

## Games between allies. Xi Jinping's visit to Moscow

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The official visit by Xi Jinping, the Chairman of the People's Republic of China (PRC) to Moscow on 21–23 March was a demonstration of his country's continued support for Russia in its conflict with the West. It also served as confirmation that Beijing and Moscow will continue to work for the revision of the international order, and therefore they regard each other as indispensable partners. The decisions on economic cooperation announced at the summit, and their intended results, point to a growing asymmetry in Sino-Russian economic relations. Economically, Russia is falling into a deep trade dependence on the PRC, its technology, and the use of the Chinese currency (RMB) for international settlements. Beijing is also showing growing ambitions to shape the security situation in the post-Soviet area, something previously reserved for Moscow.

Paradoxically, however, the summit highlighted that Russia is not completely losing its decision-making autonomy on strategic issues. Indeed, the Kremlin *de facto* torpedoed the Chinese 'peace plan' which Beijing intended to mask its support for Moscow and thus minimise the political cost to itself. However, in the context of the war in Ukraine, the most important thing for Russia was the very arrival of Xi Jinping in Moscow. This showed both the domestic and Western audiences that Russia is not isolated, and can count on the support of China – the main rival of the United States, which both regimes unanimously see as their existential adversary.

### The results of the Moscow summit

On the first day of the visit, the Chinese leader spent several hours in informal discussions with Vladimir Putin; the topics included Russia's war against Ukraine and the 'peace plan', which Beijing put forward on 24 February under the title 'China's position on a political solution to the crisis in Ukraine'. On 22 March, after the Chairman's meeting with Prime Minister Mikhail Mishustin, talks were held between the two delegations, first within a 'narrow circle' and then full-scale. The leaders signed two declarations: a political one entitled 'On deepening the relationship of comprehensive partnership and strategic cooperation entering the New Era', and an economic one called 'A plan to develop the key directions of Russian-Chinese economic cooperation by 2030'.

The former is a *de facto* expression of Beijing's ambition to take the lead in the new international order, and Moscow's aspiration to be its main partner and ally in this process; Russia and China had



first announced such intentions in Beijing on 4 February 2022, in their declaration of 'friendship without limits'<sup>1</sup>. More than a dozen intergovernmental and inter-ministerial documents were also signed at the summit, most of which were non-binding memoranda. Only the agreements on the joint (intergovernmental) production of television programmes and on information exchange & cooperation (between the ITAR-TASS and Xinhua news agencies) were binding, as was an inter-ministerial memorandum on cooperation in basic research, and possibly a programme on cooperation between Rosatom and China's State Nuclear Energy Agency. They also agreed to hold annual meetings of the ministers of interior and public security, among other things, to counter the possibility of 'colour revolutions'. At the end of the visit, the leaders made statements to the press, who were not allowed to ask any questions.

## The impact of the war on Russian-Chinese relations

The main context for the visit is the Russian aggression against Ukraine and the related exacerbation of the conflict between the West (especially the US) and Russia. Moscow's ongoing political and economic isolation, as well as the relative strengthening of Beijing's position in the Sino-Russian tandem, are leading elites in the Kremlin and Zhongnanhai (a closed complex in Beijing where the PRC's leaders reside) to redefine their interests. This has given a new dynamic to the relationship between the partners. For more than a quarter of a century, these relations have been gradually and painstakingly expanded on the basis of a fundamental convergence of the two regimes' interests as they seek to revise the Western-dominated international order in its military, political, economic and ideological dimensions, and to emancipate themselves from the series of interdependencies that exist between them and the West, especially in the economic sphere.

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anti-Western allies, Beijing and Moscow. In the short term, however, quite significant differences have emerged between them. The Kremlin is interested in gaining as much support from China as possible, thereby exacerbating the Beijing-Washington conflict. The PRC, on the other hand, would like to reduce the cost of its support for Russia, and does not wish to accelerate the deterioration of relations with the US, based on the belief that it is still not ready for an open confrontation.

