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RUSSIA AND CHINA IN 'GREATER EURASIA': STRATEGIC PARTNERS OR UNEQUAL RIVALS?

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Introduction

Main Eurasian Initiatives:

2013 – China's 'Belt and Road Initiative' (BRI)

2016 – Russia's 'Greater Eurasian Partnership'

2018 – the EU's 'Connecting Europe and Asia'

What is 'Greater Eurasia'?

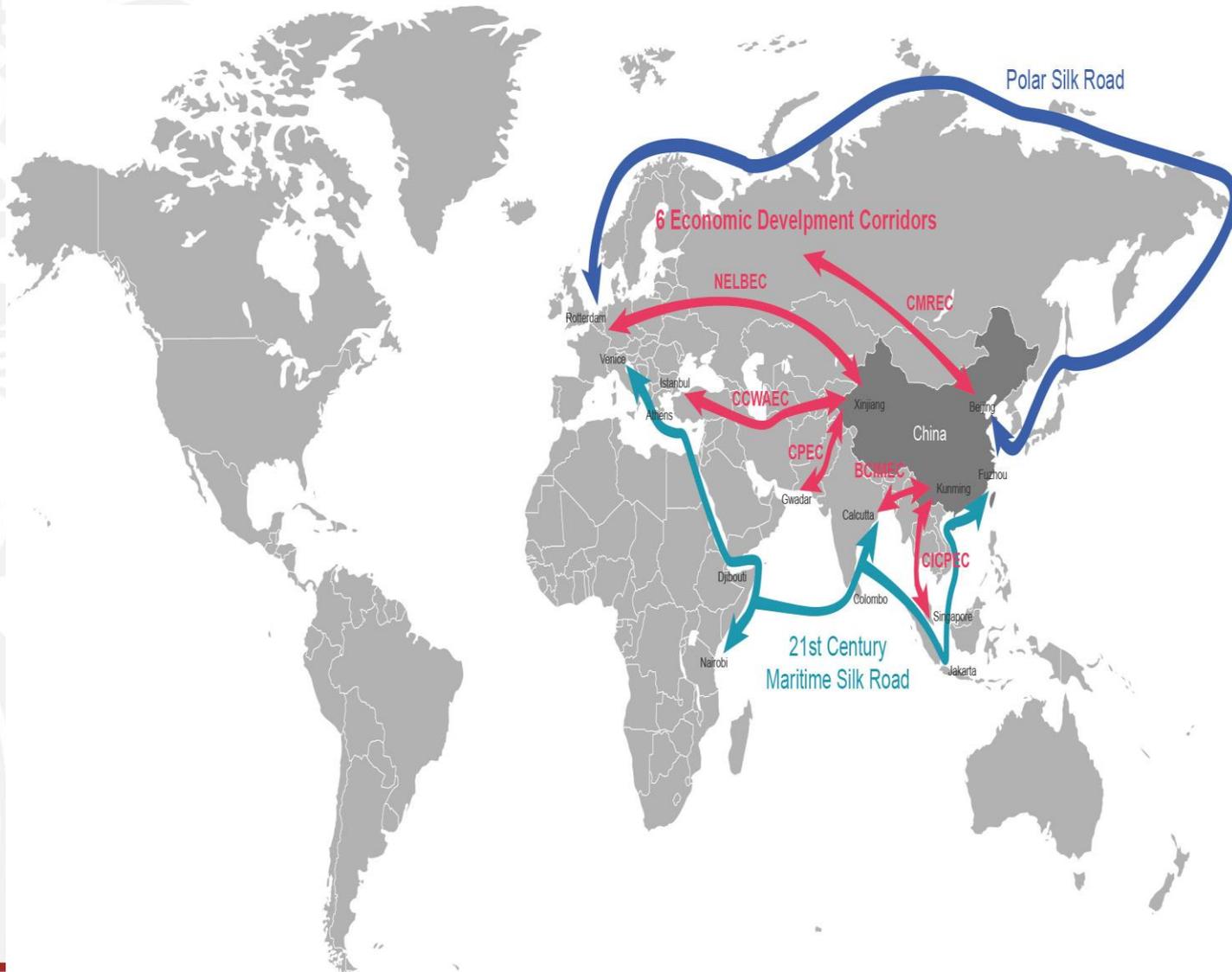
China: not Eurasia, but **Asia-Europe, or 'Asiope'** with a center in Asia

