

# PERSPECTIVE

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## **The Russia-China Strategic Alignment: Consequences for Southeast Asian Security**

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### **EXECUTIVE SUMMARY**

- Russia-China relations have strengthened considerably since 2012 as a result of Russia's economic problems, a close personal bond between the two countries' leaders and convergent views on international issues, particularly mutual concerns over US primacy.
- Russia and China do not have—nor do they desire—a formal alliance. Instead they have forged a strategic alignment in which the two countries have agreed to increase cooperation and coordination in international affairs and support each other on issues affecting their core interests.
- Due to the widening trust deficit in US-Russia and US-China relations, the Sino-Russian strategic alignment will likely strengthen over the next decade.
- Closer relations between Russia and China have important consequences for Southeast Asian security, especially in the South China Sea where Moscow's increasing diplomatic support for China's position and the transfer of advanced military technology will enhance Beijing's ability to advance its interests.
- Stronger Sino-Russian relations are not in Vietnam's interests and may lead Hanoi to diversify its defence ties in order to reduce its dependence on Russia.

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## INTRODUCTION

In response to China's rising power, the United States has strengthened strategic ties with key allies and partners in the Asia-Pacific region, including Japan, Australia, India, Vietnam and Singapore. In contrast, due to regional anxieties triggered by its military modernization and actions in the South China Sea, China has been unable to significantly deepen strategic relations with regional states with one notable exception: Russia.

Under Vladimir Putin, Russia's paramount leader since 2000, Sino-Russian ties have progressed along a positive continuum. This trend accelerated when Putin began his third term as president in 2012, and especially after Moscow's relations with the West nosedived following Russia's annexation of Crimea in March 2014. Although economic interaction between Russia and China has faltered, political relations have never been better, due primarily to a convergence of views on major international issues, particularly Sino-Russian opposition to US primacy and the shared perception that they are the targets of US policies of containment and regime change.

Due to the entrenched political positions of President Putin and Chinese President Xi Jinping, structural problems in Russia's economy that will lead to greater dependency on China, and growing tensions in US-Russia and US-China relations over international hotspots, the Sino-Russian strategic alignment will likely gain momentum over the next decade. Closer cooperation and coordination between Moscow and Beijing has important consequences for Southeast Asian security, especially in the South China Sea where Russia's growing diplomatic support and military assistance to China will help Beijing advance its interests.

## UNDERSTANDING THE SINO-RUSSIAN STRATEGIC ALIGNMENT

President Putin's "turn to the east" is largely driven by economic necessity. When the policy was officially announced in 2012, Putin's aim was to reduce the country's economic dependence on the West and take advantage of high growth rates in Asia, particularly in China. As the price of oil plunged (Russia's principal export commodity) and Western sanctions imposed over Russia's seizure of Crimea began to bite, Putin's "Asia pivot" was given added urgency.

Although China is at the heart of its Asia policy, Moscow has been disappointed with the development of Sino-Russian economic ties. Trade between the two countries dropped to \$68 billion in 2015—30 per cent lower on 2014 and far short of the \$100 billion target—as China's slower economic growth weakened demand for Russia's natural resources and the devaluation of the rouble reduced Chinese exports to Russia. Russia has expressed disappointment at the trickle of Chinese investment, which Chinese businessmen blame on the country's inhospitable investment climate. Weak rule of law, endemic corruption and asset-grabbing mean that Russia's economic prospects are poor without radical reforms which are unlikely given the Putin regime's vested interest in preserving the current system.<sup>1</sup>

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<sup>1</sup> Philip Hanson, "Russia's Global Strategy: Is it Economically Sustainable?", in *Putin's Russia: Really Back?*, edited by Aldo Ferrari (Milan: Ledizioni Publishing, 2016), p. 34.

Russia's continued economic weakness will deepen its dependence on China for sales of commodities and defence technology.

In contrast to economic ties, political relations between the two countries have strengthened considerably. Since 2012, Putin and Xi have met 15 times and established a close personal rapport. Good personal chemistry is important because within their respective political systems Putin and Xi are the final arbiters of foreign policy. Furthermore, the two leaders' world views demonstrate a high degree of convergence. Indeed, according to Putin "Russia and China have very close or almost identical views on international developments."<sup>2</sup> In particular, the Chinese and Russian leaders perceive US primacy in the international system to be not only inimical to their national interests but also a threat to regime survival.

