions. Since the collapse of Russia’s relationship with the West over the Skripal Case and following diplomatic crisis and US sanctions, Moscow has emphasized the shift of its political and economic priorities to Asia. China has invested heavily in oil and gas resources in Kyrgyzstan, Kazakhstan, Tajikistan, Turkmenistan, and Uzbekistan. Thus bringing China and Russia holding the same regional interests. Above that, the growing isolation from the West has made the Sino-Russian strategic partnership a growing reality. The rise of a more politically and militarily assertive Russia and an economically predominant China may be represented as the two principal forces challenging the United States in the global world order. This mutual agreement is based on dissatisfaction with a US-led world.

China and Russia historically formed their alliances considering strategic interests; however, this paper will demonstrate that the alliance between these two powers is not grounded on a safe long-term vision of the “new” world order. Their alliance holds the potential to incite a historical shift in terms of the global economic structure and bring change to the balance of power in the Asia-Pacific. It is salient to note the nuances that bring these two countries together strategically go beyond a simplistic impression that they share a visionary common ground for the world order.

Both states deem one another to be a source for the balance of power in their common rivalry against the United States. The current international climate, that has witnessed evolving international alliances, has given China the opportunity to exploit a new resource market, such as in Africa, while for Russia it has opened a window to reclaim authority in their traditional sphere of influence, as the wars in Georgia and Ukraine have clear illustrated (Sacrieru & Popsecu, 2018). All these nuances that give context to the debated nature of the alliance will be discussed in this paper in order to show how conditioned and strategic is this political friendship.

China’s move to capture the region’s energy resources are taking place right in Russia’s backyard. Therefore, it is imperative to bear in mind that both sides are competing for influence in the region with their respective regional integration projects and there is an ongoing rivalry to retain political and economic power in the Central Asian sphere- making them, one the one hand, regional competitors against each other. The Chinese-Russian relationship is complicated, with lingering mistrust on both sides. Even though it seems that Russia and China will have long-term strategic relations, considering their historical context of their regional influence, this may once again transform into rivalry. This paper will argue that, in spite of apparent mutual dependency, the development of true strategic partnership is rather unlikely due to the fierce competition in the energy market and regional influence. Strategic common interests in conjunction with the conditional nature of the relationship between these will contribute to the shape of the global order.
Historical Background of the Sino-Soviet Relationship

The most prominent feature that has historically shaped the Sino-Russian relationship is heavily affected by the relatively complicated geopolitics of two countries: Russia and China have obvious common grounds of history, post-Soviet culture, geography and socio-politics. These countries are driven by a growing feeling of entitlement to become a great power along with military and economic fear.

The October Bolshevik Revolution of 1917 had a great and prolonged influence on Chinese-Russian relations. The coup against the Tsarist regime led to a civil war between the Bolshevik Red Army and the anti-communist White forces. With the establishment of the Soviet Union in Russia and the Chinese Communist Party (CCP) —based upon Bolshevik ideas, the relationship and strategic perspective grew gradually. Moscow sent many prominent communists and military and political advisers to China early in the 1920s with the aim of helping China’s nascent revolutionary movement secure victory.

With the establishment of the CCP, the party became the main dominant factor and policy-making body in the political life of China. In the two decades, with the establishment of Eastern and Western poles and commencement of Cold War, USSR became China’s strongest international supporter in its war against a US led Western world.

With the Sino-Soviet split of 1961, China and Russia became rivals competing for the worldwide Communist movement. The Sino-Soviet rupture resulted in a decade and a half of strained relations. The period of difficult relations culminated in serious border clashes in 1969, which lead to explore and change alignments and strategic cooperation.

There are a variety of reasons for the split such as: personality conflicts among leaders, ideological debates, pursuit of national interest and etc. However, Gavrilovic (2017) argues that “ideological disagreements, conflictive issues over sovereignty and national security, economic dispute, or the personality clash between Mao and Khrushchev could prove the most relevant” (Gavrilovic, 2017, 30). Scholars believe that Chinese and Soviet leaders’ domestic and diplomatic agendas were driven by ideological concerns and thus they could not easily retreat and betray their political thoughts.

