China’s Global Influence:
Perspectives and Recommendations

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Chinese Foreign Policy towards Russia and Eurasia

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1 The views and recommendations expressed are those of the author and do not necessarily reflect the policy or position of the George C. Marshall European Center for Security Studies, US Department of Defense, or US Government.
**Introduction: What are China’s Objectives?**

On the 70th anniversary of the foundation of the People’s Republic of China (PRC), Xi Jinping’s “Thought on Diplomacy” has defined “the mission purposes, fundamental principles, main tasks, and unique style of China’s diplomacy,” highlighting the “great renewal of the Chinese nation” and achieving the “Chinese Dream” (Zhōngguó mèng) as overarching goals. This vision does not exist in a vacuum but is dependent on China’s ability to create a favourable international environment (e.g., global norms, standards and institutions) that align more with China’s governance model, its strategic requirement of moving “closer to center stage” in world affairs and determination to uphold its interests. In geostrategic terms, General Secretary Xi Jinping portrays China as a leader and guardian of the global economic and political order, pledging, on 1 January 2019, that Beijing would “always be a builder of world peace, contributor of global development and keeper of international order.”

In “Greater Eurasia,” this overarching transformative agenda translates into three broad declaratory objectives for China. First, China wants to maintain and strengthen a strategic partnership with Russia. The glue that holds this partnership together is opposition to US-led containment and encirclement (as expressed by similar strategic narratives) and declarations on the need for parity, reciprocity, and equality within a post-Western polycentric multipolar world order. As part of public diplomacy efforts, both states believe power shifts from the old dysfunctional political West to the East, from the past to the future, with Russia and China on the right side of history. Second, they aim to uphold a Sino-Russian political consensus in Eurasia based on (i) strong states (able to provide order-producing, managerial roles in their neighbourhoods); (ii) hierarchical political systems (based on centralised decision-making); (iii) state-led economic development and interdependence (Russia exports raw materials to China in return for capital and technol-

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ogy); and, (iv) conservative values ("Moscow/Beijing consensus"). Using United Nations Security Council Permanent 5 veto power, both states uphold norms conforming with narrow legal positivism (sovereignty is absolute; non-interference in internal affairs an axiom) and privilege justice as understood by ordered communal stability above western enlightenment notions of individual liberty. Both are undergoing systemic political shifts with greater emphasis placed on historical and charismatic ("Xi Jinping thought"; "the core") legitimation than legal-constitutional, and the rise of conservative patriotism and nationalism. Third, China increases connectivity with Central Asia, both through integrative infrastructural developments, as well as through the provision of strategic credits and loans. The US pivot to the Asia-Pacific under Obama and the development of a “Free and Open Indo-Pacific” under Trump, raise fears in China that the US pursues a policy of offshore encirclement and containment of China. Eurasia represents an “onshore bulwark” to “break encirclement,” placing less reliance on maritime choke points, and reducing the fear of a Chinese strategic psychology of amphibious assault and colonization. Accordingly, from a Chinese perspective strategic rebalancing from maritime to continentalism or a “heartland” geopolitical strategy occurs. China’s intensified strategic engagement with Central Asia is a deflationary measure, which will help to reduce the containment pressures China faces elsewhere. However, while Russia and China share a preference for virtual domestic politics (China fakes communism while Russia fakes democracy), fundamental differences in worldview and trajectory are apparent: “Russia needs China more than China needs Russia;” Russia pivots to China, China pivots to the world.

Basic Chinese Communist Party (CCP) documents, such as the “19th Party Congress Work Report,” reference “world,” “world-class,” “community of common destiny for mankind,” and “global.” Chinese modernity involves economic restructuring, digitalization, 5G network, distribution ledger (block chain), neuro- and biotechnology, robotics,

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5 For example, “the U.S. Navy was patrolling the Yangtze River from about the period of the 1850s onward, all the way through the 1920s. Now, think about that. What would you feel like if you knew that the Chinese navy was patrolling the Mississippi for almost a century of American history? It would make you see the world differently.” Lyle Goldstein and Brad Carson, “Jaw-Jaw: Rethinking Our Assumptions about Chinese Aggression,” War on the Rocks, 8 January 2019, https://warontherocks.com/2019/01/jaw-jaw-rethinking-our-assumptions-about-chinese-aggression/.

and artificial intelligence, challenging Western value chains. It is global in scope and benefits from globalization. With its 5,000-year history, a return to the status quo ante for China means a return to the Middle Kingdom’s domination of East Asia and the tributary relations of, for example, the Tang dynasty (618-906 A.D.).

