

COOPERATION AND COMPETITION: RUSSIA AND CHINA IN CENTRAL ASIA, THE RUSSIAN FAR EAST, AND THE ARCTIC

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Since the collapse of Russia's relationship with the West over Ukraine, the Sino-Russian strategic partnership has become more of a reality. Russia and China share a common desire to challenge principles of the Western-dominated international system. But their relationship is complex, with lingering mistrust on both sides. The balance of competition and cooperation is most evident in Central Asia, the Russian Far East, and the Arctic. Engagement in these theaters has tested Russia's and China's abilities to manage their differences and translate the rhetoric of partnership into tangible gains.

The Reality of Partnership

- In Central Asia, China is emerging as one of the most influential players, and there is little Russia can do about that. The prospects for Russia's Eurasian Economic Union look dim against China's Belt and Road Initiative. The arrangement is fairly stable for now, yet fears of instability from South and Central Asia have forced Beijing to slowly increase its security profile there.
- Russia considers economic development of its eastern territories a strategic imperative, for which Chinese investment is essential. But Chinese investment is not materializing as broadly as Russian business interests would like, while Beijing often uses its economic leverage to extract favorable commercial terms.
- In the Arctic, Russia needs China to realize many of its goals for infrastructure development and resource extraction. China is eager to access the Arctic's economic potential and enhance its technological prowess by partnering with Russia on key projects. Yet this presents new challenges for Moscow, which tightly guards its sovereignty in the region.

Implications

- **China holds the upper hand in the relationship**, and this power asymmetry will continue to grow at the expense of Russia. But Russia and China have more to gain from cooperation than outright competition. Barring an unlikely course correction in Russia's relationship with the West, the partnership will strengthen.
- **The Sino-Russian partnership may be tempered by unfulfilled expectations on both sides.** As China envisions a more active role in regional and global affairs, its long-term ambitions with respect to Russia are not clear. China's decisions will set the course for the Sino-Russian relationship, while Russia will remain only in a position to react.
- China's expanding commercial interests in Central Asia, the Russian Far East, and the Arctic are likely increasing the competitiveness of Chinese firms on a global scale. **But the greatest threat to the West of the Sino-Russian partnership emanates from their efforts to adjust the international system to their advantage.** As both Russia and China pursue increasingly activist foreign policies, Western policy needs to come to terms with the fact that their partnership is here to stay.

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