







Russian-Chinese Dialogue: The 2022 Model

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The eighth annual report by the Russian International Affairs Council, the Institute of Far Eastern Studies of the Russian Academy of Sciences and the Institute of International Studies at Fudan University presents the common views of leading Russian and Chinese international affairs experts on the development of Russia-China cooperation in 2021 and the first quarter of 2022.

That was the period when international environment and increasing global confrontation significantly influenced Moscow—Beijing relations. The authors of the report concentrate on how recent international events influence Russia's and China's positions in Eurasia, the prospects of and conditions for the regional development. The report also traditionally looks into main achievements and difficulties of the bilateral agenda.

The views and opinions of authors expressed herein do not necessarily state or reflect those of RIAC.

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Summary

The purpose of the annual *Russian-Chinese Dialogue* report is to provide comprehensive monitoring and evaluation of the dynamics of bilateral relations, as well as to produce recommendations on the development of cooperation between Moscow and Beijing. This report presents the results of our analysis of Russia-China cooperation in Q2–Q4 2021 and Q1 2022.

The signing of the Treaty of Good-Neighbourliness and Friendly Cooperation Between the People's Republic of China and the Russian Federation (extended for a five-year period in 2021) enshrined the long-term choice of the parties in favour of promoting the principles of a multipolar world order. In developing bilateral relations, Moscow and Beijing act prudently, prioritizing national interests and not ideological formulas.

Heightened Global instability, and new dividing lines are throwing the world back to the darkest periods in its history. Russia and China call on the international community to build the future world order based on-consolidation, not increased confrontation. At the same time, experts believe that the current negative trends in Russia and China's relations with the West will continue to worsen. The United States is ready to categorize its relations with Russia and China in an exclusively confrontational vein.

Russia and China are interested in the security and prosperity of, and of Eurasia as a whole, although their interests may not coincide in certain aspects. China's economic influence in Central Asia is growing, as is Russia's influence in the security sphere, especially after the withdrawal of U.S. troops from Afghanistan. Moscow and Beijing understand that the only way to maintain stability and ensure development is to respect the reasonable and legitimate rights of the other party.

The most serious geopolitical crisis in relations between Russia and the West will inevitably affect regional processes in Eurasia. Observers expect the confrontation between the collective West and Russia in the Eurasian space to intensify. China and other players will likely want to increase their presence in the region during this period of power redistribution in the context of harsh economic sanctions.

The Shanghai Cooperation Organisation, which celebrated its 20th anniversary in 2021, has established itself as a seasoned international institution that supports stability and development on the Eurasian continent. Its role may increase in the context of the new international conditions, but the expansion of the organization itself and the growing external pressure on some of its members means that adjustments are needed in the interaction models and their focus.

In the new geopolitical environment, countries in Eurasia will strive to balance between Eurasian integration and other partnerships to avoid secondary sanctions. The sanctions imposed against Moscow may help bolster interaction within the Eurasian Economic Union in certain areas, although they certainly limit opportunities for developing economic cooperation. The Greater Eurasian Part-

nership and the Belt and Road Initiative will continue to develop, and cooperation to link them can help mitigate the effects of external pressure.

Bilateral cooperation continued to strengthen in 2021, as the Russian and Chinese economies adapted to the conditions of the COVID-19 pandemic. Indicators of trade and economic grew both quantitatively and qualitatively. Trade turnover exceeded \$140 billion for the first time, although this increase was largely due to rising commodity prices. Mutual trade also continues to expand, particularly in energy resource sector. In keeping with long-term trends, investments in financial cooperation are developing at a rather modest pace. According to a number of experts, the growing external pressure on Moscow and Beijing will lead to increased cooperation to ensure the economic security of both states.

A solid foundation for Russia-China cooperation in the humanitarian sphere has been laid in recent years. Bilateral relations are, according to both government officials and the general public, "better than they have ever been." Relevant opinion polls have proved as much. However, numerous challenges limit the development of humanitarian ties. Most notably, there is the COVID-19 pandemic, which has made almost all kinds of direct contacts impossible, while at the same time significantly increasing the use of digital communication tools.

Russia and China have yet to officially recognize each other's vaccines and COVID certificates. At the same time, artificially fast-tracking this issue would be counterproductive in the current climate. Experts believe it would be more useful to consider joint research projects, coordinate anti-epidemic measures in the implementation of contacts between citizens of the two countries, and elaborate the issue of creating joint prevention and control mechanisms of the epidemic in border regions.

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Introduction

The eighth annual report *Russia-China Dialogue: The 2022 Model* provides a concise analysis and evaluation of bilateral ties between the Russian Federation and the People's Republic of China. The report examines the main problems and potential growth points in these relations and presents expert recommendations for the further development of interaction between the two largest powers of Eurasia against the backdrop of changes both on the Eurasian continent, and in international relations in general. This work sums up the main results of the interaction between Russia and China in Q2–Q4 2021 and Q1 2022.

This turned out to be an extremely turbulent time for international relations in Eurasia, primarily due to the crisis in European security and the situation in Ukraine, which escalated in Q4 2021, triggering the launch of Russia's special military operation in Ukraine in February 2022. These events had a significant impact on the general international situation, particularly on interactions between Russia and the West.

Even more important are the positive dynamics observed in Russia-China relations during this period. Two landmark events should be noted here: on June 28, 2021, Russia and China adopted the Joint Statement of the Russian Federation and the People's Republic of China on the Twentieth Anniversary of the Treaty of Good Neighbourliness and Friendly Cooperation; and on February 4, 2022. the sides signed the Joint Statement of the Russian Federation and the People's Republic of China on the International Relations Entering a New Era and Global Sustainable Development during Russia's presidential visit to China. These documents helped establish a common understanding regarding basic concepts of the modern social order and the prevailing global geopolitical situation. Most notably was the concept of democracy, of which the interpretation of has been at the centre of ideological disputes in geopolitics since 2021. On the back of aggravation and confrontation between Russia and the West in connection with the situation in Ukraine, a radically new geopolitical landscape started to take shape in the spring of 2022. A key role in this transformation is the increasing convergence of Russian and Chines views on critical issues within their political agendas, international relations, and world order. Russia and China have adopted similar stances throughout the crisis, and statements made by Chinese leaders have generally been in line with the Russian point of view on both the causes of the Ukraine situation and on possible ways to resolve it. At the same time, China has expressed its respect for Ukraine's sovereignty and territorial integrity.

The aggravation of relations between the United States and its allies, on the one hand, and Russia and China on the other, is also a consequence of the United States stepping up its policy to contain China and Russia in the Asia-Pacific in 2021. In effect, the United States finally launched its policy to "encircle" Eurasia by two powerful military and political blocs: NATO and the European Union in the West, and the emerging Indo-Pacific bloc in the East. Both formats are directed primarily against China, and potentially against Russia too—and

the United States has made no attempt to hide this. The Biden administration doubled down on its resolve to pursue a strategy of "dual containment" of Moscow and Beijing at the NATO Summit in Brussels, and again at the G7 Summit in Cornwall, in June 2021.

The West started ganging up against China and Russia before 2021, butut the change from centrifugal to centripetal movement in the Western world began at least with the victory of Joe Biden, a consistent supporter of transatlantic democracies and their broader global unity, in the U.S. presidential election. Western political elites had sought rapprochement as a way to counter the growing existential challenge posed by China long before Russia launched its special military operation in Ukraine. The process launched on February 24 of this year merely added a sense of urgency to Western consolidation.

However, there is no guarantee that Washington's efforts to restore a unipolar world will bear fruit in the long term. The United States—and the West in general—is not as strong economically, politically, and militarily as it was 20 years ago. The balance of power in the modern world has tangibly shifted in favour of non-Western countries and regions, and this is a long-term trend that continues to gain momentum. The international community has long since lost the reckless reverence for liberal economic and socio-political models that it had at the beginning of the 21st century.

The reality of the matter is that global society is becoming increasingly diversified, not homogeneous, and no one in this society can claim a monopoly on the standards of progress or knowledge of the future. If there is anything that we can certainly predict, it is that the United States will play a much smaller role in the impending world order, while of the role of non-Western countries will grow. In this respect, it is worth noting that, while the United States is stepping up its activity and developing a network of alliances in Eurasia, it is gradually retreating from regions that do not form its periphery: for example, it pulled its troops out of Afghanistan in 2021, and was mostly disinterested in the settlement of the crises in Nagorno-Karabakh in 2020–2021 and Kazakhstan in January 2022. All these events mark the formation of a new strategic environment in Eurasia, creating new opportunities for Russia—China interaction.

Both trends logically lead to increased coordination and interaction between the two largest powers in Eurasia and the further development of cooperation within the framework of the Belt and Road Initiative and the Greater Eurasian Partnership. Clearly, the geopolitical situation in central Eurasia and on its periphery—in the Euro-Atlantic and the Pacific—will continue to play a part in the political rapprochement between Russia and China.

On February 4, 2022, Vladimir Putin and Xi Jinping signed the Joint Statement of the Russian Federation and the People's Republic of China on the International Relations Entering a New Era and Global Sustainable Development on the sidelines of the XXIV Winter Olympic Games in Beijing. This rather lengthy concept paper details the joint approaches of Russia and China to some of the most fundamental problems facing the world today, including regional and global security,

democracy, human rights, social justice, climate change, arms control, nuclear non-proliferation, national sovereignty, and multilateralization.

The adoption of the statement by the leaders of the two countries was bound to attract the attention of the international community given the situation in Ukraine and the Taiwan question. Unsurprisingly, the West criticized the move, seeing it as a challenge to the established rules of the game in global politics and a claim to leadership in the revision of these rules. Moscow and Beijing were once again accused of seeking to create a kind of global "alliance of autocracies" in opposition to the countries that profess to have liberal democracies. But is it fair to interpret the Joint Statement as a declaration of ideological war on the West? Could it not be seen rather as a proposal for a global ideological truce?

Russia and China are two very different countries with very different civilizational foundations. Sociologically speaking, Russia is far closer to its neighbours in Central Europe than it is to China, and Chinese society has more in common with those of Southeast Asian countries that it does with Russian society. And both countries have their own unique cultural and political traditions. To quote Shakespeare, we can say that Russia resembles China "as much as an apple doth an oyster," and thus placing them in the same category of "global autocracies" is an extremely dubious and misleading generalization.

More importantly, there is nothing in the Joint Statement that would suggest that Russia and China are seeking to launch an ideological war against liberal Western democracies, or that Moscow and Beijing intend to question the right of Western countries to follow the political principles and procedures they have developed over the past two to three centuries. What the Joint Statement does do is emphasize what we already know; no country, society or political party or movement has definitive answers to all the difficult questions of the social development of humankind. Moscow certainly does not have them, and neither does Beijing.

Since no one has a monopoly on the truth, there should be no hierarchies in international relations based on how certain countries set the trajectories of their social and political development.

Respect for national traditions and culture does not preclude the existence of universal human rights that all states must protect. Such rights certainly do exist, but they must be determined by the international community in concert, rather than by a small group of countries that proclaim to be social models for everyone to emulate.

In their Joint Statement, the Russian and Chinese leaders assert that the main dividing line in contemporary politics is not between democracy and autocracy, which is how it is often viewed in the West, but between order and disorder. The key task of global politics today, according to the two leaders, is to increase the governability of the increasingly heterogeneous world. To meet this challenge, the international community must embrace its growing diversity and see it as an opportunity. Politicians and policymakers should focus on inclusive, rather than exclusive, mechanisms that govern specific aspects of the global and regional economy and politics.

This is why, Vladimir Putin and Xi Jinping's Joint Statement expressed strong disapproval of blocs and ad hoc coalitions based on ideological principles that are aimed at marginalizing, or even deterring, other international players. This disapproval extends not only to such security alliances as NATO and AUKUS, but also to more amorphous structures such as the Quadrilateral Security Dialogue (Quad). However, objecting to exclusive formats is different from declaring an ideological war against the West. Moscow and Beijing instead propose other multilateral formats (the Shanghai Cooperation Organisation, the Eurasian Economic Union, the Belt and Road Initiative) based on the political pluralism of the participants. Each of these formats includes countries with very different political and social systems, and this does not prevent them from interacting with each other successfully.

In the Joint Statement, Russia and China propose an ideological truce with their Western counterparts in order to create a world order that is inclusive. Building the new world order on the principle of ideology would be a strategic misstep fraught with negative consequences for all international relations participants. If deep-rooted ideological differences are fixed in the public consciousness and transformed into national strategies and military doctrines, then these divisions inevitably turn into an insurmountable obstacle to uniting humanity around common issues and common public good.

The political confrontation between the West on the one hand, and the Russian Federation and China on the other increasingly impacts the global economic situation, and this includes trade relations between Russia and China. 2021 turned out to be a breakthrough year for Russia—China economic relations: bilateral trade grew by more than 35 percent, exceeding \$140 billion, according to both sides.

Q1 2022 results show that Russian exports continued to grow, and record numbers should be expected by the end of the year. At the same time, however, Chinese imports to Russia started to slow down in March 2022. This mostly affected high-tech products: machinery, equipment, components and other industrial goods, as the major manufacturers in China are concerned about secondary sanctions from the United States and, to a lesser extent, the European Union and the United Kingdom. In Q1 2022, Russia and China were faced with the need to develop new trade mechanisms that would be acceptable for both sides, reduce the risks for Chinese suppliers, and ensure that the Russian market could fill the gaps that opened when Western companies fled the country. A comprehensive financial settlement system will need to be created, one that would eliminate the dependency on the currencies of Western states and allow Russia and China to deal in their national currencies. Assuming such a mechanism is launched, other countries in Eurasia are likely to want to join it—primarily Shanghai Cooperation Organisation (SCO) member states from Central Asia.

The SCO celebrated its 20th anniversary in 2021. The inclusion of Iran as its ninth member, as well as the involvement of three new dialogue partners (Saudi Arabia, Qatar, and Egypt), has turned the SCO into a key player in all major regions of Eurasia—from East Asia to the Middle East. For Russia and China, the SCO has

become a key platform for strengthening regional stability, combining major economic projects (primarily the Belt and Road Initiative and the EAEU), and forming new financial, trade and technological platforms that are completely independent of Western countries. Cooperation between Russia and China in the humanitarian, scientific and educational fields is also intensifying within the framework of the SCO. The Russian and Chinese leaders have been talking about increasing the role of the SCO on all these tracks for quite a time now, and this is precisely what has happened in 2021–2022. There is every reason to believe that this trend will continue in the near future.

In terms of the creation of a radically new system of international relations, 2022 could prove to be a seminal year. In the context of its inevitable "pivot to the East", it will be crucial for Russia to forge new relations with Europe and the United States. The same can be said for China, in the context of the 20th National Congress of the Chinese Communist Party, which will set out the country's development tasks for the coming years. Russia-China relations look poised to grow stronger in all areas, which is in line with the will of the people of both countries, geopolitical necessity, and the overall situation in the world.

Bilateral cooperation will likely scale up as COVID-19 retreats into the distance. Russia and China are both waiting for the border between the countries to reopen. Both face unprecedented challenges, but new and unprecedented opportunities for long-term partnership are opening at the same time. As they say in China, no load is light on a long journey.

1. Russian and Chinese Assessments of Global Development Trends

1.1. The Approaches of Russia and China to Global Development Trends

The extension of the Treaty of Good-Neighbourliness and Friendly Cooperation Between the People's Republic of China and the Russian Federation for a five-year term proved to be a key event in Russia-China relations in 2021. Not only was the signing of the Treaty a major milestone in the history of interaction between Russia and China, but it was also a crucial factor in the transformation of the international system. As the Joint Statement of the Russian Federation and the People's Republic of China on the Twentieth Anniversary of the Treaty noted, the document "organically combined the historical experience of the development of Russian-Chinese relations and the generally accepted norms of international law." In 2001, the two sides made a long-term choice in favour of promoting the principles of a multipolar world order and ensuring international and regional security and stability on the basis of this world order.