Although both sides have historic and economic alliances in the area, military buildup and common interests can be interpreted as an aggressive power play. This military buildup in the region is the legacy of Sino-Russian tensions and Cold War military strategy.
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Sino-Russian Energy Relations

Russia and China strengthening cooperation is significantly predicated upon Russia’s energy wealth. Sino-Russian energy cooperation holds a long-term, strategic and important component of Sino-Russian relations between two countries. Russia’s growing energy cooperation with China is central to several of Moscow’s top foreign policy objectives.

From 2005 to 2016, Russian and Chinese companies signed several major oil and gas agreements, a period in which Moscow reassessed China as future energy consumption and lifted bilateral cooperation to a new level. For Russia, the shift eastwards has a number of strategic components, based both on economic and political calculations. The Chinese economy continues to develop at a rapid pace, with ever-increasing energy needs.

Russia is China’s fifth-largest foreign oil supplier (Pan, 2006). Exporting crude oil worth US$23.7 billion to China in 2017, Russia became China’s single largest crude oil supplier (Workman, 2018). Russia remained the top crude oil supplier to China in January 2018, beginning the year on a strong note after the start-up of an expanded trans-Siberia pipeline (‘Russia,’ 2018). Two countries signed an agreement between state-owned conglomerates, Rosneft and China National Petroleum Corporation (CNPC) (‘Rosneft,’ 2018). Under an agreement signed between Russian state-owned Rosneft and the China National Petroleum Corporation (CNPC), the CNPC will have an opportunity become a minority share-holder in the major oil and gas projects of Rosneft.

Russia also has opened its doors to Chinese investment with the sale of a share in a state oil company Rosneft (Lelyveld, 2017). Offering this energy cooperation, Russia seeks political and economic diversity and tries to remove some of the threat of isolation, which is apparent in its current relations with the West.

Russia also claims one of the largest natural gas reserves in the world. In 2015, China’s natural gas imports amounted to 621 million cubic meters, with imports from Russia reaching about 61 billion cubic meters (Xuefeng & Melebayev, 2017). YAMAL LNG is one of the integrated projects encompassing natural gas production, liquefaction and shipping located in Sabetta at the northeast of the Yamal Peninsula, Russia. In July 2018, Russian natural gas producer Novatek delivered the first ever liquefied natural gas (LNG) cargo to China via the Northern Sea Route (NSR) alongside the Arctic coast (‘Russia’s Novatek,’ 2018). China’s National Energy Administration stated that China National Petroleum Corp (CNPC) would start lifting at least 3 million tons of LNG from Yamal starting in 2019.

China and Russia have deepened their strategic partnership through energy agreements and economic development in Central Asia though the Belt and Road Initiative. Although Russian-Chinese energy cooperation is promising, there is also a growing mutual distrust that could potentially limit future cooperation. China is eager to increase energy relations with Russian companies, but Beijing also wants to ensure that it does not become overly dependent on one supplier.

One factor underlying potential mutual distrust is China’s rapidly growing political power, which may disrupt the status quo of the region. Russia knows it cannot compete with Chinese economic growth, and therefore may seek to balance its geopolitical aspirations against becoming China’s energy source. Therefore, Russia seeks to secure its power by controlling the flow of oil and gas to East Asia (Bergsager, 2012).

As Henrik Bergsager argues, the price formula is one of the issues that creates mistrust between these two countries. He states that China wants to buy Russian natural resources on a price formula based on its domestic coal prices, while Russia is willing to sell its resources at a price equal to its export price to Europe. Therefore, there are still some debates on the nature of the Chinese-Russian partnership and on crucial differences that may cause friction between the two countries.
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One of the main fundamental factors of the China-Russia relationship within the contemporary context is their respective relationships with the United States. Mutual alienation between the United States and Russia has pushed China and Russia closer to each other. The US- Russia/ US-China dynamic is the most important factor shaping the China- Russia’s mutual “dependent” confrontation. Visibly in their political and economic structures, the shift is grounded in a growing divergence between Russia and the USA and an emerging convergence between Russia and China (Flikke & Wilhelmsen, 2008, 3).

This convergence is visible in institutional cooperation, which facilitates cooperation between these countries and Central Asian states. Their shared opposition as a reactionary act against Western sphere pushed forward to Shanghai Cooperation Organisation (SCO), created in 2001 by Russia, China and the post-Soviet Central Asian countries—representing the counterbalance to NATO and a major building block of an “alternative non-Western block” (Makocki & Popescu, 2016, 12).

