Russia and China in the age of grand Eurasian projects: Prospects for integration between the Silk Road Economic Belt and the Eurasian Economic Union

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Russia and China in the age of grand Eurasian projects: Prospects for integration between the Silk Road Economic Belt and the Eurasian Economic Union

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Abstract

Following the recent deterioration of relations between Russia and the West over crises in the Middle East and Ukraine, the relationship between Moscow and Beijing is growing stronger. In 2014, the two nations signed an unprecedented gas deal worth US$400 billion. In May 2015, Vladimir Putin and Xi Jinping agreed to coordinate the Moscow-led EEU with China’s Silk Road Economic Belt (SREB). Following these developments, authors and journalists heralded a new era in Sino-Russian relations in which the two nations would consolidate their forces to counter a US-led unipolar world. However, the nature of the relationship between China and Russia, the prospects for closer cooperation between the two nations, and the feasibility of integrating the two grand Eurasian projects are topics of fierce debate. This article maintains that while a consensus between Moscow and Beijing with regard to post-Cold War US unilateralism and their convergent interests have pushed China and Russia to cooperate on a range of global and regional issues, relations between the two Eurasian neighbours are complex and multi-faceted and are far from forming an anti-US bloc. Furthermore, the abstract nature of China’s Silk Road initiative and a number of significant obstacles make the feasibility of integration between the two projects a complicated task. Issues explored by this article include the development of mechanisms and agreement on a format for cooperation between the nations involved; the solution of practical issues such as rail gauges and corruption in the region; the prospects for an “equal partnership” in Sino-Russian relations and Moscow’s predicament with regards to its position as “junior partner” in Eurasia; and last but not least, the ever-growing threat of Islamic fundamentalism and regional security.

Introduction

Following the recent deterioration of relations between Russia and the West over crises in the Middle East and Ukraine, Moscow and Beijing intensified their cooperation on an unprecedented level. In 2014, the two nations signed the gas deal worth US$400 billion, and then on 8 May 2015 at a meeting in Moscow, Vladimir Putin and Xi Jinping agreed to integrate their two projects: the SREB and the EEU. The agreement will “coordinate political institutions, investment funds, development banks, currency regimes, and financial systems—all to serve a vast free trade area linking China with Europe, the Middle East, and Africa.”1 China was the first country to receive Russia’s S-400 Triumf air and missile defence systems. In Russia, pundits close to the Kremlin have argued that following these events, Russia and China have entered a new era of strategic partnership which will lead to the formation of a new “Greater Eurasia” macro-bloc, consisting of...

“China, Russia, Kazakhstan, Iran, and possibly India.” This macro-bloc will oppose the US-led international order, resulting in a return to a bipolar world order. A report published by the Valdai Club asserts that Eurasian economic integration, led by Russia, Kazakhstan, and Belarus, and the SREB projects, is the main driving force behind the transformation of “Central Eurasia” into a “zone of joint development.” Nonetheless, the nature of the relationship between China and Russia prospects for closer cooperation between the two nations over formation of an anti-US bloc and the feasibility of integrating the two grand Eurasian projects are the subject of fierce debate. The aim of this article is threefold: (1) to discuss the foundations of Sino-Russian rapprochement since 1991 and explore the nature of the relationship; (2) to examine the aims and objectives of China’s One Belt One Road and Russia’s EEU; and (3) to assess the feasibility of combining the SREB and the EEU by exploring the major challenges and problems facing integration.

Section 2 explores the foundations of Sino-Russian rapprochement in the post-Cold War world. The continuously improving relationship between Moscow and Beijing since 1991 rests on a number of issues, including economic complementarity, opposition to Western, and particularly US, hegemony in the international arena, protection of the sovereignty of non-western states, a shared interest in the strategically important Central Asian region and coordination and bilateral support in the UN Security Council. More importantly, neither Russia nor China is keen on a world dominated by a US which consistently disregards their national interests in the international arena. Exploring convergence in Sino-Russian interests and their common views on the nature of international relations, this section maintains that while post-Cold War US unilateralism has pushed China and Russia to cooperate on a range of global and regional issues, the two nations have reasons far beyond opposition to the West for continuing their fruitful and stable collaborative partnership in Eurasia.

Section 3 reviews the main academic narratives which explain the nature of the relationship between the two countries. Engaging with arguments on the nature of the Sino-Russian relationship and recent developments between Moscow and Beijing put forward by leading experts in the field such as Bobo Lo, Marcin Kazmarski, Iuri M. Galenovich, Alexander Lukin, and Mikhail L. Titarenko, this section argues that the complex and multi-layered relationship between Moscow and Beijing cannot be defined in simple phrases such as Strategic Partnership or Marriage of Convenience.

Section 4 investigates the two Eurasian projects: China’s One Belt and One Road (Belt and Road) and the Moscow-led EEU. This section provides an overview of China’s initiative, seeking to explore the main economic and geopolitical motivations behind Beijing’s attractive vision, while also providing a brief overview of the EEU.

Section 5 seeks to analyse the feasibility of integration between the two projects, identifying a number of factors which must be explored if this integration is to be realized. These include developing road maps containing more information on how the SREB will be implemented, creating mechanisms and institutions for collaborating and agreeing on a format of cooperation to suit all nations, discussing whether Russia would be willing to take the role of junior partner, and determining how to curb regional security threats and contain growing extremist Wahhabi influence.

The foundations of Sino-Russian rapprochement in the post-Cold War World

Sino-Russian relations, which have gradually developed and improved since 1991, can currently be seen as “a model for how major countries can manage their differences and cooperate in ways that
strengthen the international system.”

