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Russian-Chinese Relations referring to the “One Belt, One Road” Initiative

Abstract

The largest country in the world and the most populous one have shared a common border for centuries – a situation which almost always implies numerous misunderstandings and conflicts. Although these problems have not been unknown to these two countries, Russia and China have never waged wars openly. This positive heritage, together with their common interests to preserve their sovereignty have enabled both Russia and China to develop versatile political, economic, and consequently military cooperation. Current Chinese idea of a “New Silk Road” can certainly grow into a framework for a richer and more comprehensive bilateral and regional cooperation but on different grounds. Although Russia comprehends that this Chinese idea is an aspiration towards achieving leading position in the world, it accepts cooperation within this project since it is based on the principle of peaceful and equal relations, without anyone’s intervention into internal affairs of participating countries. This paper offers different arguments in support of the relevant standpoint.

Keywords:

Russia, China, “One Belt, One Road”, Eurasia, high-speed rail

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Russia-China relations have always been complex and permeated with a lack of trust to a greater or lesser degree, but have never escalated into open military conflict. Myriad border disputes, conquest of Siberia, expansion of the Tsarist Russia to Sahalin, foundation of Mongolia, civil wars in both countries, rivalry between two communist states and other historic moments have not resulted in some serious interstate conflicts. The only exceptions were border conflicts in March 1969, which occurred on the river islands of the Ussuri River, causing deaths of hundreds of soldiers on both sides. This historic fact may seem almost unreal, given the turbulent development of both tsardoms and their subsequent states, as well as numerous historic examples in other parts of the world testifying to bloodshed and conflicts between countries on their way to expand their influence and establish their dominance. Independently of the reasons for such a current situation, it is obvious that the absence of war conflicts makes it possible for Russia and China to define and develop their relations exclusively on pragmatic grounds – and in accordance with their economic and other interests beyond political ideology or cultural and moral presuppositions.¹

Pragmatic nature of their cooperation implies that a kind of strong alliance between China and Russia will never be established. However, bearing in mind economic, demographic, natural and geographic potentials, they will strive to establish close cooperation and to preserve their sovereignty, i.d. to take the chances and independently decide on their domestic and foreign policy. “While China is, it seems, unstoppably becoming a world economic hegemon, military revitalised Russia is becoming an equal political actor in the *world of power game*. These are the facts we must bear in mind when considering present and future cooperation between China and Russia – ‘partnership’ which will last and continually try to strike the balance between rational alliance and lurking rivalry. It is not about getting closer to each other by means of ‘common values’, but about cooperation exclusively based on well-calculated mutual concessions.”²

¹ On main historic moments between Russia and China see Miroslav Mladenović, Vladimir Cvetković, *Savremeni rusko-kineski odnosi*, Godišnjak Fakulteta bezbednosti, Univerzitet u Beogradu, Fakultet bezbednosti, Beograd, 2015, pp. 41-43.

² Ibid.

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It is against this background that Chinese strategic initiative “One Belt, One Road”, including “New Silk Road” and “21st Century Maritime Silk Road” (ASEAN member countries), should be considered.

There is not doubt that the People’s Republic of China (PRC) will dominate the world during 21st century. There are numerous factors pointing to this: fast economic development, enormous strategic potential, large internal market, grand investments in infrastructure, education, scientific research and achievements, as well as unstoppable rise of its military power. Cosequently, it means that, from political and economic standpoints, we are entering an era of East and Southeast Asia.

While, on one hand, there are many circumstances and facts attesting to the ‘tiredness’ of the Western Civilisation, on the other – China is obviously on the rise and about to attain geostrategic power. This rise cannot be defined quantitavely, but basic economic and general progress factors imply that there are some radical changes taking place on the global world stage.