The world has become increasingly complex and less safe since 2001. However, even in the context of the profound changes that have taken place over the past 20 years and the growing international uncertainty, the key provisions of the Treaty remain relevant. This speaks to the highly adaptable nature of the document. It also means that the people who worked on the agreement set its framework and basic constants correctly, proceeding from the long-term strategic interests of the two neighbours and laying down the foundation of the partnership for all these years.

The Treaty never evolved into a full-fledged union, but this was a conscious decision based on the historical experience of the complex relations between the two countries in the 20th century, as well as on a certain degree of foresight—a confidence in the fact that these two major powers could, against the backdrop of increased international competition, set an example for the entire world of how close and productive ties can flourish outside bloc-type obligations.

The fact that the approaches demonstrated by Russia and China have not been universally adopted reveals the current failures in the global governance system and the lack of mutual trust. New dividing lines and narrow bloc constructs are throwing the world back to the Cold War, constantly teetering on the brink of war.

It was precisely the abandonment of the Cold War mentality that allowed Russia and China to transition into strategic cooperation in the 1990s. In building their relations, Moscow and Beijing started to base their actions on reality, prioritizing national interests, rather than on illusory ideological formulas.

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^{1 &}quot;Joint Statement of the Russian Federation and the People's Republic of China on the Twentieth Anniversary of the Treaty of Good Neighbourliness and Friendly Cooperation between the Russian Federation and the People's Republic of China, "President of Russia. URL:http://static.kremlin.ru/media/events/files/ru/hkwONx0FSpUGgXPaRU3xUHRmkRneSXIR.pdf

The 2001 Treaty was developed in the spirit of a multipolar world, rather than the notion of the struggle between "right" and "wrong" courses of action and development paths. A system of Russia-China interaction was created in the unifying logic of the multipolar world and now operates on international platforms.

The room for manoeuvring that appeared with the signed Treaty must be used today to accommodate the diversity and contradictions of the modern world. Russia and China are not being duplicitous in their approaches to reforming the international order. They follow the same principles that determine their own relations: justice, equality, and respect for the choice of development path. What makes Russia-China relations unique is that the parties are not interested in moving away from one another or trying to mould their partner in their own image. This is what the ideal world looks like to them; a world based on the principles of close cooperation aimed at solving global problems in a fair and democratic manner.

It is no coincidence that the Joint Statement of the Russian Federation and the People's Republic of China on the International Relations Entering a New Era and the Global Sustainable Development adopted on February 4, 2022, pays so much attention to the concept of "democracy." In it, democracy is interpreted as a universal human value, rather than a privilege of a limited number of states. Moscow and Beijing believe that no one should have singular authority to interpret which practices are democratic and which are not. In this regard, Russia and China object to the imposition of "democratic standards" and the drawing of dividing lines on ideological grounds.

The inclusive approach taken by Russia and China dictate their stances on issues of international development and security. In the Joint Statement of February 4, 2022, Russia and China called for the international community to come together to ensure that the new stage of global development be characterized by balance, harmony, and inclusiveness. Given the growing competition in the high-tech sector and the desire of individual states to build arbitrary barriers to keep their competitors in this sphere out, the parties spoke in favour of creating open, equal, fair and non-discriminatory conditions for scientific and technological development.

However, the capstone of these inclusive approaches was the section of the Joint Statement on the most worrying topic of recent years—the erosion of the international system for maintaining peace and security, which may lead to its complete collapse in the future. The document stresses that, "No State can or should ensure its own security separately from the security of the rest of the world and at the expense of the security of other States. The international community should actively engage in global governance to ensure universal, comprehensive, indivisible, and lasting security."

Moscow and Beijing see a serious problem in the fact that "certain States, military and political alliances and coalitions seek to obtain, directly or indirectly,

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² "Joint Statement of the Russian Federation and the People's Republic of China on the International Relations Entering a New Era and the Global Sustainable Development," President of Russia, February 4, 2022. URL: http://kremlin.ru/supplement/5770

unilateral military advantages to the detriment of the security of others, including by employing unfair competition practices." Having long since made the choice to pursue a policy of "not always together, but never against one another," Russia and China call on the international community to build the future world order on the basis of consolidation, rather than increased competition and division.

1.2. Assessment of U.S.—Russia—China Trilateral Relations

Russian and China are strengthening strategic cooperation, including in connection with the constant degradation of relations in the U.S.—Russia—China triangle. One of the main reasons for this degradation is the domestic political situation in the United States. The extremely "internalized" policy of the United States towards Russia and China minimizes the role of the rational and pragmatic elements of U.S. diplomacy, whipping up the mood for a strategic confrontation with Russia and China. Hopes in Russia and China that Joe Biden's policies would be more rational and less destructive than those of Donald Trump never panned out.

The Continuation and Evolution of the American Strategy Towards China

Experts in China believe that the United States Capitol attack that took place on January 6, 2021 directly or indirectly provoked a deterioration in U.S.-China relations. Shortly before Trump left the White House, the United States Department of State unexpectedly lifted all restrictions on official contacts with Taiwan. It was announced that U.S. representative to the United Nations Kelly Craft would make a visit to the island, although the trip never actually took place.³ At the same time, the Chairman of the Joint Chiefs of Staff, Mark Milley, maintained contacts with the Chinese side through military channels in order to reduce the likelihood of the parties misunderstanding each other's motives and positions.⁴

The Biden administration continued Trump's policy, albeit without the destructive rhetoric, and even increased the frequency of official contacts with Taiwan. Some American observers have even called Biden's policy "Trump-lite." However, Chinese analysts believe this opinion to be somewhat inaccurate, because the Biden administration did not simply inherit Trump's policy, but rather further institutionalized it. For example, in 2021, meetings of the U.S.—Australia—India—Japan Quadrilateral Security Dialogue (Quad), which has a definite anti-China slant, started to be held at the level of heads of state, with the first Summit taking place on September 24.5

While numerous high-level U.S.-China meetings were held in 2021, they did little to help reduce tensions. One such example was a meeting of senior Chinese and American diplomats in Anchorage in March 2021, which only highlighted the

³ "U.S. Stands by Taiwan, Envoy Says after Cancelled Trip," Reuters, January 14, 2022. URL: https://www.reuters.com/article/us-usa-taiwan-idUSKBN29J0GJ

^{4 &}quot;Woodward: Milley Was 'Setting in Motion Sensible Precautions' with Calls to China," The Hill, September 21, 2021. URL: https://thehill.com/homenews/media/573134-woodward-on-milley-call-to-china-joint-chiefs-was-setting-in-motion-sensible

^{5 &}quot;Fact Sheet: Quad Leaders' Summit," The White House, September 24, 2022. URL: https://www.whitehouse.gov/briefing-room/statements-releases/2021/09/24/fact-sheet-quad-leaders-summit/

differences between the two sides on various issues. During an online summit on November 15, 2021, Biden proposed a new "Four Nos" policy: do not seek a new Cold War; do not seek to change the political order in China; do not seek to oppose China by strengthening alliances; and do not support Taiwanese independence. In reality, however, the U.S. policy towards China has not changed significantly. Additionally, the high-level meetings were followed by sanctions from Washington.

Biden's Russia Policy: From a Soft Approach to a Hard-line Stance

The National Security Strategy released by the Trump administration in 2017 identified Russia and China as strategic adversaries of the United States,⁷ although many within the U.S. establishment believed a better path would be to cooperate with Moscow in competition with Beijing in order to undermine Russia-China relations and avoid a confrontation on two fronts with two strategic rivals in Eurasia.⁸

These considerations may explain why Biden paid so much attention to China during his initial days in office, while appearing restrained in his attitude towards Russia. This also explains why Ambassador Extraordinary and Plenipotentiary of the Russian Federation to the United States, Anatoly Antonov, was invited to Biden's inauguration ceremony,⁹ and why Biden and Putin spoke on the phone shortly after the new U.S. president took office.¹⁰ The parties signed an Agreement on the Extension of the Treaty between the United States of America and the Russian Federation on Measures for the Further Reduction and Limitation of Strategic Offensive Arms. A proposal was put forward to hold a summit in Geneva on June 16, 2021.¹¹

Despite these steps, interaction between the Russian and American sides was troubled from the very beginning. For example, in March 2021, the Biden administration imposed sanctions against Russia in connection with the Alexei Navalny affair, and the United States would continue to step up its sanctions policy towards Russia.¹² On March 17, 2021, Biden called Putin

com&utm_referrer=google.com

^{6 &}quot;The US Should Match Words with Deeds in Implementing Consensus Reached by Two Heads of State," The Global Times, March 19, 2022. URL: https://www.globaltimes.cn/page/202203/1255265.shtml

National Security Strategy of the United States of America. National Archives, December 12, 2017. URL: https://trumpwhitehouse.archives.gov/wp-content/uploads/2017/12/NSS-Final-12-18-2017-0905.pdf

⁸ Andrea Kendall-Taylor, and David Shullman, "Navigating the Deepening Russia-China Partnership," Center for New American Security, January 14, 2021. URL: https://www.cnas.org/publications/reports/navigating-the-deepening-russia-china-partnership

^{9 &}quot;Russia Receives US Invitation to Attend Biden Inauguration," TASS, January 12, 2021. URL: https://tass.com/politics/1243751?utm_source=google.com&utm_medium=organic&utm_campaign=google.

¹⁰ "Putin's First Conversation with U.S. President Biden," RBC, January 26, 2021. URL: https://www.rbc.ru/politics/26/01/2021/601062059a7947185acab42d

[&]quot;New Treaty between the United States of America and the Russian Federation on Measures for the Further Reduction and Limitation of Strategic Offensive Arms Extended for Five Years;" (in Chinese: 俄美《新削減战略武器条约》延长5年), Xinhua, February 4, 2021. URL: http://www.xinhuanet.com/2021-02/04/c_1127061048.htm

^{12 &}quot;First Sanctions of the Biden Era against Russia," RBC, March 3, 2021. URL: https://www.rbc.ru/politics/03/03/2021/603e67e69a794767a78d3fbb

a "murderer." ¹³ U.S.-Russia relations hit a new low with the launch of the special military operation in Ukraine.

According to Chinese experts, the unchecked eastward expansion of NATO for the last 30-plus years has been the backdrop and main catalyst of the Ukrainian crisis. The expansion of Western alliances aimed at ensuring the absolute security of the United States and its allies threatens the existing world order far more than the multi-level system of the bipolar world. As far as Chinese observers are concerned, the West's desire for complete and total security is one of the main causes of the current crisis.

The "Dual Containment" of Russia and China

The United States and its allies have varying opinions of the closeness of the Russia-China strategic partnership. On the one hand, any cooperation between Russia and China is seen as a form of confrontation with the U.S.—led West. On the other hand, the West believes that there is an unbridgeable gulf between Moscow and Beijing: mutual grievances that go back centuries, conflicts of interest, and even accumulated civilization differences, all of which makes cooperation between the two countries limited, fragile and fleeting. It is on the basis of these assumptions that the United States seeks to undermine Russia-China relations in its foreign policy. The short-term goal of the West is to minimize its losses, while its long-term objective is to defeat both countries and, more specifically, prevent their strategic rapprochement.

The U.S. strategy to develop cooperation with Russia as a way to contain China the Trump administration's brainchild, and it has undergone some adjustments since Biden came to power. Starting in 2022, Washington has increasingly resorted to threats in its relations with Beijing, demanding that China actively distance itself from Russia, pursue an anti-Russia policy alongside the United States and the collective West, and abandon its independent position in the Russia-Ukraine conflict. The United States is trying its hardest to sever ties between Russia and China, marking the start of what can only be called a "political war."

In the 30 years that Moscow and Beijing have been developing their strategic partnership, the two sides have been able to cast aside their prejudices and ideological differences to coordinate a development path that is in line with the national specifics of both countries. Moreover, both Russia and China have experienced large-scale social upheavals and, as a result, value their hard-won social stability and mutually beneficial bilateral relations, fully appreciating the price they had to pay to attain this. Russia and China—two of the world's major powers—embraced their traditional cultures and religions once again. This can be explained both by their respect for tradition, and by the need to counterbalance the ideology promoted by the West after the end of the Cold War.

Having freed itself from the shackles of the bipolar system, the liberal West

¹³ "Biden Strikes Russia: Seven Officials under Sanction, Restrictions on Exports of Chemicals," (in Chinese: 拜登对俄罗斯下手: 制裁7名官员,限制出口化学制品), Guancha, March 2, 2021. URL: https://www.guancha.cn/internation/2021_03_02_582800.shtml?s=zwyxgtjbt

launched an unbridled ideological expansion, instigating numerous regime changes and provoking hostilities. Many failed states have become breeding grounds for international terrorism, which, combined with the military responses of the United States and its allies, created a vicious circle that adversely affects the West itself. The flow of refugees into Western countries and the weak governance in these states has fuelled the rise of populism and racism, which has intensified and accelerated the fragmentation of Western society as a whole.

Western political elites, faced with increasingly complex social relations, are trying to blame all their problems on Russia and China. Under Biden, the United States has moved from a strategy of "dual containment" of Russia and China launched during the presidency of Donald Trump, to abandoning the costly "War on Terror" (withdrawing troops from Afghanistan) and freeing up resources to fight Russia and China. The only language that the Western elites are prepared to use in their interactions with Moscow and Beijing is the language of confrontation.

The serious structural imbalance in the post-Cold War world order has also contributed to the growing exclusivity of the political culture of the West. The theoretical cores of Western schools of thought are different, but they have one thing in common: they cannot coexist with a complex, diverse and chaotic world. Such positions are dangerous in an age of weapons of mass destruction, artificial intelligence, and populist frenzy. The notions of the Chinese threat and the fall of China are firmly rooted in American political science and sinology.

The United States and its allies dominate global politics and, as such, American diplomacy relies on a mechanism of alliances. Henry Kissinger repeatedly warned that if the United States cannot reach an agreement with its strategic adversaries in the era of weapons of mass destruction and artificial intelligence, then the world will find itself in a dangerous situation comparable to the one it was in on the eve of the First World War. Any given localized or even random incident has the potential to quickly escalate into a full-scale war and even a devastating nuclear confrontation. This was a timely warning, although it was mostly ignored in the West. The West's support for the system of alliances and military cooperation around the world, which currently includes more than 60 countries, emboldens small states to challenge Russia and China, reduces the strategic space of the adversary, and leads to the escalation of conflicts with no evident solution.

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¹⁴ "Henry Kissinger Warns that Gulf of Ignorance between China and U.S. over A.I. Technology Risks Confusion, Escalation and Confrontation Like the Build Up to World War One," Daily Mail, January 5, 2021.
URL: https://www.dailymail.co.uk/news/article-10168759/Henry-Kissinger-warns-race-trigger-confrontation-China-U-S.html

2. Eurasia as a Zone of Coinciding and Conflicting Interests for Russia and China

2.1. The Interests of Major Players in the Eurasian Region in the Context of New Challenges

The Eurasian region splits into various subregions—Central Asia, the South Caucasus, and New Eastern Europe. Each of these subregions harbours conflicts between neighbouring countries or contradictions caused by differences in their interests. Heterogeneity means that we cannot generalize about the observed trends, problems, and interests of the countries of the region. For example, Central Asian countries interact with all major players, from Russia and China, to India, Pakistan, the United States, and the European Union, The so-called "Associated Trio" of Moldova, Ukraine, and Georgia orients towards the European Union and the United States. Azerbaijan and Turkmenistan do not see any benefit in regional organizations in general, and Uzbekistan has pulled out of several projects. Armenia is trying to balance between membership in the Eurasian regional structures—the Eurasian Economic Union (EAEU) and the Collective Security Treaty Organization (CSTO)—and cooperation with the European Union in the framework of the Eastern Partnership programme. Belarus was forced to move away from its multi-vector policy towards Russia and the European Union following the domestic political crisis and subsequent external pressure caused by the 2020 elections and focus exclusively on its economic and security cooperation with Russia and its technological cooperation with China. On November 4, 2021, President of Russia Vladimir Putin and President of Belarus Alexander Lukashenko signed the Decree of the Supreme State Council of the Union State "On the Guidelines for Implementing the Provisions of the Treaty Establishing the Union State for 2021-2023," which includes 28 industry-based Union programmes and is considered by Chinese observers as a breakthrough in the development of the Union State.15

The COVID-19 pandemic and the domestic political crises in Eurasia—the Velvet Revolution in Armenia in 2018, the crisis in Belarus in 2020, the third revolution in Kyrgyzstan in 2020, and the crisis in Kazakhstan in January 2022— all had a significant impact on the development of regional cooperation. Other significant factors include the aggravation of regional conflicts: the 44-day war between Armenia and Azerbaijan in Nagorno-Karabakh in 2020, and Russia's recognition of the Donetsk and Luhansk people's republic and subsequent launch of the special military operation in February 2022.

