

CHINA AND RUSSIA: GAMING THE WEST?

ABOUT

The Chinese have long been obsessed with strategic culture, power balances and geopolitical shifts. Academic institutions, think-tanks, journals and web-based debates are growing in number and quality, giving China's foreign policy breadth and depth.

China Analysis introduces European audiences to these debates inside China's expert and think-tank world and helps the European policy community understand how China's leadership thinks about domestic and foreign policy issues. While freedom of expression and information remain restricted in China's media, these published sources and debates provide an important way of understanding emerging trends within China.

Each issue of *China Analysis* focuses on a specific theme and draws mainly on Chinese mainland sources. However, it also monitors content in Chinese-language publications from Hong Kong and Taiwan, which occasionally include news and analysis that is not published in the mainland and reflects the diversity of Chinese thinking.

Introduction

by François Godement

In September 2016, Russia held joint naval manoeuvres in the South China Sea with China, bringing some of its best ships to the party. Two weeks later, China shied away from joining Russia in a veto of yet another Western resolution on Syria at the UN. The discrepancy sums up the extent and the limits of the strategic convergence between both countries.

The “axis of convenience” between China and Russia has, without question, grown larger. And the positive dynamics pushing cooperation forward are largely economic. But there is also a negative dynamic, coming from the West. Both countries have a perception of regime insecurity that emerges from the international promotion of democracy, and the attractiveness of corruption-free and comparably safe Western societies for individuals, be they Chinese or Russian.

But economic growth isn't the only thing drawing China and Russia together. The possible eastward extension of NATO, the high-tech superiority of the US and other Western armaments has not been undermined by the financial crises and political uncertainties of established democracies. This is why China and Russia describe their moves as reactive rather than assertive. For Russia, it means the possibility of mounting pre-emptive strikes and sudden regional escalation that leads to conflict dominance, as is the case today in the Syrian civil war. For China, it is the endless increase in military spending and

deployment, and the game it is playing in the empty spaces of the South China Sea, East China Sea and border areas with India. Here again, the comparison reveals differences: Russia has conducted or directly condoned hot wars, from Georgia, Chechnya, and Serbia to Crimea, the Donbas and Syria. They target or concern large civilian populations. Instead, China fills open spaces, sometimes turning them into military assets. So far, it has lived up to its affirmation that it “will not fire the first shot”. Military adventurism is very far from the Chinese tradition, which is to take a much more comprehensive view of national power and influence.

Still, the China that has refused to enter into any alliances since the demise of the Sino-Soviet treaty in 1960 currently has its second track experts debating the opportunity of a new alliance with Russia. Indeed, there are few strong justifications for such an alliance, but many opportunities to team up on an issue-by-issue basis. Both China and Russia share a track record of flouting or rejecting international law on territorial issues, although in very different situations. Invoking and restraining the UN is becoming a key topic of interest as China’s budgetary influence over the organisation has grown considerably in recent years. Bridging the Eurasian landmass with strategically significant projects that might somewhat balance the US domination at sea is another cause – although the writers cited in this special issue of *China Analysis* make it clear that this is a project for the long haul and with elements of competition for markets and influence.

It is only the growing malaise inside Western democracies that makes this conjunction impressive. As our writers are well aware, Russia’s well-being still depends on trade with Europe and on the price of oil and gas – things that China cannot dictate or help with. Russia is only a minor supplier of technology to China, even in the military and aerospace sectors. Historical distrust and even a lingering identity dispute lurk behind the surface of relations between the two countries. It is entertaining to see that leading diplomat Fu Ying, now a key speaker for China, presided over the latest PLA-inspired Xiangshan Forum in Beijing this October, where Russian participants were granted front row seats. Nonetheless, in a Chinese version of a piece published in English by *Foreign Affairs*, she cited, at length, the various Russian turnarounds since the nineteenth century that have ended alliances with China.

In a world where economics is increasingly separated from politics, and where international relations often mix engagement policies with containment policies, there is no reason why a strong Chinese-Russian partnership cannot endure, whatever the misgivings, distrust and diversity of interests. China and Russia are not perfect partners, but the weakness of Western alliances creates opportunities for risk-free strategic convergence on a growing list of issues. China and Russia might not be able to form a functioning alliance, but can we be sure that their issue-

by-issue cooperation won’t yield stronger results than existing Western alliances?

China and Russia: Towards an alliance treaty?

Mathieu Duchâtel

The possibility of an alliance treaty with Russia has been an undercurrent in Chinese foreign policy debate since the reciprocal visits of China's President Xi Jinping and Russia's President Vladimir Putin to the two military parades of 2015: Moscow's 9 May Victory Parade and Beijing's 3 September parade to commemorate the end of the "Chinese people's war of resistance against Japanese aggression". The key driver of the current rapprochement between the two countries is China and Russia's increasingly similar views on the state of international affairs – including a shared hostility towards the United States. After the two parades, during another state visit by Putin to Beijing in June 2016, China and Russia signed a "joint statement on strengthening global strategic stability".¹ As argued by Yan Xuetong, a longstanding supporter of a grand strategy based on alliances, the most significant part of the document is its effort to broaden the concept of "strategic stability" from its restrictive definition in the field of nuclear arms control to a much wider political context.² But how far can China and Russia actually go? Chinese sources indicate that the prevailing thinking is sober and cautious, and that there is still widespread resistance to the idea of any alliance.

"Friendly neutrality"

The year 2016 marks the twentieth anniversary of the launch of the China-Russia strategic partnership. Liu Fenghua lists the many concrete achievements that have been made in the framework of the partnership: the final border delimitation of 2004; strategic alignment against colour revolutions; joint opposition against missile defence; the establishment of the Shanghai Cooperation Organisation; close cooperation in multilateral international organisations, including the United Nations; China's acquisition of advanced defence systems; and energy cooperation.³ Economic cooperation has also reached a strategic level (一定的战略性, *yiding de zhanlüxing*). Bilateral trade totalled \$95 billion in 2014, and although it decreased to \$69 billion in 2015, China remains Russia's most important bilateral trade partner, and Russia is in China's top ten. China is also the fourth-largest provider of foreign investment to Russia. Liu says that one important characteristic of the partnership is its strategic ambition – it aims to shape the international order and create global strategic stability. This ambition was the starting point of the partnership, but it has since expanded to encompass many more areas.

1 "China, Russia sign joint statement on strengthening global strategic stability", *Xinhua*, 26 June 2016, available at http://news.xinhuanet.com/english/2016-06/26/c_135466187.htm.

2 "An exclusive interview with Yan Xuetong" (专访阎学通, *zhuanyang Yan Xuetong*), *Dacankao*, 3 July 2016. Yan Xuetong is a professor at Tsinghua University.