Since the imposition of sanctions on Russia over the annexation of Crimea by U.S and Europe, Moscow has emphasized the shift of its political and economic priorities to Asia by increasing energy diversification policies. Russia wants to have a greater flexibility in energy trade and diversify its energy exports. Sharing 4,200 kilometer (km) border with China, geopolitical proximity made it even easier for Russia. The sanctions imposed on Russia from the West as well as the trade tensions between China and the U.S may provide even more room for cooperation between China and Russia. President Trump’s 2016 elections and the alleged Russian meddling in the campaign appear to be exacerbating the already troubled relations with the United States. International sanctions have heightened tensions between both countries, targeting Putin’s innermost circle of supporters and leaving negative economic effects of Russian businesspersons on foreign investment. In Britain, Prime Minister Theresa May accused Putin’s administration over its alleged role in the poisoning of former Russian spy Sergei Skripal and his daughter Yulia, in Salisbury, U.K., on March 4, 2018 - which intensified the war of words between the two countries. Russia, in turn, accused Britain of igniting a new Cold War. These developments and reactionary changes to the Eastern bloc reinforce the argument that a revisionist, anti-Western bloc has emerged, regardless of the absence of any formal political-military alliance between Moscow and Beijing (Kaczmarski, 2016).

While on the other hand, China and U.S relations are rapidly deteriorating over the deepening trade war with each other. China becoming more assertive, pursuing its geopolitical “Belt and Road” initiative, which is not as innocent as of an only economic project, but more of a geo-economic device to increase is access and influence around the region and to project naval power in the South China Sea. The U.S and China are two of the dominant economies in the world today, which brings the rivalry beyond just trade, to a more global security issue. With a rapid rise of China’s power, global financial rivalry brought this relationship under the spotlight of international attention.

The Kremlin perceives the U.S primarily through an antagonistic and adversarial lens, which consequently drives Russia closer to China. Their shared interest in regional stability and in keeping US influence out of the area has led the two countries to develop a largely cooperative attitude towards one another. Both China and Russia have economic and security interests in the region, which might challenge US interests especially in terms of a US-centric world order.

Sino-Russian relations increasingly undermine US interests making their “axis of convenience” even stronger (Sutter, 2018). These two countries present a unified challenge to the West’s domination of the international order, and represent an important strategic concern for U.S. While the Chinese-Russian strategic partnership is substantive and productive, it is based on both dissatisfaction with a US-led world order and very practical considerations of their mutual desire to serve as a useful counterbalance to weaken US power (Bolt, 2014).
The partnership between two countries is motivated by shared geopolitical interests and common objections to the contemporary world order. Both countries are willing to eradicate what they have seen as U.S hegemony, aiming to obstruct and block a multipolar world system. By strengthening their economic and political relations based on series of strategic partnerships, both countries have even more incorporated certain historical and cultural core principles into their partnership.

Since the collapse of the USSR in 1991, energy relations between China and Russia have been generally marked by the cooperation and a convergence of geopolitical interests. One significant area of convergence is energy. China continues to possess one of the fastest-growing economies in the world requiring ever-increasing energy inputs. The Russian economy, on the other hand, is largely driven by the export of energy resources.

Following two partnership agreements in 1994 and 1996 and a Treaty of Friendship and Cooperation in 2001, the 2012 comprehensive strategic partnership of cooperation (the 2012 Strategic Partnership), underlined the principles of mutual benefit, mutual trust, and equality in addition to setting specific economic targets in China-Russia bilateral relations (Savic, 2018).

Propelled by the close personal relationship between Xi Jinping and Vladimir Putin and their shared multipolar worldview, China and Russia have deepened their strategic partnership through energy agreements, joint military exercises, and economic development in Central Asia through the Belt and Road Initiative (Yujun & Trenin, 2018).

The Eurasian instability and political influence, geographically and historically comprehends Eastern Europe, Caucasus and Central Asia—including Ukraine. Geopolitical changes and complexities in Russia also reflect on the Chinese economic stability and security interests.

Russia publicly declared to pursue the establishment of a new kind of union from former Soviet Republics and reorganized its foreign and domestic policy in order to maximize Russia’s dominance in the region. The Russo-Georgian war in 2008 over power disputes; the April 2010 coup in Kyrgyzstan — which made getting the Russian loyalty influence back; the Ukraine war and Crimean annexation that we can sum few as Russia's strong political and military influence over the region.