Russia, China, and the United States have pursued different strategies in Eurasia in recent years: China has adopted a wait-and-see approach; the United States has gradually withdrawn from the region; and Russia has taken proactive measures to strengthen its strategic position and leadership in the post-Soviet space. The

^{15 &}quot;Meeting of the Supreme State Council of the Union State," President of Russia, November 4, 2011. URL: http://www.kremlin.ru/events/president/news/67066

United States has pulled its troops out of Afghanistan and redirected its strategic resources to the Indo-Pacific region, where it is trying to form a multi-faceted and multi-level system of strategic alliances to counter the "comprehensive strategic challenges" presented by China. Attempting to fend off the strategic pressure of the Unites States, China is actively developing cooperation with ASEAN countries, focusing less on its relations with Japan and South Korea, and further deepening its comprehensive strategic partnership and coordination with Russia. According to a number of Chinese observers, Moscow has taken advantage of the fact that the U.S.-China rivalry has become the main axis of international relations and that external pressure on Russia has waned somewhat to try to reorganize the Eurasian space, reduce the influence of the United States and the European Union in Europe and intensify the country's "pivot to the East."

The biggest geopolitical crisis in relations between Russia and the West will inevitably affect regional processes in Eurasia. Chinese experts believe that the military phase of the Ukrainian crisis will prove to be a watershed moment in the development of the post-Cold War era world and will have a profound impact on the Eurasian regional order and strategic relations between the great powers.

Regional observers expect the confrontation between the collective West and Russia in the Eurasian space to intensify. Europe will act in a more coordinated manner to counter security challenges presented by Russia. NATO is unlikely to remain passive in this situation forever, and an iron curtain could be put up in the region once again. With the situation surrounding Ukraine worsening continuously, the United States will hit the brakes on its troop withdrawal from the central part of the Eurasian continent and make efforts to prevent Russian influence from expanding in Central Asia, the South Caucasus and other neighbouring regions.

China, India, Pakistan and, most likely, Turkey will not sit back and watch events unfold, as they are also interested in increasing their own presence in the region during this period of influence redistribution taking place against the backdrop of harsh economic sanctions against Russia and Belarus.

The United States and the European Union will continue to exert pressure on Eurasian countries, their partners India and Pakistan, (which have not openly criticized Russia's special military operation) and China in the form of secondary sanction theat. China has always occupied the "middle ground" when it comes to the confrontation between Russia and the West, while India, Pakistan, Turkey, Israel, and the countries of the Middle East have typically taken a pragmatic position.

With that in mind, it is important to understand that sanctions are not going anywhere for the time being, and most of the sanctions that have already been imposed will likely remain in force for a long time to come, meaning that regional formats of economic and security cooperation will inevitably need to be adapted.

The European Union

In the past, the countries of Eurasia tried to balance Russia and China's influence through cooperation with the European Union, and partly NATO, as well

as through the development of bilateral ties, which suited Moscow and Beijing perfectly. In turn, Russia sought to promote dialogue between the European Union and the Eurasian Economic Union, which, according to Russian experts, can be explained from a geopolitical point of view, which is to balance China's influence in the region.

In 2019, the European Union updated its Central Asia Strategy to focus on EU interests—the use of the region's transit potential, energy imports and access to the Central Asian markets. Last but not least on this list is regional security.¹⁷

Interaction formats between the European Union and the Central Asian states include meetings between the foreign affair ministers of the Central Asian region's countries with the High Representative of the European Union for Foreign Affairs and Security Policy and the European Commissioner for International Partnerships.

The situation in Afghanistan was one of the main topics of discussion at the November 2021 meeting,¹⁸ and the countries of Central Asia were promised almost half of the funds allocated in the assistance package to Afghanistan, which added up to around 1 billion euros.¹⁹ Since 2010, the European Union's Investment Facility for Central Asia has provided funds for the implementation of environmental, energy and social infrastructure development projects in the region.²⁰

The European Union has created the Global Gateway programme as an alternative to China's Belt and Road Initiative, which aims to finance projects in EU partner countries to the tune of up to 300 billion euros in 2021–2027. Expected investments are in areas such as digital development, climate change, energy, transport, healthcare, education and research. These funds are intended to support projects in compliance with standards of human rights and justice, as well as with international norms and the use of "green" energy, which suggests that the allocation of money depends on certain criteria established by the European Union based on its values and agenda.

Three of the six countries that make up the Eastern Partnership have applied for EU membership since the start of Russia's special military operation in Ukraine in 2022. Even so, Ukraine was upset that Georgia and Moldova were willing to join it in this process and insists on a differentiated approach to applying for membership.

¹⁶ Tony van den Togt, "EU & Eurasian Economic Union: a Common Chinese Challenge," Clingendael, April 30, 2020. URL: https://www.clingendael.org/publication/eu-eurasian-economic-union-common-chinese-challenge

¹⁷ "Joint Communication on the EU and Central Asia: New Opportunities for a Stronger Partnership," European Union External Action Service, May 15, 2019.

URL: https://www.eeas.europa.eu/eeas/joint-communication-eu-and-central-asia-new-opportunities-stronger-partnership_en

^{18 &}quot;Joint Communiqué: 17th EU-Central Asia Ministerial Meeting," European Union External Action Service, November 22, 2021. URL: https://www.eeas.europa.eu/eeas/joint-communiqu%C3%A9-17th-eu-central-asia-ministerial-meeting_en

¹⁹ Alexandra Brzozowski, "Afghanistan Looms Large at EU—Central Asia talks in Dushanbe," Euractive, November 23, 2021. URL: https://www.euractiv.com/section/central-asia/news/afghanistan-looms-large-at-eu-central-asia-talks-in-dushanbe/

²º "The EU Investment Facility for Central Asia (IFCA)," European Investment Bank. URL: https://www.eib.org/en/projects/regions/central-asia/technical_assistance_and_grants/index.htm

^{21 &}quot;Global Gateway," European Commission. URL: https://ec.europa.eu/info/strategy/priorities-2019-2024/stronger-europe-world/global-gateway_en

After a rocky 2020, the European Union's relations with Belarus continued to deteriorate in 2021 in connection with the refugee crisis on the Belarusian border with Poland and Lithuania, and things have only got worse in 2022 with the Ukrainian crisis.

The United States

The withdrawal of U.S. and NATO troops from Afghanistan in August 2021 was compared by the countries in the region to the United States abandoning South Asia following its "return" in 2001. In this regard, Russia and China can step up their respective efforts to develop regional connectivity, while being careful not to step on each other's toes. At the same time, China will likely be the more active, with Russia playing catch-up.

In terms of ensuring Central Asian security in the context of the situation that developed in Afghanistan in summer/autumn of 2021, a number of military and anti-terrorist exercises were held under the auspices of the CSTO and as part of regional, bilateral and trilateral cooperation that were designed to demonstrate the preparedness of the region's countries to repel any threat emanating from Afghanistan.²² At the same time, the countries of the region reacted differently to the Taliban coming to power.

In December 2021, the United States hosted the virtual Summit for Democracy, which was attended by representatives of over 100 countries, not all of which can be considered free democracies. Among the Eurasian states, Armenia, Georgia, Moldova, and Ukraine were invited to take part, as were India and Pakistan from the SCO (although representatives of Pakistan did not attend). Russia and China did not receive an invitation, prompting them to claim that the United States was creating new dividing lines in international relations. China even organized its own forum on democracy in the run-up to the American summit.²³

Despite the U.S. withdrawal from Afghanistan, the new geopolitical situation may, in the medium term, restore the country's interest in the Eurasian region, and particularly so in Central Asia. Countries of the region will no doubt be pressured to ensure that goods that are subject to anti-Russian sanctions do not pass through their territory. That said, regional players are well aware of the threat posed by secondary sanctions. Consequently, there is no need for the United States to play an active role here—one or two high-profile cases of secondary sanctions will suffice. It is more likely that the United States will resume its efforts to export its ideology to the countries of the region by countering Russian and Chinese influence there. Such ideological influence is in line with programmes that have already been approved to promote democratization, which received a significant infusion of funds following the Summit for Democracy.

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The CSTO Combat Brotherhood-2021 exercises; bilateral Russia-China exercises in the Ningxia Hui Autonomous Region in northwest China; Russia-Uzbekistan exercises in Termez; and trilateral Russia—Uzbekistan—Tajikistan exercises near the Tajik-Afohan border.

²³ "China Puts On its Own 'Democracy Forum' in Countdown to Biden's Summit," South China Morning Post, December 4, 2021. URL: https://www.scmp.com/news/china/diplomacy/article/3158469/china-puts-its-own-democracy-forum-countdown-bidens-summit

India

In 2015, Prime Minister of India Narendra Modi completed a tour of Central Asian countries, resulting in intensified official interaction at various levels between India and the states in the region. The India—Central Asia Dialogue—a dialogue format held at the level of foreign ministers since 2019—held its most recent meeting in New Delhi in December 2021. Secretaries of the Security Councils of the Central Asian States took part in the Third Regional Security Dialogue on Afghanistan in New Delhi in November 2021, where a region-wide approach to the situation in the country was put forward.²⁴

On January 27, 2022, the first meeting of the India—Central Asia Summit was held to celebrate the 30th anniversary of the establishment of diplomatic relations with the countries of the region, which form part of India's "Extended Neighbourhood."²⁵ Summits are to be held biennially.

From an economic point of view regarding its influence in reCentral Asian countries, India is not really a competitor for Russia and China, although it plans to boost trade. However, India's political interest in these states is important in the context of the development of intra-regional dynamics and interaction within the framework of the Shanghai Cooperation Organisation (SCO). The spread of Indian soft power throughout the region can potentially smooth out the imbalance in the external socio-cultural influence on Central Asia, while the soft power of the United States and the European Union has prevailed in many areas in certain countries, for example Kazakhstan and Kyrgyzstan.

There should be no ideological contradictions when it comes to promoting soft power by Russia, China, and India, as they are all members of the SCO. It is important for Moscow, New Delhi and Beijing to understand that their influence within the SCO forms a common ideological and cultural field, which, among other things, is the basis of the "Shanghai Spirit." By the time India and Pakistan were admitted to the SCO in 2017, China and Russia no longer saw their presence in Central Asia as a threat to their influence there, and the change in the geopolitical situation in 2022 makes the expansion of India's (and Pakistan's) presence in the region as an alternative to the Western influence even more beneficial for Russia.

That said, neither the SCO nor the Belt and Road Initiative are positioned by their members as "anti-Western" projects. According to Russian experts, it would be advisable in the medium term to discuss the compatibility of various interaction projects and integration mechanisms within the SCO to get a feeling for whether or not they cross the "red lines" of member states, and to develop strategies for joining or separating these economic, cultural, information, health and other initiatives.

At the same time, a certain amount of competition is observed between Russia, China, and India in Central Asia—for example, in the field of "vaccine diplomacy,"

^{24 &}quot;Post-Pandemic India-Central Asia Dialogue," Eurasian Research Institute. URL: https://www.eurasian-research.org/publication/post-pandemic-india-central-asia-dialogue/?lang=ru

^{25 &}quot;The First Meeting of the India—Central Asia Summit," Ministry of External Affairs, Government of India, January 19, 2022. URL: https://mea.gov.in/press-releases.htm?dtl/34759/The+First+Meeting+of+the+IndiaCentral+Asia+Summit

and in medicine in general. It is this rivalry for influence in the region that serves as the driving force that pushes Moscow, Beijing and New Delhi to make attractive offers to Central Asian states for vaccine provisions and gratuitous aid, and for the expansion of trade and economic cooperation. In this sense, the rivalry and competition between the most powerful SCO member states only benefits the countries of Central Asia.

Pakistan

Compared to the other regional and global powers, Pakistan generally pays less attention to cooperation with Central Asia as a separate region. Pakistan believes its geographical position to be a certain advantage in its interaction with Central Asian states, as it can provide access to the warm waters of the Arabian Sea and Gwadar Sea Port—the shortest route from Central Asia to the Middle East and Western Asia—to these countries, as well as to China's western provinces. An agreement was signed in the spring of 2021 on the construction of the Mazar—Sharif—Kabul—Peshawar railway line, which is set to be completed within the next five years and will connect Uzbekistan, Afghanistan and Pakista.²⁶ For Uzbekistan, which is actively pursuing a policy of strengthening interaction between Central and South Asia, this project will allow it to diversify its transport routes and give it access to the sea through Iranian ports. In July 2021, Tashkent hosted the high-level international conference "Central and South Asia: Regional Connectivity. Challenges and Opportunities" to discuss a model for a mutually beneficial strategic link between Central and South Asia in transport and logistics. energy, trade, manufacturing, investment, cultural and humanitarian spheres.²⁷

In the spring of 2022, geopolitical events in the Eurasian space directly affected Pakistan's domestic politics: on February 24—the day that Russia launched its special military operation in Ukraine—Prime Minister of Pakistan Imran Khan happened to be on an official visit to Moscow. The trip, as well as Pakistan's reaction to the Russian operation, sparked political discussions in Islamabad that eventually led to Khan's removal from power in April 2022.

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In Asia, Russia and China are seen as important mediators on such issues as the North Korean nuclear programme, the Iran nuclear deal, and the India—Pakistan conflict. While China has not played such a prominent mediating role in the Eurasian space, in the context of the geopolitical clash between Russia and the West, some countries in the post-Soviet space may temporarily take China's side, or even that of India and Pakistan, in order to somewhat distance themselves from Russian foreign policy without having to reorient themselves to the West. A kind of regional "third world"—a "non-aligned movement" led by China, India and Pakistan, could emerge.

^{26 &}quot;Imran Khan: "Pakistan Intends to Connect Central Asia to the Rest of the World," Vestnik Kavkaza, August 1, 2021. URL: https://vestikavkaza.ru/analytics/imran-han-pakistan-nameren-soedinit-centralnuu-aziu-s-ostalnym-mirom.html

^{27 &}quot;Tashkent to Host International High-Level Conference "Central and South Asia: Regional Connectivity. Challenges and Opportunities" on July 15–16," CIS Internet Portal, July 15, 2021. URL: https://e-cis.info/news/565/92271/

2.2. Russia-China Interaction in Central Asia

Russia and China are equally interested in the security, stability, and prosperity of the countries of Central Asia. However, Moscow and Beijing disagree on how achieve these goals.

The situation in Central Asia is complex and volatile. The region continues to face such threats as terrorism, religious extremism, transnational crime, drug trafficking, illegal migration, instability in Afghanistan, environmental disasters, etc. All this can harm Russian and Chinese interests in the region.

The Goals and Interests of Russia and China in Central Asia

Security and internal political stability in the region are important for Russia and China. They cannot allow turbulence in Central Asian countries to provoke instability in the Russian and Chinese regions that border them. Moscow and Beijing support the political and public administration systems of the countries in Central Asia. They are not interested in destabilizing Central Asia as result of external actors, for example, the "colour revolutions" promoted by the West, or the infiltration of religious extremist and terrorist forces.

Russia has several specific interests in the region. First, Central Asia appears to be a key participant in the Eurasian integration process under the aegis of Russia. Moscow will make every effort to strengthen the leading role of the EAEU in the region and promote integration with the Commonwealth of Independent States (CIS). Second, Central Asia is a strategically important region for Russia in terms of energy cooperation. Third, Moscow is interested in labour migration from Central Asia. Russia can use such workers to compensate for the shortage of labour at low-level positions, relying, among other things, on the widespread use of the Russian language in the region, which simplifies the integration of immigrants from Central Asian countries.

