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The Symbiotic China-Russia Partnership: Cautious Riser and Desperate Challenger

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Abstract

That Russia, a declining power, has emerged as the most assertive challenger to the US-led global order, while China, the most dynamic rising power, has largely worked within the established order, is surprising. It contradicts the expectations of power transition theory, which sees rising powers as the most likely challengers. This article tries to tackle this puzzle by examining the two states' relative positions in the international system. China can grow and prosper by free-riding on the hegemonic order established by the United States, and is thus cautious about challenging it. As a declining power, Russia is dissatisfied with the order and determined to change it to reverse its decline and maintain its great power status. For the time being, the two great powers' interests align. China uses Russia to push back against the aspects of US hegemony it dislikes (thereby avoiding the costs of a direct challenge), while Russia needs China's backing to mount its challenge. However, going forward, the same structural dynamics that now favour the relationship may work against it: should Russia's challenge start to destabilize the system it may also jeopardize China's peaceful rise, causing rifts between the two powers. New US president Donald Trump has promised to seek a tougher line towards China and a rapprochement with Russia. However, given its strong structural foundations these policies are unlikely to weaken the China–Russia partnership, and could even strengthen it.

Introduction

After decades of American dominance of the international system, China and Russia have emerged as the two most significant non-Western great powers and potential geopolitical rivals to the USA. Of the two, Russia has been the most truculent opponent of US hegemony. Its annexation of Crimea, support for separatists in Eastern Ukraine, military intervention in Syria, and alleged hacking of the 2016 US Presidential elections have caused many American leaders to see Russia as a major threat to the US-led international order. Former Secretary of State Hillary Clinton claims that Moscow is determined to

'stymie, confront, and undermine American power whenever and wherever'.¹ According to Evelyn Farkas, the Pentagon's former top official on Russia and Eurasian affairs, 'Russia's challenge is so fundamental to the international system, to democracy and free market capitalism that we cannot allow the Kremlin's policy to succeed in Syria or elsewhere.'²

China has adopted a much more cautious approach, and tried to avoid the perception that its rise poses a challenge to the existing global order. Nevertheless, it has steadfastly stood behind Russia as Russia has challenged US leadership. The two powers have developed a robust and multifaceted relationship that falls just short of a formal alliance (as it does not include formal security guarantees). This is a dramatic reversal of Nixon and Kissinger's triangular diplomacy of the 1970s, through which Washington strove to ensure that Washington was closer to Beijing and to Moscow than either of the two was to the other.³ Through their diplomatic and military cooperation, China and Russia are countering what both see as the worst excesses of US hegemony. They also have a growing economic relationship that has seen trade grow five-fold since the year 2000, and witnessed the signing of two mammoth energy deals estimated to be worth over \$750 billion.⁴ Cut-off from Western funding and know-how by sanctions, Russian business increasingly looks to China for investment and technology transfer, while Chinese leaders have pledged that Beijing will provide 'all possible financial support' should Moscow need it.⁵

Neither Russia's challenge nor the Russian-Chinese partnership lends itself to ready explanation. Russia's emergence as the most intransigent opponent of US hegemony is puzzling, insofar as Russia itself is still beset with myriad internal weaknesses that should detract from its willingness and ability to challenge. The burgeoning Russia-China relationship is also puzzling, considering their long history of animosity and conflict, and the potential threat that a rising Chinese power should represent to Russia. Some studies have tried to understand these developments by referring to the two countries' authoritarian political systems, similar world views and consequent opposition to US hegemony.⁶ While significant, these explanations only give us a partial picture. To develop a more comprehensive understanding of the forces driving the two great powers' foreign policies, we must also

- 1 Mike Eckel, 'Clinton Calls for Tougher Response to Russia on Ukraine, Syria', *Radio Free Europe/Radio Liberty*, 9 September, 2015, <http://www.rferl.org/content/russia-us-clinton-calls-for-tougher-response-on-ukraine-syria/27235800.html>.
- 2 Evelyn Farkas, 'Putin is Testing our Resolve', *Político Magazine*, 24 November, 2015, <http://www.politico.com/magazine/story/2015/11/isil-syria-putin-nato-airspace-213393>.
- 3 Henry Kissinger, *On China* (New York: Penguin, 2011).
- 4 Vasily Kashin, 'Russia Must Expand Relationship With China', *Vedomosti*, 6 October, 2014.
- 5 'Russia will be able to Overcome Economic Problems - Chinese Foreign Minister', TASS, 21 December, 2014.
- 6 Bobo Lo, *Axis of Convenience: Moscow, Beijing and the New Geopolitics* (Washington, DC: Brookings Press, 2007); Edward Lucas, *The New Cold War: Putin's Russia and the Threat to the West* (New York: Macmillan, 2014); Gilbert Rozman, *The Sino-Russian Challenge to the World Order* (Princeton: Princeton University Press, 2014); Bobo Lo, *Russia and the New World Disorder* (Washington, DC: Brookings, 2015).

consider the two countries' positions in the international system, as well as their future prospects for growth and development as great powers.

This article will try to explain these two developments by comparing China and Russia as great powers and examining their place in the international system. In comparing these two cases, we can develop a better understanding of the structural factors that drive the grand strategy of major powers. In many ways, the two powers could not be more different. China is on the rise with almost unlimited potential for growth. The country's focus is on ensuring the peaceful external conditions for its internal development and preventing any efforts by outside powers to prevent its rise. It is a status quo power, insofar as it benefits more from the existing order than any other state—including the hegemon.⁷ In relative terms, its economic and political powers are rising relative to that of the United States. For China, therefore, the future seems bright, and a cautious and patient approach promises to bring long-term payoffs.

Russia is in a much more precarious position. Although its power has recovered from the post-Soviet nadir of the 1990s, it still faces formidable problems (demographic crisis, dependence on natural resource exports, and the lack of a unifying national ideology) that threaten its long-term prospects and make it look more like a declining power than a rising power.⁸ The current order benefits China and contributes to its rise. But it has been less kind to Russia, whose leaders have come to believe that continuance of the status quo will inevitably jeopardize their country's standing as a great power.⁹ They are, therefore, desperate to change the order to assure their country's future influence and status.¹⁰

The comparison also highlights the important role that China and Russia play in each other's foreign policies vis-à-vis the United States and the established international order. Russia enacts an important geopolitical role for China. Without Russia, China would be left facing the United States and the West alone—the uncomfortable situation it found itself in at the end of the Cold War.¹¹ A truculent and anti-hegemonic Russia constitutes an obstacle to the development of any anti-Chinese coalition. While free-riding on different aspects of US hegemony (such as the global free-trade system) China free-rides also on Russia's anti-hegemonic efforts. It lets Russia take the lead in pushing back against the aspects of US hegemony it dislikes (such as America's promoting of democracy and development of an anti-ballistic missile system), leaving Russia to face America's wrath. China thus uses Russia to resist the aspects of US hegemony and the international order that it sees as limiting its rise or without having to pay the costs of doing so awakening a counter coalition to it.

For Russia, China represents an important ally in its struggle to overturn the existing international order and stand up to US hegemony. Having China onside makes Russia feel less isolated, and that it has a friend who is ready to support its efforts to transform the international system.¹² Since Russia's relationship with the West soured, China has

7 Ye Zicheng, *Inside China's Grand Strategy: The Perspective from the People's Republic* (Lexington: University of Kentucky Press, 2010).

8 Andrei Tsygankov, *Russia's Foreign Policy: Change and Continuity in National Identity* (Plymouth: Rowman & Littlefield, 2016).

9 Dmitry Suslov, 'For a Good Long While', *Russia in Global Affairs*, 18 December, 2014, Sergei Karaganov, 'Global Challenges and Russia's Foreign Policy,' *Strategic Analysis*, Vol. 40, No. 6 (2016), pp. 461–73.

10 Suslov, 'For a Good Long While'.

11 Feng Shaolei, Interview with author, Shanghai, 2 November, 2014.

12 Timofei Bordachev, Interview with author, Moscow, 14 October, 2014.

emerged as an important alternative source of trade and investment. Disillusioned with the Western integration drive initiated in the 1990s, Russia is anxious to reorient its economy eastward towards the booming markets of Asia, and to take part in China's phenomenal economic growth.¹³ Perhaps most importantly, China represents a successful alternative model of economic and political development to that of liberal capitalism and democracy. China's successes suggest that Russia can also develop a model more apposite to its specific historical and cultural circumstances.¹⁴

However, the relationship is not without its difficulties. The weaker side, Russia, is fearful of becoming overly dependent on China, and concerned that any economic relationship will perpetuate its economy's dependence on natural resource exports.¹⁵ China, meanwhile, is worried that Russia will drag it into a revisionist crusade which would jeopardize China's peaceful rise. It also has doubts about Russia's commitment to the relationship, and suspects that Russia may one day again turn westward.¹⁶ The continued success of the relationship will depend on both sides' ability to manage these fears and concerns. Yet, larger threats generated by the US-led international order will allow them to put these concerns aside and maintain their symbiotic relationship. Their shared realist world views and shared legacy of Soviet institutions and Leninist political culture also favour the relationship, and will help the two states overcome many of the misunderstandings that may arise.

Finally, this study will help us to develop a more comprehensive understanding of power transitions in the international system, notably the one currently underway due to China's rise. Power Transition (PT) theories have, for the most part, focused on the interaction between rising powers and declining hegemony, perceiving it as the biggest threat to peace and stability in the international system. This view, however, overlooks the critical role that declining powers may play in power transition. While rising powers may prosper and grow within the existing international order, declining powers grow dissatisfied with a system that perpetuates their decline. And declining powers that possess residual capabilities can use these to challenge and destabilize the existing order. But the significance of declining powers goes beyond the role they can play as destructive spoilers. Their residual capabilities allow them to forge symbiotic relationships with other powers that make them players in their own right. Much of the policy debate has focused on finding ways to accommodate rising powers and keep them from emerging as challengers. Yet, finding ways to accommodate declining great powers and help them manage their decline may be just as important to international peace and stability.

China, Russia, and Power Transition Theory

The focus of a significant body of IR scholarship is on studying shifts in the distribution of power in the international system, and the effects they have on international politics.¹⁷

13 Sergei Karaganov, 'K Velikom Okeane' ('To the Great Ocean'), *Rossiskaya Gazeta*, 26 August, 2014.

14 Aleksandr Lukin, *Povorot k Azii* (*The Return to Asia*) (Moscow: Vse Mir, 2014).

15 Dmitry Trenin, *From Greater Europe to Greater Eurasia: The Sino-Russian Entente* (Moscow: Carnegie, 2015).

16 Wang Tiejun, Interview with author, Shanghai, 21 November, 2014.

17 A. F. K. Organski, *World Politics* (New York: Alfred A. Knopf, 1958); Robert Gilpin, *War and Change in World Politics* (New York: Cambridge University Press, 1981); Ronald Tammen,

While traditional realist and neorealist theories see peace and stability in the international system as products of the balance of power between states, PT theories argue that the international system will be most stable and peaceful when the distribution of power is lopsided in favour of a dominant hegemon. The emphasis of much IR theory is on the effects that anarchy has on relations between states. PT theories emphasize the importance of hierarchy.¹⁸ Hegemonic states create a hierarchical order with its own set of institutions, rules, and norms that promote peace and stability.¹⁹ The potential for conflict rises as the relative power of the hegemon declines, and power becomes more evenly distributed between the hegemon and rising powers. As their power grows, rising states will grow increasingly dissatisfied with the status and benefits that the international system accords them. They will use their newfound power to push for changes to the order. In doing so, they run up against declining hegemonies that are committed to defending the status quo. If the hegemon and other status quo-oriented states are unable to accommodate the rising power, the rising power will challenge the system, leading to open conflict, and often hegemonic war.²⁰

PT theory offers a compelling and parsimonious explanation of change in the international system that can be applied to a wide range of cases.²¹ Nevertheless, some scholars have argued that it is not logical for rising powers to challenge the established order because they are the ones who benefit most from it.²² According to Douglas Copeland, 'there is little reason for a state, while still rising, to initiate either a major war or a crisis that significantly risks such a war, since waiting allows it to achieve its objectives later and more easily'.²³ The more logical strategy is to continue to play according to the rules and institutions of the existing order (while shirking the responsibility for maintaining them) as long as the existing order continues to contribute to their rise. Revisionist behaviour is more likely to come from declining hegemonies. They may be tempted to use the preponderance of power they currently hold to restructure the order in a way that reasserts their own dominance and prevents risers from overtaking them.²⁴

Moreover, actual power transitions are much more complex than the model put forward by PT. Besides the hegemon and rising state, the international system often includes other great powers, such as present day Russia, which are experiencing relative decline but are not status-quo powers. These states can play a critical role in the evolution of events. At the beginning of the twentieth century Austria-Hungary found itself in steep decline relative to the other European powers, prompting it to pursue an adventurist policy in the Balkans

'The Organski Legacy: A Fifty-Year Research Program', *International Interactions*, Vol. 34, No. 4 (2008), pp. 314–32.