By contrast, Russia in the late Putin period de-institutionalizes. By not restructuring its economy and diversifying its economic connectivity, Russia de-modernizes and, though it is the projection of an anti-globalist narrative, Russia de-globalizes. For Russia, destabilization of the West constitutes a rational regime preservation strategy choice as it has emotional and practical political benefits for Putin. It helps maintain his popularity at a time when internal Russian economic reform is not on the table and all viable alternatives to structural reform are exhausted. It allows for military-patriotic mobilization of the Russian people against the West, while at the same time undercutting calls for reform, liberalization, and democratization of politics in Russia. A return to the status quo for Putin’s Russia is a return to the “long 1970s,” the symbolic high point of Soviet power projection and superpower status. Russia has far greater natural resources than China, but a much weaker manufacturing base. Russia’s economy is four times smaller than China’s and much more connected to Europe. Economically, China is the world’s largest economy and a manufacturing giant, though with few natural resources. China’s economy is more connected to the US economy, as opposed to the European, or indeed, Russia itself. As the world’s largest gas consumer, China benefits from a sharp decrease in the price of hydrocarbons, in stark contrast to Russia, the world’s largest gas producer, and China can drive hard bargains given Russia’s confrontation with the West and has alternative non-Russian energy options available. Differences are starkest in terms of the strength of foreign currency reserves and percentage share of the global economy. These asymmetries in trajectories, perception of status, degrees of adaptability and outlooks, translate into a different set of unstated Chinese objectives in Eurasia over the longer term, suggesting less Sino-Russian alignment in practice. Eurasia illustrates tensions in Chinese foreign policy words/rhetoric/declarations of intent and deeds, actual performance, and outcomes.

Russia and China are dissatisfied with their place in the international order but China represents a rising power reliant on a stable in-

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ternational order to displace the US, while Russia is stagnating and more prepared to take action to halt the relative decline. This difference in worldview and economic orientation means the two states seek decidedly different ends from the bilateral relationship. By harmonizing its Eurasia geo-economic development strategy and paying rhetorical lip service to the notion of a strategic partnership with Russia, China instrumentalizes Russia as a safe strategic rear and raw materials base to improve its ability to diversify energy supplies and transportation corridors. While “Moscow bears all the costs in protection of the states of Central Asia,” “Beijing derives all the economic dividends.” Though economic relations have improved, the relationship is marked by relatively low levels of investment and, notably, there are no significant projects between One Belt, One Road (OBOR; 一带一路) and the Eurasian Economic Union (EEU). Meanwhile, China’s wholly or partially state-owned companies implement the West’s economic sanctions against Russia.

As compensatory alternatives, China supports the façade of integration through accepting face-saving OBOR-EEU rhetoric (the “integration of integrations”). China supports a non-Western Central Asia, whereas Russia pushes for an anti-Western space, underscoring the Sino-Russian working formula: “never against each other, but not always with each other.” China has not recognized the Russian status of Crimea or the independence of Abkhazia and South Ossetia. China does not welcome the notion of “Xinjiang as the Ukraine of Central Asia,” or a People’s Republic of Donetsk referendum transposed to Hong Kong, but refrains from publically criticizing Russia. China seeks both to contain any potentially destabilizing fallout from the Ukraine conflict from spreading to its borders and minimizes the possibility of Russia’s implosion, given Russia’s utility in the international system.

Second, China capitalises on Russia’s rivalry and confrontation with the West – particularly the effects of sanctions to exert collective Sino-Russian influence in the Arctic (this both exploits Russia’s lack of alternative partners and restores some balance to the fundamentally asym-


9 Vladimir Frolov, “Procrastination Strategy: What Sort of Foreign Policy Has Russia Had This Year?” Republic, in Russian, 27 December 2018.