Russia's conflict with the West benefits China by drawing US attention and resources away from the Asia-Pacific region. In addition, the Russian-Ukrainian war offers the prospect of a clash between Washington and Western Europe. Zhongnanhai may be calculating that several Western European capitals will be fooled by the illusion of freezing the armed conflict which China's 'peace plan' offers, as they look for a way (or even just an excuse) to end the war as soon as possible. This is indicated by the recent visit to Europe by Wang Yi, an important Chinese diplomat: he visited France, Italy and Hungary before coming to Moscow. At the same time, the PRC is tempted to demonstrate its prowess in international politics, which is linked to its growing ambitions and aspirations to replace the US in the role of global arbiter, and is part of the competition for influence in the Global South.

As a result, Beijing faces a dilemma arising from the discrepancy between its long-term goal (to maintain a strategic relationship with Moscow) and its short-term goal (to reduce the cost of this alliance

<sup>1</sup> See M. Bogusz, J. Jakóbowski, W. Rodkiewicz, 'Koniec gry pozorów: demonstracyjna koordynacja między Pekinem i Moskwą', *Komentarze OSW*, no. 428, 23 February 2022, [osw.waw.pl](http://osw.waw.pl).

and postpone the moment of confrontation with Washington). China's solution seems to consist of a two-pronged policy. On the one hand, it is developing economic cooperation with Russia and offering it diplomatic and propaganda support in the international arena, thus enabling the latter to conduct military operations and withstand economic pressure from the West. On the other hand, China has loudly proclaimed its neutrality in the Russian-Ukrainian war – although not in Russia's conflict with the West. According to publicly available information, China has still not decided to provide Russia with large quantities of armaments either.

## The 'peace plan' as Beijing's tool

For the above reasons, the trip to Moscow posed a serious dilemma to the PRC leader. Beijing could not – as the Indian prime minister Narendra Modi had done, for example – simply cancel the visit (it came in response to the invitation Putin extended last December) without risking weakening China's alliance with Russia. Such a decision could also have been interpreted as a sign of weakness and vulnerability to Western pressure. Annual visits by Chinese and Russian leaders are part of the ritual of their strategic partnership, which has continued without a break for over twenty years. At the same time, Xi Jinping was aware that the event would be perceived as a signal of support for Russia, and would thus undermine the efforts Chinese diplomacy had made, with its 'peace plan', to demonstrate that it is a neutral state in the conflict. It was no coincidence that the document appeared shortly before Xi's planned visit<sup>2</sup>. Consequently, at the political level, Beijing wanted Putin's full acceptance of its sham peace initiative, as in Zhongnanhai's mind, this alone would lend it credibility in the eyes of global public opinion, and in particular that of some world leaders. China is also seeking to keep the intensity of the war in Ukraine and Russian aggression against the West from escalating: in this way, it hopes to prevent the possible collapse of the Putin regime in the event of a Russian defeat, while at the same time pushing back the prospect of a conflict with NATO, or of nuclear war.

The course of events indicates that China either failed to consult its 'peace initiative' with the Kremlin or misread the latter's sceptical

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signals. One can only speculate that Beijing probably concluded that it would be in Moscow's interest to take part in its diplomatic game with the West. Nor can it be ruled out that it felt that a weakened partner would not have the courage to reject the PRC's suggestion. However, Putin admitted that only some points of the plan could form a basis for negotiations with Ukraine in the future; in this way he suggested that some of the other points were unacceptable to Russia. At the same time, he placed sole responsibility for the lack of peace talks on the Ukrainians and the West. In doing so, he repeated the standard claim Russian diplomacy has made. that the West is supposedly preventing Kyiv from undertaking peace negotiations with Moscow. In practice, the Russian side has made any such talks conditional on Ukraine's recognition of 'geopolitical realities', including its acceptance of the annexation not only of Crimea, but also of the Donetsk, Luhansk, Kherson and Zaporizhzhia oblasts. For Beijing this in itself is not a particular problem, as it probably planned to blame the failure of this sham initiative on the West and Ukraine side anyway.