Vladimir Putin called the collapse of the USSR in 1991 the ‘disaster of the century’, aiming to bring up the idea to build strong economic ties with post-Soviet countries and deepen common cultural, political, economic, security “integration”. With an assertive move by Ukraine annexation, Putin once more proved that Moscow could destabilize and dominate the area politically and militarily by showing explicitly Russia's willingness to hold its influence even stronger over former-Soviet territories. This alerted China on its own awareness of its borders and political influence in Central Asia, not to cause a potential clash with the Russian government.

The Russian-Chinese relationship has come under greater scrutiny since the annexation of Crimea and
Russia’s intervention in Ukraine. Since its invasion of Crimea in 2014, Russia has proven to be one of the most influential game-changers in the region. Russian President Vladimir Putin’s focus to regain influence in the post-Soviet space noticeably changed after the Ukrainian and Georgian wars. Previously, Russia was mainly a security provider, but by increasing bilateral offers of military assistance, it stepped up its focus on Central Asia as a region of strategic security importance. This requisite to hold security influence in Central Asia gradually turned into a reinvigorated assertiveness toward the West, as concerns about the successful implementation of the EU’s Deep and Comprehensive Free Trade Area drifted Ukraine into the EU’s orbit. Before the Ukraine crisis, this pivot to Asia had more to do with Moscow’s assessment that Asia would be the major source of future economic growth (Mankoff, 2015).

China remained pragmatic after the Crimean annexation and decided that cooperation with Russia was more important than maintaining significant ties with Ukraine. China used the chance to make deals with a Russia isolated from the West, and imported weapons—further providing benefits to the growing Chinese economy. Their growing engagement since the events in Ukraine in 2014 has revolved around the sale of military equipment, Russian oil sales to China, and increased Chinese financing for Russia amidst Western sanctions (Gokan, 2018).

By maintaining a reasonably favorable posture of neutrality on military actions in Ukraine, later however posed diplomatic dilemmas for China. According to Bolt (2014):

The relationship is not grounded in a shared long-term positive vision of world order, and the conditions that have given rise to the partnership will also limit it and perhaps even erode it in the long term, as seen in disagreements over energy, weapons sales, and Russia’s annexation of Crimea. (Bolt, 2014, pp. 48)

After Russia’s rift with the West over Ukraine, isolation in the world agenda seemed to make two countries even closer. However, their relationship is going through the historic insecurity and mistrust that only deepens as the imbalance between Moscow and Beijing grows gradually.

**Central Asia and the Silent Battle**

Military and economic alliance is only what we see above the surface, while below the surface there is serious geopolitical rivalry. Central Asia comprises relatively weak states with small populations, however, there are significant energy reserves strategically situated between China and Russia. Central Asia is where Russia and China most clearly have had a common interest in countering U.S influence and where increasing Russian-Chinese convergence of interests has been similarly seen in Central Asian regimes (Flikke and Wilhelmsen, 2008, pp4). Both seek to limit the presence of the West, particularly any US activity in their respective spheres of influence, namely Eastern Europe, Central Asia and the Caucasus. Therefore, the dynamic of clash of interests is seen in Central Asia, where the Chinese economic, political and soft power is shifting into the geopolitical landscape. While on the other hand, Moscow is unable to compete due to its own economic problems and Western sanctions.

Central Asia is also in many ways the easiest arena for China and Russia to cooperate in. The most important economic exchange between Russia and China in the region is shaped by energy trade agreements. However, creating the necessary energy infrastructure and reaching concrete agreements on energy supplies and pricing has not gone smoothly. Exacerbated by infighting among Russian energy companies and mutual mistrust and misunderstanding between China and Russia gradually increased tensions (Bolt, 2014, 53).

In 2000, China’s overall trade with the region was just $1 billion. However after 2013, when Xi Jinping announced the launch of the One Belt One Road Initiative, Chinese trade with the five Central Asia states increased to $30 billion (World Integrated Trade Solution, 2018).
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Despite all the talk about a new ‘great game’ between Russia and Europe in Eurasia, it was China — not the West — that broke Russia’s monopoly over Central Asia’s oil and gas exports. China’s economic and political power continues to grow with the Belt and Road Initiative (BRI). President Xi Jinping aimed for a vast vision to build transportation infrastructure across Eurasia to support his country’s export flows (Stronski, 2018).