10 The Editors have chosen to conform to the “One Belt, One Road” formulation of the initiative as initially propagated and as it is still discussed in Chinese language documents. For a complete explanation of this decision, see the introduction to this volume, p. 9.
metric partnership); and, strengthen Chinese-led financial instruments (investment funds, rating agencies, transaction and payment systems) and establish a *petroyuan* to rival the petro-dollar.\(^\text{11}\) As Russia clashes with the West, China seeks entente with Russia rather than formal alliance.\(^\text{12}\) China’s pursuit of a “Great Power Diplomacy with Chinese characteristics” in practice means China can and will continue to have bilateral relations with the US, European Union (EU), and states in Eurasia (e.g., Georgia, Moldova, Ukraine) irrespective of how Russia relates to them. China will not allow Russia to have a veto over Chinese foreign and security policy decision-making. At the same time, it seeks to prevent the West from playing the “Russia card” against China.

**HOW IS CHINA SEEKING TO ACHIEVE ITS GOALS?**

In terms of harmonizing interests with Russia in Eurasia, China dominates the economic and development agenda through OBOR, while Russia the military security aspects. China achieves its partnership objectives through bilateral summits, which provide the basis for high-level political cooperation (leaders declared 2018-2019 “Bilateral Years of Russia-Chinese Inter-Regional Cooperation”) and multinational engagements. The Shanghai Cooperation Organization (SCO), for example, is a talking shop rather than an effective instrument for collective security. Indeed, the inclusion of India and Pakistan into the SCO makes deeper cooperation harder. Paradoxically, its ineffectiveness enables China to meet partners bilaterally and reach a *modus vivendi* where their interests intersect in Eurasia; to introduce initiatives which, if necessary, can be implemented directly by China; to emphasize multilateral cooperation and peaceful rise; and to facilitate norms convergence (concern about “the three evils”—terrorism, extremism and separatism) and manage transnational politics. Cumulatively, these goals contain spill over processes that could exacerbate the “Xinjiang problem.” China has stressed that the SCO operates not *against* the US and the West, but *without* it, and can be understood to represent a platform for wider cooperation with non-Western actors.

Rhetorically, China and Russia increasingly share strategic conceptions of how best to mitigate US containment efforts in the Indo-

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Pacific, the Arctic (where Russia increasingly cooperates with China), the North Atlantic, and across the arc from the Baltic to the Mediterranean and Black seas. Chinese naval responses to US freedom of navigation operations (FONOPs) in the South China Sea and Taiwan Strait are relevant for Russia given similar US challenges to Russian claims, whether it be navigation in Peter the Great Bay opposite Russia’s Pacific Fleet harbored in Vladivostok, or to support Ukrainian FONOPs efforts in the Sea of Azov and Black Sea. In 2010 and 2014 the *Vostok* strategic “anti-terrorist” exercises in Eastern Siberia had been purely Russian, but in 2018 they included a Chinese People’s Liberation Army (PLA) brigade (3,200 troops, 30 aircraft, and 900 tanks and armored vehicles) and a Mongolian platoon for the first time, alongside 300,000 Russians. Chinese participation in the *Vostok* 2018 exercise provided the opportunity to study the Transbaikal military theatre, Russian combined-arms combat, and gauge Russian military learning from Syria. Since 2012, Russia and China have also conducted annual *Morskoe Vzaimodeystviye* exercises. However, the 2018 PLA Navy Northern Fleet led exercise in Qingdao was not held, suggesting underlying tension between the rhetorical veneers of cooperation. Meanwhile, Russia’s use of kinetic force against the Ukrainian Navy on 25 November 2018 reflects a similarity with China in using minimal force in the right context (e.g., Scarborough Shoal and Mischief Reef) to achieve one’s aims. China’s “Three Warfares” (三战法) approach, which adheres to Sun Tzu’s precept of breaking the enemy’s resistance without fighting, has commonalities with Russia’s “limited action strategy” and the principle of “sufficiency of force.”

**How is Chinese Engagement and Influence Perceived?**

China’s success or failure to achieve its objectives in Greater Eurasia is very dependent on whether we distinguish between what China claims it seeks to achieve, and what it actually achieves. It is difficult to identify a consensus in perception, though we can chart the spectrum of understanding. A majority of states in “Greater Eurasia” view China

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14 Aleksandr Anatolyevich Khramchikhin, “Moscow at the Geopolitical Crossroads: Can the Russian Leadership Overcome the Centuries-Old National Stereotypes in Foreign Policy?” Nezavisimaya Gazeta, in Russian, 28 December 2018.

in non-binary terms: it is both the largest economic and trading partner, and security threat and adversary.