A staple in both Russian and Chinese foreign policy narratives is that America is pursuing a policy of containment that is designed to keep them weak and isolated. Underlying these accusations is a shared sense of victimhood; that the West has conspired to deprive them of territory, status and influence during periods of historical weakness—China during the "Century of Humiliation" and Russia after the collapse of the Soviet Union in 1991—and continues to do so. As evidence, Russia points to the enlargement of NATO membership to include former Soviet republics and Warsaw Pact allies between 1999 and 2004, and the imposition of Western sanctions over Crimea. China's leaders have long accused the US of trying to contain its rising power, and view the Obama administration's Asian pivot—including the Trans-Pacific Partnership—as merely the latest iteration of this policy. Moscow and Beijing believe that US plans to station anti-ballistic missile systems in Eastern Europe and Northeast Asia—the Aegis Ashore system in Romania and Poland, and the Terminal High-Altitude Area Defence (THAAD) system in South Korea—are designed to undermine their nuclear deterrents. According to Chinese and Russian narratives, America's ultimate ambition is to overthrow their political systems by orchestrating "colour revolutions" such as occurred in several former Soviet states over the past decade. At a summit meeting in Beijing in June 2016, Russia and China gave vent to these concerns when they identified increasingly "negative factors" affecting global strategic stability, including US anti-missile defence systems, unilateral economic sanctions and interference in the internal affairs of sovereign states with the "aim of forging change in legitimate governments".<sup>3</sup>

Officially, Russia and China describe their relationship as a Comprehensive Partnership of Strategic Coordination. Neither side views a formal political-military alliance as necessary or even desirable. In any case there are still trust issues that militate against a Sino-Russian alliance. Russia is uneasy about China's growing influence in Central Asia and still harbours residual concerns that Beijing ultimately seeks to recover territories in the Russian Far East that it ceded to Moscow in the nineteenth century. For its part, China is not comfortable with Russian arms sales to its two main rivals in Asia, India and Vietnam.

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<sup>2</sup> Press Statements following Russian-Chinese Talks, 25 June 2016, President of Russia website <<http://en.kremlin.ru/events/president/transcripts/17728>>.

<sup>3</sup> "China, Russia sign joint statement on strengthening global strategic stability", Xinhua, 26 June 2016; The Declaration of the Russian Federation and the People's Republic of China on the Promotion of International Law, 25 June 2016.

Despite these misgivings, the trust deficit between Russia and America, and China and America, is far greater than that between Russia and China. Thus while the two sides eschew an alliance, they have agreed to increase cooperation and coordination in international affairs and support—or at least not oppose—each other on issues affecting their core interests.

Thus, while Russia's annexation of Crimea violated China's principle of non-interference and non-support for separatist movements, Beijing did not protest against it and abstained when the United Nations Security Council (UNSC) voted on the issue in March 2014. China has also been broadly supportive of Russia's military operations in Syria because they share the same goals—the survival of the Assad regime and the defeat of Islamic State—and has joined with Russia in vetoing four US-sponsored UNSC resolutions on Syria since 2011.

In June 2016, Moscow demonstrated its support for Beijing over the Senkaku/Diaoyu Islands in the East China Sea when Russian and Chinese warships conducted coordinated patrols within 24 nautical miles of the Japanese-administered atolls. But it is in the South China Sea that Russia's support is proving most valuable to Beijing.

## **MOSCOW, BEIJING AND THE SOUTH CHINA SEA DISPUTE**

Recently, Moscow's stance over the South China Sea has moved from neutrality to tacit support for Beijing. For many years Russia had tried to avoid taking sides so as not to damage relations with its two main Asian partners, China and Vietnam, which contest ownership of the Paracel and Spratly Islands. Russia does not take a position on competing sovereignty claims and has called on the claimants to resolve the dispute peacefully, abide by the United Nations Convention on the Law of the Sea (UNCLOS) and implement conflict management mechanisms.

As Sino-Russian relations have strengthened, however, Russia has deviated from this strict neutrality in support of China's position. The first indication of this shift occurred in August 2015, when Russian Foreign Minister Sergei Lavrov sided with China by saying that the dispute should be resolved by the claimants themselves without “outside interference”—a veiled reference both to America and the Arbitral Tribunal established in 2013 to hear a case brought by the Philippines which challenged the legality of China's jurisdictional claims in the South China Sea.<sup>4</sup> In the first half of 2016, China launched a concerted campaign to rally international opinion in support of its position that the dispute could only be resolved by the parties directly concerned and that the Tribunal had no jurisdiction. It was in this context that Lavrov stated in April that Russia opposed “internationalizing” the dispute.<sup>5</sup> When the Tribunal announced its decision on 12 July—that China's “historic rights” claims within the so-called nine-dash line were incompatible with UNCLOS—the response from Russia's Foreign Ministry was anodyne and merely reiterated its existing

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<sup>4</sup> Russian Foreign Minister Sergey Lavrov's interview with Channel NewsAsia, Kuala Lumpur, 5 August 2015.

<sup>5</sup> “Beijing seeks Moscow's support over South China Sea court battle with Philippines”, *South China Morning Post*, 20 April 2016.

position. However, at the G-20 Summit in Hangzhou in September, Putin came out in support of China's decision to reject the ruling.<sup>6</sup> This represented a major diplomatic coup for Beijing, as so far Russia is the only major country to side with it over the Tribunal's award. In contrast, America, Japan and Australia have called on both parties to abide by the ruling. As a quid pro quo, if Ukraine initiates legal action against Russia over the annexation of Crimea, Moscow will expect Beijing to back its rejection of international legal arbitration.