3 Liu Fenghua, "The pattern of China-Russia strategic coordination: formation, features, and prospects" (中俄战略协作模式: 形成、特点与提升, *Zhong'e zhanlüe xiezuo moshi: xingcheng, tedian yu tisheng*), *Guoji wenti yanjiu*, No. 3, 2016, pp. 1-12. Liu Fenghua is an expert on Russia at the Chinese Academy of Social Sciences (CASS).

Fu Ying's piece on the subject in *Foreign Affairs* at the beginning of 2016 drew much attention.⁴ In a longer version published in Chinese in another leading international relations journal, she argues against describing the current strategic partnership between China and Russia as an alliance.⁵ An important point that was omitted in the English version is that China has taken on board the lessons of history. In the twentieth century, each successive Chinese regime signed an alliance treaty with Russia. None of them was successful in protecting or advancing vital Chinese national interests. In 1896, after the Qing Empire's defeat in the First Sino-Japanese War, General Li Hongzhang signed a secret alliance treaty on the sidelines of the coronation of Tsar Nicholas II. The treaty granted Russia a railway concession in Manchuria in exchange for security guarantees if Japan should invade. Less than five years later, Russian and Japanese troops were fighting alongside each other against the Boxer Rebellion and Qing dynasty troops as part of the Eight-Nation Alliance. In August 1945, a day before Japan's surrender in World War II, the Republic of China signed a Treaty of Friendship and Alliance with the Soviet Union. This treaty forced the Nationalists to recognise the

independence of Mongolia, to accept a Soviet military base in L u s h u n , and to concede ownership of the Changchun railway to the Russians. The 1950 Treaty of Friendship, Alliance, and Mutual Assistance between the two communist giants of the People's Republic of China and the Soviet Union lasted less than ten years and did not prevent a dramatic strategic break that opened the way for decades of military tension. Fu Ying makes it clear: the lessons of history are bitter.

“Fu Ying argues against describing the current strategic partnership between China and Russia as an alliance”

Zhao Huasheng also has vivid memories of a past characterised by tension and strategic competition. The current friendly situation was hard won, but in his opinion, there is nothing to suggest that it will last over the long term. Zhao argues that the present state of China-Russia relations can best be described as "friendly neutrality" (友好中立, *youthao zhongli*).⁶ In 2015, trade and investment statistics showed a sharp decline, but mutual strategic trust continued to increase, and cooperation expanded on all fronts. Zhao believes that the key to all this was the decision to coordinate between the Russian-led Eurasian Economic Union and China's One Belt, One Road project. Even though observers are still searching for a flagship cooperation project that can demonstrate substantial progress, Zhao says that the real value of the agreement is political – it means that Russian

4 Fu Ying, "How China sees Russia", *Foreign Affairs*, January/February 2016. Fu Ying is a former Vice-Foreign Minister, who is now Chairperson of the Foreign Affairs Committee of the National People's Congress.

5 Fu Ying, "China-Russia relations, are we allies or partners?" (中俄关系, 是盟友还是伙伴, *Zhong'e guanxi, shi mengyou haishi huoban*), *Xiandai guoji guanxi*, No. 4, 2016.

6 Zhao Huasheng, "Has there been a change in the nature of China-Russia relations?" (中俄关系质变了吗?, *Zhong'e guanxi zhibian le ma?*), *Pengbo*, 10 July 2016. Zhao Huasheng is a leading scholar on Russia at Fudan University in Shanghai.

concerns about a dominant Chinese economic presence in Russia's traditional backyard in Central Asia have at least partially been addressed. In other positive news, he says that Russia's image is improving in China, including among the younger generation – Russia is perceived as a country that resists “international hegemony” (国际霸权, *guoji baquan*), and it is also increasingly appreciated for its culture, as more Chinese people travel as tourists to Russia. There has also been a considerable decrease in the number of complaints by Chinese tourists who felt discriminated against by Russian law-enforcement agents, which has been a major problem in the past.

But general friendliness does not make an alliance. Zhao believes that Russia and China's respective international identities on the world stage have already

been firmly established – both are “independent strategic actors”. The partnership has some of the characteristics of an alliance relationship, and Zhao says there is some support for a real alliance in the strategic communities of both countries. However, the reality is that a “flexible partnership” (弹性的伙伴模式, *tanxing de huoban moshi*) serves both sides' interests much better than an alliance would: this kind of relationship has fewer commitments, which means that differences can be handled more easily. Fu Ying agrees: China does not have a “political culture” of alliances and does not follow a policy of “political blocs” (没有搞集团政治, *meiyou gao jituan zhengzhi*). That said, it sees Russia as a key strategic partner in advancing China's vision of a future international order.

Managing differences and expectations

Zhao thinks the main thing that will continue to prevent Russia and China from becoming allies is the way that they deal with each other's conflicts with third states. Clearly, the situations in Ukraine and the South China Sea do not provide evidence for a pattern of unconditional mutual support. In the future, the two sides “will not completely come down on the other's side, and will not provide full support to each other” in times of crisis. Zhao says that the real challenge is not bringing the partnership to the level of full strategic support; rather, it is managing the differences that could easily generate strategic distrust. For this reason, he suggests “friendly neutrality” – even if it is, in his opinion, an “imperfect concept”. In the absence of anything more concrete, the concept at least describes what is needed to prevent future distrust.

Chen Yu is similarly sceptical in his piece assessing the strategic value for Russia of its ties with China in the

context of Western sanctions.⁷ The phrase “pivot to Asia” is sometimes used to describe the increased attention that Russia has given to China since the Ukraine conflict. Chen's conclusion is clear-cut and straightforward: China will never replace Europe as the centre of gravity of Russian foreign policy. His two major arguments are economic and cultural. On the economic front, in 2015, in spite of a decrease of 40 percent since the previous year, trade with Europe still represented 44.8 percent of Russian foreign trade, more than four times its total trade with China. Europe also remained the Russian economy's main source of capital and advanced technologies. The “strategic replacement” has just not happened. Chen sees this as also being a result of China's policies, which have persistently focused on Russia as an export market rather than as a destination for outward investment. The second argument is simply that Russians are Europeans, and Putin himself is a “Europeanist” (欧洲主义者, *ouzhou zhuyi zhe*). In spite of Putin's ideological contempt for Europe's liberalism, Chen argues that Russia's values are closest to Europe's. His conclusion: beware disappointments, because “while Russia values its relationship with us, we should not be overly excited, and we should certainly not expect too much from our bilateral partnership”.

Liu Fenghua draws the most optimistic conclusion of the Chinese authors. He argues that the timing is not right for forming an alliance, because general trends in the evolution of the international system serve the interests both of Russia and of China: “At the present stage, our interest is in completing modernisation, not in transforming the existing international order.”