In turn, the excess flow of human capital from Central Asia helps maintain social stability in the countries that export migrants. Furthermore, migration to Russia promotes Russian soft power in Central Asia. Remittances play a significant role in the development of some countries in the region, and Russia is well behind China in this respect.

According to Chinese observers, it is also in Moscow's interests in Central Asia to balance the influence of the United States and China through deep political, economic, energy, security, and humanitarian cooperation with the countries of the region.

China's interests in Central Asia are connected with the following factors. First, it is important to have a favourable situation in the region in order to maintain security, stability and a high level of development in China's western provinces. Overall, the countries of Central Asia pursue a multi-vector and balanced foreign policy, not focusing on any one power, and supporting peaceful coexistence and cooperation within the region, which in Beijing's interests.

Second, Central Asia is important for China in terms of energy diversification. China maintains an entire oil and gas supply network that includes Central Asia, and this makes it possible to guarantee the country's energy security. Energy trade also helps to strengthen cooperation, which meets the economic interests of the respective Central Asian countries.

Third, Central Asia is an important region for the Belt and Road Initiative. Through the construction of the Silk Road Economic Belt and the implementation of various projects connected to it, Beijing is doing its bit to increase infrastructure connectivity and the effectiveness of business operations in the region and improve the conditions for integrating the region into global value chains.

Fourth, by expanding large-scale, cross-level, multidisciplinary exchanges and deepening humanitarian cooperation, Beijing is strengthening mutual understanding between the peoples of China and Central Asia, especially among the younger generation, creating a regional community of common destiny.

Despite the barriers to cross-border exchanges that are currently in place due to the COVID-19 pandemic, China's economic influence in Central Asia is growing. In parallel with this, Russia has seen its influence in the security sphere increase, especially after the U.S. withdrew its troops from Afghanistan and the crisis in Kazakhstan.

Russia has a number of obvious advantages over China when it comes to implementing its policy in Central Asia. At the level of security, the CSTO—in which Russia plays a leading role—boasts a high level of institutionalization and an effective system of internal coordination. For historical and other reasons, Russia's position in Central Asia in the energy sector is more stable than that of China. Additionally, Russia's is significantly more involved in educational and scientific activities in Central Asia than China. Much of this has to do with the Russian language, a shared history, cultural and interpersonal ties, and close governmental contacts. This became evident during the fight against the COVID-19 pandemic.

That said, Chinese experts nevertheless believe that the prospects for creating a political alliance in the region, including on the basis of the EAEU, are slim at best. Some countries in the region are concerned that such an alliance would harm their status as independent sovereign states. What is more, one of the motivating factors for the less economically developed countries in Central Asia when joining the EASU was the possibility of creating new partnership opportunities with Russia. To maximize their gains, Central Asian states are pursuing a balanced and pragmatic foreign policy, manoeuvring between the major powers. If the EAEU's economic momentum slows down, then they are likely to start strengthening relations with China or the United States.

The Policies of Russia and China in Central Asia in 2021

It is generally accepted in Chinese academic circles, that- the economic problems, social tensions and weak governance of Central Asian countries are a consequence of the COVID-19 pandemic. The reality, however, is that they are the

result of belated social, political, and economic transformations. Falling energy prices, tighter controls on the export of grain, increasing numbers of labour migrants, and insufficient vaccine supplies are among the main challenges brought about by the pandemic.

Russia and China provided assistance to Central Asian countries in the fight against the pandemic in various forms, such as test kits, medical teams, ²⁸ and vaccines. ²⁹ In addition, Russia has taken special measures to improve the situation of labour migrants from Central Asia, ³⁰ and China has increased purchases of agricultural products from the region, ³¹ particularly from Kazakhstan.

The situation that developed in Afghanistan following the withdrawal of U.S. troops from the country could have a negative impact on Central Asian security. First, the Taliban's ascent to power could act as inspiration for religious extremists in Central Asia to step up their activities, thus creating further problems and security challenges for the governments in the region.³² Second, Islamic State (IS)³³ fighters from Central Asia will try to infiltrate their countries from the Afghan border, putting pressure on the border forces and security services of Afghanistan's neighbours. Third, the countries of Central Asia may become more dependent on Russia in matters of military security, which, according to Chinese estimates, will make it more difficult for them to maintain their autonomy.

Faced with security threats from Afghanistan, the Central Asian countries are likely to increase their demands on the SCO, including Russia and China. This will include requests for special equipment, the training of military personnel, and joint patrols in border areas.

Russia and China have a similar stance to maintaining peace and stability in Central Asia, fighting the "three forces of evil," and not allowing the long-term presence of the armed forces of extra-regional powers on Central Asian territory. The two countries are ready for joint action, including high-level consultations, information exchange, joint military exercises, joint statements, etc. China understands that Russia has more influence on the security situation in Central Asia and hopes that Moscow will continue to play a stabilizing role in the region.

Western observers assume that China and Russia are competitors in Central Asia, with some declaring that a conflict is inevitable. However, Russia—China strategic relations are more than simply empty declarations, nor are they a forced measure. On the contrary, they are consciously chosen: the only way to maintain

²⁸ "Moscow Becomes Central in Asia," Kommersant, October 16, 2020. URL: https://www.kommersant.ru/doc/4531609

^{29 &}quot;Soft Power in Millions of Doses," RBC, March 12, 2021. URL: https://www.rbc.ru/newspaper/2021/03/12/60478bb69a79476270592e05

³⁰ Andrey Kazantsev, "The Coronavirus Epidemic and the Situation in Central Asia," RIAC, May 7, 2020. URL: https://russiancouncil.ru/analytics-and-comments/analytics/epidemiya-koronavirusa-i-situatsiya-v-tsentralnoy-azii/

^{31 &}quot;Expand Agricultural Trade, Strengthen Agricultural Technology Research Exchanges, and Gradually Develop Agricultural Cooperation between China and Central Asia" (in Chinese: 开拓农产品贸易 强化农技培训交流 中国与中亚农业合作稳步推进), The State Council of the People's Republic of China. URL: http://www.gov.cn/xinwen/2020-12/04/content_5566949.htm

³² The Taliban is an organization that is banned in Russia.

³³ Islamic State is an organization that is banned in Russia.

stability and development in Central Asia is by respecting each other's reasonable and legitimate rights and interests in the region, which will also allow the SCO and the CSTO to develop harmoniously and complement one another.

The Crisis in Kazakhstan and Russia-China Coordination

In January 2022, unrest broke out in Kazakhstan, and the country experienced the worst crisis in the 30 years of its independence. President of Kazakhstan Kassym-Jomart Tokayev turned to the CSTO for help. Russia played a significant role in resolving the situation, working strategically with China to this end. First, the two countries agreed on the causes of the unrest. While Russian and Chinese officials believe that external forces had a hand in provoking the crisis, many in the academic community saw it as a result of political unrest and the economic difficulties caused by the COVID-19 pandemic.

Second, despite the differences in the scale of the responses of Russia and China to the crisis in Kazakhstan, Moscow and Beijing were able to coordinate their actions. Russia is a member of the CSTO and has a direct hotline with Kazakhstan, which allowed it to play a key role in stabilizing the situation. Beijing has important economic and strategic interests in Kazakhstan, and cooperation with Moscow provides it with the best opportunity to protect them. According to some Chinese experts, the crisis allowed Russia to restore its strategic influence in Kazakhstan, which has had a knock-on effect on the geopolitical structure of the post-Soviet space.

Given that the crisis was short-lived and complex in nature, major external players did not have time to steer the course of events in any significant way, although there were whispers in Russia and Kazakhstan that the United States could intervene. It is possible that the crisis in Kazakhstan played a large part in the decision to hold early presidential elections in Turkmenistan in March 2022.

2.3. The Shanghai Cooperation Organisation: What Moscow and Beijing Have Done to Increase the SCO's Effectiveness

SCO Development Trends

The SCO celebrated its 20th anniversary in 2021. In that time, the organization has established itself as a seasoned and effective international institution that works to counter global risks and challenges, plays an active role in promoting and deepening good-neighbourly relations among member states, and supports stability and development on the Eurasian continent.

The Ukrainian crisis has fundamentally transformed the political and security landscape in Europe and, to some extent, the global political and economic system. Russia's confrontation with the West does not look like it will end any time soon, which will lead to growing uncertainty in the international environment. The external environment for the development of the SCO is also changing. The world's new state of affairs means that the SCO will see its role as a mechanism for creating new rules of conduct and develop a new security architecture. It

is inevitable that existing mechanisms will be gradually expanded to the new realities, and the format and areas of cooperation within the organization require urgent improvement.

The goals set out in the Declaration on the Establishment of the SCO—strengthening mutual trust and good-neighbourly friendship among the member states, and encouraging multidisciplinary cooperation—have gained new relevance. The Development Strategy of the Shanghai Cooperation Organisation until 2025 (adopted at the Ufa Summit in 2015) emphasizes that the SCO is not a military and political bloc and does not set itself the task of forming an economic integration association with supranational governance bodies.³⁴ This approach, combined with the principles of the "Shanghai Spirit" of mutually beneficial cooperation and non-interference in domestic affairs cements the SCO's status as an in-demand participant in the international relations system.

The SCO's achievements are largely thanks to the joint activities of Russia and China, which have acted as the drivers of the organization's development since its formation. Moscow and Beijing outlined their ideas on the SCO's current development in the Joint Statement of the Russian Federation and the People's Republic of China on the International Relations Entering a New Era and Global Sustainable Development dated February 4, 2022. First, Russia and China aim to comprehensively strengthen the SCO and further enhance its role in shaping a multipolar world order. Second, it is important to consistently implement the agreements on improved mechanisms to counter challenges and threats to the security of SCO member states and expand the functionality of the SCO Regional Anti-Terrorist Structure. Third, the sides will contribute to imparting new quality and dynamics to the economic interaction between the SCO member states, including through the use of advanced, resource-saving, energy efficient and "green" technologies. Fourth, Moscow and Beijing should support deeper cooperation within the SCO in the field of international information security. Fifth, the SCO member States should foster interaction in areas such as cultural ties, education, science and technology, healthcare, environmental protection, tourism, people-to-people contacts, sports, and other spheres.

The Russian side, together with its Chinese partners, has repeatedly called for the transformation of the system of international relations and uses the SCO platform to promote its ideas about the inadmissibility of double standards in human rights matters, the politicization of coronavirus vaccines, and the use of sports for political means. The SCO's member states vastly contribute to the development of the organization, strengthening its legal and regulatory framework and enhancing its global prestige.

Moscow sees the SCO as an example of how pooled efforts can resolve specific issues in Eurasia on the principles of partnership and mutual gain. The SCO has established partner relations with states, international organizations and structures that share its principles and values.

^{34 &}quot;Development Strategy of the Shanghai Cooperation Organisation until 2025," SCO Russia 2014–2015. URL: https://sco-russia2020.ru/imaqes/17/25/172545.pdf

In the run-up to the 2021 SCO Summit in Dushanbe, the organization received 16 applications to join the work of the SCO in various formats.³⁵ For new countries, the status of "observer state" or "dialogue partner" opens up opportunities to participate in the SCO agenda in areas that are of interest to them. Russia supports the further expansion of the organization, as do the other member states. This position is based on the notion that the SCO will not be able to realize its full potential if it does not expand.

The SCO leaders approved Iran's membership application at the 20th SCO Summit in 2021.³⁶ It will become the ninth member state, although its flag will only be raised in the SCO Secretariat after the country ratifies previously adopted legal acts that are binding on all members. It took two years for India and Pakistan to do this.

For the SCO, including new countries, its agenda is about broadening trade, economic, and geopolitical influence. Russia benefits from this opportunity for it allows the country to expand its regional coverage, opening the door to the Middle East and strengthening the SCO's ability to ensure stability and security. In particular, Moscow sees Iran's geographical position as an untapped asset. For example, Chabahar Port in southeast Iran holds strategic importance, connecting India with Central Asia, the Caucasus and the coastal states of the Persian Gulf. As a major producer of energy resources, Iran can make a significant contribution to the development of the SCO's energy potential. Additionally, the number of SCO dialogue partners grew to nine in 2021 with the addition of Qatar, Egypt, and Saudi Arabia.³⁷

At the same time, many experts believe that the SCO is relatively inefficient when it comes to taking joint actions and implementing decisions. The expansion of the organization means that the decision-making system requires some adjustments, particularly the consensus principle. Chinese observers note that it would be recommendable to develop differentiated and flexible decision-making methods on various issues that would not only ensure the equality of member states, but also increase the effectiveness of the organization's operations. The powers of the SCO Secretariat also need revising so that they encompass decision-making and crisis management.

In 2021–2022, Russia and China continued to use SCO summit meetings to promote their own initiatives, thus increasing the regional significance of the organization. For example, President Putin proposed holding, in addition to the regular Summit of SCO Council of Heads of State, high-level meetings and summits in the SCO+ format—that is, with the involvement of observer states and dialogue partners. As part of efforts to step up cooperation to combat COVID-19, Russia

^{35 &}quot;Shanghai Cooperation Organisation's Dushanbe Summit Set to be Event of Historic Scale. SCO Secretary-General Vladimir Norov's Interview with Khovar, the Official State Media News Agency of Tajikistan," SCO, July 13, 2021. URL: http://rus.sectsco.org/news/20210713/767503.html

^{36 &}quot;Vladimir Norov: The Decisions Taken at the SCO Summit in Dushanbe Are of Epochal Significance and Represent a New Milestone in the Organization's Development," SCO, October 12, 2021. URL: http://rus.sectsco.org/archive_news/20211012/784476.html

³⁷ Ibid.

invited representatives of the SCO countries to Kazan to take part in an international training of specialists fighting dangerous infections in—October 2021.³⁸

The Chinese side, in turn, announced the launch of the second phase of its targeted loan programme within the SCO to finance projects in areas such as infrastructure development and low-carbon growth. More than \$4.6 billion was provided in loans as part of the first phase of the programme. What is more, China has taken the initiative to share its secret to eradicating poverty with its partners in the Shanghai Cooperation Organisation. Ten specialized centres will be set up for this purpose, providing SCO member states with 1000 people to teach anti-poverty skills.³⁹ One of the SCO's most important tasks is to eradicate poverty, as the poor standard of living in the region creates fertile ground for the spread of extremist sentiments and terrorism, the fight against which is a priority of the organization.⁴⁰

Moscow and Beijing supported the initiatives of the other members of the organization: in the Dushanbe Declaration,⁴¹ they announced their intention to support the SCO Anti-Drug Centre, the SCO Universal Centre to Counter Challenges and Threats to Security, the SCO Information Security Centre, and the SCO Centre against International Organised Crime.

Ensuring stability and security in the region remains one of the priority areas of Russia—China cooperation within the framework of the SCO. The actions of Moscow and Beijing within the organization in 2021 were marked by a joint focus on promoting the economic development of the other member countries. It is no coincidence that 12 of the points contained in the Dushanbe Declaration are devoted to economic cooperation—three more than security cooperation. Increased economic cooperation will be the SCO's main strategic task for the next decade.

A number of initiatives were proposed at the Meeting of the SCO Council of Heads of Government in November 2021 for achieving the organization's priorities. ⁴² Specifically, Prime Minister of Russia Mikhail Mishustin highlighted the need for broad coordination of macroeconomic policy based on openness and reciprocity. ⁴³ The second important factor for increasing the effectiveness of the SCO, according to the Russian delegation, was the pairing of national development strategies and multilateral integration initiatives aimed at creating a space of trust and equal and mutually beneficial cooperation in Eurasia.

^{38 &}quot;Kazan Hosts International Training of Specialists Fighting Dangerous Infections," Channel One: News, October 13, 2021. URL: https://www.1tv.ru/news/2021-10-13/414674-v_kazani_prohodyat_mezhdunarodnye_ucheniya_spetsialistov_boryuschihsya_s_opasnymi_infektsiyami

^{39 &}quot;Speech by President of China Xi Jinping at the 21st Meeting of SCO Council of Heads of State," Embassy of the People's Republic of China in the Republic of Kazakhstan, September 19, 2021. URL: https://www.fmprc.gov.cn/ce/ceka/rus/sqxx/sqdt/t1908279.htm

⁴⁰ "Dushanbe Declaration on the 20th Anniversary of the SCO," President of Russia, September 17, 2021. URL: http://www.kremlin.ru/supplement/5699.