18 Tammen, 'The Organski Legacy'.

19 Gilpin, *War and Change in World Politics*.

20 *Ibid.*

21 Tammen, 'The Organski Legacy'.

22 Dale Copeland, *The Origins of Major War* (Ithaca: Cornell University Press, 2000); Steve Chan, *China, the U.S., and the Power-Transition Theory: A Critique* (New York: Routledge, 2008).

23 Copeland, *The Origins of Major War*, p. 37.

24 Jack Levy 'Power Transition Theory and the Rise of China', in Robert S. Ross and Zhu Feng, eds., *China's Ascent: Power, Security, and the Future of International Politics* (Ithaca: Cornell University Press, 2008).

which helped trigger the chain of events that unleashed WWI.²⁵ Imperial Germany is often portrayed in the PT literature as a rising power bent on overturning the established order set-up by the declining hegemon, Great Britain. But a more accurate interpretation may be to see Germany as a declining power relative to Russia and the United States. Russia and America's rapid rise figured prominently in German thinking on foreign policy, encouraging it to adopt aggressive policies that looked to reshape the international order.²⁶ Germany's expansionistic colonial policy was seen as a strategy of reshaping the order to enable it to compete with these continental powers. German leaders welcomed the opportunity to go to war in 1914, fearing that if they waited a few years longer they would lose the military advantage they held over Russia.²⁷

Declining powers' significance is not limited to that of playing the role of spoiler and catalyst for conflict. They can also play a key role in determining the outcome of the power transition by challenging aspects of the existing order that the rising power does not like, and deflecting the hegemonic state's attention from the rising power's ascent. The rising power may then focus on its internal development and defer any reckoning with the hegemonic state until the future, when its power and capabilities will be much greater. Russia thus challenges the aspects of the US-led order that China finds most threatening to its continued rise. By openly challenging the US leadership Russia has deflected attention from the nascent Chinese threat, leaving China free to concentrate on its peaceful rise.

Russia's Decline and China's Rise

Measuring national power and power trajectories is a difficult task. There is much debate among political scientists about the concept of power and how best to measure the power of states.²⁸ Realist approaches have stressed the importance of hard power, and in measuring a state's power they have focused on power resources that increase a state's ability to exercise coercion (the size of its population, military capabilities, and economic power). In recent years, scholars have criticized realists' emphasis on coercive power, arguing that a nation's scientific and technological capabilities and the attractiveness of its culture and political system (i.e., its soft power) are of growing importance in today's increasingly interdependent world.²⁹ Without delving too deeply into this debate, if we compare Russia and China along all of these different dimensions of state power—economy, military capabilities, demography, as well as technological, and soft power, and compare them with that of the global hegemon (the United States), we can with some confidence conclude that Russia's power in the international system is declining while China's is on the rise.

Russia has recovered from the post-Soviet nadir of the 1990s and has restored some of the material capabilities it lost as a result of the collapse of the USSR and the transition from communism. Russia experienced a period of steady economic growth through much of the early 2000s, almost doubling its GDP (measured in Constant Dollars) between 1998

25 A. J. P Taylor, *The Struggle for Mastery in Europe* (London: Oxford University Press, 1971).

26 Copeland, *The Origins of Major War*, pp. 118–45.

27 *Ibid.*, pp. 56–78.

28 David A. Baldwin, *Power and International Relations: A Conceptual Approach* (Princeton: Princeton University Press, 2016).

29 Joseph Nye, *Soft Power: The Means to Success in World Politics* (New York: Public Affairs, 2004).

and 2008, and emerging as a dominant player in world energy markets.³⁰ However, growth has dramatically slowed in recent years, and Russia's economy has entered a period of stagnation, with growth rates lagging behind those of China (and even those of the United States). Russia's economy is overly dependent on the export of natural resources and hydrocarbons, which hampers the development of domestic institutions and the growth of high-tech industries and private enterprise.³¹ Most Russian economists believe that Russia has exhausted the potential of natural resource-based economic development and that the country must undergo dramatic structural change to avoid falling even further behind the other major world economies.³² Even before Western sanctions and the bottom dropping out of the global oil market, the Ministry of Economic Development of the Russian Federation had forecast that Russia's percentage of world GDP would decline from its current level of 4% to <3% by 2030.³³

The size of the Russian economy as a whole Russia lags far behind that of China and the United States, and this gap will continue to widen. In contrast, China's economy has been on a robust upward trajectory since the introduction of economic reforms in the late 1970s. China has quadrupled its GDP (measured in Constant Dollars) since the year 2000, and established itself as the world's second largest economy next to the United States [and first if GDP is measured in Purchasing Power Parity (PPP)]. China's GDP as a percentage of global GDP has increased from 4% in 2000 to 12% today, whereas the US accounts for 22% of global GDP.³⁴ According to some projections, even accounting for its current slower growth, by 2050 China's GDP (PPP) will be almost 50% greater than that of the United States.³⁵

The contrast between Russia's decline and China's rise is even starker when we compare their performances in science and technology, areas that are of ever growing importance to economic development as well as national power and influence. Russia has been unable to regain the technological edge it held during the Soviet period, and has steadily declined in global higher education rankings, scientific influence, and innovation. China, meanwhile, has emerged as a global leader in scientific publications and patenting, and is poised to compete with the United States and other leading developing countries in innovation.³⁶ From 2000 to 2010, Russia dropped from ninth to fifteenth place in its share of the world's peer-reviewed science publications, while China more than quadrupled its scientific

30 World Bank Database, <http://data.worldbank.org/indicator/NY.GDP.MKTP.PP.KD?locations=RU>.

31 Alexander Kudrin and Evsey Gurvich, 'A New Growth Model for the Russian Economy', *Russian Journal of Economics*, Vol. 1, No. 1 (2015), pp. 30–54.

32 Natalya Akindinova, Yaroslav Kuz'minov and Yevgeni Yasin, 'Ekonomika Rossii: pered dolgim perekhodom' ('The Russian Economy: Before the Long Transition'), *Voprosy ekonomiki*, No. 6 (2016), pp. 5–35.

33 Olga Kushinova, 'Ekonomika Rossii predrekayut minimalnii rost v techenie 10 let' ('Russian Economists Predict Minimal Growth over Next 10 years'), *Vedomosti*, 22 May, 2013, http://www.vedomosti.ru/finance/articles/2013/05/22/rossiya_kak_greciya.

34 World Bank Database, <http://data.worldbank.org/indicator/NY.GDP.MKTP.PP.KD?locations=RU>.

35 Price Waterhouse Cooper, 'The World in 2050', February 2015, <https://www.pwc.com/gx/en/issues/the-economy/assets/world-in-2050-february-2015.pdf>.

36 Harley D. Balzer, 'Obuchenie innovatsiam v Rossii i v Kitai' ('Learning to Innovate in Russia and China'), *Pro et Contra*, May–June 2010, pp. 52–71.

publications, rising from sixth to second place (to the United States).³⁷ If arms exports are excluded, Russia's percentage of high-tech exports to the world market is negligible; about the same level as Argentina and behind that of Mexico and Slovakia.³⁸ China has become the world's leading exporter of high-tech goods, surpassing traditional high-tech export powerhouses such as the United States, Germany, and Japan.³⁹ China is now the global leader in renewable energy, while Russia has failed to capitalize on the advances it made during the Soviet period in aerospace, atomic energy, and nanotechnology, and is rapidly losing ground to China in these areas.⁴⁰

Russia's biggest strength continues to be its military power. Even when at its weakest in the 1990s, Russia still retained its nuclear arsenal, and is the only country that can measure up to the United States in this area. It has been able to recover some of some of its conventional military capabilities, having embarked on a major military modernization programme that has seen military spending increase by 83% since 2007.⁴¹ These increased capabilities have been displayed in Ukraine and Syria, where Russia has demonstrated the capacity to mount out-of-area military operations comparable only to those of the United States. However, although impressive, Russia's capabilities are far behind those of the United States and its allies. In 2016, the United States spent US\$611 billion on its armed forces, almost nine times the amount Russia spent (US\$69.3 billion). The United States maintains a global network of over 800 military bases in seventy countries, while Russia has only three outside the former Soviet Union (two bases in Syria and a naval resupply centre in Cam Ranh Bay, Vietnam).⁴²

Moreover, Russia's re-emergence as a global military super power is starting to provoke a counter reaction from the United States and its Western allies. Under President Obama, the United States committed to an ambitious US\$1 trillion programme to modernize its nuclear arsenal, and it has beefed up its conventional military presence in Central and Eastern Europe in response to Russia's action in Ukraine. Although he has downplayed the Russia threat, new President Donald Trump has pledged to increase United States spending on European defence, and vowed to strengthen the US's nuclear arsenal to ensure that the United States remains 'at the top of the pack'.⁴³ The US's NATO allies have also begun to increase their military spending to counter what they perceive as a growing post-Ukraine

37 Maxim Kotsemir, 'Publication Activity of Russian Researches in Leading International Scientific Journals', *Acta Naturae*, Vol. 4, No. 2 (2012), pp. 14–35.

38 Alexander Frolov, 'Problemy planirovaniia nauchno-tekhnologicheskogo razvitiia na gosudarstvennom urovne' ('Problems of Planning Scientific-Technical Development at the State Level'), *Problemy prognozirovaniia*, No. 6 (2014), pp. 79–91.

39 Cong S. Pham, et al., 'Has China Displaced its Competitors in High-tech Trade?', *The World Economy* (2016), Early view, pp. 1–28.

40 Harley D. Balzer and Jon Askonas, 'The Triple Helix After Communism: Russia and China Compared', *Triple Helix Journal*, Vol. 3, No. 1 (2016) pp. 1–31..

41 Stockholm International Peace Research Institute (SIPRI), *Yearbook 2014: Armaments, Disarmament and International Security* (Oxford: Oxford University Press, 2016).

42 *Ibid.*

43 Steve Holland, 'Trump wants to make sure U.S. Nuclear Arsenal at "Top of the Pack"', *Reuters*, 24 February, 2017, <http://www.reuters.com/article/us-usa-trump-exclusive-idUSKBN1622IF>.