Russia's firm, albeit slightly veiled, rejection of the 'peace plan' is making it more difficult for China to engage with selected EU capitals. Moscow's move appears designed to force Beijing to unequivocally side with Moscow in the conflict, and perhaps even to support it with arms supplies. Putin and his inner circle assume that they are too important a partner for the PRC in its global rivalry with the West, and that China cannot afford to let Russia fail. Moscow also had other reasons for

<sup>2</sup> M. Bogusz, K. Nieczydor, 'China's diplomatic game over the 'peace plan'', OSW, 24 February 2023, [osw.waw.pl](https://osw.waw.pl).

rejecting the idea of even a sham peace plan: it recognised that to do so would have demotivated the state-military apparatus and weakened the war effort; it could also have aroused expectations of a quick end to the conflict among the Russian public. It was also important for Moscow to manifest its autonomy in its relations with China, as around the middle of last year Beijing began actively shaping Russia's international environment in an attempt to influence its policies in the post-Soviet states<sup>3</sup>. In this situation, if Moscow had accepted the plan, that would have meant its passive acceptance of the role of a client subservient to the PRC's interests.

Another important signal from the Kremlin marking its strategic autonomy *vis-à-vis* Beijing was its reaction to the announcement that the UK would supply Ukraine

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with depleted uranium munitions. Putin, in the presence of the Chinese leader, again threatened the West with the use of nuclear weapons. Indeed, he stated that the “collective West” was “already beginning to use weapons with a nuclear component”, and Moscow would therefore “be forced to respond in an appropriate manner”. This message was then reinforced by deputy foreign minister Sergei Ryabkov, who reiterated that Russia had no intention of returning to the New Start Treaty, and that in the current situation the risk of nuclear war was greater than ever before. These words can be read as an attempt to demonstrate to the West that Beijing's hopes of being able to deter the Kremlin from threatening the use of nuclear weapons are illusory. Likewise, Russia cannot allow the PRC to become the West's main addressee and interlocutor in the ongoing war; Beijing's attempt to play up its influence over Moscow on nuclear de-escalation was one of the essential elements of the PRC's campaign to stabilise relations with the West at the G20 summit in Bali in November 2022.

Although the internal dynamics of the Sino-Russian alliance are changing rapidly – the asymmetry in China's favour is deepening rapidly – Xi Jinping has apparently been unable to use the leverage he has developed to put enough pressure on Putin to create a credible appearance that the PRC is acting as a mediator in the war. Nevertheless, Beijing has not withdrawn the political support it has given Russia in its conflict with Ukraine and the West, even though that support is masked by its declaratory neutrality. It can be concluded that, at this stage, the leadership of the Chinese Communist Party sees Moscow as an indispensable ally in the pursuit of its long-range goals against the West. As a result, although Russia's position both internationally and in its relations with Beijing has weakened, it has not fully lost its strategic autonomy; the more tension between the PRC and the West grows, the more Beijing needs Moscow. For this reason, the Kremlin does not intend to take any measures that could even superficially serve to improve China's relations with the West.

### Growing economic asymmetry

One of the main consequences of the reduction in Russian-Western trade during 2022 was an increase in the PRC's share of Russia's foreign trade: this rose to 36% in imports and 20% in exports. China has also become a major source supplying the electronic components which Russian industry (particularly defence) needs, replacing Western suppliers. This has become one of the factors enabling Russia to survive the sanctions and continue its war. The Putin-Xi summit showed that the Kremlin elite is willing to pay for supporting the war effort by further deepening the asymmetry in Russia's economic relations with the PRC, as reflected in the decisions announced both at the time and in

<sup>3</sup> See K. Strachota, K. Chawryło, M. Bogusz, M. Menkiszak, 'Against the backdrop of war. The Shanghai Cooperation Organisation summit in Samarkand', OSW, 20 September 2022; M. Popławski, M. Bogusz, K. Strachota, 'Turkmenistan's President visits Beijing: Chinese gas diplomacy', OSW, 19 January 2023; M. Bogusz, K. Kłysiński, 'Lukashenka is honoured with a grand reception in Beijing: China's message to Moscow', OSW, 3 March 2023, [osw.waw.pl](https://osw.waw.pl).

the declaration the parties adopted on preparing a 'Plan for the development of the key directions of Russian-Chinese economic cooperation to 2030'<sup>4</sup>.