Russia: '**Greater Eurasia**' from Lisbon to Shanghai and from Murmansk to New Delhi

The EU: not Eurasia, but **Europe and Asia**

2013

“Belt and Road” Initiative



2016

Great Eurasian Partnership

● ASEAN

● EURASIAN ECONOMIC UNION

● SHANGHAI COOPERATION ORGANISATION

● MEMBERS OF BOTH EAEU & SCO



Methods, sources and criteria

The main method of this research is *comparative analysis*, for which we chose to focus of the following criteria:

- ✓ status of the country in the region,
- ✓ main reasons for the initiative,
- ✓ main priorities in the region,
- ✓ interests in the region,
- ✓ financing,
- ✓ results of the initiative by the end of 2019.

Sources:

- The concept paper ‘Vision and Actions on Jointly Building Silk Road Economic Belt and 21st-Century Maritime Silk Road’ was issued by the National Development and Reform Commission, Ministry of Foreign Affairs, and Ministry of Commerce of the People's Republic of China, which was issued in 2015.
- Vladimir Putin’s speech at SPIEF-2016 on 17 June 2016 and other speeches of V. Putin.

Asian power :
China sees itself as *a donor of the so-called "public goods"* in Eurasia.

that implements a multi vector policy.

Conclusion: for Russia Eurasia is a space of its vital national interests, Russia itself is Eurasia; while for China Eurasia is an external space, the space of its global interests.

Reasons for the Initiative

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|--|--|
| <ul style="list-style-type: none">- the competition of several integration projects in modern Eurasia- the need to reinvigorate the exchange of goods, services and capital between the Eurasian partners, thus reducing the dependence of Chinese economy on the Western world- the necessity to find a new driving forces for Chinese economic growth. | <ul style="list-style-type: none">- the activity of leading regional and great powers on the territory of the post-Soviet/ Eurasian space- the failure of the project of "Greater Europe"- the failure of "post-Soviet regionalism"- Russia's desire to restore the status of a great power, as well as to join the world economic space, not as a raw materials appendage and a peripheral state, but as an equal partner of the leading world players on terms of a mutually beneficial cooperation- the necessity to find new sources for modernization of Russian economic development |
|--|--|

Conclusion: there is a coincidence of interests, but in the case of Russia the motivation is 'the

- getting an access to new markets for Chinese goods;
- finding new external and internal sources of growth, stimulating the transition to a more balanced development model, which implies the development of domestic consumption, services and export orientation;
- further modernization of the Chinese economy, stimulation of innovative production;
- solving a number of economic problems, such as the problem of overproduction in a number of basic sectors of the economy, reducing price competitiveness;
- removal of a number of excess labor-consuming, energy-intensive and "dirty" industries to neighboring countries;
- promoting the internationalization of the yuan;
- “rebalancing” of the Chinese economy by strengthening the less developed regions;
- increasing China's presence in the markets of the developing countries in the trade, investment and financial sectors.

- restoration of Russia’s control in the post-Soviet/Eurasian space;
- restoration of relations with partners in ‘Greater Eurasia’, including the EU’ states;
- **formation of multipolarity:** the intentions of the Russian leadership to unite the Eurasian post-Soviet space in the format of a new center for a polycentric world.