⁷ Chen Yu, “Russia's pivot to the East? China will not replace the West in the short term” (俄转向东方? 中国短期内难以替代西方, *E Zhuanxiang dongxiang? Zhongguo duanqi-nei nanyi tidai xifang*), *Fenghuang Zhoukan*, No. 11, 2016. Chen Yu is a research fellow at the China Institute of Contemporary International Relations (CICIR).

Russia's military strategy: China's partner, model, or competitor?

Alexandre Sheldon-Duplaix

At the time of the Crimean crisis in 2014, an editorial in the *Global Times* concluded that Russia's military power is Moscow's trump card. So, the article suggested that "China should speed up its military modernisation", because "once the confrontation between the West and Russia goes out of control, it is China that will suffer".⁸ But Chinese authors have various assessments of the real state of Russia's military strength, and of the degree to which Moscow is prepared to partner or compete with Beijing to achieve its goals.

Is Russia a weak power?

In 2013, China's Academy of Military Science's Department of Military Strategy published a third edition of the *Science of Military Strategy* (战略学, *zhanlüe xue*).⁹ This exhaustive 276-page manual dedicates four pages to a short description and analysis of Russia's military strategy. In these four pages, the Chinese authors describe the overall transformation of the Russian military strategy since the end of the Cold War. They note a shift from a global military strategy to a regional military strategy focused on the homeland, with new strategic frontlines centred on the restricted corridors of the Baltic and Black Seas.

The Academy of Military Science authors characterise Russia as a "warlike nation ... founded and strengthened by war" that has never hesitated to use military force to defend its interests. The authors say that Russian military culture favours defensive and offensive operations in order to seize the initiative. A year before the seizure of Crimea, the authors quote Putin as advocating "pre-emptive strikes" to counter the United States and NATO and to preserve "strategic parity" and "asymmetrical balance" in the peripheral regions.

The authors say that after Soviet leader Mikhail Gorbachev came to power in 1985, Soviet military doctrine was based on five "Nos": no to being the initiator of military operations; no to being the first to employ nuclear weapons; no to surprise attacks and pre-emptive strikes; and no to large-scale offensive operations. But after the fall of the Soviet Union, needing to compensate for the collapse of its conventional forces, Russia abandoned Gorbachev's "no first-use" nuclear policy in favour of an "offence and defence strategy".¹⁰

Vladimir Putin, who became president in 2000, is depicted as having "actively revived national power and military strength". His policy was that the armed forces should be able to effectively contain any nuclear or conventional threats against the Russian Federation and its allies. The Academy of Military Sciences cites the two Chechen wars and Serbia as examples of Russia's resilience and initiative: in the Chechen wars, Moscow ultimately prevailed after initial defeat, and in Serbia, Russia mounted the surprise occupation of an airfield in Kosovo in the aftermath of the 1999 NATO campaign that it had opposed. In 2002, Putin said that Russia might "use nuclear weapons to fight back against a large-scale conventional attack". This statement obviously referred to a scenario in which Siberia was invaded, but the Chinese authors do not make this point explicit.

During Dmitry Medvedev's presidency (2008-2012), Russia issued its National Security Strategy to 2020 (in 2009) and the Military Doctrine of the Russian Federation (in 2010).

“Ma and Sun present Russia as a weak power that is challenged by NATO”

The Chinese authors say those documents made it clear that Russia considered external threats to be greater than domestic threats, with the US and NATO remaining the primary strategic opponents.

To resist aerospace attacks, sea and air blockades, and anti-missile operations, Russia considered that it was essential to be able to deploy joint operations by the navy, the air force, air defence units, and strategic missile forces. In order to facilitate these operations, Russia established four major military area commands – the west, south, central, and east – each with their own joint strategic headquarters. The authors do not endorse Russia's justifications for the 2008 Georgian War (Russia said the war came as a result of Georgia's killing of Russian military observers): instead, the Chinese writers describe the war as a Blitzkrieg attack carried out during the Beijing Olympic games aimed at countering US and NATO moves to reduce Russia's strategic space. Meanwhile, in response to increased aerospace threats – from the US's Anti-Ballistic Missile (ABM) defence plan and Prompt Global Strike initiative – a new Russian "national aerospace defence concept" established a unified national aerospace defence system, integrating air and space defence.

In 2016, three years after the publication of the Academy of Military Science's manual, Ma Jiang and Sun Jie also analysed "Russia's geopolitical and military relations with major powers".¹¹ Unlike the Academy authors, Ma and Sun present Russia as a weak power that is challenged by NATO. They say that the West's attitude to Russia has continued to be characterised by a Cold War mentality, which is why

8 "West-Russia rivalry puts world on edge", *Global Times*, 18 March 2014, available at <http://www.globaltimes.cn/content/849162.shtml>.

9 Shou Xiaosong (ed.), *The Science of Military Strategy* (2013) (战略学, *zhanlüe xue*) (Beijing: Military Science Press, 2013) pp. 54-58 (hereafter, *The Science of Military Strategy*).

10 *The Science of Military Strategy*, p. 55.

11 Ma Jianguang and Sun Jie, "Changes affecting the Russian National Security Strategy" (俄罗斯国家安全战略的变化及影响, *eluosi quojia anquan zhanlüe de bianhua ji yingxiang*), *Xiandai Guoji Guanxi*, Vol. 3, 2016, pp. 15-22 (hereafter, Ma and Sun, "Changes affecting the Russian National Security Strategy"). Ma Jianguang is deputy director of the Center for International Studies at the People's Liberation Army National University of Defense Science and Technology (NUDT). Sun Jie is a researcher in International Relations at the College of Humanities and Social Sciences, NUDT.

the European Union and NATO sought to expand eastward without trying to integrate Russia into their security architecture. This policy squeezed Russia's strategic space at a moment when its armed forces were decreasing dramatically, which explains Moscow's reactions in Georgia and Ukraine. The authors note that "earnings from oil, gas, and mineral exports constitute more than half of [Russian] federal government revenues", making the country's economy very sensitive to the world commodities market. Exacerbated by Western economic sanctions, the fall in resource prices has caused economic hardship that is now endangering Russian national security.

With regard to Russia's military strength, Ma and Sun say that "Russia's conventional armed forces' combat capability does not meet the Russian Federation's national security requirements and can only handle low-intensity conflicts, while Russia's huge nuclear arsenal is lagging behind because of a lack of sufficient funding". They agree that Putin has increased investment in and reform of the military – but even so, the US and Japan have gradually increased the asymmetry. Washington is building a sea- and land-based ABM system, from Spain to Romania, Poland, and Japan. And in spite of Russia's efforts to modernise the Black Sea Fleet, the authors believe that its naval and air forces would be unable to prevail in a large-scale confrontation with Turkey.