⁴¹ SCO Documents, SCO. URL: http://rus.sectsco.org/documents/

^{42 &}quot;SCO Council of Heads of Government," The Russian Government, November 25, 2021. URL: http://government.ru/news/43901/

^{43 &}quot;Mishustin Proposes Two Ways to Kick-Start Global Economy," Vesti, November 25, 2011. URL: https://www.vesti.ru/finance/article/2644320

In this context, the parallel and coordinated development of the Belt and Road Initiative and the Greater Eurasian Partnership project with the involvement of ASEAN, EAEU and the SCO states, as well as other countries and regional associations is prioritized. The Memorandum of Understanding between the Secretariat of the SCO and the Eurasian Economic Commission (EEC) singed in September 2021 appears particularly promising in this respect.⁴⁴ The document provides for the development of contacts in various areas, ranging from economics and finance to foreign trade and investment. Practical cooperation between Russia and China in linking the Greater Eurasian Partnership and the Belt and Road Initiative with the involvement of the SCO could help partially break the economic blockade of Russia by the West. Interaction within this framework will give the SCO greater weight in regional cooperation.

The creation of an SCO free trade area (FTA) can also be considered a promising task. The Chinese side has been promoting this initiative for a long time, both at the official level and within the framework of meetings of national coordinators. The biggest problem setting up an FTA currently is the unequal potentials on the domestic markets of member countries. However, according to Moscow, the SCO now has the opportunity to shift the focus of its work to the trade and economic area in order to overcome economic inequality through a more rational and harmonious division of labour, and the sectoral and geographical specialization of individual countries.

In the new international conditions, Russia and China should alter the emphasis and direction of their economic cooperation in the SCO considering the extremely harsh sanctions introduced against Russia by the United States and its allies. Moscow and Beijing could take advantage of the SCO's potential to minimize the fallout of the sanctions pressure on both countries.

The countries could thus focus on the financial component of the SCO. Financial cooperation is developing slowly, however, and understanding the reasons for this is essential. The SCO Interbank Consortium made an important contribution to the regional financial structure and played a role in the implementation of various large-scale projects in the SCO space. It is not a regional financial organization, however. Rather, it is mechanism for multilateral consultations, meaning that its significance is limited.

At the same time, Chinese experts note the relative lack of interest from the Russian side in developing financial cooperation within the SCO. In 2003, China first put forward the initiative to create the SCO Development Fund, which would become the main platform for multilateral economic projects, and in 2010, it proposed the establishment of the SCO Development Bank. The initial plan was to have \$10 billion in authorized capital, \$8 billion of which would come from the Chinese side, and the other \$2 billion would come from the other member

www.russiancouncil.ru

^{44 &}quot;EEC and Shanghai Cooperation Organisation Secretariat Sign Memorandum of Understanding at Anniversary SCO Summit," EEC, September 17, 2021. URL: https://eec.eaeunion.org/news/eek-i-sekretariat-shanhajskoj-organizatsii-sotrudnichestva-podpisali-memorandum-o-vzaimoponimanii-v-ramkah-yubilejnogo-sammita-shos/

states.⁴⁵ However, Russia instead advocated financial support for the SCO's economic and trade cooperation projects through special accounts. It is crucial for future development that all member states cooperate in building the SCO Development Bank.

Russia and China have accumulated a vast amount of experience of security cooperation within the framework of the SCO. Today, Moscow and Beijing are concerned about the situation in Afghanistan, the settlement of which is an important factor in maintaining stability in the SCO space.

In the new geopolitical climate, food and energy security—the main concern for India and Pakistan—will become an increasingly important priority for regional security.

Ever since the establishment of the SCO, Russia and China have sought to promote the progressive development of the organization, despite the disagreements between its member states in certain areas. The experience acquired in such matters makes it possible to find compromises on several sensitive issues. For example, in the summer of 2021, SCO members were not unanimous in their appraisals of the initial steps taken by the Taliban after they had seized power in Afghanistan. In the end, the SCO members agreed to help stabilize the socio-political situation in Afghanistan through political and diplomatic means, with a particular emphasis on the importance of the "inclusiveness" of the new government in Afghanistan, one that represents the interests of all social groups.

In the current conditions, information cooperation in the SCO—requires strengthening. The militarization of information and communications technologies needs to be counteracted, and equal rights to internet governance and network sovereignty upheld.

Russia and China promote humanitarian cooperation within the framework of the SCO. There holds great potential for cooperation in culture, education, science and technology, healthcare, environmental protection, tourism and sports. Moscow and Beijing call for mutual respect for the traditions and values of different countries and for the integration of cultures. The SCO member states conduct fruitful cooperation in the arts: music, theatre, fine arts, literature, cinema, archiving, museums, and libraries. They also interact in the fields of archaeology, the restoration of cultural monuments, and the protection of heritage sites. Russia and China have significant potential in the educational sphere and, as such, they could take a leading role in the development of cooperation in this area in the SCO. In particular, they could focus on developing innovative educational technologies and formats for the use of communication and multimedia technologies to provide high-quality education.

The SCO member states share a rich historical and cultural heritage. Cities and regions of SCO countries need to utilize their tourism potential to the fullest extent

^{45 &}quot;China Proposes Creation by SCO Members of Unified Development Bank with Capital of \$10 Billion," Banki.ru. 02.12.2010. URL: https://www.banki.ru/news/lenta/?id=2474483

⁴⁶ The Taliban is an organization that is banned in Russia.

and create complementary mechanisms for cultural and tourism cooperation. The new state of affairs could open up the possibility of creating a common tourism space in the SCO. Russia and China need to promote the establishment of direct links between tourism enterprises and related industries, attract investment in the tourism infrastructure, and develop interaction between tourist hotspots.

Interaction between the SCO and the CSTO

It is imperative that that the SCO and the CSTO step up their coordination. China has reiterated its readiness to develop cooperation with the CSTO, as it sees the organization as the leading security mechanism in the $CIS.^{47}$

It would be wise to create a reliable mechanism for quickly exchanging information to combat crime and to develop information interaction between the two organizations on issues of illegal cross-border activities.

The greatest synergy in SCO—CSTO is likely to be achieved with the "calibration" and improvement of both mechanisms in accordance with the requirements of the transforming environment.

Chinese observers note that the CSTO faced numerous crises in the territories of its member states in 2020-2022. The first of these was the military conflict between Armenia (a CSTO member) and Azerbaijan in late September 2020. Armenia's request for assistance within the CSTO was not supported by the other member states, something the Chinese side believes damaged the organization's reputation. The second crisis that the CSTO faced was connected with the armed confrontation between Kyrgyzstan and Tajikistan in April–May 2021. Then there was the migration crisis on the border between Belarus and Poland in 2021 (Belarus did not appeal to the CSTO for help in its non-military confrontation with the West). The fourth crisis was connected with the concerns of the CSTO's member states in Central Asia regarding the situation in Afghanistan following the hasty withdrawal of U.S. troops. The CSTO's reaction to the developments was swift: it issued a special statement on the situation in Afghanistan, 48 organized a number of meetings to discuss measures to counter possible incidents on the border with the country, and held joint military exercises near the Tajik-Afghan border. 49 The dialogue between the CSTO and the SCO at the Dushanbe Summit in September 2021 focused on coming up with a coordinated response to the changing situation in Afghanistan.⁵⁰ The fifth crisis was caused by the situation in

^{47 &}quot;Beijing Says it is Ready to Advance Cooperation with CSTO," RIA Novosti, April 15, 2022. URL: https://ria.ru/amp/20220415/odkb-1783679874.html

^{48 &}quot;Statement by the Member States of the Collective Security Treaty Organization on the Situation in Afghanistan," Collective Security Treaty Organization, September 15, 2021. URL: https://odkb-csto.org/documents/statements/zayavlenie-gosudarstv-chlenov-organizatsii-dogovora-o-kollektivnoy-bezopasnosti-o-polozhenii-v-afgan/#loaded

⁴⁹ "The Republic of Tajikistan Hosted a Large-Scale Joint Training "Interaction-2021" with the CSTO Collective Rapid Reaction Forces, a Special Training of Reconnaissance Units "Search-2021," and training of Acquisition, Technology, and Logistics Units "Echel," Collective Security Treaty Organization, October 25, 2021. URL: https://odkb-csto.org/training/trainings_interaction/v-tadzhikistane-proshli-masshtabnye-sovmestnye-ucheniya-vzaimodevstvie-2021-s-kollektivnymi-silami-o/#lloaded

⁵⁰ Afghanistan in the Spotlight: Dushanbe Hosts Joint Meeting of SCO and CSTO Leaders, Belta, September 17, 2021. URL: https://www.belta.by/politics/view/afganistan-v-tsentre-vnimanija-v-dushanbe-prohodit-sovmestnaja-vstrechaliderov-shos-i-odkb-460306-2021/

Kazakhstan in January 2022, when protests against rising fuel prices escalated into an attempted coup.

These crises and the differentiated responses to them led Chinese observers to conclude that the concept of collective security—the foundation of the CSTO— is in urgent need of transformation and reconstruction in the new climate.

According to Russian experts, the January 2022 crisis in Kazakhstan helped consolidate the CSTO as a regional organization, as the bloc managed to conduct its first real collective operation. The speed with which the operation was carried out worked to the CSTO's advantage, as there were doubts both inside and outside Kazakhstan that the organization's peacekeeping forces would leave the country immediately after it had completed the task of protecting its infrastructure. However, the rapid withdrawal of forces and the speedy resolution of the political crisis showed the CSTO in a favourable light, which proved that it was able to act quickly.

At the same time, according to the Chinese side, the CSTO was to some extent unable to meet the real needs of member states in countering the various new challenges and threats, including from NATO. The new developments in the Ukrainian crisis have exacerbated the problem of solidarity within the CSTO, which may have to focus on the concept of its development and organizational structure and adjust its functions in the new international landscape.

2.4. Economic Interaction Mechanisms in Eurasia

Trends in the Development of Eurasian Integration in the New Realities

In the new international landscape, the countries of Eurasia, fearing secondary U.S. sanctions, are trying to balance between the European Union and the United States on the one hand, and Eurasian integration on the other. What once seemed a remote possibility—the freezing of foreign assets by Western countries as an instrument of influence in international relations—is now a distinct reality. This forces Eurasian countries to calculate the risks and decide which option would hurt the least—the deterioration of relations with Russia, or the deterioration of relations with the West. To further complicate matters, the answer to this question may be different in the short and long term.

The sanctions against Moscow may actually help strengthen regional cooperation. For instance, the sanctions pressure on the economies of Russia and Belarus could prompt EAEU members to switch completely to mutual payments in national currencies (74 percent of payments in EAEU trade are currently carried out in this manner).⁵¹ The EAEU agenda for 2022 also includes the formation of an integrated foreign exchange market across the territory of the Union, as well as the creation of a direct exchange rate formation mechanism for national currencies, without reference to the U.S. dollar or the euro.

^{51 &}quot;The Role of the Tenge is Growing:" EDB Experts on the Prospects of De-Dollarizing the Eurasian Union," Eurasia Expert, February 4, 2021. URL: https://eurasia.expert/rol-tenge-rastet/?utm_source=google.com&utm_medium=organic&utm_ campaign=google.com&utm_referrer=google.com

Iran, which is under sanctions itself, is considering the possibility of recognizing Russia's Mir payment system and joining its Financial Messaging System. At the same time, Russia and India have created an alternative to SWIFT for mutual settlements in national currencies through a platform that will be hosted at the headquarters of the Reserve Bank of India and Russia's VEB. 52

In the medium and long term, it is likely that Russia and the EAEU will switch to Chinese technical standards from the EU ones that currently underlay technical regulation within the Union. Russia's desire to free itself from its dependence on Western technologies is likely to translate into corresponding initiatives within the EAEU to reduce the reliance on tech imports from Western countries.

Greater European Partnership and Belt and Road Initiative projects will continue in the new global political environment. Both projects initially kept the door open for the European Union to be involved should it so wish, although it has certainly been closed given the current geopolitical crisis in the Greater Eurasian space. China, however, has no intention of revising the geography of the Belt and Road Initiative. What is more, various Chinese commentators believe that excluding the European Union from the Greater Eurasian project will only aggravate the geopolitical situation and not bring stability to the region.⁵³

The Asian Infrastructure Investment Bank, New Development Bank and Silk Road Fund will play an increasingly important role in Eurasia. For China, multilateral projects involving a large number of participants are important, while Russia is also interested in taking part in such projects in the new geopolitical reality as a way to demonstrate that Moscow is not isolated. At the same time, at the operational level, Russia will likely develop bilateral contacts on terms adapted to suit each individual partner within these associations. China too values the flexibility of bilateral approaches under umbrella structures.

Linking the EAEU and the Belt and Road Initiative with the Construction of a Greater Eurasian Partnership

The systematic work to link Eurasian integration within the framework of the EAEU and the Chinese Belt and Road Initiative continued in 2021–2022.

In December 2021, an online meeting of the Joint Commission on implementing the Agreement on Trade and Economic Cooperation between the Eurasian Economic Union and the People's Republic of China took place. At the meeting, the participants discussed the development of a roadmap for the implementation of the Agreement, the key section of which concerns the development of digital transport corridors; the application of trade protection measures; and issues of competition, technical barriers to trade, customs cooperation, and trade facilitation.⁵⁴

Economic Times: Russia and India Create SWIFT Alternative for Settlements in National Currencies," Vedomosti, March 31, 2021. URL: https://www.vedomosti.ru/economics/news/2022/03/31/916029-rossiya-indiya-sozdali-alternativu-swift

⁵³ Wang Yiwei, and Duan Minnong, "Is Greater Eurasia Possible Without Europe: A Security Perspective?" The Valdai Club, February 28, 2022. URL: https://valdaiclub.com/a/highlights/is-greater-eurasia-possible-without-europe/

^{54 &}quot;Andrey Slepnev: "The EAEU—PRC Cooperation Gains Steam; It Organically Complements the Bilateral Relations between our States," Eurasian Economic Commission, December 22, 2021. URL: https://eec.eaeunion.org/news/andrey-slepnev-sotrudnichestvo-eaes-knr-nabiraet-oboroty-ono-organichnodopolnyaet-dvustoronnie-otnosheniya-nashih-gosudarstv/

Trade between China and the EAEU countries has developed very successfully, despite the negative impact of the coronavirus pandemic. In late 2021, China became the main export destination for EAEU products with a share of 15.1 percent, and the main supplier of goods to the EAEU market (27.4 percent).⁵⁵

A database of current and future integration projects between two or more member states will be created in 2022 as part of the efforts to link the EAEU and the Belt and Road Initiative. ⁵⁶

Infrastructure projects are an important part of this process. There are currently six specialized transport corridors, including the China—Mongolia—Russia economic corridor, the New Eurasian Continental Bridge, and the eastern, central, and western sections of the railway links between China and Europe. Cooperation on the construction and development of the Ice Silk Road has intensified, which will take advantage of the potential offered by the Northern Sea Route.⁵⁷

In October 2021, the Collegium of the Eurasian Economic Commission approved the List of Eurasia Transport Corridors and Routes, which will allow EAEU member states to implement the Strategic Directions for Developing Eurasian Economic Integration until 2025 in the part pertaining to the development of transport corridors. The list includes one multimodal and two single-mode railway routes connecting China, Russia, and other Eurasian countries. A comprehensive plan for the development of Eurasian transport corridors will be drawn up and adopted in 2022.