Interests in Eurasia (2)

#2 Foreign policy's group of interests:

- creation and maintenance of the image of a peacefully developing state, whose strengthening does not provoke regional conflicts, but promotes convergent economic development of 'Greater Eurasia';
- strengthening political, economic and scientific cooperation with the countries of ASEAN, South Asia, Eurasia, the Middle East and Europe;
- improving relations with neighboring countries and relieving security tensions arising from the escalation of the conflict in the South China Sea in the early 2010s and as a result decreasing concerns about strengthening China;
- promotion of a new model of economic growth and integration in Asia and Eurasia with the central role of China as a country providing "public goods";
- creation of a "community of one destiny" in Asia;

#2 Economic interests:

- diversification of sources of modernization of the Russia's economy and other EAEU countries,
- development of new trade ties with the partners in 'Greater Eurasia',
- access to new technologies and investments,
- development of cooperation on the level of Eurasian business companies,
- development of infrastructure, including transport, telecommunications and energy

Main priorities in Eurasia

1. Policy coordination
2. Facilities connectivity
3. Unimpeded trade
4. Financial integration
5. People-to-people bond

1. Policy coordination
2. Facilities connectivity
3. Trade cooperation
4. People-to-people connections

Conclusion: the main priorities of both initiatives seem to be quite similar.

Financing

- the Silk Road Fund
- the Asian Infrastructure Investment Bank (AIIB)
- the State Development Bank of China, Export-Import Bank of China, and China Investment Corporation
- the private capital and public-private partnerships

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Conclusion: this is one of the most important factors for the successful realization of the

The results by the end of 2019

- *Integration of infrastructures within the BRI:* the Addis Ababa-Djibouti railway was opened, the construction of the China-Malta Friendship Bridge in Malta was completed, the port terminal of Abu Dhabi in the UAE and the port terminal of Kuantan in Malaysia were officially opened, the first unit of generators in Pakistan's largest hydroelectric station, 3 production lines of the Yamal liquefied natural gas (LNG) project are installed ahead of schedule on the basis of cooperation between China and Russia, etc.
 - *Trade cooperation within the BRI:* the volume of trade between China and the countries of the BRI increased by 4.88%
 - *Financial integration within the BRI:* in 2018, the Asian Infrastructure Investment Bank (AIIB) - the total number of members representing all the continents, has reached 93.
- *free trade area agreement (FTA):* for example, Free Trade Area Agreement with Vietnam; Interim Agreement leading to the formation of a Free Trade Area with Iran; Free Trade Agreement and a Framework Agreement on Comprehensive Economic Cooperation between the EAEU Member States and Singapore; Free Trade Agreement with Serbia;
 - *non-preferential trade agreements:* Agreement on trade and economic cooperation with China;
 - *memorandum of cooperation with the third countries and international organizations:* the EAEU has signed more than 25 Memorandums of cooperation and interaction with international organizations (CIS, UN Economic Commission for Europe, UNCTAD, etc.) and the governments of the third states, including Mongolia, Chile, Peru and Cambodia, etc.

Conclusions

1. at the present stage, Russian and Chinese initiatives, their ideological content almost completely coincide: both states intend to form a multipolar order, to develop a multi-vector integration and their priority is economic pragmatism;
2. the cooperation between Russia and China seems to be mutually beneficial, both initiatives could be regarded as complementary ones;
3. meanwhile, at the present stage China's initiative has more advantages: terms, main priorities and the financial sources, while the main advantage of Russia's initiative is the presence of the institutional framework: EAEU and SCO;

BUT:

1. concrete integration plans and strategies both in Russia and China are not fully defined;
2. whereas Russia's initiative is more of a geopolitical project, whereas the Chinese one is a geoeconomic project that uses Chinese economic instruments for obtaining geopolitical benefits;
3. Russia's policy in current Eurasia has not strategical character, but more reactive;
4. legal framework and organizational structures of 'Greater Eurasia' are also in the process of the formation of regional governance;
5. rate and direction of development of the economies of China and Russia do not yet give grounds for an equal partnership.



**Thank you for your
attention!**





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