China’s entrance to the closed circle of ‘cosmic states’; its own Internet based on hieroglyphs and isolated from global network supervised absolutely by the USA; the creation of Shanghai organisation (SCO) on June 15th, 2001 which confirmed and strengthened Russian-Chinese ‘condomium’ in post-Sovied Central Asia; the introduction of their own currency (Asian Currency Unit, ACU) by the Asian Bank on March 1st, 2006, accompanied by Japan but with Yuan as a major currency; serious modernisation of armed forces etc. are only some of the underlying indicators of the unstoppable surge of ‘Chinese factor’ in the world.³

It is obvious that, despite its intensive efforts, the US hegemony is gradually lagging behind, while China is striving for leading positions in the world politics, within which it will be able to realize its interests openly and resolutely. Within this process, the USA cannot be expected to willingly surrender its positions, which will further gradually increase the conflict potential between these two states. It seems that Fukuyama has come too early with his ideas on the end of history! It has turned out that Huntington is right when talking about the clash of civilizations.

In the light of the above mentined and considering the situation caused by the intentions of some actors in international relations to stop NATO

³ See M. Mladenović, E. Ponomareva, *Kina-Amerika-Rusija – globalni trougao 21. veka*, Sociološki pregled, Beograd, YU ISSN 0085-6320, UDK 316, 2011, 45 (4), 459–476.

enlargement and by their efforts to support world pluralisation as part of a natural proces, it is to be expected that experts will closely monitor Russian role in the contemporary world and its relations with the USA and the PRC. Russian present role in international relations, its socio-economic and military-technical position, compared to the USA and the PRC is by far more modest, but its geoclimatic position, almost endless natural resources, nuclear shield, intellectual potential of its citizens and huge historical experience imply that this country will have an important role to play within international relations in future. It is well-known that during previous centuries geopolitical role of Russia has radically changed several times together with the total 'architecture' of the world, but it is evident that the country has always been, in one way or another, a respected actor in international relations.

After World War I and the Great October Revolution, Soviet Russia and subsequently the Soviet Union, was practically deleted from the list of 'great states' to which Russian Empire certainly belonged, notwithstanding some disagreements. After World War II the USSR became 'the supestate' of the world. The disintegration of the USSR during 'perestroika' and the degradation of the Russian Federation during 'market reforms' in the 90s of the past century, introduced Russia into the state of geopolitical 'survival'. The renewal of the system of state-owned capitalism after Vladimir Putin had come to power reintroduced the state to the circle of 'great countries'. Russia's position in this world order is unstable but it has never meant that Russia will be left on the sidelines of world politics. ⁴

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Total potentials at Russia's disposal undoubtedly put this country at the very top of geopolitical structures of the world. Particularly important relations, at this moment, are the ones within 'global triangle': the USA, China and Russia.

The relationship between 'the triangle vertices' has never been a simple or a one-way relationship, but it has always operated as a dynamic whole within which its two vertices were coming closer to each other, while the third one was getting farther. Generally speaking, China represents 'a natural and historical' ally of Russia, given the Chinese strategic interests which have never been, unlike American, in discord with the Russian interests.

⁴ Ibid.

The People's Republic of China does not interfere into internal affairs of the Russian Federation, it is not trying to build its network of agents within Russian elite, it is not making efforts to exert ideological influence on Russian youth or Russian public opinion. Finally, Russia and China are both keen and strive to strengthen the structures of a state which is the main pillar of its own civilization, while the USA is at the same time, according to their long-term plans, actively engaged in dismantling a (foreign) state as a structural element of a future world which would be established within a new universal system under American leadership.⁵

Events, spurred by the disputes over Ukraine and Syria, have strongly influenced Russia, probably not to the extent it would like, to steer towards the People's Republic of China.⁶ Consequently, the attitude of Moscow towards great Chinese project is to be considered in the light of the above mentioned.