This section elaborates on the foundations for this consistent convergence/rapprochement between the two Eurasian nations. First of all, since 1991, the two nations have managed to overcome their historical grievances towards each other by constructing new narratives on how the two nations view each other. For instance, from Russia’s perspective, China was one of the very few powers that did not celebrate the disintegration of the Union of Soviet Socialist Republics. More importantly, there is a perception among the Russian political elite that China did not humiliate Russians during the 1990s, refraining from participating in the concerted patronization of post-Soviet Russia in lecturing it on how to behave at home and in the international arena. Indeed, since 1991, China has treated Russia with respect, being very careful not to humiliate its former adversary. According to Mikhail L. Titarenko, in the 1990s, China was the only country that continued to see Russia as a great power. According to Russia’s political elite, China is the only major power in the international arena that welcomes Russia’s desperate attempts to regain its great power status in the contemporary world, unlike the West where, as far as the leadership in Kremlin is concerned, a “Cold War mentality” still prevails.

Moscow and Beijing have also consistently supported each other in combating domestic problems such as separatism and terrorism. Russia is the only power among the key players in the international arena which has continuously and consistently supported China’s struggle against Uyghur separatism, as well as Beijing’s stance on Taiwan, Tibet, and its territorial disputes in the South China Sea. On the other hand, China has shown support for Russia’s Chechen policy ever since the conflict unfolded and has never criticized Moscow’s conduct of the repressive and bloody war in its Muslim populated region. Moreover, as Vladimir Putin once noted, Russia and China have “a lot of converging interests on the international arena, and this also concerns stabilization of the situation on the international arena.” This was evident when North Atlantic Treaty Organization (NATO’s) bombing of Yugoslavia and the United States’ unilateral decision to invade Iraq resulted in further convergence between Moscow and Beijing. Both nations believe in the idea of a multi-polar world order, maintaining that all countries have the right to pursue their own interests and to decide for themselves how to approach regional and global development. Thus, the political elites of both nations have always criticized the Democratic Universalist view and were critical of the interventionist “Freedom Agenda” policy imposed by the George W. Bush administration in the 2000s. Russian and Chinese officials have stated on many occasions that Bush’s “War on Terror” failed, while the invasion of Iraq actually increased the worldwide threat from terrorism. They also believe that George W. Bush’s policies led to the “coloured revolutions” in countries such as Georgia, Kyrgyzstan and Ukraine (twice). They are sceptical about the international community, which they consider “United States-centred” and are extremely critical of the West’s use of non-governmental organizations (NGO) to interfere in the internal affairs of sovereign nations.

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7 Dmitrii Trenin, True partners? How Russia and China see each other (London: Centre for European Reforms, 2012), 10.
8 Ibid, 16.
12 Ibid.
One of the main platforms for collaboration between Russia and China has been the United Nations, where their representatives have several times blocked calls by the US and the European Union for “humanitarian interventions.” In 2007, China and Russia initiated a double veto against the Security Council’s demands to “end political repression and human rights violations” in Myanmar. Beijing and Russia also rejected numerous calls by the West and the US to join the “international community” in their quest to punish Iran by means of sanctions and embargos for what they claimed were Tehran’s attempts to create nuclear weapons. In 2008, Russia and China cast a double veto to block a UN resolution calling for an arms embargo on Zimbabwe and financial and travel restrictions on its president Robert Mugabe and 13 other regime leaders. Between 2011 and 2014, China and Russia coordinated to veto four separate UN Security Council resolutions on Syria. In 2012, Russia and China vetoed a resolution that would have threatened sanctions against the Syrian government of President Bashar al-Assad. Similarly, in 2014, the two countries vetoed another UN resolution which would have referred the Syrian situation to the International Criminal Court for possible prosecution of crimes against humanity and war crimes committed by the Syrian army since the war erupted in 2011. Beijing also supported Moscow’s military intervention in Syria in 2015, while the previous year Beijing abstained from criticizing Russia’s annexation of Crimea. Considering China’s sensitivity to separatism and its emphasis on international law, this came as a surprise to many experts and commentators.

Regional security is another area where the two countries’ interests increasingly converge, as is particularly evident in Central Asia. The two nations have closely cooperated in the region since the mid-1990s, when the Shanghai Five summit, later to become the Shanghai Cooperation Organisation (SCO), was first convened. Since the early 2000s, numerous commentators and scholars have argued that China and Russia are in a state of fierce competition over the Central Asian region. Marcin Kaczmarski challenges this notion, claiming that in fact a “new status quo has emerged” in the region and believing that both China and Russia have emerged as winners in Central Asia. China has secured access to hydrocarbons and economic expansion, while Russia still holds “dominant positions in the areas of politics and security.” China accepts the Kremlin’s claim that Central Asia lies in Russia’s sphere of influence, and unlike the West has consistently recognized Russia’s legitimate interests in the region and post-Soviet space in general. China has not shown any concern about Russia’s military presence in the region. On the contrary, Chinese officials have often reiterated that Beijing has several reasons for being interested in Russia’s support and military influence, including regarding China’s battle with separatism and Islamic extremism and checking Western influence in the region. Thus, China has recognized Russia’s political and military primacy in Central Asia, while Russia accepts China’s economic supremacy. Russia has also acted as a driving force in East Asia behind a multi-lateral initiative leading to the creation of the so-called six-party format, which tried to solve the nuclear crisis involving North Korea.