On Syria, Bi Hongye disagrees somewhat with Ma and Sun's analysis.¹² All three agree that Russia's willingness to send troops to Syria reflects an urge to defend the country's only strategic asset in a Mediterranean region that is dominated by NATO, along with Russia's only foreign naval base, which is conveniently located on the route to the Indian Ocean. But Bi downplays the US and NATO threat to Russia, in spite of the Alliance's decision to reinforce its troops in Poland and the Baltic States. Instead, Bi sees the Islamic State (ISIS) as Russia's real cause for concern: Bi believes the group could eventually provoke war and havoc in the Northern Caucasus and Volga regions, with a risk of much higher casualties for Russian forces than the risk from intervening in Syria. Furthermore, Damascus is one of Russia's major trading partners, particularly in weapons and energy. Therefore, Moscow ought to support Damascus, just as Washington would support its partner, Israel. Unlike Ma and Sun, who emphasise Russia's military weakness, Bi Hongye is impressed by the efficiency of Russia's air and missile strikes in Syria.

China: Russia's "natural ally" or a "strategic competitor"?

Liu Fei analyses Russia's policy in the South China Sea and its influence on China's maritime disputes.¹³ According

12 Bi Hongye, "Syrian crisis, a new regional war, Russia's Middle East Strategy" (叙利亚危机、新地区战争与俄罗斯的中东战略, *Suliya weiji, xin diqu zhanzheng yu eluosi de zhongdong zhanlue*), *Waijiao pinglun*, January 2016. Bi Hongye is deputy director of the Russian Research Centre at Shanghai International Studies University.

13 Liu Fei, "Russia's Policy in the South China Sea and Its Impact on Chinese Maritime Disputes: Analysis Based on the US Asia-Pacific Rebalancing Strategy" (俄罗斯的南海政策及其对中国海洋争端的影响, *eluoosi de nanhai zhengce jiqidui zhongguo Haiyang*

to Liu, Russia's policy is a pragmatic effort to strengthen cooperation with China so as to resist pressure from the US and NATO and oppose the US's strategy of "re-balancing in the Pacific". Liu notes that Russia's core principles are "pragmatism with fewer resources to contribute in exchange for larger visibility, in order to secure sound and practical benefits". Quoting Russian experts from the Far East Institute of the Russian Academy of Sciences, Liu believes that China is a "natural ally" for Russia. He points to joint statement of 2016 signed by the country which state that they should support each other "on issues concerning each other's sovereignty, territorial integrity, security, and other core issues".¹⁴ Liu notes that Russia's Foreign Policy Concept has "also made it clear that a comprehensive strategy will continue to enhance cooperation with China on an equal footing and with mutual trust ... for the maintenance of global peace and regional stability in general". As a result, Russia has publicly expressed support for China in its maritime disputes, denouncing the US "as a major destabilising factor in the South China Sea". China and Russia have since 2012 engaged in joint naval exercises, which Russia characterises as a joint maritime defensive action, carried out in order to "safeguard world peace and stability". Liu believes that

"Liu Fei admits that "for Russia, China is to a certain extent a strategic competitor"

Russia's top priority is the development of relations with China. It wants to build bilateral military cooperation "to resist the threat from the ocean" – that is to say, from the US.

Nevertheless, Liu sees some limits to Russia's Chinese policy: he admits that "for Russia, China is to a certain extent a strategic competitor". In the South China Sea, Russia does not go as far as endorsing China's claims, even as it aligns itself with China's approach: "Russia hopes the parties concerned will exercise restraint and resolve their differences through negotiations". In the East China Sea, Russia de facto recognises China's "Air Defence Identification Zone", but it abstains from any further involvement in the Diaoyu/Senkaku dispute.

Liu also notes that Russia is preparing to export more weapons to other countries in the region, including Vietnam and perhaps the Philippines, both of which are participants in the South China Sea disputes. The volume of Russia's bilateral trade with Vietnam is over \$3.5 billion, five times higher than it was ten years ago. Liu says that by arming Vietnam to counter China's expanding power, Russia has created a stumbling block for China. The relationship between Vietnam and Russia has been upgraded to a "comprehensive strategic partnership", to a certain extent renewing the old Soviet alliance that enabled Moscow to check and balance China's rise. Given Russia's strategic necessity of getting closer to China, Liu wonders whether the

zhengduan de yingxiang), *Dongbeiyu luntan*, Vol. 1, No. 123, 2016. Liu Fei is a lecturer at the Department of Humanities and Social Sciences at the PLA Naval University of Engineering, Wuhan.

14 The full text of the statement can be found here : http://news.xinhuanet.com/politics/2016-06/26/c_1119111908.htm.

country will have to suspend its cooperation with Vietnam. But he points out that such a move would be very costly, both in terms of image and in terms of contracts worth several billion dollars. The Asia Pacific region accounts for 60 percent of Russian arms exports, and Liu says that Vietnam is one of the two largest importers of Russian arms, along with Venezuela.

Ma and Sun say that in the longer term, Russia will have to contend with the external threat represented by the US's Prompt Global Strike and the external and internal threat of a Western-sponsored "colour revolution", which could undermine its domestic political stability.¹⁵ And while Chinese commentators seem wary and even slightly envious of Russia's ability to use its military forces to support its interests, they also point out that Russia may not have the economic means to support its assertive strategy.

The Silk Road goes north: Sino-Russian economic cooperation and competition

Michal Makocki

President Vladimir Putin's visit to China in May 2014 was an important milestone in China-Russia relations. Isolated by the post-Ukraine sanctions regime, Russia turned to China not only for political support but also as an alternative to Western markets and investment. The leaders of the two countries touted trade and economic cooperation as one of the key pillars of their comprehensive strategic partnership. Lofty goals were established, including to reach a bilateral trade volume of \$100 billion by 2015; to enable China to tap the East Siberian gas fields through the Power of Siberia pipeline; and to allow China to invest in infrastructure in Russia, in particular in the underdeveloped Russian Far East.

Two years since the visit, progress on many of the goals is mixed at best. Despite the rhetoric, the China-Russia relationship continues to suffer from strategic mistrust, preventing the two sides from fully embracing mutual commercial opportunities. This is particularly the case for projects that would lock the two countries into long-term dependency, such as the Power of Siberia pipeline. Bilateral trade has not been going as well as could be hoped, either: with a 28 percent decrease from the previous year, bilateral trade between China and Russia totalled \$64 billion in 2015 – well short of the stated target, as Liu Changmin observes.¹⁶ In spite of setbacks like this, the majority of the Chinese research community continues to emphasise the enormous potential of economic cooperation between the two countries. However, some authors disagree, suggesting the possibility of a less cooperative relationship, or even a direct clash, between the two countries, especially in Central Asia.