In 2021, container traffic volume on United Transport and Logistics Company— Eurasian Railway Alliance's China—Europe—China route totalled 692,500 TEU,⁵⁹ which is 27 percent more than in 2020.⁶⁰

The growth in freight transportation volumes means that comprehensive solutions need to be worked out to reduce travel time, simplify border crossing, improve the interaction of all participants in the transportation process, and develop regulatory documentation in electronic form.⁶¹

As Prime Minister Mikhail Mishustin noted in his speech at the Second Eurasian Congress in June 2021, a full-fledged "Eurasian transport framework" that

^{55 &}quot;Volume of EAEU Foreign Trade Reached 844 bln US Dollars in 2021," Eurasian Economic Commission, February 22, 2022. URL: https://eec.eaeunion.org/news/obem-vneshney-torgovli-eaes-dostig-844-mlrd-dollarov-ssha-v-2021-godu-/?sphrase id=83285

^{56 &}quot;Decision No. 20 of the Supreme Eurasian Economic Council. Dates December 10, 2021 "On the Main Directions of the International Activities of the Eurasian Economic Union for 2022," Garant.ru Legal Information Portal. URL: https://www.qarant.ru/products/ipo/prime/doc/403310607/#1000

⁵⁷ S. Glazyev, "How to Build a Greater Eurasian Partnership?" Eurasian Integration: Economics, Law, Politics 15, N. 3 (2021). P. 9–14.

⁵⁸ For more detail, see: "List of Eurasian Transport Corridors and Routes. Appendix to the Recommendations of the Board of the Eurasian Economic Commission".

URL: http://www.eurasiancommission.org/ru/act/energetikaiinfr/transport/Documents/transport.pdf

⁵⁹ UTLC ERA is a joint venture of the national railways of Belarus, Kazakhstan and the Russian Federation.

^{60 &}quot;27 % Growth in Shipments in 2021," Eurasian Rail Alliance, January 12, 2021. URL: https://www.utlc.com/news/rost-obema-perevozok-na-27-po-itogam-2021g/

^{61 &}quot;Round Table 'Eurasian Transport Corridors as Part of the System of Global Transport Communications," International Coordinating Council on Trans-Eurasian Transportation, November 12, 2021. URL: https://icctt.com/news/article_post/ kruglyj-stol-evrazijskie-transportnye-koridory-kak-chast-sistemy-globalnyh-transportnyh-soobshchenij

includes a unified network of the Eurasian railway, road, sea, river, and aviation infrastructure needs to be set up. The development of the East-West and North-South international transport corridors will increase freight flows, including in transit with China.⁶²

Construction of the Europe—Western China International Transit Corridor continued in 2021–2022. The project involves the construction and reconstruction of roads and has a positive impact on the entire logistics infrastructure of the participating countries. The bulk of the work on the Russian section of the corridor is expected to be completed by 2024, although it will not be smooth sailing in this regard. In 2021, the Accounts Chamber of the Russian Federation identified instances of noncompliance on various sections of the corridor with adequate quality criteria. 4

Attracting private investments is an important part of the development of infrastructure projects linking of the EAEU and the Belt and Road Initiative. In December 2021, the Eurasian Development Bank (EDB) announced that it was prepared to act as a lender in the construction of the private Meridian highway from Russia to China, as well as to attract investments for the project. According to discussions, the road will be 1300–2020 km in length.⁶⁵

The development of the Primorye-1 and Primorye-2 international transport corridors are also key components linking the EAEU and the Belt and Road Initiative. The first stage of reconstruction of the Kraskino border crossing that serves Primorye-2 was slated for completion by the end of 2021, followed by designs for future development projects. Throughput is expected to increase from 100 vehicles per day currently to 750 vehicles per day by 2024. The construction of additional infrastructure at Primorye-1's Pogranichny vehicle checkpoint should be completed by the end of 2023.⁶⁶

Connecting the EAEU and the Belt and Road Initiative is a key element in the implementation of the Greater Eurasian Partnership concept. In this context, Russia calls for promoting cooperation at the EAEU with other countries and regional organization. A memorandum of understanding was signed between the EEC and the SCO Secretariat on September 17, 2021.⁶⁷ Cooperation is also developing between the EAEU and ASEAN—a memorandum of understanding between the parties has been signed, and free trade zones have been set up with Vietnam

^{62 &}quot;Second Eurasian Congress. Speech by M. Mishustin," December 6, 2021. URL: http://www.gea.site/2021/12/3055/

⁶³ "Europe—Western China" International Transport Route, "Ministry of Transport of the Russian Federation. URL: https://mintrans.gov.ru/activities/215/217/25/28

⁶⁴ "Europe—Western China International Transport Route: Current State and Future Prospects," CIS Internet Portal, 21.11.2021. URL: https://e-cis.info/news/566/96392/?sphrase_id=33606

^{65 &}quot;EDB Enters Celestial Empire," RBC, December 2, 2021. URL: https://www.rbc.ru/newspaper/2021/12/03/61a8826d9a7947439608d67e

^{66 &}quot;Time to Synchronize Watches. Pandemic Slows Development of the Primorye-1 and Primorye-1 International Transport Corridors," Rossiyskaya Gazeta, March 26, 2021.

URL: https://rg.ru/2021/03/26/razvitie-mezhdunarodnyh-transportnyh-koridorov-zamed lila-pandemiia.html. with the control of the control of

⁶⁷ "EEC and Shanghai Cooperation Organisation Secretariat Sign Memorandum of Understanding at Anniversary SCO Summit," Eurasian Economic Commission. September 17, 2021.
URL: https://eec.eaeunion.org/news/eek-i-sekretariat-shanhajskoj-organizatsii-sotrudnichestva-podpisali-memorandum-

URL: nttps://eec.eaeunion.org/news/eek-i-sekretariat-snannajskoj-organizatsii-sotrudnichestva-podpisali-memorandumo-vzaimoponimanii-v-ramkah-yubilejnogo-sammita-shos/

and Singapore. Cooperation as part of the Greater Eurasian Partnership with the Greater Tumen Initiative (GTI)—a mechanism for intergovernmental cooperation between Russia, China, South Korea and Mongolia that is supported by the UN Development Programme—would also help increase the competitiveness of those involved.⁶⁸ The development of a dialogue between the EAEU and other international organizations and multilateral initiatives, such as the Regional Comprehensive Economic Partnership (RCEP), also look promising.

The success of the initiative to link the two projects depends on how cooperation between China and the EAEU countries develops.

In 2020, the EAEU's work was mainly focused on containing the spread of coronavirus, ensuring supplies of vital goods and medical supplies, and restoring the economies of the countries in the region. Internal trade within the EAEU has dropped off significantly, as has its trade with foreign countries. Chinese commentators note that while the EEC's adoption of hundreds of decisions and recommendations during the year is testament to the willingness of the member states to work together towards a common vision for the further development of the association, none of this led to a breakthrough in practice. ⁶⁹ In 2021, the EAEU countries managed to adapt to the pandemic, which helped to gradually restore economic stability and achieve positive changes in practical cooperation.

These successes are also thanks in large part to the implementation of EAEU plans to implement domestic reforms and introduce targeted measures to promote integration processes. First, progress has been made in terms of removing barriers to integration. The creation of a supranational legal system was aided by active work that sought to harmonize the legislation of member states, develop EAEU law, and improve judicial mechanisms for ensuring that EAEU law is followed at the national and supranational levels. Second, significant work has been carried out to improve the transport and logistics infrastructure. Particular attention was paid to railway and road networks and the creation of a unified system for the movement of goods and logistics. Finally, the EAEU sought to promote unimpeded trade and labour mobility.

In addition, full-cycle production chains were established in 2021, and new points of growth emerged. The EAEU worked to speed up the industrialization of the member states in accordance with its Industrialization Map. 70 An earth remote sensing system was launched in 2020. 71 Attempts were made to stimulate organization, infrastructure and production integration in space by 2025 and increase the competitiveness of the Eurasian Economic Union in the global satellite launch

^{68 &}quot;Northeast Asian Countries Discuss Intensification of Dialogue with EAEU," Eurasian Economic Commission, September 24, 2021. URL: https://eec.eaeunion.org/news/strany-severo-vostochnoj-azii-obsuzhdayut-aktivizatsiyu-%20dialoga-s-eaes/

^{69 &}quot;Overview of Key EEC Measures and Decisions". URL: http://www.eurasiancommission.org/ru/covid-19/Pages/measures.aspx

To "EAEU Industrialization Map to Help Develop Union's Industry," Eurasian Economic Commission, July 17, 2020. URL: http://www.eurasiancommission.org/ru/nae/news/Pages/17.07.2020-6.aspx

^{71 &}quot;Intergovernmental Council Approved First Interstate Program of EAEU Countries in the Field of Space Services," Eurasian Economic Commission, July 17, 2020. URL: http://www.eurasiancommission.org/ru/nae/news/Pages/17.07.2020-2.aspx

market.⁷² On October 14, 2021, the EAEU issued its Statement on Economic Cooperation between the Member States of the Eurasian Economic Union within the Framework of the Climate Agenda, which was aimed at actively developing cooperation in the green economy and achieving the goals of the Paris Agreement.⁷³

The EAEU states continued to jointly explore the markets of third countries and develop foreign trade cooperation. It also developed measures to support the exports of companies based in the member states. In July 2021, the Eurasian Jewellery Export Bureau was established in Nur-Sultan in order to integrate the EAEU jewellery industry into the world market, promote jewellery production in the EAEU countries and improve export efficiency.⁷⁴ In August 2021, the Council of the EEC adopted a decision on the establishment of the Eurasian Reinsurance Company to further stimulate foreign investments.⁷⁵

Measures on the digital transformation of the economies of the EAEU countries were introduced in accordance with the Strategic Directions for Developing Eurasian Economic Integration until 2025.⁷⁶ A consensus was reached on issues of data processing and security, the EAEU countries are working on the introduction of unified mechanisms for the digital traceability of goods,⁷⁷ the establishment of a tax mechanism for e-commerce,⁷⁸ and the creation of a unified information system on hazardous products.⁷⁹

However, according to Chinese experts, the "bottlenecks" in integration within the EAEU have still not been eliminated. First, Russia's capacity for providing economic benefits to its EAEU partners is limited due to the dynamics of its development. Second, the Chinese side believes that the governance structure of the EAEU is centred on Russia, and the other member states have concerns about transferring some of their sovereignty to the supranational level. Third, the similarity of economic structures and export models among the EAEU member states can lead to competition in the markets.

The sanctions imposed against Russia by the United States and the West further limit the opportunities for developing economic cooperation within the EAEU. In

T2 Heads of Government of EAEU Countries Discuss Implementation of Interstate Space Programme," Eurasian Economic Commission, April 30, 2021. URL: https://eec.eaeunion.org/news/glavy-pravitelstv-stran-eaes-obsudili-hod-realizatsii-kosmicheskoj-mezhgosprogrammy/

^{73 &}quot;Statement on Economic Cooperation between the Member States of the Eurasian Economic Union within the Framework of the Climate Agenda," Eurasian Economic Commission, October 14, 2021.
URL: https://eec.eaeunion.org/upload/medialibrary/966/Zayavlenie-ramka-.pdf

^{74 &}quot;Eurasian Jewellery Export Bureau Launches its Work," Junwex, February 15, 2022. URL: https://junwex.com/news/drugie-novosti/evrazijskoe-yuvelirnoe-eksportnoe-byuro-pristupilo-k-rabote.html

^{75 &}quot;EAEU to Create Eurasia Insurance Company to Support Mutual and Foreign Trade of Member States," Eurasian Economic Commission, September 20, 2021. URL: https://eec.eaeunion.org/news/eaes-sozdast-evraziyskuyu-perestrahovochnuyu-kompaniyu-dlya-podderzhki-vzaimnoy-i-vneshney-torgovli-gosudarstv-chlenov/

^{76 &}quot;Strategic Directions for Developing Eurasian Economic Integration until 2025 (Strategy 2025), Eurasian Economic Commission. URL: http://www.eurasiancommission.org/ru/act/finpol/dobd/strategy-2025/Pages/default.aspx

^{77 &}quot;Agreement on the Traceability Mechanism for Goods Imported into the Customs Territory of the Eurasian Economic Union," Consultant Plus, May 29, 2019. URL: http://www.consultant.ru/document/cons_doc_LAW_325804/

^{78 &}quot;E-Services in EAEU to be Subject to VAT at Place of Their Consumption," Eurasian Economic Commission, February 21, 2022. URL: https://eec.eaeunion.org/news/elektronnye-uslugi-v-eaes-budut-oblagat-nds-po-mestu-ikh-potrebleniya/

^{79 &}quot;EAEU Forms Information System about Unsafe Products," Eurasian Economic Commission, February 21, 2022. URL: https://eec.eaeunion.org/news/v-eaes-formiruyut-informatsionnuyu-sistemu-ob-opasnoy-produktsii/

the context of the Ukrainian crisis, there are sharp fluctuations in the international commodity markets, which had led to increased inflationary pressure in the EAEU and could complicate the socio-political situation in a number of countries.

In this regard, Chinese commentators believe that the natural choice for the EAEU in the long term is thus to strengthen ties with the Belt and Road Initiative.

3. Overcoming the Effects of the Pandemic in Bilateral Relations in 2021–2022: Successes and Limitations

3.1. Trade and Economic Cooperation between Russia and China

Bilateral cooperation between Russia and China continued to strengthen in 2021 as the economies of the two countries adapted to COVID-19. Trade and economic cooperation demonstrated both a quantitative improvement and a qualitative advancement in terms of gradual transformation and modernization. Interaction developed in the traditional formats of large-scale projects and projects with state participation, and also in new business and market-focused forms.

Successful political and economic interaction has led to the emergence of various new strategic initiatives. The Joint Statement of the Russian Federation and the People's Republic of China on the International Relations Entering a New Era and the Global Sustainable Development touched upon a wide range of issues in bilateral cooperation: the consolidation of the EAEU and the Belt and Road Initiative; cooperation in the development and production of COVID-19 vaccines; deepening cooperation in healthcare and modern medicine in general; and many others. The success of these initiatives depends directly on the intensity of economic cooperation between the two countries, which requires a certain level of state support from both Russia and China. In addition, Moscow and Beijing have signed a number of cooperation agreements in the field of oil and gas, agriculture, satellite navigation, information technology, trade, the digital economy, and green development, thus laying a solid foundation for the further expansion of ties.

The economic development trends that have been formed form the basis for steeping up the pace of cooperation between the two countries over the next 10–15 years.⁸¹ According to a number of experts, the growing sanctions pressure on Russia and China, the emergence of new trade restrictions, and the threat of blocking SWIFT entirely and cutting off access to promising technology means that it is more important than ever to build sustainable economic ties that do not depend on the foreign policy situation. It is thus vital to expand the practice of using strategic planning approaches in various areas of economic cooperation, most importantly trade.

Russia-China Trade Cooperation

Russia-China trade saw a huge increase in 2021. According to the General Administration of Customs of the People's Republic of China, mutual trade between

^{*}Bo "Joint Statement of the Russian Federation and the People's Republic of China on the International Relations Entering a New Era and the Global Sustainable Development," President of Russia, February 4, 2022. URL: http://kremlin.ru/supplement/5770

^{81 &}quot;Alexey Maslov: "The Current Rate of Growth of Russia-China Cooperation Will Continue Over the Next 10–15 Years," The International Affairs. February 4, 2022. URL: https://interaffairs.ru/news/show/33591

the countries exceeded \$140 billion for the first time ever, reaching \$146.89 billion, which represents an increase of 35.8 percent year-on-year⁸² (*Fig. 1*).⁸³ The Federal Customs Service of Russia recorded \$140.7 billion in trade in 2021 (+35.2 percent).⁸⁴

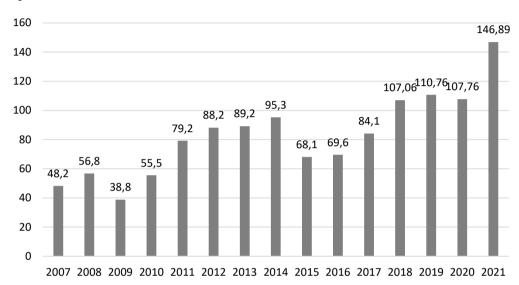


Figure 1. Russia-China Trade Turnover 2007-2021, bln. USD.