Rivalry Over Central Asia:
One Belt One Road Initiative vs Eurasian Economic Forum

The Western perception of Russia and China’s policies neglect important nuances of the Russian-Chinese relationship and ignores main differences. These two rival states have different approaches to the current international order. The power dynamic between the two countries is becoming increasingly asymmetric, which may cause friction moving forward. Russian concerns about China’s plans in Central Asia were similar to its worries about securing Ukraine into its sphere of influence, spurred mainly by the announcement of the One Belt One Road Initiative. Historical events suggest that the nature of the relationship is sensitive, conditional and strategic. The Chinese President, Xi Jinping, announced the launch of the Silk Road Economic Belt at Nazarbayev University in Astana during his visit to Kazakhstan in September 2013. The fact that Xi gave his Silk Road speech in Astana, the capital of Kazakhstan, made Moscow even more uncomfortable, as Kazakhstan is considered the most prominent and most prosperous country in Central Asia, which shares a long border with Russia and is viewed by Moscow as a key ally.

The Chinese initiative would encompass 70 per cent of the world’s population and has been promptly placed among the top priorities of Beijing’s foreign policy. Moscow initially reacted with alarm and apprehension. Its immediate response has come through the Eurasian Economic Union (EEU), an integration project with Russia at the centre and covering a large part of the post-Soviet space. Originally, Russia established a Moscow-centered Eurasian Customs Union in 2010, which was later upgraded in May 2014 to the Eurasian Economic Forum. The EEU comprises members such as Russia, Belarus, Kazakhstan and Armenia, with Kyrgyzstan set to join from 1 May 2015, with the possible additions of Tajikistan and Turkey. The objective of the EEU, argued by Chris Devonshire-Ellis (2015), is to establish a bloc of ex-Soviet states — the Eastern European and Central Asian version of the European Union — to create a single market for goods and services among members. However, it is imperative to bear in mind that the EEU could serve as a potential threat to Sino-Central Asian economic ties (Hongzhou, 2015, 8).

These two projects spring from very different motives: EEU is Russia’s most significant attempt to convene former Soviet states around itself through economic leverage. China’s One Belt One Road encourages Chinese economic development in the West of the country and links China to Europe—both economically and politically—while removing investment and trade barriers.

However, despite holding similar strategic goals in terms of economic integration and market expansion in Central Asia, some Russian officials quietly express concern about Beijing’s growing geo-economic and geopolitical ambitions in the region.

Russia is currently pursuing a strategic partnership with China, however, divergent interests occasionally arouse mutual-suspicion. The larger Chinese goal is most likely to influence Eurasia, which means relegating Russia to second-tier status. This will
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The Russian factor is unavoidable in the post-Soviet sphere, so all countries will inevitably be involved in some form of economic integration with Russia. However, President Putin understands that Moscow’s main game is geopolitical, not economic. The Kremlin is aware that Russia’s position in Eurasia is ultimately weaker than China’s. The Russians had additional concerns over extraterritoriality, further economic concessions and security issues with Chinese government over Central Asia. Russia offers military prowess, while China offers a mercantilist variant, which is growing increasingly dominant. Despite China’s growing energy engagement in the region is perceived as a challenge by Russia and has triggered counter-moves to secure Russian political control in this area, rather than cooperation. This new pattern reflects Putin’s foreign policy of using energy as a weapon to secure Russia’s national interest. Given the above analysis, the foundations of the Sino-Russian partnership may not be stable in the long term. On the basis of the actual history of their relations, to argue that China’s and Russia’s strategic partnership is bound to fail because of their apparent long history of suspicion and conflict towards each other is to argue from prejudice rather than fact. It is important to look at the historical nuances to read the present and the future of the world order.

Conclusion

According to a 2008 report, “Both China and Russia have economic and security interests in the regions, and although their joining hands might challenge US interests, their capacity for shared sovereignty is low” (Flikke and Wilhemsen, 2008, pp.1). Russia’s view of world order is more limited and challenges China’s status quo. As Hongzhou (2015) states:

Despite China’s growing economic influence in Central Asia, Russia will continue to play a substantial role in the region through a combination of energy, culture and military bonds that run too deep for China to sever in the short to medium term (Hongzhou, 2015, 7).

Even if economically China has emerged as the region’s number one trading partner and investor, Russia will try to remain as the pre-eminent political force in Central Asia. Beijing and Moscow always had increased competition for their influence and pre-eminence in the developing world.
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