Russia's missed opportunity

Chinese analysts recognise that Russia's rapprochement with China is driven by Western sanctions. Zhao Mingwen says that Russia simply has no alternative to embracing China: "Russia's hopes for cooperative ties with the West have been dashed after the imposition of sanctions. As a result, China has become the only global player with which Russia can cooperate."¹⁷ Liu Changmin agrees: "As China's relationship with the United States increasingly

¹⁶ Liu Changmin, "A closer investigation and consideration of the Eastern Sino-Russian border" (中俄东部边界近距离观察与思考, *zhong'e dongbu bianjie jinjuli guancha yu sikao*), *Taipingyang xuebao*, Vol. 24, No. 3, 2016, pp. 59-67 (hereafter, Liu, "A closer investigation and consideration of the Eastern Sino-Russian border"). Liu Changmin is a professor at the Chinese University of Politics and Law.

¹⁷ Zhao Mingwen, "The decline of bilateral trade and the development of Sino-Russian ties" (贸易下滑与中俄关系发展, *maoyi xiahua yu zhong'e guanxi fazhan*), *Guoji Wenti Yanjiu*, Vol. 3, 2016, pp 107-121 (hereafter, Zhao, "The decline of bilateral trade"). Professor Zhao Mingwen is a researcher at the China Institutes of International Studies. He also teaches at the University of Foreign Affairs in Beijing.

¹⁵ Ma and Sun, "Changes affecting the Russian National Security Strategy".

experiences turbulence and uncertainty, Sino-Russian ties will continue to rise in their overall importance in China's foreign diplomacy outlook."¹⁸

With this in mind, the fall in trade can be explained by factors exogenous to Sino-Russian relations and, Zhao says, should not be made the yardstick for assessing the relationship. He explains that the 2015 drop in bilateral trade was "mainly due to the landslide fall of crude oil prices". Russia actually exported a record 37.63 million tonnes of crude to China last year, a 28 percent increase from the previous year – but the total dollar value of these exports still declined, because of the drop in crude oil prices.¹⁹ This underlines the importance of fossil fuels in the trade relations between the two neighbours, as well as evidencing their clearly delineated roles: Russia is the provider of raw materials, and China is their consumer.

Zhao says that although China benefits from cheaper fuel imports from Russia, limiting the two countries' economic cooperation exclusively to energy deals is a weakness that needs to be overcome. This pattern of oil-for-cash trading is not sustainable, particularly for Russia: according to Zhao, "Russia's focus on Europe in the past two decades meant that the country lost the opportunity to capitalise on the rise of China, and Russia would be better off not replicating the pattern of dependence on oil sales that characterises its trade with Europe, but instead fully embracing cooperation with China in fields other than energy and primary materials exports."

Russian politicians and industry leaders apparently share this view: Zhao says that this is one reason for Russia's willingness to expand high-tech collaboration. Some examples of this cooperation are the new China-Russia Silk Road Innovation Park on the outskirts of Xi'an City, as well as the two countries' joint efforts to manufacture civilian jet engines using Russian technology, and joint R&D in the development of a satellite navigation system. Likewise, Wang Gang points out the convergence of China and Russia's competitive advantages in fields such as agriculture, forestry, high-speed railway, civil aviation, outer space exploration, infrastructure building, finance, investment, education, technology, medical care, and tourism.²⁰

Cooperation trumps competition

Energy cooperation with Russia has significant benefits for China. One major opportunity is the Power of Siberia gas pipeline, which is to supply gas to China's north-eastern provinces from Russia's East Siberian gas fields.

¹⁸ Liu, "A closer investigation and consideration of the Eastern Sino-Russian border".

¹⁹ Zhao, "The decline of bilateral trade".

²⁰ Wang Gang, "The foundation and prospects of Sino-Russian industrial cooperation" (中俄产业合作的基础与前景, *Zhong'e chanye hezuo de jichu yu qianjing*), *Xiboliya Yanjiu*, Vol. 43, No. 2, April 2016, pp. 10-11 (hereafter, Wang, "The foundation and prospects of Sino-Russian industrial cooperation"). Wang Gang is a researcher based at the Heilongjiang Provincial Academy of Social Sciences.

Even though Russia's gas fields are geographically close to China's industrial north-eastern regions, the pipeline took ten years to be agreed, mainly because of disagreements over gas prices. When it becomes operational, the pipeline will help China to diversify its energy supply. Li Xi notes that Turkmenistan currently supplies the largest share of China's natural gas imports, while sea-borne oil and gas supplies provide the coastal regions with most of their energy needs. But the pipeline linking Russia to northeast China raises fewer geopolitical concerns than these routes, because it will allow energy to be supplied directly to Chinese consumers without transiting through the territory of intermediary countries.²¹ Wang adds that Russia's gas supplies could create the conditions for a new petrochemical industry in the region, thus providing "impetus for the revival of the Chinese Rust Belt", which is currently characterised by its outdated industrial capacity.²²

"The Chinese authors also say that Chinese companies should seize the opportunity to contribute to Russia's national and regional development strategies"

The Chinese authors also say that Chinese companies should seize the opportunity to contribute to Russia's national and regional

development strategies. Jiang Zhenjun says that Russia's national strategy of "going east" and China's Silk Road Economic Belt initiative both create opportunities for infrastructure construction, in particular in high-speed railway.²³ Jiang suggests that, to highlight their rapprochement, China and Russia should cooperate on some flagship projects, such as the high-speed railway between Moscow and Beijing (roughly 7,000km apart), which could cut travelling time between the two cities from almost a full week to 17-24 hours.²⁴ At this stage, however, the project remains only aspirational: so far, only a small part of the route between Moscow and Kazan, a city 800km east of Moscow, is being developed (potentially with Chinese companies' participation in the construction, although partnering with Western companies has not yet been ruled out). China and Russia could jointly implement other railway projects in Central Asia, a region that Jiang says offers great potential for China-Russia cooperation rather than competition.

²¹ Li Xi, "A study of the characteristics, movers, and impact of the new developments in Sino-Russian oil and gas cooperation" (中俄油气合作新发展的特征、动因及影响探析, *Zhong'e youqi hezuo xin fazhan de tezhen, dongyin ji yingxiang tanxi*), *Guoji Luntan*, Vol. 18, No. 1, January 2016, pp. 33-40. Li Xi is a lecturer at the Law School of Anhui University of Finance and Economics.

²² Wang, "The foundation and prospects of Sino-Russian industrial cooperation".

²³ Jiang Zhenjun, "China and Russia jointly build the 'One Belt, One Road', A study of Sino-Russian economic cooperation and trade" (中俄共同建设"一带一路"与双边经贸合作研究, *Zhong'e gongtong jianshe yidaiyilu yu shuangbian jingmao hezuo yanjiu*), *Eltosi Dongou Zhongya Yanjiu*, Vol. 4, 2015, pp. 41-47 (hereafter, Jiang, "China and Russia jointly build the 'One Belt, One Road'"). Jiang Zhenjun is a researcher with the Russian Studies Institute at Heilongjiang University.