In May 2015, Russia and China conducted a 10-day naval drill in the Mediterranean Sea, demonstrating their combined military abilities to the West in locations traditionally dominated by NATO and far from the Chinese and Russian coastlines. In 2015, the Kremlin offered China the

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20 Ibid, 86.
21 Marlène Laruelle and Sebastien Peyrouse, *Regional Organisations in Central Asia: Patterns of Interaction, Dilemmas of Efficiency* (Bishkek: University of Central Asia, 2012), 42.
opportunity to purchase Russia’s most advanced anti-aircraft missile, the S-400.\textsuperscript{25} It is thus in the best interests of both nations to continue their hitherto highly successful collaborative partnership in Eurasia and develop “their bilateral relations ... to achieve national security and development.”\textsuperscript{26}

## The nature of the Sino-Russian relationship

The nature of Sino-Russian relations in the post-Cold War era has been one of the major questions to occupy the minds of experts and academics and has been hotly debated in every major text on the topic. Scholars agree that debate has led to two major narratives which explain relations between Moscow and Beijing.\textsuperscript{27} The first school of thought is the \textit{Axis of Convenience} narrative, coined by Bobo Lo in his influential book published in 2009. In the past, other authors, such as Dmitrii Trenin, have used the similar term \textit{Marriage of Convenience} to explain the nature of partnership between Moscow and Beijing. Rajan Menon, Stephen Blank, Elizabeth Wishnick, Marlène Laruelle, and Andrew C. Kuchins among others represent this camp of scholars and commentators, who often emphasize the instrumental nature of the Sino-Russian relationship. This line of reasoning has become the dominant narrative in the Western academic debate on contemporary Sino-Russian relations.\textsuperscript{28}

When discussing the main problematic of the Sino-Russian “strategic partnership,” the prominent scholars emphasize two related factors: the instrumental nature of the Sino-Russian relationship and the two nations’ approach to the US and the international order. As Bobo Lo notes, “the inability to value engagement on its own merits” is one of the main limits of Russia’s \textit{Turn to the East} policy.\textsuperscript{29} In his comprehensive and timely book \textit{Russia and the New World Disorder}, Lo points out that China’s instrumental significance to Moscow was evident during the Ukraine crisis when Vladimir Putin increasingly played the China card against the West.\textsuperscript{30} The second area where Moscow and Beijing differ is in their attitude to the US and the Washington-dominated international order. Clearly, the two nations’ approach to the US is the most important difference between Moscow and Beijing. According to Bobo Lo, for China, “America is the only truly indispensable partner, of immeasurably greater importance than Russia.”\textsuperscript{31} He argues that China has benefitted enormously since the late 1980s from the Washington Consensus and free trade, and unlike Russia, the communist leadership in Beijing does not want to destroy the international system but simply “improve” it to its own advantage.\textsuperscript{32} Bobo Lo argues that Moscow and Beijing differ in their vision of the international system, with Moscow seeing a tripolar United States–China–Russia world order, while Beijing anticipates a bipolar international system dominated by the US and China.\textsuperscript{33} Similarly, Marcin Kazmarski points out that Beijing is interested in a stable and “conducive” international environment where Beijing can proceed with economic expansion, while Moscow has proved itself to “thrive on insecurity and instability.”\textsuperscript{34}

While the arguments put forward by the leading scholars mentioned above are largely accurate, there are several minor caveats in their claims. First, they attach little importance to the consequences of Moscow and Beijing’s irritation at feeling encircled by the military bases of the United


\textsuperscript{26} Fu, “How China Sees Russia,” 100.


\textsuperscript{29} Bobo Lo, \textit{Russia and the New World Disorder} (London: Chatham House; Washington, DC: Brookings Institute, 2015), 135.

\textsuperscript{30} Ibid, 142.

\textsuperscript{31} Ibid, 148.


\textsuperscript{33} Ibid, 14.

States and its NATO allies. For instance since 2001, US unilateralism and its growing influence in the region have been among the major factors which have led to Sino-Russian strategic convergence and growing cooperation in the Central Asian arena, including collaborations within the SCO framework. Two nations held a number of unprecedented, large-scale War Games conducted under the auspices of the SCO. During the 2012 SCO summit, Russian and Chinese officials/leaders have asserted that they oppose the West’s interventionist policy in Syria. Furthermore, they noted that an attack on Iran by the United States and its allies would be considered unacceptable by both Moscow and Beijing. Second, one should not underestimate the ambiguity in the Chinese elites’ perception of US action in the international arena, especially regarding the United States’ role in causing the chaos of crises such as those in the Middle East and Ukraine.\(^\text{35}\) Chinese officials also resent the “Colored Revolutions,” which according to Beijing amount to Western-sponsored coups d’état which have overthrown authoritarian regimes around the world and led to chaos and instability. Authoritarian regimes such as those in Central Asia, Africa, and South America can serve as guarantors of their countries’ stability—thereby accommodating the economic activities of Chinese enterprises.\(^\text{36}\) Finally, neither Bobo Lo nor Marcin Kazmarski elaborates on Moscow’s attempts to destroy the US-led international order or on Moscow’s endeavours to “thrive on insecurity and instability.” It is important to note that these are highly contested issues and largely depend on an author’s political preferences about both the nature of the international order and the roles played by the US and Russia in international politics.