Xi Jinping presented basic premises of this project in his speech on the occasion of the promotion of the "One Belt, One Road" initiative during Beijing Forum, on May 15th, 2017, which was attended by Russian President Putin. First of all, it is a road of peace. All countries, along 'the road' would respect sovereign rights, territorial integrity, political systems and interests of all member countries. Besides, it is the road to economic development since it is a universal key to all the problems. Within the project, industrial development cooperation would be enlarged, and funds would be provided. Interlinked infrastructure is and would be the basis of economic cooperation.

Chinese president also underlined that the "Silk Road" was the road of openness, as only openness could bring progress. Since trade is the main engine of the economic development, favourable conditions to facilitate and simplify trade exchange and investment must be created. China is the advocate of open, inclusive, balanced economic globalization which would provide benefits to all participants.

According to the Chinese president, "One Belt, One Road" is an innovative project. It would include the use of nanotechnology, artificial intelligence, quantum computers etc. New idea of 'green' development would be

⁵ Ibid.

⁶ According to its foreign policy concepts, Russia is not oriented towards strategic partnership with the PRC, which could imply 'frozening' of its relationship with Washington. It would prefer this cooperation with these centres to strike dynamic balance within 'global triangle', which would allow the Kremlin, to a certain extent, to shape its bilateral relations with China and the USA, as well as to participate in trilateral joint projects which would influence and define the future of the whole civilization.

promoted – it refers to environmental protection followed by remarkable economic growth.

In addition, “New Silk Road” should be a cultural road. Countries along the belt will actively develop and foster intercultural exchange.⁷

Chinese multi-centennial heritage has shown that a plan, even of strategic importance, must not be based on one premise. Thus, “New Silk Road” envisages the unification of most African and Eurasian countries within that vast globalization project. The idea is quite simple: rail routes from China lead to different parts of the world; factories, cities and logistic centres are built along these roads; countries included in this project develop, stabilize and gradually grow dependent on Chinese economy; China is gradually becoming a true leader in the world.

Considering the global content of the “Silk Road”, it is inspiring to analyse possible trade routes.

Route number one – ‘Northern Route’, goes from Eastern China, through Mongolia, Northern China, Kazakhstan and Russia and ends up in Poland.

Route number two – ‘Central Route’, goes through a number of countries in Middle Asia and ends up on the coast of Syria.

Route number three – ‘Southern Route’, goes to Pakistan, through Myanmar, India and Bangladesh.⁸

The first impression is that these different routes may seem a bit unusual. For example, if we consider the route to Europe, we may notice on the map that the shortest and faster route is Northern one, from Lake Baikal, over Khanty Mansiysk and Moscow. This is the way to avoid some borders, Mongolia, Kazakhstan and Baltic countries and to make the transport of goods easier. However, the aim of the Chinese idea is not simply to transport goods from point ‘A’ to point ‘B’, but to exert and expand Chinese influence over as many countries as it is possible. The project “One Belt, One Road” should connect one hundred countries approximately.

New solutions to global cooperation issues are in accordance with Chinese traditional approach to solving economic and political problems. Deng Xiaoping formulated a basic principle of modern Chinese geopolitics – ‘to expand wisely’ and bequeathed legacy to his descendants to stay calm, to remain restrained, not to participate in international disputes and never to act in haste. Following in his footsteps, present Chinese leadership advo-

⁷ See the speech by Chinese President Xi Jinping, 15th May 2017, Beijing, retrieved on 24th April 2018 from <https://inosmi.ru/politic/20170517/239368854.html>

⁸ Стратегия экономического развития „один пояс – один путь”, Агентство РИА Новости, <https://ria.ru/infografika/20170513/1494173299.html> (Retrieved on 26/04/2018).

cates non-confrontational and non-conflict policy of mutual respect and to mutual benefit.

Chinese activities towards achieving this goal, it should be mentioned, do not take place on a desert island. China is faced with its competitor, its greatest strategic partner – the USA. That is the reason, together with the mentioned strategy, why China is using a bit different means than the Americans. China is not to conquer the world by sword and dollars, it is not to impose obligations to weaker states and force them take unfavourable credits offered by the IMF. China is gradually taking its position, not as a democratic tyrant, but as first among equals.