²⁴ Jiang, "China and Russia jointly build the 'One Belt, One Road'".

These suggestions mirror the tone of the official announcement on pairing the Eurasian Economic Union and the Silk Road Economic Belt, which was signed at the sidelines of President Xi Jinping's visit to Moscow in May 2015. Jiang thinks Central Asia could be the "meeting place" where the two strategies intersect. He sees potential for "a second Eurasian Intercontinental railway as a crucial part of the Silk Road Economic Belt initiative".²⁵ However, Xiang Yijun and Zhang Jinping do not share this optimistic view: they see potential for "conflicting and overlapping interests in third countries, particularly in Central Asian states, which both regional projects of China and Russia claim as their main operational space". They add: "political stability and economic nationalism in third countries could also be a risk factor".²⁶ Xiang and Zhang seem to be in agreement with many Western commentators, who tend to see potential for a clash in China's commercial expansion into the region that Russia perceives as its own backyard.

Jiang sees Northeast China as a key element of the Silk Road initiative. He envisions a dynamic regional economy "centred on Harbin and connected with Russia's Siberian railway system, river ports, and airports in the region to form a mega-transportation network."²⁷ However, his expectations overestimate the economic opportunities available in Russia's Siberia, which is a depopulated and underdeveloped region with little economic activity. Similarly, Russia's unfavourable business environment, including cumbersome customs controls at the border, will also work against Jiang's vision – as will Russian perceptions. As Xiang and Zhang note, "The perception of China as an economic threat, particularly related to Chinese investment and immigration into Russia's underpopulated Far East, will continue to adversely affect Russians' willingness to cooperate with China."²⁸

Jiang's ideas also include a very imaginative link through the Arctic, which he calls the northern part of the Silk Road. He suggests that "Russia and China can jointly build a logistics port along the projected Arctic navigation route. The two countries can also join hands in developing the mineral resources along the route, particularly energy resources." If developed, the Arctic route would provide China with an alternative maritime connection to the congested Malacca strait and the Suez Canal and increase its energy security by diversifying trade routes.

Trade and infrastructure cooperation between China and Russia has the theoretical potential to greatly reward

25 Jiang, "China and Russia jointly build the 'One Belt, One Road'".

26 Xiang Yijun and Zhang Jinping, "The obstacles and conflicts in merging Sino-Russian regional economic strategy" (中俄区域经济合作战略对接的障碍与冲突, *Zhong e qiyu jingji hezuozhanlve duijie de zhangai yu chongtu*), *Zhongguo Jingmao*, Vol. 1, 2016, pp. 33-38 (hereafter, Xiang and Zhang, "The obstacles and conflicts in merging Sino-Russian regional economic strategy"). Professor Xiang Yijun and Associate Professor Zhang Jinping both teach at the School of Economics at Harbin University of Business.

27 Jiang, "China and Russia jointly build the 'One Belt, One Road'".

28 Xiang and Zhang, "The obstacles and conflicts in merging Sino-Russian regional economic strategy".

both sides – but in spite of official statements, it is increasingly clear that the strategic mistrust between the two countries will prevent them from capitalising on the available opportunities.

Back to the basics: Counter-terrorism cooperation and the Shanghai Cooperation Organisation

Marc Julienne

Counter-terrorism cooperation has been a *raison d'être* for the Shanghai Cooperation Organisation (SCO) since its establishment. Today, the SCO is facing a new threat, as the possible expansion of the Islamic State (ISIS) into South and Central Asia makes counter-terrorism cooperation even more important. Moreover, the organisation is set to expand from six to eight member states, and the accession of new members India and Pakistan will have profound effects on regional counter-terrorism cooperation.

The institutional basis of SCO's counter-terrorism cooperation

The SCO was established in 2001, but its predecessor, the Shanghai Five, began to meet annually to promote regional cooperation as early as 1996.²⁹ Even then, cooperation on non-traditional security issues was among the meetings' top priorities.

On 15 June 2001, the SCO was formally established, including the Shanghai Five countries plus Uzbekistan. One of the organisation's two main founding documents

is the Shanghai Convention on Combating Terrorism, Separatism, and Extremism.³⁰ In this document, the member states committed to exchanging information and experience on the implementation of measures and legislation to combat terrorist activities and their sources of finance, weapons, ammunition, and any other assistance.³¹ In 2002, the Agreement Between the Member States of the Shanghai Cooperation Organisation on the Regional Anti-Terrorist Structure was signed during the group's Saint Petersburg summit.³² Following this, the Regional Anti-Terrorist Structure (RATS) was launched

“Antiterrorism cooperation has been a *raison d'être* for the Shanghai Cooperation Organisation since its establishment”

in Tashkent, Uzbekistan, in 2004. It represented the first institutionalised feature of the SCO's counter-terrorism cooperation mechanism.

A further advance in counter-terrorism cooperation came with the signature of the SCO Convention on Counter-Terrorism at the SCO's Yekaterinburg summit in June 2009.³³ In contrast with the 2001 Shanghai Convention on Combating Terrorism, Separatism, and Extremism, which was short on specifics in many areas, the 2009 text is more detailed and complete. For instance, the 2001 Convention only briefly described the broad notions of terrorism, separatism, and extremism, whereas the 2009 document legally defines the concepts of “terrorism”, “act of terrorism” (恐怖主义行为, *kongbu zhuyi xingwei*), and “terrorist organisation” (恐怖主义组织, *kongbu zhuyi zuzhi*).³⁴

China-Russia bilateral cooperation and the SCO

As the SCO's two leading powers, China and Russia play a key part in the development of security cooperation, and the bilateral relationship between the two is crucial to the efficiency of the entire organisation. Li Hui, the Chinese ambassador to Russia, noted in 2015 that both sides had shown great willingness to cooperate.³⁵ Beijing and Moscow have lately been discussing the integration of their respective regional economic projects, the Chinese-led Silk Road Economic Belt and the Russian-led Eurasian Economic Union. In May 2015, China's President Xi Jinping and Russia's President Vladimir Putin signed a “Joint Statement on Cooperation of Connection Between the Silk Road Economic Belt and Eurasian Economic Union” and the “China-Russia Joint Statement on Deepening Comprehensive Strategic Partnership of Coordination and Advocating Win-win Cooperation”. And in June 2016, they signed another “China-Russia Joint Statement on Strengthening Global Strategic Stability”.³⁶

Regional stability is a prerequisite to implement these projects. To ensure this stability, Li Hui stressed that

33 SCO Convention on Counter-Terrorism, (上海合作组织反恐公约, *Shanghai hezuo zuzhi fankongbu zhuyi gongyue*), 16 June 2009, available at http://www.npc.gov.cn/wxzl/gongbao/2015-02/27/content_1932688.htm. See “China ratifies the SCO Convention on Counter-Terrorism” (中国批准上合组织反恐公约, *Zhongguo pizhun shang he zuzhi fankongbu zhuyi gongyue*), *Xinhua*, 28 December 2014, available at http://news.xinhuanet.com/politics/2014-12/28/c_1113803830.htm.