Within a week of the G-20 meeting, five Russian and ten Chinese warships began an eight-day combined exercise in the South China Sea which included anti-submarine, air defence and "island seizing" operations.<sup>7</sup> Although the naval drills did not take place in disputed areas, they were widely interpreted as another sign of Moscow's increasing tilt towards Beijing in the South China Sea.

Of greater importance than Moscow's diplomatic support over the South China Sea are the benefits China derives from closer defence cooperation with Russia.

During the 1990s, China purchased an estimated US\$30 billion of Russian weaponry, including fighter jets, submarines and destroyers.<sup>8</sup> But Russian arms transfers to China significantly decreased in the mid-2000s, partly because China had become capable of producing many of its own weapons systems, but also due to Moscow's annoyance with China for reverse engineering Russian equipment which was then sold on the international market at a cheaper price.

In 2010, however, China and Russia resumed discussions on defence cooperation. Although China's domestic defence industries have achieved a high-level of self-sufficiency and technical competence, Russia's arms manufacturers still maintain an edge in certain areas, especially engine, radar and missile technology which Beijing is keen to acquire. After the West imposed sanctions on Russia in 2014, economic imperatives led Moscow to accelerate arms sales negotiations with Beijing.

In 2015, Russia announced that it had agreed to sell the advanced S-400 surface-to-air missile system—designed to destroy enemy aircraft, cruise and ballistic missiles within a range of up to 400km—to China for US\$3 billion and 24 SU-35s—Russia's most advanced air superiority fighter currently in service—for US\$2 billion. China is reportedly in talks with Russia to purchase a naval version of the S-400 and Lada-class fourth generation diesel electric submarines.

The transfer of cutting-edge Russian arms to China, and agreements to jointly develop future advanced weapons technology, will likely impact the South China Sea dispute in two ways. First, it will widen the gap in capabilities between China's armed forces and those of the Southeast Asian claimants. Second, the highly mobile and lethal S-400 could be deployed to China's artificial islands in the Spratlys during crisis periods, enabling China to exercise greater control of the airspace over the South China Sea. It will also strengthen China's anti-

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<sup>6</sup> "Russia supports China's stance on South China Sea", *Sputnik*, 5 September 2016.

<sup>7</sup> "China, Russia kick off joint South China Sea exercise", *USNI News*, 12 September 2016.

<sup>8</sup> Paul Schwartz, *Russia's Contribution to China's Surface Warfare Capabilities: Feeding the Dragon* (Washington D.C.: CSIS, 2015).

access/area denial (A2/AD) capabilities, thus complicating US military responses to crises in Asia that could undermine US security assurances to regional states.<sup>9</sup>

## **IMPLICATIONS FOR RUSSIA-VIETNAM TIES**

Vietnam is Russia's most important partner in Southeast Asia. It is a major buyer of Russian arms and energy expertise, and Hanoi has given the Russian military unfettered access to air and naval facilities at Cam Ranh Bay. However, given Russia's growing economic dependence on China, Moscow's relations with Beijing will always trump its ties with Hanoi.

Closer Sino-Russian strategic ties are not in Hanoi's interests. In opposition to China, Vietnam has assiduously promoted the "internationalization" of the South China Sea dispute and supported greater US and Japanese engagement over the issue. Vietnam benefitted from the Arbitral Tribunal's ruling that China cannot claim historic rights to energy and fishery resources in areas where its nine-dash line overlaps with Vietnam's 200 nautical mile exclusive economic zone. As Russia moves closer to China's position on the South China Sea it moves further away from Vietnam's and this could undermine political relations between the two countries. In addition, sales of advanced Russian weaponry to China undercuts the deterrent and operational value of Vietnam's armed forces. For example, the Lada-class submarines that China is interested in buying from Russia are more advanced than the six Kilo-class submarines Vietnam has purchased from Russia.

For economic and strategic reasons, the Kremlin will want to preserve its close relationship with Vietnam. And given the large amount of armaments Moscow has already sold to Hanoi, Vietnam is likely to be dependent on Russia for spare parts and maintenance for at least the next two decades. However, as the Sino-Russian strategic alignment strengthens, Vietnam will probably move to reduce its dependence on Russia's arms industry by pursuing closer defence ties with other states, including America—which lifted its arms embargo on Vietnam in May 2016—, Japan, Israel and European countries.

## **CONCLUSION**

Convergent world views, opposition to US hegemony, personal bonhomie and Russia's economic problems have brought Moscow and Beijing closer together. As the trust deficit in US-Russia and US-China relations widens, the Sino-Russian strategic alignment will likely strengthen.

The repercussions for Southeast Asia will be most apparent in the South China Sea: Moscow will increase its diplomatic support for China's position, and greater access to Russian defence technology will significantly enhance the capabilities of China's armed forces to uphold the country's maritime claims. Over time, Vietnam is likely to diversify its military ties to reduce dependence on Russia.

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<sup>9</sup> Timothy Heath, "How China's New Russian Air Defense System Could Change Asia", *War on the Rocks*, 21 January 2016.

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