Source: Compiled by Alexander Larionov based on Russia-China Dialogue: The 2021 Model: Report No. 70/2021 / [Alexey Maslov (Head), Andrey Kortunov, (Head), et al; Zhao Huasheng (Head) et al]; Russian International Affairs Council (RIAC). Moscow: NP RIAC, 2021, P. 201.

These figures place Russia 11th in the ranking of China's main trade partners, while China has been Russia's largest trade partner since 2010.⁸⁵

That said, the main reason behind the growth in trade in 2021 was the rise in commodity prices. In actual unit numbers, trade dropped off in a number of spheres, including crude oil, iron ore, 86 timber and seafood.

Trade increased by 38.5 percent in January–February 2022,87 and given the current dynamics, this trend looks set to continue.

^{82 &}quot;Overview of Russia-China Foreign Trade in 2021," Trade Representation of the Russian Federation in the People's Republic of China. URL: http://www.russchinatrade.ru/ru/news/

^{83 &}quot;Russia-China Trade Turnover Hits New Heights in 2021," Interfax, January 14, 2022. URL: https://www.interfax.ru/business/815352

Russian Foreign Trade with Main Countries. January–December 2021," Federal Customs Service of Russia. URL: https://customs.gov.ru/storage/document/document_statistics_file/2022-02/07/cROP/WEB_UTSA_09.xlsx

^{85 &}quot;Russia-China Economic Cooperation," Trade Representation of the Russian Federation in the People's Republic of China. URL: http://www.russchinatrade.ru/ru/ru-cn-cooperation

^{*6 &}quot;Oil Imports from Russia to China Fell by 4.5 % in 2021," Neftegaz.ru. URL: https://neftegaz.ru/news/Trading/721647-import-nefti-iz-rossii-v-kitay-sokratilsya-na-4-5-v-2021-g/

^{87 &}quot;Russia-China Trade Tumover Grew by 38.5 % in January-February 2022," Trade Representation of the Russian Federation in the People's Republic of China. URL: http://www.russchinatrade.ru/ru/news/2022-03-06

Russian exports to China grew by 37.5 percent, with the total export volume reaching \$79.32 billion (*Table 1*).

Table 1. Commodity Structure of Russian Exports to China in 2021

Commodity Group	Export volume (million dollars)	Share in total exports (%)	Change compared to 2020 (%)
Minerals, fuel, oil, oil products	53,540.84	67.5	60.37
Non-ferrous metals	5723.58	7.22	30.96
Timber products	5684.14	7.17	16.36
Ores, slag, ash	4281.63	5.4	24.92
Agricultural products and food	4276.8	5.39	4.77
Precious stones and metals	1534.89	1.94	1.51
Chemicals and related products	1318.15	1.66	-18.48
Ferrous metals	1225.33	1.54	-43.58
Fertilizers	771.93	0.97	16.83
Machinery and equipment	590.74	0.74	14.03
Total	79,321.91	_	37.50

Source: Compiled by Alexander Larionov based on "Overview of Russia-China Foreign Trade for 2021," Trade Representation of the Russian Federation in the People's Republic of China.

URL: http://www.russchinatrade.ru/ru/news/; "Russia-China Trade Turnover Grew by 38.5% in January–February 2022," Trade Representation of the Russian Federation in the People's Republic of China.

URL: http://www.russchinatrade.ru/ru/news/2022-03-06

The total volume of exports reached 79.32 billion dollars. The biggest year-on-year growth was recorded for the following commodity groups: "Minerals, fuel, oil, oil products" (+60.37 percent); "Non-ferrous metals" (+30.96 percent); "Ores, slag, ash" (+24.92 percent), and "Fertilizers" (+16.83 percent).

Trade in energy resources is turning into a stabilizing factor in bilateral trade as a whole. Production has resumed at an accelerated pace since the beginning of 2021, which has led to an increased demand. Energy imports as a whole accounted for more than 65 percent of all China's imports.

The most significant results came from pipeline gas exports from Russia to China, which increased by 2.54 times compared to 2020.88 The electricity shortage caused by the disruption in global production chains forced China to increase its imports of other energy sources form Russia. Crude oil imports totalled \$40.29 billion in value terms, up 45.5 percent year-on-year, while coal imports amounted to \$7 billion (+185 percent), and natural gas to \$4.3 billion

www.russiancouncil.ru

^{88 &}quot;Oil Imports from Russia to China Fell by 4.5 % in 2021," TASS, January 20, 2022. URL: https://tass.ru/ekonomika/13474795

(+81.21 percent).89 Electricity imports from Russia totalled 4 billion kWh in 2021, or 30 per cent more than the previous year.90

Two commodity groups demonstrated negative dynamics: "Chemicals and related products" (–18.48 percent) and "Ferrous metals" (–43.58 percent).

While the absolute figures grew, the "Machinery and equipment" commodity group decreased in total exports, from 0.9 percent in 2020 to 0.74 percent in 2021.

A similar situation is observed in relation to the commodity group "Agricultural products and foodstuffs", whose share in total exports decreased from 7.1 percent to 5.39 percent. At the same time, the growth of cost indicators demonstrates the potential for expanding trade interaction in these product groups.

The Russian government should continue its work to support exporters in order to fulfil the requirements for their accreditation in China. For example, in Q3 2021, the Federal Service for Veterinary and Phytosanitary Supervision (Rosselkhoznadzor), alongside the Trade Representation of the Russian Federation in China came to an agreement with the General Administration of Customs the People's Republic of China on the conditions for the export of chilled and frozen beef from Russia to China, 91 which laid the foundations for the further growth in the supply of agricultural products. According to Chinese customs statistics, China imported 20,000 tonnes of beef from Russia in 2021, an increase of 210.2 percent from 2020, and is now the largest export market for this product.92

Agricultural projects were actively launched at the level of private companies. For example, the Chinese branch of Rusagro and the Chinese supermarket chain Century Lianhua entered into an agreement on the direct supply of Leto Krasno sunflower oil. This marked the first time that Rusagro had signed an agreement to supply goods directly to a Chinese retailer.⁹³

As for Chinese exports to Russia, a positive trend can also be identified. The volume of such trade equalled \$67.57 billion (+33.8 percent compared to 2020). Exports of certain commodity groups grew (*Table 2*), including "Ferrous metals and products made from them" (+62.98 percent), "Shoes, hats, umbrellas, walking sticks" (+49.6 percent), "Chemicals and related products" (+45.53 percent), "Machinery and equipment" (42.6 percent), etc.

^{89 &}quot;Analysis Report and Statistical Data on Foreign Trade between Russia and China in 2021," Trade Representation of the Russian Federation in the People's Republic of China.

URL: http://www.russchinatrade.ru/assets/files/ch-ru-cooperation/202021.pdf

⁹⁰ "Russian Electricity Exports to China Could Reach 4 billion kWh This Year," Interfax, November 29, 2021. URL: https://www.interfax.ru/business/805454

^{91 &}quot;Protocol Signed on Russian Beef Exports to China," Trade Representation of the Russian Federation in the People's Republic of China. URL: http://www.russchinatrade.ru/ru/news/2021-09-22

⁹² "General Administration of Customs of the People's Republic of China: Russia-China Trade Volume to Exceed 900 billion yuan in 2021" (in Chinese: 2021年中俄贸易额首次突破9000亿元), Chinanews, January 27, 2022. URL: https://baijiahao.baidu.com/s?id=1723116670009200548&wfr=spider&for=pc

⁹³ "Rusagro Announces Dispatch of Train Carrying Bottled Sunflower Oil to China," Rusagro Group, November 12, 2021. URL: https://www.rusagrogroup.ru/ru/investoram/novosti-i-sobytija/press-relizy/ledinoe-predstavlenie/article/1134/

Table 2. Commodity Structure of Chinese Exports to Russia in 2021

Commodity Group	Export volume (million dollars)	Share in total exports (%)	Change compared to 2020 (%)
Machinery and equipment	35,739.75	52.89	42.6
Chemicals and related products	7200.65	10.66	45.53
Textiles and textile products	4731	7	-7.74
Miscellaneous industrial products	4162.52	6.16	15.8
Ferrous metals and products made from them	3372.25	4.99	62.98
Shoes, hats, umbrellas, walking sticks	2648.63	3.92	49.6
Raw hides and leathers, natural furs and products made out of them	2068.94	3.06	-10,22
Miscellaneous precious metals, metal ceramics and products made from them	1659.87	2.46	40.40
Agricultural products and food	1587.19	2.35	13.95
Products made from stone, plaster, cement, asbestos, mica, ceramic products and glass	1087.89	1.61	9.63
Non-ferrous metals and products made from them	627.56	0.93	39.64
Total	67,565.33	-	33.57

Source: Compiled by Alexander Larionov based on "Overview of Russia-China Foreign Trade for 2021," Trade Representation of the Russian Federation in the People's Republic of China.

URL: http://www.russchinatrade.ru/ru/news/; "Russia-China Trade Turnover Grew by 38.5% in January–February 2022," Trade Representation of the Russian Federation in the People's Republic of China.

URL: http://www.russchinatrade.ru/ru/news/2022-03-06

Negative dynamics were observed in the commodity groups "Textiles and textile products" (–7.74 percent) and "Raw hides and leathers, natural furs and products made out of them" (–10.22 percent).

What stands out to Chinese experts is the pace at which the Russian economy recovered, which exceeded all expectations: annual growth amounted to 4.7 percent, while capital investment and consumer spending increased by 7 percent and 7.1 percent, respectively. 4 Another reason for this is the increase in demand for goods from China, thus helping to boost Chinese exports.

Trade in equipment demonstrated rapid growth. According to Chinese statistics, bilateral trade in engineering and electrical products totalled \$43.4 billion. 95 This

⁹⁴ "Rosstat Releases First GDP Estimates for 2021," Federal State Statistics Service. February 18, 2022. URL: https://rosstat.gov.ru/folder/313/document/154254

^{** &}quot;Trade and Economic Cooperation between Russia and China Brings Fruitful Results," People's Daily Online, February 11, 2022. URL: http://russian.people.com.cn/n3/2022/0210/c31518-9956045.html

represents a growth rate of 40.7 percent, 4.8 percentage points higher than the growth of mutual trade as a whole.

Trade turnover between Russia and China is growing at a faster rate (+35.8 percent) than China's foreign trade turnover as a whole (+30 percent). At the same time, it is necessary to promote Russian manufacturers more actively on the Chinese market. This work continued in 2021–2022. For example, the Russian Export Center signed a memorandum of cooperation with Alibaba Group to hold regular training, webinars and other online events to promote Russian products in China as a way to encourage Russian enterprises to expand exports into China.⁹⁶

E-commerce remains a particularly promising area, and it is consistent with the goal to develop Russia's digital economy. According to Chinese statistics, e-commerce grew 187 percent in annual terms between January and November 2021.97 Chinese data suggests that orders from Chinese suppliers account for 70 percent of all of Russia's cross-border e-commerce orders, with AliExpress Russia being extremely popular in the country. In early 2022, a campaign was launched to promote Russian products on the Tmall and Hema platforms. Goods worth 723 million roubles were sold in the ten days from January 10 to 20.98 The total volume of cross-border e-commerce reached 2.15 billion yuan, according to Chinese estimates.

According to Russian experts, it would be wise to develop a national classification system of the most effective tools as a way to support the production and further export of Russian goods to China and possibly scale up the best economic cooperation practices at both the regional and federal levels. The classification system should list the tools of state support available to companies planning to export their products. Examples of such tools include preferential loans in the agricultural sector, ⁹⁹ an emergency assistance mechanism in the form of a "hotline," ¹⁰⁰ support for Russian companies when promoting new brands to the Chinese market through e-commerce, ¹⁰¹ etc.

Today, state regulation in trade should compensate for the negative impact of various external factors, including COVID-19. In particular, transit problems persisted in 2021 due to anti-COVID restrictions, and the Zabaykalsk—Manchuria and Pogranichny—Suifenhe border crossing points suffered too.¹⁰² Chinese

^{** &}quot;Russian Export Centre and Alibaba.com Sign Memorandum on the Sale of Russian Goods," RIA Novosti, June 2, 2021. URL: https://ria.ru/20210602/memorandum-1735298821.html

^{97 &}quot;Trade and Economic Cooperation between Russia and China Brings Fruitful Results," People's Daily Online, February 11, 2022. URL: http://russian.people.com.cn/n3/2022/0210/c31518-9956045.html

^{*8 &}quot;Russian Goods Worth 700 million roubles Sell Out in 10 Days in China," Prime Economic Information Centre, January 21, 2022. URL: https://1prime.ru/world/20220121/835851923.html

⁹⁰ "Concessional Lending. Measures of State Support for the Agroindustrial Complex," Ministry of Agriculture of the Russian Federation. URL: https://mcx.gov.ru/activity/state-support/measures/preferential-credit/info-perechen-upolnomochennykhbankov/epizooticheskava-situatsiya/

[&]quot;Support "Hotline" for Those Involved in Foreign Economic Activities," Trade Representation of the Russian Federation in the People's Republic of China. URL: http://www.russchinatrade.ru/ru/news/2022-03-13

^{101 &}quot;Overview of the Chinese Confectionary Market," Trade Representation of the Russian Federation in the People's Republic of China. URL: http://www.russchinatrade.ru/ru/import_export/selhoz

^{102 &}quot;Record Backlog of Heavy Trucks on Chinese Border," Vedomosti, October 31, 2021. URL: https://www.vedomosti.ru/business/articles/2021/10/31/893811-kitaem-probki

commentators stress that the difficulties are not associated exclusively with epidemiological measures, but also with the fact that some routes have been restructured, port equipment is lacking, and customs clearance procedures are inefficient.¹⁰³

Permanent mechanisms of state support need to be introduced to counter the possibility of significant problems in trade between countries that could lead to huge economic losses.

Increasing the efficiency of customs clearance processes is of particular importance for promoting Russia—China transport links. Transit time needs to be cut, and conditions created to ensure the safety of the goods delivered. The latter is especially relevant for Russian agricultural exports. ¹⁰⁴ This problem was at least partially solved in 2021, when the first refrigerated train from Moscow to Qingdao was launched. ¹⁰⁵ Russian Post established the subsidiary company RP Logistics HK in Hong Kong, which will serve as a logistics centre to increase the speed of delivery and reduce costs. ¹⁰⁶

According to Russian observers, trade turnover can also be increased by unlocking the potential of strategic planning tools. If utilized, these tools can institutionalize interaction, which in turn promotes the development of bilateral cooperation through the creation of sustainable channels of interaction. This establishes a basis for businesses to develop ties and ensures that they receive the necessary support in the event of a crisis.

On February 4, 2022, the Russian and Chinese sides signed a roadmap to increase trade in goods and services between the two countries. The goal is to increase mutual trade to \$200 billion by 2024. The roadmap also contains a detailed plan for increasing Russian exports of goods and services by 2024 and identifies specific actions in this respect. This approach will likely enhance the level of contingency in the implementation of the trade policies of the two countries.

According to the Chinese side, the growth of Russia—China trade is hampered by a number of barriers, including protective measures introduced in Russia and the EAEU in the context of the pandemic to maintain stability in the domestic market. These include, in particular, tariff measures in respect of agricultural exports. For example, floating duties were introduced on the supply of oilseeds to countries outside the EAEU. The duty on soybeans was set at 20 percent, or a minimum

According to the Global Competitiveness Report 2019, Russia is in 99th place in terms of "Border Clearance Efficiency." See: "The Global Competitiveness Report 2019," World Economic Forum. URL: https://www3.weforum.org/docs/WEF_TheGlobalCompetitivenessReport2019.pdf

[&]quot;Two Border Crossings Stop Non-Container Freight en Route from Russia to China," Vedomosti. December 1, 2021. URL: https://www.vedomosti.ru/business/articles/2021/11/30/898356-dva-pogranperehoda

[&]quot;First High-Speed Refrigerated Trains Makes Journey along Qingdao—Moscow Route," RZD Partner Information Agency, May 24, 2021.