34 Interestingly, the 2009 text does not mention “separatism” and “extremism”, which constituted, along with “terrorism”, the “three forces” (三股势力, *san gu shili*) that the SCO was originally supposed to fight. The omission of those two terms is likely due to the notion that they constitute specific political motives that already come under the broader “terrorism” concept. However, the idea of the “three forces” is still used in political discourse, and since September 2014, Chinese President Xi Jinping has been calling for an “anti-extremism convention”. See “Chinese president proposes anti-extremism treaty, urges joint efforts to combat internet terrorism”, *Xinhua*, 12 September 2014, available at http://news.xinhuanet.com/english/china/2014-09/12/c_133639464.htm.

35 “Chinese ambassador to Russia says China hopes to deepen antiterrorism cooperation with Russia” (中国驻俄大使说中方愿同俄深化反恐合作, *Zhongguo zhu e dashi shuo zhongfang yuan tong e shenhua fankong hezuo*), *Xinhua*, 11 December 2015, available at http://news.xinhuanet.com/world/2015-12/11/c_1117435036.htm (hereafter, *Xinhua*, “Chinese ambassador to Russia”).

36 See “Xi Jinping and Russian president Putin hold talks” (习近平同俄罗斯总统普京举行会谈, *Xi Jinping tong eluosi zongtong puding juxing huitan*), *Xinhua*, 25 June 2016, available at http://news.xinhuanet.com/politics/2016-06/25/c_1119111635.htm.

29 The Shanghai Five was a head-of-state-level group made up of China, Kazakhstan, Kyrgyzstan, Russia, and Tajikistan.

30 Shanghai Convention on Combating Terrorism, Separatism, and Extremism (打击恐怖主义、分裂主义和极端主义上海公约, *daji kongbu zhuyi, fenlie zhuyi he jiduan zhuyi shanghai gongyue*), 15 June 2001, available at http://www.npc.gov.cn/wxzl/wxzl/2001-12/12/content_281315.htm.

31 Jiang Shengli, “Research on legal problems in the SCO's regional antiterrorist mechanism” (上海合作组织地区反恐机制的法律问题研究, *Shanghai hezuo zuzhi diqu fankong jizhi de falu wenti yanjiu*), *Journal of Shanghai Police College*, Vol. 26, No. 1, February 2016, pp. 30-39.

32 Agreement Between the Member States of the Shanghai Cooperation Organisation on the Regional Anti-Terrorist Structure (上海合作组织成员国关于地区反恐机构的协定, *Shanghai hezuo zuzhi chengyuan guo guanyu diqu fankongbu jigou de xieding*), 7 June 2002, available at http://www.npc.gov.cn/wxzl/gongbao/2003-02/24/content_5307526.htm.

China and Russia are committed to strengthening cooperation on fighting terrorism, transnational criminal organisations, cybercrime, and drug trafficking, adopting a “zero tolerance” (零容忍, *ling rongren*) policy.³⁷

One area in which this cooperation is realised is in the joint counter-terrorist exercises known as “Cooperation”. “Cooperation” is a bilateral joint training programme between the two countries’ counter-terrorist special forces: the Chinese People’s Armed Police (PAP) and its Russian equivalent, the Russian National Guard, which was established in June 2016. Zhang Lue and Luo Hu say that exercises under the programme have been held three times: in 2007, 2013, and 2016. The exercises in Russia in July 2016 involved 80 troops, including the PAP’s renowned Snow Leopard (雪豹突击队, *xuebao tujidui*) and Falcon (猎鹰突击队, *lieying tujidui*) Commandos.³⁸

The authors also emphasize that counter-terrorism joint training exercises present an opportunity to promote mutual understanding, pragmatic cooperation, and military exchange between the two countries. They also facilitate wider military cooperation: one example of this is the China-Russia joint naval drill, “Joint Sea”, which has been held since 2012, with the last one held in the South China Sea in September 2016.

Other bilateral and multilateral military exercises take place within the framework of the SCO. China and Kyrgyzstan held a bilateral joint military exercise in 2002, within the framework of both the SCO and their bilateral exchange, but the first truly multilateral exercise was held in August 2003, two months after the signature of the “Memorandum on holding joint antiterrorism exercises by SCO member states’ armed forces” during the SCO’s 2003 Moscow summit. Since then, SCO member states have participated in and organised joint military exercises almost every year. The most recent SCO joint military exercise was held in September 2016 in Kyrgyzstan (“Peace Mission” 2016).³⁹ All of these exercises’ stated purpose is the fight against terrorism.

The growing terrorist threat in Central Asia

After 15 years of increasing counter-terrorism cooperation, the SCO faces several new challenges. One of the most serious is ISIS. From its beginnings in Syria and Iraq, ISIS is searching for new territories to spread

into – especially in Central Asia. SCO governments take this threat very seriously.

According to Jin Kai, the “rapid expansion” of ISIS in Afghanistan and Central Asia has made the Fergana valley, shared between Uzbekistan, Tajikistan, and Kyrgyzstan, an attractive and vulnerable target for the terrorist group. The valley is an important economic and strategic hub – but it has a small land area and a large population, so land and water resources are insufficient. Moreover, religious influence is quite strong, and economic development has stagnated. All these conditions make it an easier target for ISIS, so the area could become a security threat for the “Eurasia heartland”, and a serious danger to China and Russia.⁴⁰

The north of Afghanistan, bordering Turkmenistan, Uzbekistan, and Tajikistan, offers another “paradise” into which ISIS could expand in Central Asia. Turkmenistan has been fighting terrorist attacks on its border with Afghanistan since 2014. To combat the threat, the

“Li Jinfeng thinks that competition between China and Russia centres only on economic and soft power issues. On security, their interests largely coincide”

Turkmen government has tried to strengthen its security forces by recruiting veterans from the Soviet era and enrolling high school students in the army. In 2015, Turkmenistan asked for direct assistance from the United States, but no

moves to provide it have been made so far.⁴¹

Jin says that Central Asian ISIS combatants are not recruited in Central Asian countries directly – instead, they are mostly recruited in Russia. This is because most Central Asian young people who immigrate to Russia have trouble integrating, which makes them vulnerable to extremist ideology.