Russian threat.⁴⁴ Given the huge disparity in the size of Russia's economy and that of the United States and its NATO allies, it will be difficult for Russia to keep pace with these developments even if it is able to break out of the current cycle or economic stagnation in which it finds itself.

Although its military continues to be weaker than that of the United States and Russia, China increased its military spending by an average 11% per year between 1996 and 2015. In 2016, China spent US\$11 billion on its military, an amount second only to the United States.⁴⁵ China has also dramatically increased its aviation, ballistic missile, and submarine warfare capabilities—areas which would be critical in any confrontation with the United States in the Pacific. China's military technological advances have reduced its dependence on Russia for high-tech weaponry, to the point where it has begun to compete with Russia in more sophisticated segments of the global arms market.⁴⁶ A 2015 RAND study finds that China has narrowed the military gap in almost every area of military operations and has moved ahead in some, and concludes that 'the overall capability trend lines are moving against the United States'.⁴⁷

Historically, Russia's large population has been one of its major strengths, providing its leaders with a seemingly inexhaustible mass that could be sacrificed towards their great power goals. Today Russia faces serious demographic challenges. In recent years, Russia's demographic picture has recovered and the overall population growth has been restored. But these gains are threatened by the echo effects of low birth rates in the 1990s, as in the coming years there will be fewer females of childbearing age in the general population. Even if this modest growth continues, Russia will still be unable to keep pace with global population growth. Russia is projected to account for only 1.5 per cent of the world population by 2025.⁴⁸ By comparison, at their height, the Russian Empire and Soviet Union accounted for over 8% of the world's population.⁴⁹ China's long-term demographic picture is also troubling, largely as a result of the effects of the One Child Policy. China's population will begin to decline by 2030, when it will be overtaken by India as the world's most populous state. China's population is also rapidly ageing, and by 2050 people over the age of 60 years will constitute almost 40%, so exceeding the working-age population.⁵⁰ Nevertheless, China will continue to possess a much larger working age population than either Russia or the United States, (whose population will continue to steadily grow,

44 Gabriela Baczynska, 'Defense Spending by European NATO Allies Inches up in 2016', *Reuters*, 14 March, 2017,

45 SIPRI, *Yearbook 2014*.

46 *Ibid*.

47 Eric Heginbotham, et al. *The US-China Military Scorecard: Forces, Geography, and the Evolving Balance of Power, 1996–2017* (Los Angeles: Rand Corporation, 2015).

48 Anatoly Vishnevsky, 'Russian Demography is Full of Pitfalls', *Open Economy*, 21 April, 2015, <http://opec.ru/en/1818033.htm>.

49 Jutta Bolt and Jan Luiten van Zanden, 'The Maddison Project: Collaborative Research on Historical National Accounts', *The Economic History Review*, Vol. 67, No. 3 (2014), pp. 627–51.

50 United Nations, Department of Economic and Social Affairs, Population Division, 'World Population Prospects: The 2015 Revision, Key Findings and Advance Tables', Working Paper No. ESA/P/WP.241, 2016.

according to most demographic projections, mostly due to immigration).⁵¹ Moreover, as the economy continues to grow, China's population will be more affluent and well-educated, and thus more capable of contributing to the country's comprehensive advancement.

Russia's soft power and cultural influence have declined markedly since the end of the Cold War. The number of people who speak Russian worldwide has fallen by nearly 70 million speakers since 1990.⁵² The study of Russian is increasingly giving way to that of English and other languages, even in the post-Soviet space where Russian has traditionally been the *lingua franca*.⁵³ In recent years, Russia has tried to position itself as a paragon of traditional Christian and conservative values in order to garner empathy with populations in the developed and developing world that deplore the erosion of these values in their own countries.⁵⁴ However, these efforts have failed to yield the desired results even in the post-Soviet space. This was most evident in Ukraine, where Russia's efforts to woo Ukraine away from the EU ultimately failed, forcing Russia to resort to coercive means to stop the country from drifting to the West.⁵⁵ China's cultural attractiveness and soft power have grown along with its stunning economic rise. In 2013, over 370,000 overseas candidates took the Chinese government mandated Chinese Proficiency Test (HSK), up from 98,000 in 2009.⁵⁶ Many elites in the developing world are also beginning to see China as a model for social and economic development that is worthy of emulation.⁵⁷

Despite considerable efforts, however, neither China nor Russia has developed a comprehensive political and economic model that other states choose to emulate. Moreover, Russia and China's soft power efforts are primarily directed by the state, whereas much of a country's actual attractiveness stems from the culture and values produced by society itself. For these reasons, Joseph Nye, the architect of the concept of soft power, concludes that American soft power is unlikely to be challenged by either country in the near future.⁵⁸

These indicators do not suggest that Russia is headed for some kind of catastrophic collapse (as seemed imminent in the 1990s) or that China is foreordained to eclipse the United States and emerge as the new global hegemon. Russia has recovered from the economic, demographic, and political free-fall in which it found itself in the 1990s, and reasserted some of its lost influence. It still possesses enduring strengths, including the vastness of its

51 *Ibid.*

52 Aleksader Arefev, *Russkii yazik na rubezhe XX-XXI* (The Russian Language at the turn of the XXI Century)(Moscow: Tesntr dlya socialnogo prognozirovanya i marketing, 2012).

53 *Ibid.*

54 Alexander Sergunin and Leonid Karabeshkin, 'Understanding Russia's Soft Power Strategy', *Politics*, Vol. 35, No. 3-4 (2015), pp. 347-63.

55 Andrej Krickovic and Maxim Bratersky, 'Benevolent Hegemon, Neighbourhood Bully, or Regional Security Provider? Russia's Efforts to Promote Regional Integration after the 2013-2014 Ukraine Crisis', *Eurasian Geography and Economics*, Vol. 57, No. 2 (2016), pp. 180-202.

56 Zhou Jie, 'More Foreigners taking HSK Chinese Language Exam', CCTV English, 19 June, 2014, <http://english.cntv.cn/2014/06/19/VIDE1403109838925803.shtml>.

57 Stefan Halper, *The Beijing Consensus: How China's Authoritarian Model Will Dominate the Twenty-First Century* (New York: Basic Books, 2010).

58 Joseph Nye, 'What China and Russia Don't Get About Soft Power', *Foreign Policy*, 29 April, 2013, <http://foreignpolicy.com/2013/04/29/what-china-and-russia-dont-get-about-soft-power/>.

territory, its immense energy and natural resource endowments (including largely untapped agricultural potential), and its formidable military capabilities. China faces many difficult obstacles, including environmental degradation, uneven regional economic growth, and (more immediately) the weakness of its financial sector. Nevertheless, Russia's economic, technological and soft power capabilities fall way behind those of both China and the United States. Russian leaders have reason to be concerned about their country's long-term ability to maintain its position as one of the great powers in the international system.⁵⁹ At the same time, China seems poised to continue its successes in all of these areas and gain ground on the United States, which gives Chinese leaders confidence that their country's power and influence will continue to grow.⁶⁰

Russia: Predicaments of Decline

China can prosper and grow within the existing liberal international order and thus feels no real pressure to challenge it frontally. In contrast, the order as currently constituted does not work for Russia, but rather contributes to its progressive decline. Russia's security, as perceived by its elites, is threatened on all sides: by NATO's expansion to the West, growing Chinese power to the East, Islamic radicalism to the south, and even internally through the West's promotion of coloured revolutions. It regards the latter as a threat not only to the incumbent regime but also to internal political stability, as well as to the very survival of Russia as a state.⁶¹ The current global division of labour does not favour Russia, because it relegates it to the status of natural resource appendage to the West. Advancing through the global divisions of labour would require difficult and painful internal reforms that would threaten both social and political stability. Moreover, exactly what policies should be implemented remains uncertain. As liberal political and economic models were discredited by the experience of the 1990s, they are now seen as ineffective in solving the particular problems that Russia faces.⁶² Russia's leaders see the current order not only as fundamentally unjust and detrimental to their country's interests, but also as profoundly destabilizing. They believe that America's dollar hegemony has led to dangerous imbalances in the global economy, and that its promotion of democracy under the so-called 'Freedom Agenda' has brought chaos in the Middle East and the rise of a radical global Islamist insurgency that threatens to spread to former Soviet countries, and Muslim populated regions of Russia itself.⁶³

59 Suslov, 'For a Good Long While'.

60 Deng Yong, 'China: the Post-Responsible Power', *The Washington Quarterly*, Vol. 37, No. 4 (2015), pp. 117–32.

61 Jeanne Wilson, 'Coloured Revolutions: The View from Moscow and Beijing', *Journal of Communist Studies and Transition Politics*, Vol. 25, No. 2–3 (2009), pp. 369–95. China shares many of these fears and has begun to cooperate more intensively with Russia to suppress colour revolutions after the 2014 'Umbrella Revolution' in Hong Kong. See Andrej Krickovic, 'Catalyzing Conflict: The Internal Dimension of the Security Dilemma', *Journal of Global Security Studies*, Vol. 1, No. 2 (2016), pp. 111–26.

62 Sergei Karaganov and Vitalii Kovalenko, 'Gotovy li elity k novoi paradigm?' ('Are the Elites Ready for a New Paradigm?'), *Banky i Delovoi Mir*, 7 April, 2015.

63 Yevgeny Primakov, 'The Islamic State Is a Formidable Threat', *Rossiyskaya Gazeta*, 2 October, 2014.

Russian leaders are well aware that continuance of the status quo will eventually jeopardize Russia's status as a great power. They are therefore desperate to change the order and so assure that their country preserves its influence and status in world politics. To this end, Russian leaders want changes to the global order that revise the post-Cold War settlement. Instead of the US-dominated liberal order, Russia would like to see the return of a great power concert system wherein the United States shares power with other global powers.⁶⁴ The new rules of the game would reaffirm a hard 'Westphalian' notion of sovereignty that precludes interference in each other's internal affairs, such as the United States' promotion of democracy and human rights through its 'Freedom Agenda'. It would also require the great powers to respect one another's geographical spheres of influence, and to recognize Russia's special rights in the post-Soviet space, which Russian leaders consider to be of critical importance. From their perspective, Russian-led Eurasian economic integration will create a protected economic space wherein Russian firms and capital can develop and grow.⁶⁵ Russia needs this larger economic space to compete with the larger economic blocs that the other great powers dominate.⁶⁶ In pursuing Eurasian integration and a sphere of influence in the post-Soviet space, Russia will lay the economic foundations necessary to maintain its status as a great power and become one of the poles of a future 'multi-polar' world order.⁶⁷

Russia is obsessed with reversing its declining status and maintaining its position as a great power in the international system. Most studies trace this preoccupation with status to factors specific to Russia itself, seeing it as a result of the nationalism that defines Russia's self-identity as a great power,⁶⁸ or of Russia's authoritarian political system, and its aggressive foreign policy aimed at diverting the public's attention from the system's domestic failings.⁶⁹ Yet, Russia's status concerns are also due to its position as a declining power in the international system. A growing body of literature demonstrates that status is an attribute highly valued by all states, and that maintaining or improving status is a central goal of states' foreign policy.⁷⁰ Higher status enhances individuals' sense of self-esteem and

64 Alexei Bogaturov, 'Coercion to Partnership and the Flaws of an Unbalanced World', *Russia in Global Affairs*, 29 December, 2011; Sergei Karaganov, Interview with the author, Moscow, 10 February, 2015.

65 Sergei Chebanov, 'Strategicheski interesy Rossii na possovetском prostranstve' ('Russia's Strategic Interests in the Post-Soviet Space'), *Mirovaia ekonomika i mezhdunarodnoye otnosheniia*, No. 8, (2010), pp. 23-40.