The second school of thought is the Strategic Partnership narrative, adopted by a large segment of both Russia’s and China’s expert community, including influential Russian China experts such as Iurii M. Galenovich\(^\text{37}\) and Mikhail L. Titarenko.\(^\text{38}\) Unsurprisingly, the political elites in both countries are the major advocates of the Strategic Partnership narrative. Some of the areas emphasized by proponents of this school of thought in order to prove that the relationship between Moscow and Beijing is more than a Marriage of Convenience are Russian-Chinese energy dialogue and bilateral trade. Energy trade has developed rapidly since Vladimir Putin’s March 2006 visit to Beijing, when the two governments signed four energy cooperation agreements regarding future cooperation in oil, gas, electricity, and nuclear energy.\(^\text{39}\) In 2009, Moscow and Beijing signed a $100 billion oil contract. Negotiations over a gas agreement that would make China Russia’s biggest gas consumer continued until 2014 when Russia and China signed the $400 billion-gas deal mentioned earlier. The long border between Russia and China provides a convenient hub for the transfer of natural resources, which is practically impossible for a third party to access.\(^\text{40}\) According to Dmitrii Trenin, this is one of China’s main rationales for considering Russia a “genuine strategic partner,” while other countries are regarded by China as “both partners and competitors.”\(^\text{41}\)

The scholarly and academic community is deeply divided over the nature of Sino-Russian relations. While many commentators and scholars discuss the possibility of a fully fledged alliance between Moscow and Beijing, others argue that a plethora of disagreements and economic rivalry in Central Asia, as well as historical distrust between the former rivals, will always prevent the two from creating an axis.\(^\text{42}\) The author of this study tends to agree with Fedor Lukyanov, who said


\(^{36}\) Ibid.

\(^{37}\) Iurii M. Galenovich, “k voprosu o rossiisko-kitaiskom global’nom partnerstve” [In Russian], in Rossiia i Kitai: sootrudnichestvo v usloviakh globalizatsii, ed. Mikhail L. Titarenko et al. (Moskva: RAN, 2005), 5.


\(^{39}\) Weitz, China-Russia Security Relations, 19.

\(^{40}\) Trenin, True partners?, 23.

\(^{41}\) Ibid.

that even with a significant set of shared interests, an alliance between Russia and China is impossible as neither is prepared to renounce its interests and adjust itself to the other. Indeed, for a genuine strategic partnership or alliance, the two nations would have to comply with each other’s interests. However, at this stage, neither Moscow nor Beijing is prepared to give up its freedom of action and restrain themselves in order to act in the best interests of the other.

The grand Eurasian projects: Motivations and objectives

In the 21st century, every major player in Eurasia has initiated its own integration project: Russia is realizing the EEU; in 2011, the United States announced its “pivot to Asia,” aimed at consolidating an economic bloc through the Trans-Pacific Partnership (TPP) and the New Silk Road—a proposal to integrate South and Central Asia along the ancient trade route; China responded by initiating the gargantuan Belt and Road initiative, unprecedented in its ambition; India has started planning the Connect Central Asia and Cotton Road policies, instigated as a counterweight to China’s initiative. In the last few years, commentators and experts have debated the nature of these mega projects and their impact on the global geopolitical configuration. The following section investigates the China Silk Road initiative and provides a brief overview of the Moscow-led Eurasian Union, addressing the main question occupying the minds of scholars and experts: why they have been initiated and what they endeavour to achieve.

In 2013, Chinese President Xi Jinping announced plans to realize the gargantuan One Road One Belt project (also Belt and Road), consisting of the SREB and the 21st century Maritime Silk Road (MSR). The former will concentrate on the continental countries of Central Asia and Eastern Europe, while the latter will target the littoral countries of Southeast Asia, South Asia, the Middle East, and East Africa. According to official blueprints, the Belt and Road endeavours to connect Asia, Europe, and Africa along five major routes. The focus of the SREB will be on (1) linking China to Europe through Central Asia and Russia; (2) connecting China with the Middle East through Central Asia; and (3) bringing together China and Southeast Asia, South Asia, and the Indian Ocean. On the other hand, the MSR will focus on using Chinese coastal ports to (1) link China with Europe through the South China Sea and the Indian Ocean and (2) connect China with the South Pacific Ocean through the South China Sea.

The main focus of SREB is railroad and railways such as New Eurasian Land Bridge, which aims to connect China to Central Europe through Kazakhstan, Russia, and other parts of Eastern Europe. While experts have speculated that the entire vision as proposed by Xi Jinping would cost an staggering $8 trillion, the China Development Bank is looking to use a fund of $US890 billion to invest in 900 projects over the next five years, while the Asian Infrastructure Investment Bank has received $100 billion so far and $US40 billion has been allocated to the national Silk Road Fund. Hence, unlike the United States version of the Silk Road project—announced by Hillary Clinton in 2011—China’s initiative is backed by real funds.

The motivation behind China’s initiative has been fiercely debated among commentators and scholars in Russia and worldwide. In Russia, opinion is divided between Sinophiles, who hold strong positions in the government, and the sceptics whose voices have become increasingly marginalized since Vladimir Putin’s return to the presidency in 2012. Sceptics argue that the real purpose behind China’s plans to spend trillions on infrastructure in these economically uncertain times is to build a strong foundation for future hegemony over Eurasia—as the first step towards

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44 Ibid.
45 A road map for the Belt and Road was issues jointly by China’s National Development and Reform Commission (NDRC) with China’s Foreign Ministry and Commerce Ministry.
47 Raffaello Pantucci and Sarah Lain, The Economics of the Silk Road Economic Belt (London: RUSI, 2015), 3.
global hegemony. On the other hand, Sinophiles in Russia and optimists elsewhere recognize that China is securing access to new markets and sources of energy but argue that if the initiative is realized it will undoubtedly bring economic growth and prosperity to all involved.