The Uzbek Ministry of State Security estimates that more than 5,000 Uzbek nationals have already joined ISIS. The Tajik government says that interest in ISIS is spreading fast among the young people of Tajikistan. In 2015, 400 young Tajiks joined ISIS, and 120 of them died in the Middle East.

Kyrgyzstan is also a privileged target for ISIS in Central Asia. On 16 July 2015, domestic security departments arrested six alleged members of ISIS in Bishkek. According to the Kyrgyz government, the suspects were planning an attack during Eid al-Fitr the next day, with a car bomb

³⁷ *Xinhua*, “Chinese ambassador to Russia”.

³⁸ Zhang Lue and Luo Hu, “Terrorist attacks increase, urging China and Russia to join hands to find countermeasures” (恐怖袭击频发, 催促中俄携手寻找应对之策, *kongbu xiji pin fa, cuicu zhong'e xieshou xunzhao yingdui zhi ce*), *China Youth Daily*, 14 July 2016. Zhang Lue and Luo Hu are from the Shijiazhuang People’s Liberation Army (PLA) Ground Force Command College.

³⁹ “Joint antiterrorist military exercise ‘Peace Mission 2016’ to be held from September 15th” (“和平使命-2016”联合反恐军演将于15日举行, *heping shiming-2016 lianhe fankong jun yan jiang yu 15 hao juxing*), *People’s Daily Online*, 12 September 2016, available at <http://military.people.com.cn/n1/2016/0912/c1011-28708666.html>.

⁴⁰ Jin Kai, “Islamic State progressing in Central Asia” (伊斯兰国挺进中亚, *Yisilangu tingjin zhongya*), *Phoenix Weekly*, 2 February 2015 (hereafter, Jin, “Islamic State progressing in Central Asia”). Jin Kai is a reporter with Phoenix Weekly.

⁴¹ Jin, “Islamic State progressing in Central Asia”.

supposed to rush into the crowd gathered in a public square; they were also planning an attack on a Russian air base in Kyrgyzstan. On 30 August 2016, a suicide car bomb injured three people at the Chinese Embassy in Bishkek. The Kyrgyzstan State Security Commission indicated that the driver was an ethnic Uyghur with a Tajik passport; he arrived in Kyrgyzstan from Istanbul on 20 August and had links to the Turkestan Islamic Party (TIP). He might have spent time in Syria fighting for Jabhat al-Nusra, now renamed Jabhat Fatah al-Sham.⁴² On 29 August, Kyrgyz counter-terrorist Special Forces shot an alleged “international terrorist organisation member” in an operation in a Bishkek suburb.⁴³

In Kazakhstan, official statistics indicate that about 1,000 nationals have left for Syria and Iraq. ISIS even released a video with a Kazakh national perpetrating a beheading. As for China, Jin reports that some Turkish organisations have been helping young militant Uyghurs to illegally immigrate to Thailand, Malaysia, or Indonesia, where they are given visas to Turkey, and then might go on to Syria.⁴⁴ However, not much information is available about this issue.

SCO enlargement: towards the end of a “dual-core” organisation?

For more than ten years, the SCO has been gradually opening up to observer states and dialogue partners. Now, with India and Pakistan approved as full members at the Tashkent summit in June 2016, it is entering a new phase of enlargement. Chen Yurong believes that the enlargement reflects the organisation’s attractiveness; it will enhance the SCO’s international status and influence, and expand its economic and security cooperation.⁴⁵ As Li Jinfeng points out, it will also transform the SCO from a “dual-core” (双核, *shuanghe*) organisation to a “China-Russia-India-led” (中俄印三国, *Zhong e yin san guo*) body.⁴⁶

Li Jinfeng says that the main motive of the SCO expansion is to counter US influence in Central Asia.⁴⁷ He thinks that ever since the first US military base was established in Central Asia after the Cold War (officially to fight

terrorism in Afghanistan), the US’s real purpose in the region has been to prevent Russia from regaining its traditional sphere of influence. Jin Kai says the Fergana Valley, for example, is not only a potential terrorist threat, but also the great powers’ “natural arena” (天然竞技场, *tianran jingjichang*). In the future, it is “highly possible” that it could become a “Ukraine II” (乌克兰第二, *Wukelan di er*), caught up in the fight for influence between the US and Russia.⁴⁸

However, China-Russia relations should not be much affected by the enlargement. Li Jinfeng thinks that competition between China and Russia centres only on economic and soft power issues. On security, their interests largely coincide.

Counter-terrorism has always been a core component of the SCO and has strongly contributed to the institutionalisation process of the organisation. So, the current threats as well as the accession of new member states should broaden the SCO’s scope for multilateral and bilateral cooperation. As Li Jinfeng says, the SCO’s counter-terrorism mission will continue to be to “prevent the ‘three forces’ [of terrorism, separatism, and extremism] from spreading from South and West Asia” to Central Asia, China, and Russia.⁴⁹

42 Liang Fulong, “Kyrgyz National Security Commission: Syrian terrorist organisation ordered an ETIM member to attack Chinese Embassy” (吉尔吉斯斯坦国安委: 叙利亚恐怖组织下令 东突分子袭击中国大使馆, *Ji'erjisi sitan guo'an wei: Xuliya zuzhi xialing dongtu fenzi xiji zhongguo dashi guan*), *The Observer*, 6 September 2016.

43 “Kyrgyz National Security Commission said to have killed a terrorist in the capital’s suburb” (吉国安委称在首都附近击毙一名恐怖分子, *Ji guo an wei cheng zai shoudu fujin jibi yi ming kongbu fenzi*), *China News*, 7 September 2016.

44 Jin, “Islamic State progressing in Central Asia”.

45 Chen Yurong, “Fifteen years of SCO, challenges and opportunity of these achievements” (上合组织15年, 成就机遇与挑战, *Shanghe zuzhi 15 nian, chengjiu jiyu yu tiaozhan*), *Global Times*, 23 June 2016. Chen Yurong is secretary general of the Research Centre on SCO and head of the Eurasian Institute at the China Institute of International Studies (CIIS).

46 Li Jinfeng, “SCO enlargement: opportunities and challenges” (上海合作组织扩员: 挑战与机遇, *Shanghai hezuo zuzhi kuo yuan: Tiaozhan yu jiyu*), *Russia, Eastern Europe and Central Asia Studies*, No. 6, 2015 (hereafter, Li, “SCO enlargement: opportunities and challenges”). Li Jinfeng is a researcher at the Research Institute on Russia, Eastern Europe and Central Asia at the China Academy of Social Sciences (CASS).

47 Li, “SCO enlargement: opportunities and challenges”.

48 Jin, “Islamic State progressing in Central Asia”.

49 Li, “SCO enlargement: opportunities and challenges”.

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