66 Andrej Krickovi, 'Imperial Nostalgia or Prudent Geopolitics? Russia's Efforts to Reintegrate the Post-Soviet Space in a Geopolitical Perspective', *Post-Soviet Affairs*, Vol. 30, No. 6, (2014), pp. 503-28.

67 Vladimir Putin, 'Novyi integratsionii proekt dlya Evrazii – budushee kotoroe razvivaetsya segodnya' ('The New Integration Project for Eurasia – the Future Which is Happening Now'), *Izvestia*, 3 October, 2011.

68 Anne Clunan, *The Social Construction of Russia's Resurgence* (John Hopkins: Baltimore, 2009); Walter Laqueur, *Putinism: Russia and Its Future with the West* (London: St Martin's Press, 2015).

69 Kathryn Stoner and Michael McFaul, 'Who Lost Russia (This Time)? Vladimir Putin', *Washington Quarterly*, Vol. 38, No. 2 (2015), pp. 167-87.

70 Thomas Volgy, Renato Corbetta, Keith A. Grant, and Ryan G. Baird, eds., *Major Powers and the Quest for Status in International Politics: Global and Regional Perspectives* (New York:

helps foster a sense of social belonging.⁷¹ High status also offers more tangible benefits to states by contributing to their power and capabilities. Prestige and status are indeed the currencies of international relations.⁷² When a state's status and prestige are recognized by other states, it can achieve its goals without actually having to exercise material power. Moreover, status is important to maintaining domestic social cohesion, in that it fosters the development of common identity and a clear sense of purpose which people can rally around and make sacrifices for.⁷³ There are thus both social/psychological and instrumental reasons why Russia's elites wish to hold on to their country's great power status, and one can understand their choice to do so without raising arguments that rest on the uniqueness of Russia's political culture or historical experience.

Declining powers may be especially sensitive to status considerations and more likely to make the pursuit of status a central goal of their foreign policies. A great power's decline relative to other states is often a reflection of their internal political and economic difficulties. Owing to its importance to individual self-esteem and group identity, status is crucial to their maintenance of social cohesion as they grapple with these problems. Status is also a critical asset to declining great powers' foreign policies, as they use it to compensate for the lack of material capabilities necessary to defend their interest and achieve their foreign policy goals. The predicament declining powers face is hence the legacy of being a great power which leaves them with a larger patrimony to defend. But as the material capabilities they can draw on to defend this patrimony are diminished, they are forced to rely on the influence that status confers on them. For these reasons, declining powers will jealously guard their status and be willing to go to great lengths to preserve it.

Even though they may be losing power relative to other states, however, many declining powers still have formidable residual capabilities, which they will be tempted to employ to arrest or reverse their decline. As a great power, Russia may only be a shadow of the former Soviet Union. Yet it still has considerable power resources at its disposal. It has the world's second largest nuclear arsenal and considerable conventional military capabilities, the world's largest energy reserves, and a huge territory that straddles Europe and Asia—two of the world's most economically dominant regions. It holds a permanent seat on the UNSC, and plays a leading role in international organizations such as BRICS and the SCO. Given these considerable power resources, there is justification for Russian elites' belief that they can use these resources to reverse their country's decline and retain Russia's position as a dominant player in world politics.

Russia's declining status not only motivates it to challenge the existing order, but also shapes the dynamics of Russia's challenge, both with respect both to the strategies it has pursued and the United States and Western responses to them. As it is a declining power, the United States and the West are under no pressure to address Russia's grievances or to change the order to accommodate Russia's interests and status. Thus, Russia must openly challenge the order and engage in destabilizing and escalatory behaviour in order to signify that there are costs to ignoring its interests or relegating it to the status of a regional power. It does so

Palgrave MacMillan, 2011); T. V. Paul, Deborah Larson and William Wohlforth, eds., *Status in World Politics* (London: Cambridge University Press, 2014).

71 Deborah Welch Larson and Alexei Shevchenko, 'Managing Rising Powers: The Role of Status Concerns', in Paul, et al., eds., *Status in World Politics*, pp. 33–57.

72 Gilpin, *War and Change in World Politics*.

73 Paul, et al., eds., *Status in World Politics*.

in hopes that a 'grand bargain' can be reached which will address its grievances and establish a more stable and equitable world order.⁷⁴ While Russia's behaviour indeed grabs the attention of leaders in Brussels and Washington, it also has the paradoxical effect of eroding Russia's credibility as a trustworthy partner in any grand bargain. The preferred (and seemingly logical) strategy for Washington is to continue to defer any confrontation or accommodation with Russia until the future, by which time its progressive decline, exacerbated by the exertions of mounting a revisionist challenge, will have deteriorated its position even further.⁷⁵ This encourages Russia to escalate and challenge US leadership even more aggressively, increasing conflict and causing further instability in the international system.

China: The Dilemmas of Peaceful Rise

China benefits the most from the current system and thus has no real need to challenge it in the medium to short term—as long its internal growth continues at a steady pace. China is unique as a rising power due to its massive population and the weight of its history and culture. It can focus solely on internal development to become the most powerful state in the system, and does not need to make any changes to the system itself. In this respect, it is in a position similar to that of the United States at the turn of the twentieth century. Owing to its continental size, huge resources, and absence of regional rivals, the power potential of the United States outstripped that of any of the European great powers (with the possible exception of Russia). Given the size of its population, its relative level of backwardness (which gives it ample room to grow), and its cultural cohesiveness,⁷⁶ China's potential for internal development is historically unprecedented, dwarfing even that of the United States at the turn of the twentieth century.⁷⁷

For China, the most logical foreign policy strategy is to emphasize the peaceful and non-threatening nature of its rise by avoiding foreign entanglements that could result in conflict with other major powers, and at the same time shirking the costs of maintaining the international system.⁷⁸ In this way China can focus on its internal development and on maximizing the gains to be had from the global leadership of the United States, in effect free-riding its way to global prominence. This has been China's policy throughout much of the post-Mao period, exemplified by Deng Xiaoping's dictum of *tao guang yang hui* ('hide your strength and bide your time'), whose aim is to secure a peaceful international environment for China's internal development by adopting a low key approach to international affairs. In this way, China can reassure the Western powers and China's neighbours of the benevolent

74 Suslov, 'For a Good Long While'.

75 Andrej Krickovic and Yuval Weber, 'Commitment Issues: The Syrian and Ukraine Crises as Bargaining Failures of the Post-Cold War International Order', *Problems of Post-Communism*, forthcoming and published online, 29 June, 2017. <http://www.tandfonline.com/doi/full/10.1080/10758216.2017.1330660>.

76 While China faces the threat of ethnic separatism in Tibet and Xinjiang, ethnic Han Chinese constitute 91 per cent of the country's overall population.

77 James Kynge, *China Shakes the World: A Titan's Rise and Troubled Future—and the Challenge for America* (New York: Houghton-Mifflin, 2007).

78 Chan, *China, the U.S., and the Power-Transition Theory*.

nature of its rise, so that rather than balancing against growing Chinese power these states will actively participate in China's continued domestic economic development.⁷⁹

This cautious, low key approach comes increasingly under question in China as its growing material capabilities also give rise to the temptation to exercise its newfound power. Chinese leaders and IR scholars have recently begun to advocate a turn away from *tao guang yang hui* towards a more assertive policy of *fen fa you wei*, (striving for achievement) that would see China use its growing power to shape the international system in ways that benefit its national interests.⁸⁰ Moreover, as the world's second largest economy, it is increasingly difficult for China to 'hide its strength' from others.⁸¹ Many outside observers believe that China has shifted to a more assertive and truculent foreign policy, pointing to its recent behaviour of asserting its maritime claims in Asia, increasingly outspoken criticism of United States and Western leadership, and ambitious geo-economic projects, such as the Regional Comprehensive Economic Partnership (RCEP) and One Belt One Road (OBOR) initiative, as evidence that China has become a revisionist power bent on overturning the existing order.⁸²

Yet, it would be wrong to cast China as a revisionist challenger in the PT-theory mould. Beijing's territorial ambitions have been limited and are tied to issues (such Taiwan and its relationship with Japan) that have direct impact on the legitimacy of the CCP and sustained domestic political stability.⁸³ Some scholars question whether China's behaviour really has become more assertive, arguing that on issues such as Taiwan or its maritime claims in the South and East China Seas, China is merely sticking to longstanding positions which it has also vigorously (and, on occasion, violently) defended in the past.⁸⁴ Its geo-economic projects do not necessarily seek to exclude the United States and Western powers and create institutions that will replace the established ones. Rather, they are designed to give China the power to set the terms (i.e., the rules and standards on trade, finance, and property rights) of its broader integration into the world economy.⁸⁵ As such, these economic moves are primarily motivated by China's desire to maintain domestic economic growth and improve its position in global value-added chains.⁸⁶ Geopolitics is also a motivating factor. The

79 Xiong Guangkai, 'China's Diplomatic Strategy: Implication and Translation of "tao guang yang hui"', *Foreign Affairs Journal*, No. 98 (2010), <http://cpifa.org/>

80 Yan Xuetong, 'From Keeping a Low Profile to Striving for Achievement', *Chinese Journal of International Politics*, Vol. 7, No. 2 (2014), pp. 153–84; Zeng Jinghan, Yuefan Xiao, and Shaun Breslin, 'Securing China's Core Interests: the State of the Debate in China', *International Affairs*, Vol. 91, No. 2, (2015), pp. 245–66.

81 Robert Sutter, *Foreign Relations of the PRC* (Plymouth: Rowmann and Littlefield, 2013).

82 Aaron Friedberg, 'The Sources of Chinese Conduct: Explaining Beijing's Assertiveness', *Washington Quarterly*, Vol. 37, No. 4, (2015), pp. 133–50.

83 David Shambaugh, *The Partial Power: China Goes Global* (Oxford, UK: Oxford University Press, 2013).

84 Dingding Chen, Xiaoyu Pu, and Alastair Iain Johnston, 'Debating China's Assertiveness', *International Security*, Vol. 38, No. 3 (2013/14), pp. 176–83; Björn Jerdén, 'The Assertive China Narrative', *Chinese Journal of International Politics*, Vol. 7, No. 1 (2014), pp. 47–88.

85 Shintaro Hamanaka, 'TPP versus RCEP: Control of Membership and Agenda Setting', *Journal of East Asian Economic Integration*, Vol. 18, No. 2 (2014), pp. 163–86.