Discourse on the topic has postulated a number of equally important and often overlapping reasons for China’s mega project. It is often argued that the economic rationale is paramount—the initiative will boost Chinese exports to “Central Asia and beyond.”\(^\text{48}\) Reducing the cost of trade through the initiative’s infrastructure is a major step towards rejuvenating the economy before it runs “out of steam,” replacing its old growth model—which consisted of producing and exporting goods—with the revival of the Pax Mongolica.\(^\text{49}\) Furthermore, economic prosperity in countries along the Belt and Road will result in “growing demand for China’s goods and services.”\(^\text{50}\) Others argue that the initiative is a well-planned, pre-emptive strike before China’s ever-growing economy repeats the fate of other Asian economies such as Japan’s—which entered a long period of stagnation following decades of economic growth. Furthermore, if realized, the initiative secures China’s access to the region’s hydrocarbons. Energy sufficiency is absolutely vital for Beijing to sustain economic growth and control the pollution caused by the use of coal—necessary for the production of electricity and heating.

A number of Russian and American experts such as Alexander Cooley and Timofei Bordachev argue that the end of the infrastructure boom has resulted in excess labour force capacity, meaning that the entire sector specialized in the building of large-scale infrastructure has become underemployed. Furthermore, Chinese cement and steel manufacturers that have supplied the infrastructure boom also need new large-scale projects beyond China. In 2015, China accounted for over 50% of global overcapacity in steel,\(^\text{51}\) and the US government has consequently blamed Beijing for the 2016 global steel crisis, urging the Chinese steel industry to curb its output.\(^\text{52}\) Thus, a tremendous number of companies with “extensive experience, technologies, equipment and labor” need to explore new “geographical boundaries,” such as Central Asia, Iran, and Russia.\(^\text{53}\) The Belt and Road initiative makes this possible, since most projects associated with the initiative will be completed with China’s own contractors, labour power, and equipment.

Another very important motivation behind the initiative is to encourage economic development in China’s Xinjiang autonomous region.\(^\text{54}\) The leadership in Beijing has long struggled to solve China’s regional [economic] inequalities, especially in its Western regions, which have remained underdeveloped despite three decades of spectacular economic growth. Xinjiang’s economic development has also been among Beijing’s priorities in its endeavour to solve the major problems of its Western provinces, including separatism, radical Islamism and terrorism, ethnic conflict, and underdevelopment.\(^\text{55}\) For Beijing, the main causes of Uyghur separatism and religious extremism are not ethnic conflict but underdevelopment and poverty.\(^\text{56}\) According to China’s “harmonious

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\(^{49}\) Skidelsky, “Eurasia is an idea whose time has come around again.”


\(^{53}\) Timofei Bordachev, “V Kitaiskom iazyke net slova brat” [In Russian], Interview by Artem A. Kohzer, Lenta Ru, 30 September 2015, [https://lenta.ru/articles/2015/09/30/sopr/](https://lenta.ru/articles/2015/09/30/sopr/).

\(^{54}\) Mankoff and Ghiasy, “Central Asia’s Future.”


society” (hexie shehui) policy, proclaimed by Hu Jintao at the 17th Congress of the Chinese Communist Party in 2007, there is a direct correlation between security and development.\(^{57}\) In order to develop Xinjiang province as China’s new centre for the oil and gas industry,\(^{58}\) in 2000, Beijing initiated the “Go West” strategy, involving the building of infrastructure that would connect the province “to coastal areas within China as well as to neighbouring states in Central and South Asia.”\(^{59}\) One of the road maps published by the Chinese government in 2015 sets out the aim to “make good use of Xinjiang’s geographical advantages,” making “it a key transportation, trade, logistics, culture, science, and education center.”\(^{60}\) Hence, the Road and Belt would lead to better wealth distribution and massive investment in local economies and infrastructure, which they hope will fill the gap between underdeveloped continental and more developed maritime regions.\(^{61}\)

China’s trade in the The Association of Southeast Asian Nations (ASEAN) free trade zone has reached a staggering $400 billion a year by 2012.\(^{62}\) In comparison, China’s trade with the entire Central Asian region is $40 billion a year. This means that China is far too dependent on maritime transport routes dominated by the United States and so it is attempting to diversify its import and export routes. Aleksander Gabuev argues that China is afraid that in a crisis Washington may impose a naval blockade in the South China Sea, where the US holds strategic pre-eminence.\(^{63}\) Thus, the ancient “Silk Route(s)” through Central Asia, Iran, and Russia is(are) “an alternative to US-controlled oceans.”\(^{64}\)

Last but not least, the Road and Belt initiative could be used as an effective soft power instrument to promote Chinese interests. Across the continental landmass, from Russian Siberia to India and from Mongolia to Mesopotamia and the Balkans, the term “Silk Road” conjures up positive mythical and poetic feelings, due to its place in local peoples’ culture and traditions. Hence, from a public relations perspective, the name has been chosen at least in part because its appealing image might help to convince Asian states of Beijing’s good intentions and of the profitability of the proposed vision.\(^{65}\) Hopefully, Beijing can use the Belt and Road initiative to promote its foreign policy doctrine of “Five Principles of Peaceful Coexistence,” consisting of “mutual respect for each other’s sovereignty and territorial integrity, mutual non-aggression, mutual non-interference in each other’s internal affairs, equality and mutual benefit, and peaceful coexistence.”\(^{66}\)

The second Eurasian integration project is the Russia-led EEU, which also includes Kazakhstan, Belarus, Kyrgyzstan, and Armenia as member states. The main aim of this initiative is to regulate economic activity over these territories by eliminating tariff and non-tariff barriers. The EEU has economic and geopolitical objectives. Its economic aims include restoring economic integration in the former Soviet space through free movement of goods, labour, capital, and services in an attempt to compete with China’s economic expansion in the region and counter the influence of other global economic blocs such as the European Union.\(^{67}\) Its geopolitical aims include containing the influence of the US and its allies in the region and maintaining the status quo, which for Russia

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61 Ibid.