For Russia, the China challenge is not addressed openly and, as a result, China pretends to believe Russia is a great power, though in reality China fears Russian unpredictability and views it through a prism of failure: Gorbachev’s management of liberalization caused the system to crash whereas repression and control avoids system collapse. In turn, Russia pretends to believe China believes Russia is a great power ("superrealistic realism"), though it fears China’s pragmatism:

The calculation, if that’s what it was, that Russia would be decisively supported by China is not working. Beijing is cold-bloodedly weighing the notional pluses, which in the form of Russian hydrocarbons it would get in any event, and the obvious minuses in the form of secondary American sanctions, which would complicate progress toward the strategic goal—the consolidation and modernization of the economy. Russia’s banks and companies have already been impacted by China effectually having joined the West’s financial anti-Russian sanctions.

Russia’s wariness is reinforced by the success the PRC has had engaging Central Asian states. From a standing start at the collapse of the Soviet Union in 1991, when Chinese economic and diplomatic relations with the Central Asian states were coordinated and managed by Moscow, China has displaced Russia as the primary economic actor in the region. Here the states that share a border with Xinjiang (Kazakhstan, Kyrgyzstan, and Tajikistan) are viewed by China through a transnational security agenda. However, these relationships are not without challenges. For example, there is growing anti-Chinese public sentiment in Kazakh-


stan over its treatment of ethnic Kazakhs, as well as Chinese-purchased Kazakh agricultural land, underscoring the presence of a “cold publics, warm elites” sentiment through Central Asia. Similar anti-Chinese sentiment was expressed in Tajikistan following the ceding of 1158 square kilometers to the PRC in return for debt relief. The Kazakh, Uzbek, and Turkmen axis is an economic one, as is the corridor though Tajikistan to Afghanistan. Two anomalies can be detected: Kyrgyzstan, with its relatively vibrant civil society but weak economy, is bypassed by OBOR transport corridors; Turkmenistan’s dependence on China for gas exports (over 90 percent) and credit agreements coupled to a currency and socioeconomic crisis may force China to openly intervene to stabilize its economy, affecting their internal affairs, thereby violating the terms of the unwritten *modus vivendi* of the Chinese-Russian cooperation in Eurasia.20 If China does intervene in Turkmenistan, it would graphically highlight an ongoing trend: Central Asian states orientate away from Moscow towards Beijing, highlighting China’s role as the new center of gravity in Central Asia, Eastern Siberia, and the Russian Far East. China’s investments in Central Asia are more than 10 times that of Russia.21 This change in orientation has been partially spurred by Russia’s rhetoric in support of *Novorossiya* (New Russia, including eastern Ukraine) and the *Russkiy Mir* (“Russian World” concept), resulting in a shift from Central Asian bandwagoning to balancing behavior, which China has capitalized on. Central Asian states are also uneasy over the Russian use of force against Ukraine—a former tsarist territory with internal divisions and a limited history of statehood, out of fear it could be directed at them.

In general, states in the region resist being dragged into a political battle between Russia and the West, and view China and other third powers (Turkey, Iran, Israel, Gulf Arab states) as a hedge and balance against Russia. Third powers provide alternative export markets, sources of investment, and political support through free trade agreements. Armenia and Belarus engage China to lessen dependence on Russia and drive up costs of integration with Russia in an attempt to gain concessions. Belarus, alongside Azerbaijan, also looks to links with China to

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21 “What Sort of Threat to Russia Do the Changes in Central Asia Contain? We Are Losing It,” editorial, Gazeta.ru, in Russian, 30 August 2016.
reduce European criticism of their political systems and human rights records. Ukraine, Belarus, Moldova, Georgia, Armenia, and Azerbaijan also support foreign and economic engagement with China to help offset losses resulting from sanctions and trade embargoes against Russia.22