86 Yang Chun, 'Market Rebalancing of Global Production Networks in the Post-Washington Consensus Globalizing Era: Transformation of Export-oriented Development in China', *Review of International Political Economy*, Vol. 21, No. 1 (2014), pp. 13–56.

strategy is to foster beneficial economic partnerships with states inside and outside the region, so that they have a stake in China's continued economic development and thus support China's continued rise. The emphasis is on leveraging China's economic power to create win-win outcomes that extend outside the region, rather than using power to form an exclusive sphere of economic influence for China in Asia.⁸⁷

China will inevitably expect to play a more active role in international affairs as its power grows. But this does not necessarily make it a revisionist power. Its more 'assertive' policies reflect a desire to protect domestic stability and core security interests (such as domestic stability, territorial integrity, and national sovereignty) and to work for gradual and incremental change from within the order, rather than to overturn the order and replace it with a new global order with 'Chinese characteristics'.⁸⁸ While it may object to some aspects of US leadership, such as America's universal promotion of democratic norms, it actively defends other aspects of the established order, such as the institution of legal sovereignty and global capitalism.⁸⁹ Moreover, while asserting its newfound power Beijing studiously avoids confrontation with other global powers, and is careful not to be overly aggressive in asserting its claims to global leadership. Though *tao guang yang hui* may have lost some traction since China became more powerful and self-confident, the logic underlying the strategy—that China's path to global primacy lies in its internal development, and that it must engage only in foreign policies that do not jeopardize domestic modernization and growth, still applies. 'Deng Xiaoping's adage about "hiding your strength and biding your time" remains relevant. Another twenty-five years of strong economic growth and China might be in a position to play the role that the United States played after World War II, in Asia and beyond.'⁹⁰

According to PT theories, status considerations can lead rising states to challenge international orders even when such orders are beneficial and contribute to their rising material power.⁹¹ However, *status inconsistency* is likely to develop in the case of rising powers, because there is inevitably a temporal lag between their growing capabilities and the recognition of these facts and conferral of appropriate status by other powers.⁹² This is said to produce dissatisfaction in the rising power that can lead it to challenge the order and so force other powers to confer on it the status it feels it deserves.⁹³ Thus far, China's status ambitions have not played themselves out in this way. But this does not necessarily mean that Chinese leaders and publics are satisfied with their current status, or that they will not try to improve it. Considerations of status are important to China, as they are to any state,

87 Peter Ferdinand, 'Westward Ho—the China Dream and "One Belt, One Road": Chinese Foreign Policy under Xi Jinping', *International Affairs*, Vol. 92, No. 4 (2016), pp. 941–57.

88 Deng, 'China'.

89 Zhang Yongjin, 'China and Liberal Hierarchies in Global International Society: Power and Negotiation for Normative Change', *International Affairs*, Vol. 92, No. 4 (2016), pp. 795–816.

90 Khong Yuen Foong, 'Primacy or World Order? The United States and China's rise—a Review Essay', *International Security*, Vol. 38, No. 3 (2013), pp. 153–75.

91 Gilpin, *War and Change in World Politics*.

92 Jonathan Renshon, 'Status Deficits and War', *International Organization*, Vol. 70, No. 3 (2016), pp. 513–50.

93 Gilpin, *War and Change in World Politics*.

and they have been a central focus of China's foreign policy.⁹⁴ However, China has sought to improve its status by continuing to develop its material capabilities through constructive engagement with the US-led international order, rather than by mounting an open revisionist challenge to it.⁹⁵ China's leaders are well aware that such aggressive behaviour would not be in China's interests, as it would give rise to other states' fears that might lead them to balance against China's rise.⁹⁶

There are also strong psychological reasons why rising powers can be expected to be more cautious and declining powers more reckless in their foreign policies. Both China and Russia are dissatisfied with their place in the international order and status hierarchy, and both have made improving their country's position a foreign policy priority.⁹⁷ However, their diverging power trajectories determine the lengths to which either is willing to go to achieve these goals. Prospect Theory suggests that actors (including states) are loss averse: they are willing to accept and take on greater risks when they find themselves in the domain of losses, but more cautious and risk averse when in the domain of gains.⁹⁸ While Chinese leaders and publics may not be satisfied with their nation's current level of status, they can reasonably expect China's status to improve in the future, and are thus hesitant to adopt any risky and costly strategies that may derail China's rise. In the language of Prospect Theory, China finds itself in the domain of gains, and is thus risk averse. Russia's dissatisfaction stems from its anxieties about losing its current level of influence in the international order and place in the status hierarchy as its overall capabilities (relative to the United States, China, and other great powers) continue to decline. Russian leaders and publics fear that unless it takes dramatic action, their nation will lose its seat at the great power table. Russia finds itself in the domain of losses, and is thus risk acceptant and ready to take on the costs and risks that come with challenging American leadership as long as this promises to reverse its decline.

Peaceful internal development seems to offer China a clear path to global pre-eminence. Yet, China as a rising power still faces a fundamental dilemma. The strategy for increasing its influence and status is peaceful, in that it can rise by relying on its own internal resources and by operating within the existing international order. Yet, the sheer magnitude of the power it is accumulating represents a threat to the other Asian regional powers, and more importantly to the leading power in the international system, the United States.⁹⁹ As China's power has grown, it has become increasingly difficult for China to carry on

94 Yong Deng, *China's Struggle for Status: the Realignment of International Relations* (Cambridge: Cambridge University Press, 2008).

95 *Ibid.*

96 Dingding Chen and Jianwei Wang, 'Lying Low No More?: China's New Thinking On the Tao Guang Yang Hui Strategy', *China: An International Journal*, Vol. 2, No. 9 (2011) pp. 195–216.

97 Jeffrey Mankoff, *Russian Foreign Policy: the Return of Great Power Politics* (New York: Rowman & Littlefield, 2009); Deng, *China's Struggle for Status*.

98 Jack S. Levy, 'Prospect Theory, Rational Choice, and International Relations'. *International Studies Quarterly*, Vol. 41, No. 1 (1997), pp. 87–112; Rose McDermott, 'Prospect Theory in Political Science: Gains and Losses from the First Decade', *Political Psychology*, Vol. 25, No. 2 (2004), pp. 289–312.

99 Edward Luttwak, *The Rise of China vs. the Logic of Strategy* (Cambridge: Harvard University Press, 2012).

using Deng Xiaoping's 'laying low' strategy to reassure other states.¹⁰⁰ The United States and China's regional neighbours increasingly see its behaviour as menacing, more because of China's increased power and capabilities than any supposed shift towards more aggressive policies.¹⁰¹ Under these conditions, policies that in any way smack of 'assertiveness' are likely to raise alarm and fears about China's ultimate intention.

Over time, countries that feel threatened by China's growing power will react by forming military coalitions and using trade protectionism to curb and contain China's rise.¹⁰² This is how Chinese leaders interpret the US 'pivot' to Asia and the formation of the Trans-Pacific Partnership.¹⁰³ In response to these moves to curb China's growth, China may be tempted to increase its military potential, or take steps to form its own competing trade blocs, thereby challenging the US-led regional and global order. But these moves would lead it into the same trap that previous (unsuccessful) challengers found themselves in; that of having acted prematurely without first accumulating the power necessary to mount a successful challenge.¹⁰⁴ Given its insular culture and world view, authoritarian system, and uneven past record (its support for revolutionary insurgencies under Mao), and hardnosed pursuit of economic interests, any assertive behaviour on China's part is likely to alarm its neighbours and other great powers and encourage the formation of an anti-Chinese balancing coalition.¹⁰⁵ This could potentially derail China from the path of internal development that would enable it to realize its full national potential. Chinese scholars are well aware of this dilemma and have extensively studied the experience of Imperial Germany in order to avoid making the same mistakes it did of provoking geopolitical conflict with Great Britain (the hegemonic power of that era).¹⁰⁶ China's dilemma is thus to find a way to prevent the United States and other Western powers from trying to contain its rise in a way that will not provoke a counter-reaction against it.

The Sino-Russian Geopolitical Symbiosis

The emerging partnership is of critical importance to both parties as it allows them to address the predicaments and dilemmas generated by their structural position in the international system. Russia plays the role of stalking horse for China. It takes the lead in pushing back against what both countries see as the worst manifestations of the existing international order and against US hegemony. China benefits from these efforts without accepting the risks that come with challenging the dominant hegemon and its powerful allies. Moreover, Russia's belligerent and aggressive policies detract Western powers' attention from China's rise and limit the resources that they can marshal to contain China. US political and military leaders now identify Russia as the most pressing state-based threat to US

100 Yan, 'From Keeping a Low Profile to Striving for Achievement'.

101 Jerdén, 'The Assertive China Narrative'.

102 Luttwack, *The Rise of China vs. the Logic of Strategy*.

103 Xie Tao, 'Is This China's Eurasian Century?', *The Diplomat*, 10 October, 2015, <http://thediplomat.com/2015/10/is-this-chinas-eurasian-century/>.

104 Chan, *China, the U.S., and the Power-Transition Theory*.

105 Sutter, *Foreign Relations of the PRC*.

106 Reinhard Wolf, 'Rising Powers, Status Ambitions, and the Need to Reassure: What China Could Learn from Imperial Germany's Failures', *Chinese Journal of International Politics*, Vol. 7, No. 2 (2014), pp. 185–219.

interests, and the United States and its NATO allies are currently engaged in intense efforts to counter the 'looming Russian threat' in Eastern Europe.¹⁰⁷ Just as China has been a free-rider on the global collective goods provided by US hegemony, it has also been a free-rider on Russia's anti-hegemonic efforts. China has let Russia take the lead in opposing the US and left it to bear the brunt of doing so.

Russia also plays an important role in easing China's security vulnerabilities vis-à-vis the United States, and frees it from some of the burdens of having to compete militarily with the United States. Russia's military is a shell of its former (Soviet) self, but it nevertheless still has the world's second most powerful military that deploys the most modern and sophisticated armaments. The Chinese military is indeed dependent on Russian exports of advanced military systems, including those that would be used in a hypothetical maritime conflict with the United States in the Pacific.¹⁰⁸

Russia also plays a critical role in helping China to maintain the nuclear balance with the United States. Russia is the only country whose nuclear arsenal is comparable to that of the United States, and it is, in the words of director of the Russian government-owned international news agency *Rossiia Segodnya* Dmitry Kiselev, 'the only country capable of turning the USA into radioactive ash'.¹⁰⁹ China has a relatively small nuclear arsenal (estimated to deploy less than 100 ICBMs).¹¹⁰ Chinese experts are consequently deeply concerned that the United States' modernization of its nuclear forces, especially its development of an anti-ballistic missile system, could eventually make China vulnerable to a US first strike, so undermining China's nuclear deterrent.¹¹¹ These fears would be even more pronounced in the absence of Russia's nuclear arsenal. As things stand, China does not have to counter the United States' huge nuclear arsenal by building up its own nuclear stockpile because, given the strained US–Russia relations, a large part of the US arsenal is earmarked for deployment against Russia. Russia has also been useful to China in taking the lead on the ABM issue by resisting the development of a European ABM system. China and Russia are now cooperating on ABM countermeasures, and have even discussed the possibility of developing a joint ABM system of their own.¹¹²

Chinese leaders not only fear that American nuclear modernization and ABM will undermine their nuclear deterrent potential, but also worry about getting dragged into a costly arms race with the United States, so repeating the mistakes of the Soviet Union during the Cold War.¹¹³ With Russia continuing to be an important factor in the strategic

107 'NATO Plan Would Strengthen Defenses Against Russia, 13 June, 2016. http://www.nytimes.com/aponline/2016/06/13/world/europe/ap-eu-nato.html?_r=1.

108 Lo, *Axis of Convenience*.

109 'Russia Can Turn US to Radioactive Ash - Kremlin-backed Journalist', 16 March, 2014, <http://www.reuters.com/article/ukraine-crisis-russia-kiselyov-idUSL6N0MD0P920140316>.

110 International Institute of Strategic Studies, *The Military Balance 2016* (London: Routledge, 2016).

111 Zhang Baohui, 'US Missile Defence and China's Nuclear Posture: Changing Dynamics of an Offence–Defence Arms Race', *International Affairs*, Vol. 87, No.3 (2011), pp. 555–69.

112 RIA Novosti, 'Russia, China Plan to Boost Cooperation on Missile Defence', 9 January, 2013.

113 Fiona Cunningham and M. Taylor Fravel, 'Assuring Assured Retaliation: China's Nuclear Posture and US-China Strategic Stability', *International Security*, Vol. 40, No. 2 (2015), pp. 7–50.

nuclear balance, China can avoid costly arms races with the United States which would overburden the Chinese economy. As long as Russia remains a formidable military power that is antagonistic to the United States, China does not have to worry about facing the brunt of US military power alone, and can focus its resources on modernization and development.