64 Bordachev, “V Kitaiskom iazyke net slova brat.”

65 Gabuev, “China’s Silk Road Challenge.”


67 Throughout the last decade Russia has lagged behind China and the EU in terms of economic exchange with Central Asia region.
means preserving secular and authoritarian post-Soviet leaders and ensuring that the region remains within Russia’s sphere of influence. At the moment, a common customer space has been created from Bishkek to Brest, and the citizens of all five member states have equal employment rights across the union. 68 The aspiration of the EEU is to follow the model of EU integration and become the next successful supranational entity. 69 In contrast to the Chinese initiative, the EEU is a regional integration initiative, operating through supranational and intergovernmental institutions. The Belt and Road, on the other hand, is an abstract vision backed by China’s cash reserves. Moreover, the Russian version is much less ambitious and has suffered several significant setbacks lately70; the biggest blow to EEU integration was the Maidan Revolution, which made the possibility of Ukraine joining the EEU unrealistic for decades to come.

Combining the SREB and the EEU: Prospects and challenges

After the Belt and Road initiative was announced in 2013, Chinese officials were concerned about Russia’s reaction. Beijing feared that Moscow would view the initiative as threatening its area of special influence and react by putting pressure on the leaderships of the Central Asian states to dissuade them from participating.71 Chinese officials were determined to convince Moscow that the SREB was not a threat to Russia although it took over a year of hesitation before the Kremlin decided whether or not China’s initiative threatened Russian interests.72 Finally, on 8 May 2015, Vladimir Putin and Xi Jinping signed a declaration of cooperation on coordinating the construction of the EEU and the SREB. As demonstrated above, the two projects are completely different in nature and are at different stages of development. The former is an integration process, which operates through supranational and intergovernmental institutions, while the latter is a philosophical vision backed by China’s cash reserves—making integration between the two a complicated task.

Indeed, there are a number of challenges that need to be explored in order to make integration between the SREB and the EEU feasible. First of all, as many have noted, the agreements signed on the Belt and Road, including that initialled by the two presidents on 8 May, consist of vague declarations of intent and political statements.73 The only concrete issue mentioned is the complex matter of establishing a free trade zone, which the agreement postpones to a later date and the formation of a working group on integration of the SREB and EEU.74 Hence, experts in Russia and Central Asia question the project’s implementation process and the feasibility of integration between the SREB and the EEU.75 Even the Chinese officials who were behind the conceptualization of the entire project are not fully aware of how the Belt and Road will be implemented. As pointed out in a report by The Royal Institute of Defense and Security Studies (RUSI), even the article published by The National Development and Reform Commission, entitled “Visions and Actions on Jointly Building Silk Road Economic Belt and 21st Century Maritime Silk Road,” although laying out an attractive vision, contains limited information on how this rather abstract idea can be materialized.76

At this stage, the Kremlin lacks any guarantees that Russia will benefit from the Chinese initiative and from the combination of the SREB and the EEU. Indeed, the roles of Armenia, Belarus, and Russia in the SREB are not yet outlined clearly. Interestingly, none of the infrastructure projects and maps made public by Chinese officials includes Russia’s Far East and Siberia. In the probable scenario according to which the main railway passage through Russian territory will go through Orenburg and Chelyabinsk, the Trans-Siberian Railway (TSR) and the Baikal–Amur Mainline (BAM) will remain untouched, resulting in the bulk of transit fees going to Kazakhstan. Besides, so far not a single Russian company has been involved in the development of the Alatau cluster, one of the main belts of growth, centred on Almaty.

Another important caveat is the criticism that there are no mechanisms to enable cooperation between the SREB and the EEU. For instance, it is clear that China and Russia need to work on liberalizing visas and customs in order for the integration process to work. However, it is not clear how these steps will proceed. Ivan Zuenko argues that Russia and China should initiate platforms for discussion and working groups involving experts and officials in order to create the “necessary mechanisms and institutions acceptable to all parties involved.”

A major concern for Moscow is the question of whether the Belt and Road initiative will proceed in bilateral agreements with individual countries, or through multi-lateral agreements with regional organizations. Russia is keen on multi-lateral cooperation within EEU or SCO frameworks because it can exert more influence there compared to in bilateral negotiations. Thus, one of the major challenges for Moscow is to get Beijing to cooperate at a multi-lateral level. In 2015, China started cooperating bilaterally with Georgia by cosponsoring the Silk Road Forum, the first SREB outside China which involved the Chinese government. In December 2015, the first train from Ürümqi on “Silk Road” bypassing Russia, the “Nomad Express,” arrived in Tbilisi, with its final destination being Istanbul.

Although railways play a key role in coordinating the SREB and the EEU, there are several problems. Sceptics argue that railways will never replace shipping, since a train has much less capacity to transfer containers. Thus, the only profitable products to transfer by land and train from China to Europe through Russia will be small objects with high value such as high technology. Another problem is with the track gauge—the gauge of railways financed by Asian Infrastructure Investment Bank (AIIB) meets European rather than Russian standards, meaning that containers have to be shifted by crane once on entering Kazakhstan, again when entering Poland, and once more in Western Europe. This implies the complete avoidance of the TSR and the BAM.