Within the same project, there are four main orientations. The first one and the most general one – an invitation to develop versatile trade and economic relations, through the liberalization of trade and economic integration, to the establishment of free trade.

The second one refers to the building and development of infrastructure network which would provide 'interdependence' of all regions along the economic belt.

The third one – the realization of all joint projects supported by the Chinese capital, energy resources, transport and information technology. China is no more a 'world manufacturer', but it is the largest capital exporter with specific capital realizations which include credits for its technology and workforce.

The fourth one refers to their efforts to activate the western part of China which would, via these projects, get access to the world and develop large logistics bases.

As previously mentioned, sensational Chinese "One Belt, One Road" initiative rests on cooperation of myriad countries: from China to Europe, Asia to Africa, although developed on completely new principles. The very idea was revealed in September 2013 and Chinese leaders have, accordingly, done a lot towards creating its economic and political basis. The Silk Road Fund was founded with the initial capital of USD 40 billion; China is one of the organizers and the largest partner of the Asian Infrastructure Investment Bank (USD 100 billion); numerous documents and agreements on common projects with dozens of countries along the "Silk Road" have been signed, etc. According to the Chinese President, China would top up the UN Fund for South-South cooperation to USD 1 billion; financial institutions would be motivated to run international businesses in Yuan (USD 43.5 billion); countries participating in the "One Belt, One Road" initiative would be given help of USD 8.7 billion. The Chinese Development Bank and Export-Import Bank, as the most important banks for the Chinese development capital placement, have developed special mechanisms for giv-

ing credits of 36.2 and 18.8 billion US dollars respectively to support infrastructure development cooperation.⁹

It is unrealistic to expect that every Chinese idea will be welcomed by all relevant countries with an open heart. However, it should be noted that the project has been eagerly accepted and that developing countries find it particularly interesting, since it is in accordance with their real potential at this stage of contemporary development.

Transport corridors, planned within “New Silk Road”, will reduce the time necessary to transport Chinese goods to Europe from 45–60 days to just 10–13 days. It can simplify the transportation substantially and reduce the cost of Chinese goods. Furthermore, it will strengthen the position of China on the European and Asian markets and help it take new positions in Africa and the Middle East.

Although there are dozens of millions of people in China who have not taken part in these economic and technological processes, its human potential is not endless. One idea within this project aims at providing higher demand for Chinese products, technologies and investments beyond its borders.

Railway construction, both within and beyond its borders, is a separate field of Chinese economy. Until the end of 2014, 16,000 km of high-speed rail (60% of this kind of railways in the world) was constructed in China. Till the end of 2020, 30,000 km of high-speed rail is planned to be constructed in China. Enormous resources have been invested in this field so as to ensure that China can swiftly construct them and meet its needs very soon, despite its vast territory and population. The idea behind it is that Chinese technology, capital and workforce within this field of high-speed rail construction can expand and be used in other parts of the world. To that goal, two major Chinese constructors of high-speed rail (CNR and CSR) merged in 2014.

Within its general efforts, China is interested in the construction of railways to be integrated into internal Chinese railway network. In May 2015, they started negotiations to construct Moscow-Kazan high-speed rail, 770 km long, which would be only a part of a longer Moscow-Beijing railway route. Moscow-Kazan high-speed rail would reduce the travel time from 14 to 3.5 hours.

Moscow-Beijing high-speed rail should boost the development of both railway companies and state as a whole. In due time, along with some other

⁹ Яна Лексютина, „Один пояс – один путь” – заявка Китая на мировое лидерство? Российский совет по международным делам, <http://russiancouncil.ru/analytcs-and-comments/analytcs/odin-royas-odin-put-zayavka-kitaya-na-mirovye-liderstvo/> (Retrieved on 23/04/2018).

positive effects, high-speed rails should increase the GDP by 30–70% in companies along their routes. The length of the high-speed rail through Russia will be over 2.3 thousand kilometres and it will be constructed step by step. Upon its completion, it will take only 655 hours from the European to the Eastern border of the country. Today, the fastest train from Moscow to Vladivostok travels seven days.