China is important to Russia in that it facilitates Russia's challenge to the Western-led order that it feels is unfair, unjust, and detrimental to its vital interests, and also helps Russia to reduce its economic and psychological dependence on the West. Economic sanctions imposed on Russia by the United States and EU have hurt Russia's economy and exposed Russia's vulnerabilities to Western economic statecraft. As Russia becomes increasingly isolated from the West, Russian leaders hope that China may become an alternative source of investment and an alternative market for Russian exports.¹¹⁴ Russian leaders see economic integration with the booming economies of Asia as an alternative to Western integration, which has stalled for political as well as economic reasons. They hope that by 'grabbing the Chinese wind in its economic sails' (as Putin so famously put it) Russia can lessen its economic dependence on the West.¹¹⁵ Russia will be able to move away from its economy's overdependence on energy and natural resources by becoming a source of agricultural and other high value-added exports which use land and fresh water for Asia's markets, where these commodities and factors of production are in short supply.¹¹⁶ Moreover, it will allow Russia to maintain its sovereignty and independence and make it easier to stand up to the West when its vital interests are threatened, as they believe was the case in Ukraine.¹¹⁷

The partnership with China also has a critical psychological/ideological importance. One of the weaknesses of Russia's challenge is that it has not been able to develop a viable and coherent ideological alternative to Western liberal democracy. In this respect, Russia's challenge is on shaky ground, as there is no coherent unifying ideology, short of Russian nationalism, that elites and publics can rally around.¹¹⁸ China is important for Russia in that it represents an ideological alternative to liberal democracy. Russian leaders recognize that China does not represent a model that Russia can emulate, and are well aware of the historical and cultural differences that separate the two countries. However, China serves as proof that alternatives to Western recipes for economic and liberal development are possible, and that Russia can follow its own path.¹¹⁹ This emboldens Russian leaders and gives them ammunition for debates with domestic liberals who want Russia to follow a more pro-Western foreign policy.

114 Kashin, 'Russia Must Expand Relationship With China'.

115 Igor Makarov, *Povorot Na Vostok: Razvitie Sibiri I Dal'nego Vostoka v Usloviakh Usileniia Aziatskogo Vektora Vneshnei Politiki Rossii* (*The Turn to the East: The Development of Siberia and the Russian Far East and the Strengthening of the Asian Direction of Russian Foreign Policy*)(Moscow: Mezhdunarodnoye Otnosheniya, 2016).

116 Karaganov, 'To the Great Ocean'.

117 Valdai Club Report 'Towards the Great Ocean-Turn to the East: Preliminary Results and Objectives', June 2016, <http://valdaiclub.com/files/10920/>.

118 Marlène Laruelle, *In the Name of the Nation: Nationalism and Politics in Contemporary Russia* (Basingstoke: Palgrave Macmillan, 2009).

119 Trenin, *From Greater Europe to Greater Eurasia*.

Eurasian integration remains the cornerstone of Russia's strategy for preserving its great power status.¹²⁰ Yet, because of its growing economic difficulties, Russia has fewer resources to realize these aspirations. It is increasingly turning to China for finance and investment to promote Eurasian integration. In May 2015, Putin and Chinese President Xi Jinping signed a memorandum of cooperation between the Eurasian Economic Union and China's Silk Road initiative, whereby the two powers will work together to promote the region's economic development. Though many of the details still need to be ironed out, the expert Russian and Chinese communities are hard at work on developing concrete proposals for economic cooperation that go beyond the traditional areas of energy and infrastructure to include high-tech, manufacturing, and the development of cross-regional production networks.¹²¹ Moscow's acceptance of China's growing economic presence in Central Asia represents a dramatic reversal in policy. For years, Moscow resisted Chinese proposals for joint economic cooperation through regional structures such as the Shanghai Cooperation Organization, preferring instead to work towards economic integration through Eurasian regional integration structures controlled by Moscow.¹²² But Russia is now resigned to establishing a division of labour with China when it comes to Eurasian integration, wherein Russia takes on the responsibility for security and China for economic development.

Difficulties Facing the Relationship

Many of the fears from the past that have poisoned relations between the two sides have been put to rest. China is more confident of its internal stability and ability to defend against external aggression, and as Russia's military capability is much diminished since the fall of the Soviet Union, China no longer feels as vulnerable to Russian military invasions as it did during the Sino-Soviet split of the 1960s and 1970s.¹²³ The relationship is also free of the intense ideological conflicts of that period as both sides have largely abandoned Marxism-Leninism. The two are ruled by authoritarian regimes that share a common conservative world view that vehemently defends the principles of sovereignty and non-interference in international affairs.¹²⁴ Russia and China have signed a treaty on borders, so ending border disputes that brought deadly clashes between their armed forces. Perhaps most significantly for their contemporary relations, Russian fears of a 'yellow peril', i.e. a wave of Chinese immigrants which takes over the sparsely populated Russian Far East and Siberia, have also dissipated. Having benefited economically from cross-border trade local Russian populations are more familiar with the realities of Chinese migration, which is largely limited to seasonal labourers and shuttle traders.¹²⁵

120 Krickovic, 'Imperial Nostalgia or Prudent Geopolitics', pp. 503–28.

121 Timofei Bordachev, Anastasia Likhacheva, and Xin Zhang, 'What Asia Wants, or the "Four C's": Consumption, Connectivity, Capital & Creativity', *Valdai International Discussion Club Paper Series*, No. 1, 2014, http://vid-1.rian.ru/ig/valdai/Paper_Asia_eng.pdf.

122 Tsygankov, *Russia's Foreign Policy*.

123 Melvin Gurtov and Byong-Moo Hwang, *China Under Threat: The Politics of Strategy and Diplomacy* (Baltimore: Johns Hopkins, 1980).

124 Rozman, *The Sino-Russian Challenge to the World Order*.

125 Lyudmila Alexandrova, 'Specter of China's Seizing Siberia, Far East Totally Implausible', ITAR-TASS, 22 July, 2014.

Nevertheless, the relationship is not without its difficulties. Though there are strong complementarities between the two economies, economic relations are not on a firm footing. Trade is unbalanced, with Russian energy and raw materials and Chinese consumer goods representing the bulk of the goods traded between the two countries. This makes trade relations fragile and vulnerable to sudden changes in the world economy. As a result of the falling energy prices and the devaluation of the ruble (which decreased the consumption of Russian households), the volume of trade between the two fell to 30% in 2015.¹²⁶ Moreover, the private sector does not play a significant role. Instead, the economic relationship is heavily dominated by the state. Major investment decisions are made directly by the top political leadership and carried out by state bureaucracies and state owned banks and enterprises.¹²⁷ At \$67 billion, Sino-Russian trade is tiny compared to China's with the United States (over \$650 billion), and significantly smaller than Russia's with the EU (over \$200 billion).¹²⁸ Both sides' continued economic dependence on the West has hampered the development of their bilateral economic relationship. Russians were hopeful that Chinese capital could step in to replace investment from the West, which sanctions have cut-off. But Chinese firms and banks have been reluctant to invest in Russia or to work with Russian firms for fear of falling afoul of the Western sanctions regime and jeopardizing their more lucrative economic relationship with the West.¹²⁹

Thus far, Russia and China have been able to reach an accommodation in Central Asia and other areas of the post-Soviet space, and have largely avoided competition in these areas.¹³⁰ However, the tacit agreement about the division of labour may become strained as Chinese economic influence in the region grows and China begins to force Russia out of its traditional markets. As China's economic stake in the region grows, it may also become dissatisfied with Russia's ability to provide security and feel that it needs to take security matters into its own hands, so upsetting the current 'division of labour' and igniting geopolitical competition for regional influence.

The cultural gulf between the two sides remains wide, and the two societies have scant understanding of one another. Cultural exchanges between the two are still organized top-down by the state, and lack an organic societal component. Moreover, both Russian and Chinese elites continue to be oriented towards the West, and prefer to invest, travel, and send their children to study there.¹³¹ There is also a dearth of area studies experts in either country equipped with the knowledge to advise government and business leaders on their dealings with the other. Insufficient resources have been invested in Russian studies in China and in Chinese studies in Russia over the past few decades, as both have primarily

126 UN ComTrade Database (2016), <http://comtrade.un.org/>.

127 Alexander Gabuev, 'Future Approaches to China', in Nicu Popescu and Hiski Haukkala, eds., *Russian futures: Horizon 2025* (Paris: EU Institute for Security Studies, 2016), pp. 47–55.

128 UN ComTrade Database (2016), <http://comtrade.un.org/>

129 Alexander Gabuev, 'Did Western Sanctions Affect Sino-Russian Economic Ties?', *China Policy Institute Blog*, 26 April, 2016. <http://blogs.nottingham.ac.uk/chinapolicyinstitute/2016/04/26/did-western-sanctions-affect-sino-russian-economic-ties/>.

130 Maxim Bratersky, 'Rossiya i Kitai v evraziskoi integracii: sotrudnichestvo ili sopernichestvo?' ('Russia and China in Eurasian Integration: Partnership or Rivalry?'), in DA Savkin, ed., *Transformacia vneshnei politike Rossiii* (*The Transformation of Russian Foreign Policy*) (Moscow: Nestor-Istoriya, 2015), pp. 13–41.

131 Lo, *Russia and the New World Disorder*.

focused on their relationship with the West. This has recently begun to change, but it will take years for a new generation of experts to emerge.¹³²

Some Russian experts warn that as Russia becomes more estranged from the West it will become more dependent on the Chinese economy.¹³³ They predict that Russia will be forced to make major concessions to the Chinese which they have hitherto been unwilling to, such as allowing Chinese firms to become the majority shareholders in Russian energy projects, or supporting China's more assertive policies in the Pacific.¹³⁴ The contours of the trade relationship also perpetuate what many see as Russia's main economic weakness—the economy's lack of diversification and overdependence on the export of energy and raw materials. Russian liberals, who would rather see their country adopt a pro-Western foreign policy, are already lamenting that Russia is becoming China's 'natural resource appendage', and worry that a partnership with 'Communist China' will strengthen authoritarianism in their own country.¹³⁵ The popular dystopian novel *Day of the Oprichniks* by liberal author Vladimir Sorokin depicts a Russia run by a brutal praetorian cabal of security officers who have ceded Siberia to China and speak to each other in coarse slang peppered with Chinese.¹³⁶

The Chinese also question Russia's reliability, and the sincerity of its commitments to its partnership with China.¹³⁷ Given Russia's history, culture, and its economy's continued dependence on the West (nearly half of Russia's exports still go to the EU), Chinese leaders still suspect that Russia's shift to the East may be a ploy to negotiate better terms for Russia's eventual integration with the West.¹³⁸ Such suspicions have plagued the energy relationship, wherein progress on the construction of pipelines has moved forward only in fits and starts.¹³⁹ China wants to avoid a situation that allows Russia to play China and the West off against one another—a strategy that many Russian observers believe to be the best way for Russia to maximize its leverage between two more powerful players and preserve its independence.¹⁴⁰

Alexander Korolev has argued that the distribution of power at the international/systemic level draws the two countries to ally and so balance the United States, while factors at the regional and domestic levels of analysis (such as those discussed above) have driven the two to adopt hedging strategies: Russia pursues internal balancing against China while the two powers balance against each other at the regional level in Asia.¹⁴¹ However, the lopsided

132 Alexander Gabuev, 'A "Soft Alliance": China-Russia Relations After the Ukraine Crisis', *European Council on Foreign Relations Policy Brief*, February 2015, http://www.ecfr.eu/page/-/ECFR126_-_A_Soft_Alliance_Russia-China_Relations_After_the_Ukraine_Crisis.pdf.