**How Are US National Security Issues Affected?**

US policy toward China reflects its long-standing goal of preventing a dominant hegemon emerging in Eurasia. China’s potential hegemonic position would encourage China to test US resolve, erode the liberal international order, and constrain the ability of the US to advance its own security and national prosperity. Under the Obama administration, cooperation with China on climate change appeared to be privileged over US geostrategic interests in East Asia. The Trump administration’s National Security Strategy states that political, economic, and military competitions with Russia and China will “require the United States to rethink the policies of the past two decades—policies based on the assumption that engagement with rivals and their inclusion in international institutions and global commerce would turn them into benign actors and trustworthy partners. For the most part, this premise turned out to be false.”23

There is a growing awareness in Eurasia of the challenge China poses, but no agreement on how to address it. The US has little possibility of leading a normative or institutional balancing coalition in Eurasia—as it can in other regions—as the balancing landscape is not favorable. Without Russia such coalitions would not form, as states in the region prefer to “row between two reefs,” rather than alienate the two strongest states. There is no “thickening” of Eurasia security networks in terms of Western defence collaboration and joint military exercises, security-focused bilateral, trilateral, and multilateral dialogues, joint vision statements, and military interoperability agreements.24 The region is not rich in longstanding and strong institutions, which might generate norms and standards in an attempt to “entangle” China in a web of institutions and agreements as in the Asia-Pacific. Rather the opposite is in evidence: limited security engagement with the West can be explained

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24 Smith, “China’s Rise and (Under?) Balancing in the Indo-Pacific.”
by Russia’s “Red Lines” (“no military bases; no military alliances”) and
the economic and diplomatic pressure that facilitated the closure of US
bases at Karshi-Khanabad (Uzbekistan, 2005) and Manas (Kyrgyzstan,
2013).

Russia is a stalking horse for China, allowing it to free ride as
Russia poses a direct threat to US interests in Europe (while remaining
a European power through NATO), the Middle East, and North Africa,
where Russia plays mediation, arbitration and spoiler roles. However,
given the US has both fewer national interests at stake relative to other
regions and less means of achieving them, the US position in Central
Asia is not wholly different than Russia’s, which is attempting to maintain
relationships with regional states to prevent them from falling totally in
the PRC’s orbit. Putting aside the possibility of a Sino-Russian military
alliance confronting the US, its friends, and allies, China is a bigger trading
partner in Greater Eurasia than the US, making US leverage through
trade a weak policy tool. Moreover, there are fewer allies and partners
available to amplify US efforts. Western initiatives in the region include
the US C5+1 initiative, the EU’s Central Asia Strategy and granting ma-
jor trading partner status, but despite these efforts, Western potential for
influence is largely latent and constrained by the development of non-
Western multilateral and regional organizations, such as SCO, EEU, and
the Collective Security Treaty Organization (CSTO).

**Policy Recommendations Supporting Competition and Cooperation**

The US, particularly by working in conjunction with friends and
allies, can do more to facilitate or limit China’s ability to secure preferred
policy outcomes (i.e., exercise its power) than any other state. Three
types of policy recommendations—or perhaps more accurately policy
considerations—can be advanced. The first concerns the role of De-
partment of Defense regional centers (RC) and the Daniel K. Inouye
Asia-Pacific Center for Security Studies-led “China and the World” proj-
ect. The second addresses the efforts of public affairs and diplomacy
to counter China’s strategic narrative by exposing the nature and reality
of its governance. The third is generated by unpredictable dynamics in
the region, and the possibility of Russia crossing the West’s escalatory
threshold though further use of kinetic coercive force along the Eastern
flank. The possibility of strategic surprise highlights the critical role of
Russia in the US’s China strategic calculus.
First, in order to generate evidence-based policy recommendations the US needs to build a China watching community that can help forge bipartisan consensus within the US and between the US, friends, and allies, as to how to constrain Chinese strategic behavior that undercuts western interests and values.

RCs can be an intrinsic part of this community, able to leverage their unique selling points to generate a set of regionally-specific policy considerations, reflecting the reality that “world order” is the sum of the parts of a series of healthy regional orders underpinned by US power.