Apparently, in the contemporary world, China is in many respects stronger than Russia. China’s defence budget is the second largest in the world after that of the US, while Russia ranks fifth in the world. While technologically China is behind the West and Japan, it has managed to overtake

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Russia “in many aspects of science and education.” Sceptics note that Russia will never have the upper hand in its relationship with China due to its economic weakness and the inefficiency of its companies. As Timofei Bordachev notes, there is no word for “brother” in the Chinese language, only two separate terms for “older brother” or “younger brother.” Every relationship is thus based on a certain “older–younger” hierarchy. All these increase the risk of Russia becoming the “junior partner in a Beijing-led coalition.” The question is whether Russia will accept the role of a “younger brother,” not only in SREB and EEU integration but also within wider Eurasian power dynamics. However, it seems that Russia has already accepted China’s economic pre-eminence in Central Asia, a strategically important region for Moscow. In return, Moscow wants Beijing to respect its great power status and its special interest in the former Soviet Union. Officials in Beijing’s corridors of power are very conscious of Russia’s sensitivity to acting as the “junior partner” in Sino-Russian interactions. As Marcin Kaczmarski brilliantly puts it, Beijing has so far succeeded in dispensing “great-power respect to the Kremlin in regular doses.” The Kremlin hopes that Moscow and Beijing will create a synergy and dominate “Central Eurasia” jointly, with Russia the main security provider and China the economic leader, responsible for pouring in resources. Following a successful integration between SREB and EEU, Moscow anticipates a reciprocal deal whereby Russia will receive investment in the form of access to $US40 billion from the Silk Road Construction Fund, while China can use Russia as a safe and reliable route to transfer its goods to Europe, given that with the EEU, a container has to pass only two customs posts between Ürümqi and Berlin.

The issue of regional security is often ignored in discussions of China’s initiative. The stability and security of the core of the SREB—composed of China’s Xinjiang, Central Asia, and Russia’s own Tatarstan and Volga district—is one of the main preconditions for the success of these regional integration projects and their integration. The major security threats include Islamism and the radicalization of Central Asian nations; the spillovers of instability from the troubled AfPak; the ongoing Indo-Pakistani adversary; sectarian rivalries between Shiite Iran and the region’s Sunni groups; organized crime and the drug trade; conflict over the region’s natural resources and energy corridors; separatism in Russia and China; and the conflict between Russia and the West over Ukraine and the annexation of Crimea.

However, the existential threat to the stability of the wider region and to the realization of the SREB and its integration with the EEU is the rise of Islamism and Jihadism in China’s Xinjiang, Central Asia, and Russia. Since 2001, the Central Asian region has not only gone through a period of accelerated Islamization of societies but also witnessed an explosion of radical groups. Furthermore, during the last 5–10 years, radical Islam has spread to Russia from the AfPak and Central Asian regions, including the formerly peaceful Muslim communities along the Volga. Jund-al-Khilafah (Soldiers of the Caliphate), a Jihadi group active in Kazakhstan and Russia’s Volga district, has been responsible for a number of terrorist attacks in Kazakhstan and Russia’s Volga district, has been responsible for a number of terrorist attacks in Kazakhstan and has killed moderate imams in Tatarstan and the wider Volga district. Russia’s Republic of Tatarstan has become one of the most volatile regions in the Federation. Since 2014, new less well-known Jihadi groups affiliated with Islamic State of Iraq and Syria have been active in the region. In 2014–2015, more than 300 Uyghur and thousands of other Jihadists from across the former Soviet Union joined the Islamic state, fighting in Iraq and Syria.

86 Ibid.
87 Zuenko, “Connecting the Eurasian Economic Union and the Silk Road Economic Belt.”
88 Bordachev, “V Kitaiskom iazyke net slova brat.”
90 Kaczmarski, “Russia-China.”
92 The wider region composed of Afghanistan and Pakistan considered as a single theater of operations.
While there are numerous sources of instability in Central Asia, the major one being the above-mentioned AfPak, relations between the five Central Asian nations are far from stable. The Fergana Valley is one of the most complex examples of border delimitations, with the Uzbek-Kyrgyz and Uzbek-Tajik borders being disputed for two decades. As Licínia Simão notes, border disputes become “far more complex when they overlap with … non-traditional security threats of [a] transnational nature.”

The lucrative and profitable Afghan heroin trade has created many networks of transnational organized crime organizations, which “undermine state institutions.” These are just a fraction of the security issues facing Beijing and Moscow on the Silk Road. Beijing’s policy of containing instability and separatism maintains that delivering economic prosperity to the people involved is the most viable method of preventing them from “causing trouble.” This doctrine is one of the main motivations behind the whole initiative. However, a certain level of security is vital in order to implement the grand vision proposed by Xi Jinping, and it is not yet clear how the stability of the region will be guaranteed or by whom.

The Valdai forum report, mentioned earlier—which promotes the idea of combining the SREB and the EEU—argued that SREB member states could use SCO and The Collective Security Treaty Organization (CSTO) “mechanisms more actively” in order to combat security issues such as the drug trade, Islamism, and the instability emanating from Afghanistan. However, both the CSTO and the SCO have proved their impotence over the years when it comes to solving security issues and managing conflicts. This was evident during the 2010 unrest in Kyrgyzstan, when most SCO and CSTO member states refused to act to prevent the massacre which, as Sebastien Peyrouse and Marlène Laruelle argued, became “symbolic” of the failure of those regional organizations. More importantly, the SCO has never demonstrated any willingness to replace US and The International Security Assistance Force (ISAF) forces in the troubled AfPak region and become the main guarantor of stability. Therefore, Russia, China, and other member states have to strengthen political and security coordination within the SCO or the economic integration of Eurasia is doomed to fail.