There is no doubt that its participation in the “New Silk Road” project is of crucial importance for Russia. It is a chance for Russia to strengthen its position as both a country of transit and a ‘Eurasian’ bridge between the East and the West.

Participation of Russia in this project and the increase in transit through its territory will substantially boost the use of capital invested in the transport infrastructure, which will spur further and more active development of many regions in the Asian part of the country.

Within its geopolitical activities, Russia is generally interested in good relations and cooperation with China, though not only due to the present poor relations with the West. Large joint projects are essentially the best guarantee that a long-term and stable partnership could be developed.

Russia is particularly interested in cooperation with China in the areas along their border. The development of Siberia and the Far East is almost unthinkable without the influence and participation of the great neighbour.

Along with economic, there are important political reasons urging Russia to take part in the “New Silk Road” project. Both China and Russia are keenly interested in establishing political stability in countries of Central Asia and the Middle East and in their economic development. Narcotics production in Afghanistan, as well as related narcotics trafficking create huge problems. Fundamentalists and their activities, together with uncontrollable flows of migrants, as a result of numerous armed conflicts, pose serious threat to both states. They firmly believe that only accelerated economic development and increased standard of living can offer a basis for their political stability. “New Silk Road” can therewith have and play an extremely important role.

Rivalry with Russian project “Eurasian Economic Union” is an important segment within the Chinese initiative. It is to be expected that Central Asia countries will have to choose between these two options. Objectively speaking, Russia has fewer chances in this process, and it is particularly true if we know that, in the countries of Central Asia, China is already building infrastructure objects, scientific, industrial and agricultural parks that actually represent a starting point for future expansion of economic cooperation. The best option for Russia is to merge these two projects in

Central Asia. China has already expressed its opinion diplomatically implying that Russia has limited resources at its disposal for establishing Eurasian Union and that it would be best if it became a part of a mega project “New Silk Road”.

Russia certainly approves a new form of international regionalization that is being offered by the PRC. Instead of political alliances and violent ‘democratization’, cross-border communication corridors based on transport and logistics knots and trade and production zones built by new geopolitical leader are at table.

This approach secures the absence of confrontation among states along the ‘economic silk belt’. Beijing is the advocate of an economic cooperation according to an old eastern saying “When there is trade going on – the cannon are silent”.

Russia takes a special place within “One Belt, One Road” initiative and such a current situation has been confirmed by the decision of the Chinese National Development and Reform Commission to establish 100 billion Yuan (USD 14.5 billion) China-Russia Regional Cooperation Development Investment Fund. In his speech delivered at the Forum in Beijing, Russian President Putin expressed his deep appreciation of this Chinese initiative and confirmed that Russia was eager to participate in it.¹⁰

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Notwithstanding Chinese obvious intention to take the dominant position in the world through the “New Silk Road” project, Russia approves this intention since it has been based on means and principles that are much more acceptable than the ones which have provided grounds for the pyramid of global hegemony so far. The most important ones are: to preserve independence and foreign policy, international relations without conflicts, to promote and develop state interests by economic, political and cultural means, to respect principles of international law, not to impose universal solutions to internal organisation of a country that are not in accordance with tradition, culture, economy and wishes of the citizens, etc.¹¹

¹⁰ Ibid.

¹¹ See: Мировслав Младенович, *Современные российско-китайские отношения: взгляд из Сербии*, УДК 327(470+510) (pp. 33–39), lecture, in: Развитие российско-китайских отношений: новая международная реальность, Часть 2, Издательство БГУ, Иркутск, 2016, ISBN 978-5-7253-2894-3, pp. 33–39.

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