For the George C. Marshall European Center for Security Studies, for example, this includes German partnership and the German perspective this brings, as well as an expansive alumni network (e.g., alumni in the National Security Councils of Mongolia and Kazakhstan), in an effort to pool collective knowledge about China. A putative agenda would include efforts to: map and scope China’s interactions within the region, including structural and cultural factors that limit cooperation with China; assess the opportunity costs and tradeoffs associated with the use of potential policy tools; explore Kazakhstan’s normative and symbolic significance as a lynchpin as the “Taiwan of Central Asia;” identify plausible hypotheses about causal relationships between international and domestic factors and Chinese foreign policy, thereby highlighting Chinese vulnerabilities and where, when, and how to maximize leverage; and, develop a set of regionally specific alternative competitive strategy considerations or even recommendations (e.g., a US grand strategy of “responsible competition” in defense of the liberal international order, of offshore balancing, or of managing regional spheres of influence).

Workshops provide occasions to undertake cross-regional comparative analysis to help identify common elements in alternative competitive strategies, as well as the regionally specific elements. Together we create a framework that encapsulates compellence, coercion, and confrontation, as well as competition, coordination, and cooperation, while testing this framework for policy and narrative coherence. Debates in the 1960s over containment-with-isolation versus containment-without-isolation are useful to revisit, as is
the explicit identification and testing of assumptions that would underpin the theories of change which support the alternative strategies seeking to positively shape Chinese strategic behavior.

- Second, China argues that its global governance paradigm is based on sovereign equality, extensive consultations, and the absence of one or more dominant powers. This narrative should be publically contested by the US, its friends, and allies. The reality of how China practices domestic politics—CCP single party rule (“love the Party, protect the Party, serve the Party”), a surveillance state characterized by extrajudicial detention (“vocational education and training” concentration camps) in Xinjiang, and suppression of artistic, intellectual, and religious freedom—are lead indicators for the types of norms, rules, and leadership model to be practiced and exercised in an authoritarian Sino-centric global order. In Eurasia, China’s rhetoric of “peaceful development” and “constructive multilateralism” actually cloak neo-colonial and neo-mercantilist policies: China pays political tribute to the statehood (formal sovereignty and territorial integrity) of Eurasian states, while gaining economic concessions and importing raw materials from the region and exporting manufactured goods.

- Clear and consistent messaging is critical to the success of US efforts to engage with the PRC. A critical perception turning point is underway, encouraging a paradigm shift in how China is viewed.

- Debate on how to further an alternative “free and open system” would successfully contest the “China dream” and “Beijing consensus,” thereby constraining Chinese strategic behavior. This narrative should focus on the relationships between preventing violations, the proper method of governance, and how best to advance the provision of global public goods, while strengthening multilateral institutions. To that end, the US should cooperate with partners in areas of shared interest, especially in the promotion of good governance and development objectives, and continue to engage with friends and allies.

- Third, it is possible that relations with Russia could rapidly deteriorate, leading to much more effective and meaning-
ful Western cross-domain deterrence policies toward Russia. New military aid packages for Ukraine (e.g., anti-ship missiles) could be made available by the West. For effective and meaningful cross-domain deterrence (by denial and punishment) to be enacted, Germany and the US, which constitute the operational center of gravity in the political West, would need to reach a common strategic conclusion based on a shared risk calculus: the immediate known practical costs of Russia deliberately destabilizing the international order and the principles that uphold it would now outweigh the risks of the collapse of the Russian economy, and, with it, the unknowns associated with regime destabilization. Part of the calculation would also concern the probability of China’s acquiescent response to Western escalation.

- This perception would be based on a recognition that China exhibits a more deliberative, cautious, and risk-averse approach to strategic decision-making than Russia, is less willing to be labelled a pariah state, and, for now at least, is strategically relevant and benefits more from continuity than radical change, chaos, and unpredictability in the international system.

- Deteriorating US-PRC relations increase Russian dependence on China for technology, however better relations raise the specter of a G2 and Russian strategic irrelevance as China forges ahead with OBOR.

- Western-Russian crisis would encourage Russia to strengthen its partnership with China and provide the impetus for more cooperative Sino-US relations. In order to use the crisis as opportunity the US has to think how best to manage and engage China so that: China does not offer Russia more than rhetorical support under conditions of escalatory Western response; Western cross-domain deterrence of Russia has a demonstration model effect on shaping and constraining China’s strategic behavior; and policies are in place to mitigate the unintended consequences of negative spill-over effects from dual containment of Russia and China on potential US friends and allies in Greater Eurasia.