Concluding remarks

The relationship between Russia and China is complex and multi-faceted and to define the nature of Sino-Russian rapprochement as a Marriage of Convenience or a Strategic Partnership would be both misleading and simplistic. The two nations cooperate on a plethora of strategically important issues because they share a lot of common interests. Moscow and Beijing have wisely solved issues where their interests converge and have done their utmost not to alienate each other through their differences and disagreement. Since Xi Jinping and Vladimir Putin signed the initiative to integrate the SREB and the EEU on 8 May 2015, commentators close to the Kremlin have emphasized that Sino-Russian rapprochement has ascended to a new level of partnership. The Valdai forum report mentioned earlier highlights the need for the creation of a new “Central Eurasia” region, based on the collaboration between the two projects. Sergey Karaganov claims that the 8 May agreement is the foundation for the creation of “Greater Eurasia” to balance the US-led bloc which is seeking to limit China’s influence in Eurasia through the initiatives such as TPP and the Transatlantic Trade and Investment Partnership. He believes that this could be the beginning of the return to a bipolar world order.

95 Ibid.
97 Sergey Karaganov et al., Toward the Great Ocean -3, 20.
98 Laruelle and Peyrouse, Regional Organisations in Central Asia.
99 Karaganov et al., Toward the Great Ocean -3.
One should note that the partnership between Moscow and Beijing will continue in a positive trajectory independently of US actions because a good reciprocal relationship is in the interest of both nations. The two nations need each other’s support over regional issues and in the global arena, including coordination in the UN Security Council. However, a Eurasian condominium between Moscow and Beijing against the US, or in Sergey Karaganov’s words formation of the “Central Eurasia,” should not be expected. First, Beijing has very strong established relations with Western countries, which China requires in order to ensure economic and technological development. Thus, the Communist Party of China has never demonstrated an interest in forming any kind of alliance with Russia against the West. Second, Russia’s relationship with China is an important component of Vladimir Putin’s great power narrative of a resurgent Russia and of Russia’s competitive relationship with the US as its significant other. On the other hand, for Beijing, its improving relationship with Russia is just another success in its spectacular rise in the international arena, fruit of perspicacious diplomacy and profitable foreign policy. As Marlène Laruelle notes, the relationship between Moscow and Beijing is “imbalanced, in terms of the importance that Russia gives it vs. the importance China gives it.” Therefore, there are no signs that the leadership in Beijing plans to turn its collaboration with Russia into a “Eurasian bloc or a two-power condominium in Eurasia.” China strives for productive and fruitful cooperation with all countries in the international arena and will never ally with any side at the expense of any other significant relationship. Indeed, as Alexander Lukin and Fedor Lukyanov have noted, Beijing will never undermine its relationship with the West for the sake of Russia’s interest or vice versa. Whether dealing with Moscow or Washington, China will always insist on its national interest with very tough terms. This was evident during the lengthy negotiations over the 2014 gas deal, which was reportedly closed on Beijing’s terms. Hence, a Moscow–Beijing axis will never be formed, as neither country is prepared to give up its vast global interests.

The Belt and Road initiative has four major aims: improving regional infrastructure, increasing regional economic policy coordination, removing barriers to trade, and encouraging cultural ties between peoples. The main limitation of the vision of spectacular significance is the lack of assurance for the region’s countries that China is not simply seeking to establish and institutionalize its hegemony over Eurasia and turn the Silk Road into a large area of Chinese economic and neo-colonial dominance. Russians also fear that now when the international sanctions on Iran are lifted and Tehran is open for business, the Belt and Road can simply go across Eurasia, creating a massive trade and investment zone for China and omitting Russia. Indeed, Russia’s uncertain function in future will be to accommodate one of the routes for the transfer of goods from Southeast Asia to Europe. This lack of clarity is one of the main limitations of the entire Belt and Road.

Furthermore, as demonstrated above, there are numerous contradictions between the two Eurasian projects, and if they are ignored, integration of the SREB and the EEU is doomed to failure. In order to make integration work, both nations need to explore a number of questions. These include developing mechanisms of cooperation between Russia, China, and the other nations involved and solving practical issues such as with rail gauges and corruption along the routes. If these are not addressed at the initial stage, it might take years before any progress is achieved.

An important but often ignored issue is the great power insecurities of Russia’s political elite. So far, Chinese diplomats and politicians have done a brilliant job in ensuring that Moscow feels that it its interests are respected. However, China’s endeavours to interact in a bilateral format with regional countries such as Georgia and Ukraine could cause tensions between Moscow and Beijing.

102 Remington, “One Belt, one road, one Eurasia.”
103 Lukin, “Russia, China and the Emerging Greater Eurasia.”
104 Ibid.
Finally, the existential threat to the success of the SREB and its integration with the EEU is the security threats in the core area outlined earlier in this study, involving instability and drugs emanating from Afghanistan and Islamism in the region. The roots of growing Islamic fundamentalism lie in the foreign policies of Pakistan and Saudi Arabia, and for it to be eradicated, these countries have to change their entire foreign policy doctrine. One can only hope that the prosperity and stability delivered by the Belt and Road will change the strategic thinking of these nation’s elites and eradicate the long-lasting hostilities between the region’s various groups and nations.

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