The document shows that Moscow has agreed to make two important concessions. The first is the announcement that a joint Russian-Chinese entity would be

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established to develop the Northern Sea Route: this is the shipping route running from the Bering Sea to the North Atlantic, the main sea passage in Russia’s Arctic. Given how sharply and decisively Russia has so far reacted to all attempts, real or perceived, to undermine or dilute its absolute control over the NSR, it is fair to say that admitting the PRC as a formal ‘stakeholder’ in this sensitive and potentially lucrative shipping route indicates a growing asymmetry in bilateral relations. The very concept of the Northern Sea Route has been substantially exaggerated in propaganda, as the possible volume which this route can supply will remain small over the next three decades. Nonetheless, Beijing sees shipping as a pretext for also exploring that part of the Arctic region, over which Moscow would like to maintain its exclusive control. The second concession is Putin’s declaration that Russia is ready to switch to settling its accounts in yuan – not only in trade with China, but also with third countries. This would increase the chances of internationalising the *renminbi*, which has been one of Beijing’s goals for more than twenty years, ever since China joined the World Trade Organisation. In both cases, however, these are preliminary arrangements, and their implementation will largely depend on the Kremlin’s will to cooperate. The attractiveness of China’s currency stems not so much from its utility as a medium of exchange, but from purely political considerations – namely, the relative security it provides to sanctioned Russian entities. Its wider use in Russia’s (as well as the PRC’s) trade with third countries, including in the Global South, will require China to make painstaking diplomatic efforts in this area; it will also have to make further reforms to its financial system and to its regulations of capital flows.

Despite the above concessions from Moscow, Beijing is still refusing to finalise talks on the construction of ‘Siberian Force 2’, a second gas pipeline linking the PRC to the Russian deposits which have hitherto supplied Europe; this pipeline would run through the territory of Mongolia. This proves that the Kremlin’s plans to reorient gas exports from Europe to East Asia will take a long time to come to fruition, and that in the meantime, its Chinese partner will exploit the situation to obtain the best possible price (this was the reason why the construction of Siberian Force 1 took so long). Considering China’s energy transition programme, the construction of Siberian Force 2 (which Moscow says will supply up to 50 bcm of gas to the PRC as of 2030) may require it to reduce its imports from other sources, including Turkmenistan and the LNG terminals located on the Chinese coast. It appears that Beijing will use the protracted pipeline negotiations to pressure Moscow over the Northern Sea Route, Russia’s adoption of the *renminbi* for international trade, or any other issues which it sees as being of key importance.

## Paradoxes of the alliance

Russia’s war against Ukraine and the deep crisis in its relations with the West are shifting the balance of forces within the Moscow-Beijing alliance. Xi Jinping’s visit indicates that the foundations of this alliance – their common front against the Western states and the authoritarian ideological

<sup>4</sup> ‘Совместное заявление Президента Российской Федерации и Председателя Китайской Народной Республики о плане развития ключевых направлений российско-китайского экономического сотрудничества до 2030 года’, Президент России, 21 March 2023, kremlin.ru.

ties between the Kremlin and Zhongnanhai – remain stable. Although the summit did not produce any ground-breaking political and economic results, it is clear to Beijing – as it is to Moscow – that there is no alternative to their *de facto* alliance in their global competition with the US. The PRC has obtained important economic concessions, but implementing them will require further bargaining between the parties. Russia, in turn, has succeeded in torpedoing the Chinese plan to distance itself politically from the war in Ukraine. It can be assumed that the Kremlin assumes that if it wins a final victory, that will strengthen its position in the alliance; and so, at some unspecified point in the future, it will become possible (at least partially) to reduce its growing economic dependence on China.

In the short to medium term, further tensions between Beijing and Moscow will surface going beyond the issue of Russian aggression against Ukraine. Difficulties with deepening economic cooperation, and even rivalry on issues secondary to their mutual relationship, should be expected. This will further increase the asymmetry in their bilateral relations. However, it will not break up their *de facto* alliance, since the basis of ties between Russia and China is their ruling groups' existential fear of the West and their desire to seek security through a radical overhaul of the international order. If this happens, the West would lose its dominant role, and the regional powers would gain in importance, as they come to control their surroundings without interference from other powers. As long as the elites in Zhongnanhai and the Kremlin see the radical weakening of the West as the best guarantee for their survival, their alliance will be virtually immune to any attempts to break it up from the outside.