133 Michael Overchenko, 'Povorot na Vostok mozhet byt opasen dlya Rossii' ('The Turn to the East Can Be Dangerous for Russia'), *Vedomosti*, 10 August, 2015, <http://www.vedomosti.ru/economics/articles/2015/08/10/604120-povorot-na-vostok-mozhet-bit-opasen-dlya-rossii>.

134 Gabuev, 'Future Approaches to China'.

135 Andrei Piontkovsky, 'Island Siberia. China's Secret Is Out', *Grani.ru*, 11 January, 2015.

136 Vladimir Sorokin, *Den' Oprichnika* (Moscow: Zakharov Books, 2006).

137 Yang Cheng, Interview with author, Shanghai, 30 October, 2014.

138 Wang Tiejun, Interview with author.

139 Morena Skalamera, 'Booming Synergies in Sino-Russian Natural Gas Partnership', Belfer Center for Science and International Affairs, 2014, <http://belfercenter.hks.harvard.edu/files/RussoSinoGas2014%20web.pdf>.

140 Lo, *Russia and the New World Disorder*.

141 Alexander Korolev, 'Systemic Balancing and Regional Hedging: China–Russia Relations', *Chinese Journal of International Politics*, Vol. 9, No. 4 (2016), pp. 375–97.

distribution of power between the two sides—which favours China, and which can only grow over time—may present problems for the relationship at the systemic level as well.

For Russia, there is a danger that it will become the junior partner in the relationship—a fate it fought so hard to avoid in its relationship with the United States. An evolution of the relationship wherein Russia would be forced to accept junior status would represent an ironic reprise of the relationship between China and the USSR in the 1950s and 1960s. But this time, Russia would be forced into the ‘little brother’ role that Mao and other Chinese communists grew to resent.¹⁴² Their resentment eventually culminated in the Sino-Soviet split and limited military conflict between the two sides. Russia may also grow to resent being the ‘little brother in the relationship’—especially if it comes to believe that China has not done enough to support it economically, or that China has let it bear the brunt and make all the sacrifices in the anti-hegemonic struggle against the United States.

For China, the danger is that Russia might become overly aggressive in its efforts to change the system, and drag it into its anti-hegemonic crusade. While China indeed appreciates Russia’s willingness to take a stand against the aspects of the system it finds unfair, the country’s main goal—to maintain stable internal growth and development—is dependent on the smooth functioning of the existing system. If Russia precipitates any major crises or confrontations with the West, China may suffer. Should its relations with the United States and the West worsen, China may find itself in a position similar to the one Imperial Germany found itself in over Austria on the eve of WWI, and which IR scholars consider to be the archetypical case of chain-ganging.¹⁴³ China may feel that it has to back Russia in any crisis for fear of losing its ally and having to face a larger Western coalition alone. The knowledge that Germany had little choice but to come to its aid in a greater European war encouraged Austria to pursue a risky foreign policy in the Balkans that eventually precipitated a larger European conflict. The knowledge that China has become dependent on its alliance with Russia may similarly embolden Russia to take greater risks in its showdown with the West by dragging China into destabilizing conflicts with the United States that it would rather avoid.

Similarities in World View and Political Culture

Despite these difficulties, the relationship is still robust. It rests on similar worldviews and shared political and institutional legacies of communist rule that are often overlooked by many analysts. The leadership of both countries shares a realist view of international relations that eschews the liberal institutional recipes put forward by the West.¹⁴⁴ This does not mean that they do not believe in the benefits of cooperation between states. Rather, they believe cooperation must be grounded not in shared values or principles but in mutual interest and benefit—a view that permeates the new international institutions the two have set up such as the SCO and BRICS.¹⁴⁵ They are strong defenders of Westphalian sovereignty and the principle of non-interference in domestic affairs (though they often see it as a prerogative of great powers rather than a right of all states). Leaders in both countries see

142 Gordon Chang, *Friends and Enemies* (Stanford: Stanford University Press, 1990).

143 Thomas Christensen and Jack Snyder, ‘Chain Gangs and Passed Bucks: Predicting Alliance Patterns in Multipolarity’, *International Organization*, Vol. 44, No. 2 (1990), pp.137–68.

144 Tsygankov, *Russia’s Foreign Policy*.

145 Vladimir Davydov, ‘Probuzhdaishchiesia giganty BRIK’ (‘The BRIC Giants are Awakening’), *Svobodnaia mysl*, Vol. 5 (2008), pp. 55–65.

US efforts to promote democracy and human rights as a direct threat to their own regimes and suspect that the real purpose behind these efforts is to advance American geopolitical interests by weakening their states.¹⁴⁶

Some observers argue that the national identities of both countries have been profoundly shaped by their Marxist–Leninist legacies. Leaders in both countries share a common view of the West as being domineering, intrusive, and posing an existential threat to their regimes and nations.¹⁴⁷ The effects of Marxist Leninist legacies on the relationship are also more subtle and indirect. Both countries' political institutions and political and organizational cultures have been profoundly shaped by their common socialist heritage. China is still ruled by an insular Leninist party that continues to dominate institutions at all levels of society. Under Putin, Russia's political institutions have come to look more like their Soviet predecessors.¹⁴⁸ In both countries, Soviet organizational cultures reach much deeper than just the upper echelons of power, and affect most societal institutions. Both share a common Leninist political culture based on informal networks, patron–client relationships, and secrecy.¹⁴⁹

A significant body of IR literature argues that authoritarian regimes face difficulties in cooperating with each other, as their lack of openness and transparency inhibits communication, and makes it more difficult for these states to make the credible commitments necessary for cooperation to work.¹⁵⁰ However, for China and Russia, similarities in institutional and political culture can help foster a sense of mutual understanding about 'how things are done' which can help bridge the cultural gulf that separates the two countries and avoid misunderstandings or misconceptions.

An instructive example is Russia's initial refusal to join the Chinese-led Asian Infrastructure Investment Bank (AIIB) when this possibility was first raised in December 2014. The Chinese understood that this decision was not motivated by any Russian desire to curb Chinese economic power, but rather by bureaucratic inertia and absence of expert oversight within the Russian Foreign and Finance ministries—a situation that is often replayed inside their own institutions. At the time, both bureaucratic institutions were preoccupied with problems closer to home—the crisis in Ukraine and the collapse of the Russian ruble—and were unable to give the proposal the attention it duly deserved. Rather than over-reacting, the Chinese tabled the proposal and were ready to renew it when Russia's government bureaucracy finally became aware of the significance of the bank, and was able

146 Jeanne Wilson, 'Russia and China Respond to Soft Power: Interpretation and Readaptation of a Western Construct', *Politics*, Vol. 35, No. 3–4 (2015), pp. 287–300.

147 Rozman, *The Sino-Russian Challenge to the World Order*.

148 Richard Sakwa, *Putin Redux: Power and Contradiction in Contemporary Russia* (New York: Routledge, 2014).

149 Ken Jowett, *The New World Disorder: The Leninist Extinction* (Berkeley: University of California Press, 1992); Kou Chine-Wien and Xiaowei Zang, 'Informal Politics Embedded in Institutional Contexts: Elite Politics in Contemporary China', in Kou and Zang, eds., *Choosing China's Leaders* (New York: Routledge, 2014); Li Cheng, 'China's Communist Party-State: The Structure and Dynamics of Power', in William Joseph, ed., *Politics in China* (Oxford, UK: Oxford University Press, 2014).

150 Michaela Mattes and Mariana Rodríguez, 'Autocracies and International Cooperation', *International Studies Quarterly*, Vol. 58, No. 3 (2014), pp. 527–38.

to focus full attention on it.¹⁵¹ Russia eventually joined the AIIB as a full member and the episode did not adversely affect the overall relationship.

The American Factor

In recent years, China and Russia have both emerged as major concerns for the United States. Nevertheless, it has been Russia, and not China, that has been viewed as the bigger threat (at least in the near term) to US leadership and the stability of the international order. Russia's more open challenge to American hegemony has thus deflected attention from China's rise, which in the long term is the bigger challenge to America's continued primacy. The United States has responded poorly to both Russia's decline and China's rise. Its unwillingness to address Russia's concerns as a declining power and its reluctance to accommodate China's rise by ceding more authority to it (while also hedging against China's rise by preparing to contain it) has alienated both powers and encouraged them to turn towards one another.

The Obama administration tried to restrain Russia by strengthening its alliance commitments in Europe, and by punishing Russia with economic sanctions that would up the cost of Russia's revisionist behaviour. At the same time, they avoided outright confrontation with Russia in Ukraine and Syria—thereby denying Russia the fight it was spoiling for.¹⁵² Russia hawks in Washington criticized this as a 'do nothing approach' that only encourages Russian aggression.¹⁵³ However, at least on the surface, this seemed to be the logical strategy for dealing with a declining power such as Russia. It made sense to defer any confrontation with Russia until the far and distant future, when Russia will be even weaker, particularly after exhausting its reserves through interventions in Ukraine and Syria.

In its approach towards China, the Obama administration continued the longstanding American dual track policy that David Shambaugh has characterized as 'hedged engagement': seeking to integrate China into the US-led liberal order but at the same time hedging against China's rise by putting the United States in a position to contain China should China emerge as a challenger to US hegemony.¹⁵⁴ Obama's 'pivot to Asia' was designed to strengthen both tracks in response to growing Chinese power. The Trans-Pacific Partnership is often misunderstood as an effort to isolate or exclude China, but it can best be understood as a more forceful form of engagement. China was excluded from the initial negotiations but would be included later, when the rules were already set and China would have no choice but to accept them. In this way, the United States tried to use the agreement to set the rules of trade, finance, as well as the economic regulation and standards that all states in the Pacific—including China—would have to follow in the future, thereby

151 Aleksandr Gabuev, 'Why Did It Take Russia So Long to Join the Asian Infrastructure Investment Bank?', *Eurasian Outlook*, 30 March, 2015, <http://carnegie.ru/eurasiaoutlook/?fa=59554>.

152 Krickovic and Weber, 'Commitment Issues'.

153 John McCain, 'Obama Has Made America Look Weak', *New York Times*, 14 March, 2014, <https://www.nytimes.com/2014/03/15/opinion/mccain-a-return-to-us-realism.html>.

154 David Shambaugh, 'Tangled Titans: Conceptualizing the US-China Relationship', in David Shambaugh, ed., *Tangled Titans: The United States and China* (London: Rowman & Littlefield Publishers, 2013), pp. 3–28.

ensuring that China would have to tread the liberal economic path as set by the United States.¹⁵⁵ The other major part of Obama's pivot—strengthening US alliance commitment with the region's countries and bolstering the US military presence in the Pacific—constituted the hedging manoeuvre that would facilitate China's containment should the need to do so arise.

Though it may have been logically sound, Obama's 'do nothing' Russia policy failed to address Russia's grievances, and thus ran the risk of dangerous military conflict with a country that, though declining in strength, is still a nuclear superpower. It also encouraged Russia to engage in brinksmanship and adopt destabilizing policies to show the West that ignoring its interest comes at a hefty price, evident in Moscow's strengthening of its support for the Assad government in Syria and meddling in the domestic politics of Western countries, including the US presidential elections.¹⁵⁶ Obama's approach to China suffered from a similar unwillingness to consider China's interests and concerns. In Obama's own words, 'America should write the rules. America should call the shots. Other countries should play by the rules that America and our partners set, and not the other way around.'¹⁵⁷ From the Chinese perspective, America's version of engagement means China must accept the burden and responsibilities of leadership while at the same time being denied real authority and decision-making power. Such an approach does not constitute the genuine accommodation of a rising power, and has only added to China's dissatisfaction with US leadership.¹⁵⁸

During the 2016 presidential campaign, Donald Trump promised to follow an 'America-first' strategy that would relieve the US of the burdens of global leadership in favour of a more narrow pursuit of national interests. This would represent a dramatic departure not only from Obama's foreign policy but also from America's post-WWII grand strategy. As to Russia, Trump proposed abandoning 'soft containment' in favour of engagement with Moscow, and the pursuit of a United States–Russian partnership to fight ISIS. At the same time, Trump seemed to be moving away from engagement and towards containment of China.¹⁵⁹ He placed much of the blame for America's industrial decline on China, vowing that he would force China to end its 'unfair' and 'manipulative' trade practices.¹⁶⁰ He promised to increase dramatically the US military presence in the Asia Pacific, and raised alarm bells in Beijing by questioning whether the United States should adhere to the 'one China' policy, so openly inferring that he would use the Taiwan issue as a bargaining

155 Shintaro Hamanaka, 'TPP versus RCEP: Control of Membership and Agenda Setting', *Journal of East Asian Economic Integration*, Vol. 18, No. 2 (2014), pp. 163–86.

156 Krickovic and Weber, 'Commitment Issues'.

157 Barack Obama, 'The TPP Would Let America, not China, Lead the Way on Global Trade', *Washington Post*, 2 May, 2016, https://www.washingtonpost.com/opinions/president-obama-the-tpp-would-let-america-not-china-lead-the-way-on-global-trade/2016/05/02/680540e4-0fd0-11e6-93ae-50921721165d_story.html?utm_term=.0238f5605f1f.

158 Deng, 'China'.

159 Alexander Gray and Peter Navarro, 'Donald Trump's Peace Through Strength Vision for the Asia-Pacific', *Foreign Policy*, 7 November, 2016. <http://foreignpolicy.com/2016/11/07/donald-trumps-peace-through-strength-vision-for-the-asia-pacific/>.

160 Sara Hsu, 'How Far Can Trump Go On Chinese Trade Policy?', *Forbes*, 14 November, 2016, <http://www.forbes.com/sites/sarahsu/2016/11/14/how-far-can-trump-go-on-chinese-trade-policy/#7b38ec533281>.

chip to force Chinese concessions on trade and other issues.¹⁶¹ Picking up on these cues, China hawks in the United States even went so far as to suggest that Trump's foreign policy realignment could eventually lead the United States and Russia to cooperate on containing China.¹⁶²

Trump's campaign rhetoric seemed to suggest that Russia would no longer deflect attention from China and that the United States would finally turn its attention to addressing the threat emanating from China's rise. Yet, at least thus far, this rhetoric has not been implemented as concrete policy. Trump's efforts to improve relations with Moscow are hamstrung by revelations of Russian meddling in the US presidential elections, and allegations of collusion between the Russians and the Trump campaign. Moscow hoped Trump would lift sanctions against Russia upon taking office. Instead it is likely that the US Congress will strengthen them in response to Russia's meddling, making it impossible for the president to lift them unilaterally. The two sides have made little progress in cooperating against ISIS. Tensions between the two countries have dramatically increased in Syria, Russia having responded to the United States downing of a Syrian air force jet by withdrawing from the 'de-confliction hotline' that the United States and Russia established to avoid any confrontation between their respective military forces operating in the region, and announcing that it would target US aircraft flying over its zone of operations in the country.¹⁶³

Trump has backed away from much of his initial tough talk on China, having promised not to institute more stringent trade measures in return for Beijing's help with North Korea and Isis. Trump's America-first mentality and transactional approach to dealing with China is sowing doubt among America's Asian allies.¹⁶⁴ Under Obama, Washington was the biggest critic of China's island build-up in the South China Sea, and even sent out naval patrols to the area to counter Beijing's territorial claims in the region and enforce what it claimed to be freedom of navigation in these contested waters. Wary of angering China (and thus jeopardizing cooperation on containing North Korea), the Trump administration has cancelled these patrols.¹⁶⁵ Trump's decision to cancel the TPP has also played into China's hands, easing pressure on the country to liberalize its economy and strengthening China's economic influence.¹⁶⁶ The TPP cancelled, China's regional trade agreement, the RCEP, seems poised to set the new standards for trade and investment in the region.

161 Tom Phillips, 'China "Seriously Concerned" after Trump Questions Taiwan Policy', *Guardian*, 12 December, 2016. <https://www.theguardian.com/us-news/2016/dec/12/donald-trump-questions-us-commitment-to-one-china-policy>.

162 John Mearsheimer, 'Donald Trump Should Embrace a Realist Foreign Policy', *National Interest*, 22 November, 2016, <http://nationalinterest.org/feature/donald-trump-should-embrace-realist-foreign-policy-18502>.

163 'Russia Warns US Its Fighter Jets Are Now Potential Target in Syria', *Guardian*, 19 June, 2017, <https://www.theguardian.com/world/2017/jun/19/russia-target-us-led-coalition-warplanes-over-syria>.

164 *Ibid.*

165 Javier Hernandez, 'Trump's Mixed Signals on South China Sea Worry Asian Allies', *New York Times*, 10 May, 2017. <https://www.nytimes.com/2017/05/10/world/asia/trump-south-china-sea-allies.html>.

166 Thomas Friedman, 'Trump, China's Chump', *New York Times*, 28 June, 2017, <https://www.google.hr/search?q=1h1414&oq=1h1414&aqs=chrome.69i59j0l2.3664j0j8&sourceid=chrome&ie=UTF-8>.

The Trump administration's approach to both powers suffers from a lack of focus and coherence. Many positions in Washington's national security and foreign policy have yet to be filled, and there are deep disagreements between members of the administration on how best to deal with China and Russia.¹⁶⁷ It is unclear whether the administration has an overall strategy or if America's foreign policy is now hostage to the whims of its inexperienced and often ill-informed president. In practice, many of the old US policies remain in place (especially as they pertain to Russia) and the much anticipated confrontation with China has failed to materialize. The pattern of Russia's anti-hegemonic behaviour detracting from the problems posed by China's rise continues, as most of the US establishment (with the exception of Trump and his closest followers) still see Russia, and not China, as the bigger immediate threat.¹⁶⁸

Even if Trump were able to shift US policy towards rapprochement with Russia and containment of China, it is doubtful that the United States could weaken the Sino-Russian partnership. In fact, such a foreign policy would be more likely to strengthen the relationship. Russia is eager to calm tensions with the United States and cooperate with it in combating Islamic terrorism in the Middle East. However, Russia recognizes that its interests conflict with those of the United States in many areas, and is wary of forming ties with the United States that would compromise its autonomy or freedom of action. From Moscow's perspective, past efforts to 'reset' the relationship with the United States have ended in disappointment, mainly because of the United States' inability to live up to its side of the bargain.¹⁶⁹ Moscow has a long list of grievances about the West's 'broken promises' that goes back 1989, and the United States' alleged pledge not to enlarge NATO after German unification. Russia will hence not trade its promising relationship with China only to have its hopes dashed once again. 'The easing of Russia-NATO tensions will not lead Russia to abandon its real strategic partnership with China in favour of an illusory partnership with the West.'¹⁷⁰ If Trump does finally follow through on his anti-Chinese rhetoric it will drive China into Russia's arms, making Beijing more dependent on its security relationship with Moscow. Growing trade and security conflict with the United States may prompt China to throw greater weight behind its commitments to Greater Eurasian economic integration, a project which is particularly important for Russia. Absent such a clear political impetus, this ambitious geo-economic project is likely to stall, given its sheer size and complexity. But should it begin to gather momentum it will strengthen economic interdependence between the two powers and create a much more solid economic foundation on which Sino-Russian ties may continue to develop.¹⁷¹

167 'Trump Eager for Meeting with Putin, but the Idea is Exposing Divisions in White House', Associate Press, 26 June 2017; Josh Rogin, 'Inside the Kushner Channel to Russia', *Washington Post*, 2 April, 2017, https://www.washingtonpost.com/opinions/global-opinions/inside-the-kushner-channel-to-china/2017/04/02/d1a960c6-164f-11e7-833c-503e1f6394c9_story.html?utm_term=.43b175cb292c.

168 'Moscow Bristles At Pence's Claim That Russia Is a Threat', *Radio Free Europe/Radio Liberty*, 6 June, 2017, <https://www.rferl.org/a/russia-pence-claim-threat/28532152.html>.

169 Suslov, 'For a Good Long While'.

170 Dmitry Suslov, 'Revolutsiya Trampa i ee globalnoe posledstvie' ('The Trump Revolution and Its International Repercussions'), *Valdai Discussion Club*, 23 November, 2016, <http://ru.valdaiclub.com/a/highlights/revolyutsiya-trampa-i-eye-globalnye-posledstviya/>.

171 Makarov, 'The Turn to the East'.

Conclusion

Russia's challenge to the international order and the burgeoning Sino-Russian partnership are profoundly shaped by China and Russia's position in the international system, and by the two countries' power trajectories: China as a rising power and Russia as a power facing decline. But these structural factors do so in ways that are not anticipated by established IR theories. It is Russia, and not China, that has emerged as the most assertive challenger to the international order. China can prosper and grow by free-riding on the hegemonic order established by the United States, and is thus cautious about challenging it. As a declining power, Russia is dissatisfied with the order and determined to change it in order to reverse its decline and maintain its great power status. Owing to Russia's considerable residual capabilities (particularly in the military sphere), a symbiotic relationship has developed between it and China that allows China to free-ride on Russia's anti-hegemonic efforts, so deflecting the West's attention from China's rise and the threat that it represents to the status quo.

The literature and popular discussions of power transitions focus on the relationship between rising powers and declining hegemons, neglecting the critical role that a declining great power can play in this process. Russia is in a position to influence profoundly the ongoing power transition—despite its diminished power and capabilities. Debates have thus far focused on finding ways to accommodate rising powers and keep them from emerging as challengers. Yet, finding ways to deal with declining great powers and manage their decline may be just as important to the maintenance of international peace and stability.

Instead of trying to break up the Sino-Russian partnership, the United States and West would be better advised to take advantage of the strong relationship that has developed between them and constructively engage both powers. As Sino-US tensions rise, Russia can play a useful role in acting as an arbiter and middleman between China and the United States, especially if a crisis emerges between the two on contentious issues such as Taiwan or China's territorial claims in the South China Sea. Russia would relish such an opportunity as it would allow it to enhance its international status and prestige. Western leaders can look to China to help rein in Russia when its behaviour threatens to destabilize the international order. As it still (mostly) benefits from the status quo, China has an interest in keeping Russia's anti-hegemonic policies from becoming too disruptive. And as its isolation from the West grows, Russia is becoming increasingly dependent on China, giving the latter considerable leverage. The United States and Europe, therefore, should enlist China's aid in settling the Ukraine crisis, and include it in any future negotiations on a more enduring security architecture for Europe.

It is in the West's best interest for both countries to become active stakeholders in the existing international order. This will require ceding real responsibility and power to them, something that the United States and its Western allies have been reluctant to do. China and Russia have abandoned their revolutionary and anti-systemic ideologies and embraced markets and capitalism. Though neither is a democracy, they guarantee their people a degree of personal liberty that would have seemed unimaginable only a couple of decades ago. Both countries could emerge as status quo states committed to the preservation of a stable international order. But this will be possible only if the West is ready to make the sacrifices and concessions that will transform the order in a way that benefits both great powers, and gives them a true voice in decision making. Without more farsighted Western statesmanship, Russia will continue to challenge and China will continue to shirk

leadership responsibilities, so undermining global stability as we head towards an increasingly uncertain future.

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