URL: https://www.rzd-partner.ru/zhd-transport/news/po-marshrutu-tsindao-moskva-otpravlen-pervyy-uskorennyy-refpoezd/

[&]quot;Russian Post Opens Subsidiary in Hong Kong," Vedomosti, May 27, 2021. URL: https://www.vedomosti.ru/business/news/2021/05/27/871648-pochta-rossii-sozdala-dochernyuyu-kompaniyu-v-gonkonge

[&]quot;Russia and China to Increase Trade in Goods and Services to \$200 Billion by 2024," Ministry of Economic Development of the Russian Federation, February 4, 2022. URL: https://www.economy.gov.ru/material/news/rossiya_i_kitay_uvelichat_ tovarooborot_do_200_mlrd_dollarov_ssha_k_2024_godu.html

of \$100/t.¹⁰⁸ According to Chinese data, China imported 548,000 tonnes of soybeans from Russia in 2021, which is 20 percent less than in 2020, making the plan to deepen cooperation between Russia and China in the import and export of soybeans that much more difficult. China fell from first to third in the list of Russia's main importers of agricultural products,¹⁰⁹ and the share of agricultural products in China's imports from Russia decreased by 1.7 percent compared to the same period in 2020. Trade in agro-industrial products is seen as a growth point for mutual trade.

A number of anti-dumping measures were also introduced: in 2021, the EEC extended such measures for a period of five years on pipes supplied by China for drilling oil and gas wells,¹¹⁰ certain types of Chinese bulldozers¹¹¹ and truck tyres.¹¹²

Chinese experts also point to the uncertainty of Russia's economic policy. This refers in particular to the floating tariffs introduced on the export of certain types of agricultural products. The frequent adjustments of export duties make it impossible to predict the dynamics of contract prices, which affects the stability of trade and investment cooperation.

The Chinese are also concerned about Russia's plans to introduce a digital tax on foreign IT companies, including marketplaces.¹¹⁴ The parties pursue different tariff policies in cross-border e-commerce: China's tariff threshold for retail imports of e-commerce goods is 5000 yuan (approximately 700 euros),¹¹⁵ compared to 200 euros in Russia, and plans are to reduce this even further, although it was temporarily increased to 1000 euros.¹¹⁶ Cross-border e-commerce is a promising area of mutual trade, but duties are hindering its development to a certain extent.

^{108 &}quot;Government to Extend Export Duty on Soybeans at Reduced Rate," Interfax, April 30, 2020. URL: https://www.interfax.ru/business/764081

[&]quot;Russian Agricultural Exports Increase by 21.6 % in 2021," Prime, January 12, 2022. URL: https://lprime.ru/Agriculture/20220112/835751192.html

EEC Extends Anti-Dumping Duty on Steel Pipes from China to 2026," Customs Forum, April 28, 2021. URL: https://customsforum.ru/news/business/eek-prodlila-antidempingovuyu-poshlinu-na-stalnye-truby-iz-kitaya-do-2026-goda-555612.html

[&]quot;Anti-Dumping Duty on Bulldozers from China Extended for 5 Years," Eurasian Economic Commission, June 29, 2021.
URL: https://eec.eaeunion.org/news/antidempingovaya-poshlina-na-buldozery-iz-knr-prodlena-na-5-let/

^{*}EEC Board Extends Anti-Dumping Duty on Truck Tyres from China for 5 Years," Eurasian Economic Commission, June 29, 2021. URL: https://eec.eaeunion.org/news/kollegiya-eek-prodlila-srok-dejstviya-antidempingovoj-poshliny-nagruzovye-shiny-iz-knr-na-5-let/

The Ministry of Agriculture of the Russian Federation announces export duty rates for wheat, barley and com on its official website on the last business day of the week, and they come into force on the third business day after the announcement. See: "Export Duty on Wheat from Russian Federation Cut for Sixth Week Running," Interfax, February 18, 2022. URL: https://www.interfax.ru/business/822848

^{114 &}quot;Russia to Introduce Digital Tax in Absence of OECD Agreement," Izvestia Iz, June 8, 2021. URL: https://iz.ru/1176024/2021-06-08/rossiia-vvedet-tcifrovoi-nalog-pri-otsutstvii-dogovorennosti-oesr

[&]quot;Research into Approaches Used in Foreign Countries to Change the Thresholds for the Duty-Free Import of Goods and Practices for Applying the Model for the Operation of Customs ("Bonded") Warehouses (Zones)," Financial Research Institute of the Ministry of Finance of the Russian Federation. URL: https://www.nifi.ru/images/FILES/Reports/doklad_ porogi.pdf

[&]quot;EEC Council Approves 5-Fold Increase in Threshold for Duty-Free Online Trading in EAEU," Interfax, March 17, 2022. URL: https://www.interfax.ru/business/829862

Price fluctuations on global markets also affect Russia—China trade turnover. The strong economic recovery in some countries has led to a sharp increase in demand for commodities, causing prices to increase accordingly around the world. A drop-off in energy prices in the future will negatively impact bilateral trade between the two countries

Chinese observers blame the lack of preferential agreements in Russia-China relations for the limitations in cooperation between the countries, which reduces competitiveness in the implementation of the RCEP Free Trade Agreement. To remedy this and ensure the qualitative development of interaction, the parties must activate the cooperation agreements that have already been signed and develop bilateral ties in the following areas: economy and trade, agriculture, science and technology, aerospace, communications, and finance.

Investments and Major Joint Projects

Work to stimulate investment cooperation between Russia and China continued in 2021 and early 2022. On November 30, 2021, a Joint Communiqué was published at the conclusion of the 26th Regular Meeting between the Chinese and Russian Heads of Government, that pays significant attention to investment cooperation between the two sides, in particular increasing mutual investments to ensure sustainable development.¹¹⁷ The state bodies of the two countries have been assigned a coordinating role in this process.

In addition, on February 4, 2022, the Ministry of Economic Development of the Russian Federation and the Ministry of Commerce of the People's Republic of China signed a Memorandum of Understanding on deepening investment cooperation in sustainable ("green") development at the Russia-China Summit in Beijing.¹¹⁸ The document covers areas such as support for investments in the energy sector, resource-saving technologies, the production of smart chargers, and research activities.¹¹⁹

The accelerated process of resuming production in Russia and China contributed to the development of investment cooperation, with investment activity in 2021 proving to be reasonably high. According to the Ministry of Commerce of the People's Republic of China, Chinese foreign direct investment in Russia for the period January–October 2021 increased by 39.1 percent year-on-year.¹²⁰

This, among other things, became possible thanks to state support. Particularly, new joint projects developing cooperation in the field of medicine and the establishment of separate production facilities were additionally agreed upon at the 8th meeting of the Intergovernmental Russian-Chinese Commission on Investment

[&]quot;Joint Communiqué on the Results of the 26th Regular Meeting of the Russian and Chinese Heads of Government," The Russian Government. URL:http://static.government.ru/media/files/jLtBZyRLWHH1Ql3JR3nEiAnjtydeNJEc.pdf

^{*}List of Documents Adopted During the Visit of President of the Russian Federation Vladimir Putin to China, President of Russia, February 4, 2022. URL: http://kremlin.ru/supplement/5769

[&]quot;Ministry of Economic Development: Russia and China Agree to Increase Trade Turnover to \$200 billion by 2024," TASS, February 4, 2022. URL: https://tass.ru/ekonomika/13622355

^{120 &}quot;Chinese Direct Investments into Russia Increase by 39 % in January–October 2021," RIA Novosti, December 3, 2021. URL https://ria.ru/20211203/investitsii-1761990484.html

Cooperation in 2021.¹²¹ The Commission's portfolio contains projects worth a total of \$120 billion.¹²² New channels for project financing are provided by the Russia-China Investment Fund and the China-Russia Joint Science and Technology Innovation Fund.

The implementation of numerous joint projects of all sizes continued. Construction of the Tongjiang-Nizhneleninskoye railway bridge was completed. The Blagoveshchensk—Heihe road bridge is expected to open in the first half of 2022.

Transport is a particularly critical area of cooperation, given the opportunities that transit between China and Europe through Russian territory creates. Rail freight transport between China and Europe is developing rapidly: 15,000 trains used the route in 2021, up 22 percent from the previous year, 125 and a significant share of freight traffic passes through Russia. Public and private initiatives have been launched to unlock the transit potential. For example, Belyi Rast Container Terminal near Moscow launched seven China—Europe routes in 2021. 126

Cooperation in construction also managed to develop, despite the pandemic-related restrictions. According to Chinese data, China has concluded project contracts in Russia to the tune of more than \$5 billion the past three years running, with the turnover of completed projects hitting a record high of \$5.6 billion in 2021.¹²⁷ One project was the construction of the southwestern section of the Third Interchange Circuit of the Moscow Metro with the participation of China Railway Construction Corporation Limited, which was officially launched in December 2021. This marked the first time that a Chinese company had been involved in the construction of a Russian underground line.¹²⁸

Both sides actively promote the construction of large strategic facilities in the energy sector. In January 2021, work began on the southern section of the Russia—China Eastern Route Natural Gas Pipeline (Yongqing-Shanghai Section).¹²⁹ In May 2021, construction of the seventh and eighth power units of the Tianwan

^{121 &}quot;Putin and Xi Jinping Make Statement on International Issues," Rossiyskaya Gazeta, June 6, 2022. URL: https://www.ng.ru/economics/2021-12-01/1 8315 investments.html

¹²² Article by Vladimir Putin "Russia and China: A Future-Oriented Strategic Partnership" for the Chinese News Agency Xinhua," President of Russia, February 3, 2022. URL: http://kremlin.ru/events/president/news/67694

^{123 &}quot;Construction of Russian Section of Railway Bridge between Russia and China Across Amur River Completed in Jewish Autonomous Region," Interfax, April 27, 2022. URL: https://www.interfax.ru/russia/838117

^{124 &}quot;Amur Government Announces Date for Opening of International Bridge Across Amur River for Freight Transport. But What about Passenger Transport?" Amur Life, April 12, 2022. URL: https://www.amur.life/news/2022/04/12/v-amurskompravitelstve-rasskazali-kogda-mezhdunarodnyy-most-cherez-amur-otkroetsya-dlya-gruzovogo-transporta-chto-spassazhirskimi-perevozkami

^{125 &}quot;Europe is Sending More Container Trains Back to China than it is Receiving," January 12, 2022. URL: https://logirus.ru/news/transport/evropa_vozvrashchaet_kitayu_bolshe_konteynernykh_poezdov-_chem_prinimaet.html

^{126 &}quot;China and Russia Are Building a Railway Station at Russia's Biggest Logistics Centre," Taixin International Logistics. URL: http://www.tx-ru.com/index.php?case=archive&act=show&aid=538

^{127 &}quot;Ministry of Commerce: Cost of Recent Russia-China Construction Contracts Exceeds \$5 billion for Third Year Running," (in Chinese: 商务部: 中方在俄罗斯新签工程承包合同额连续三年超50亿美元), Morning Paper, January 27, 2022. URL: https://baijiahao.baidu.com/s?id=1723098129863855084&wfr=spider&for=pc

^{128 &}quot;First Section of Moscow Metro Built with Participation of Chinese Enterprise Launched," Russian People, December 10, 2021. URL: http://russian.people.com.cn/n3/2021/1210/c31519-9931116-7.html

^{129 &}quot;Construction Begins on Southern Branch of Russia—China Gas Pipeline," RIA Novosti, January 7, 2021. URL: https://ria.ru/20210107/gazoprovod-1592222933.html

Nuclear Power Plant and the third and fourth power units of the Xudabao Nuclear Power Plant in China was officially launched. 130

The Chinese oil and gas corporation Sinopec Refinery Engineering Group won the tender for the largest joint Russia-China project in the chemical industry—the Amur Gas Chemical Complex.¹³¹ Sibur is the partner on the Russian side.

Chinese companies have opened production facilities in Russia, including Haier (smart refrigerators), ¹³² Great Wall (smart cars), ¹³³ and Xiaomi (smart speakers). ¹³⁴ The scale of production is gradually increasing, and products are selling well.

During the pandemic, the development of the digital economy jump-started interaction in new areas—smart transportation, telemedicine, distance learning, and remote payments. For example, the Chinese company Didi launched an online taxi service in 20 Russian cities, although it was later reported that the company was planning to leave the Russian market.¹³⁵

Expanding the use of strategic planning tools can also help boost cooperation. Promising areas need to be identified, taking the competitive advantages of the two countries into account. This could come in the way of increasing investments in the energy sector, resource-saving technologies, and other R&D.¹³⁶

Cooperation in Finance

Moscow and Beijing pay considerable attention to the issue of settlements in national currencies, which had exceeded 10 percent of all mutual settlements by the beginning of 2022.¹³⁷ Other data suggests that the yuan currently accounts for more than 17 percent of Russia–China settlements.¹³⁸ China's currency contains 17.1 percent of Russia's international reserves.¹³⁹ The sides are interested in deepening cooperation in this area in order to reduce possible currency risks.

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^{130 &}quot;Launch of Construction of New Power Units at Tianwan and Xudapu Nuclear Power Plants," President of Russia, May 19, 2021. URL: http://kremlin.ru/events/president/news/65606

[&]quot;Sibur and Sinopec Continue Joint Implementation of Amur MCC Construction Project," TASS, March 25, 2022. URL:https://tass.ru/ekonomika/14187813?utm_source=google.com&utm_medium=organic&utm_campaign=google.com&utm_referrer=google.com

[&]quot;Haier to Open "Smart Plant" for Production of Refrigeration Equipment in Tatarstan," Tatar Inform, June 3, 2022. URL: https://www.tatar-inform.ru/news/haier-otkryl-v-tatarstane-umnyi-zavod-po-proizvodstvu-xolodilnogo-oborudovaniya-5824968

^{133 &}quot;Great Wall Says it Will Stay in Russia and is Considering New Long-Term Investments," Avtostat Analytical Agency, April 1, 2022. URL: https://www.autostat.ru/news/51135/

[&]quot;Xiaomi to Announce Marusiya," Kommersant, July 12, 2021. URL: https://www.kommersant.ru/doc/4898381

¹³⁵ Anastasia Lvova, "Don't Forget to Not Leave on Your Way Out: Didi Taxi Decides to Stay in Russia," Izvestia Iz, March 2, 2022. URL: https://iz.ru/1298823/anastasiia-lvova/ukhodia-ne-ukhodi-servis-taksi-didi-reshil-ostatsia-v-rossii

^{*}New Frontiers of Cooperation," Rossiyskaya Gazeta, March 29, 2022.
URL: https://rg.ru/2022/03/29/rossiia-i-kitaj-naceleny-na-uverennoe-uvelichenie-obemov-dvustoronnej-torgovli.html

^{137 &}quot;Russia and China Increase Settlements in National Currencies," Prime, January 10, 2022. URL: https://lprime.ru/Forex/20220110/835726583.html

^{138 &}quot;Interview with China's Ambassador to Russia Zhang Hanhui," Russian-Chinese Business Council, February 28, 2022. URL: https://rcbc.ru/ru/interview/intervyu-posla-knr-v-rf-chzhan-hanhueya/

^{139 &}quot;Share of Gold in Russia's Reserve Funds Reaches 38.6%," Vesti, April 11, 2022. URL: https://www.vesti.ru/finance/article/2702244

Demand for co-badged MIR—Unionpay cards has increased since Visa and Mastercard abandoned Russia. At least 35 percent of Russians are interested in such a card so that they can make payments abroad. Several Russian banks have experience in this area: since 2017, the share of such cards in the portfolio of Russian Agricultural Bank has reached 4 percent. Use can expect to see cooperation in the carrying out joint projects in payment systems grow even stronger in 2022.

Interaction will develop against the backdrop of intensifying anti-Russian sanctions policies, meaning that the two countries will need to increase their economic security moving forward. The resources of the Representative Office of the Bank of Russia in the People's Republic China can be used to help promote development in this area.

There is also potential for development in cooperation between commercial banks. Chinese and Russian banks are opening representative offices and branches in partner countries. The Russia-China Finance Alliance, created at the initiative of Harbin Bank, which includes 72 members. More than a dozen cooperation agreements have been signed between them. It alliance includes financing, settlements, foreign exchange transactions, money transfers, and other operations. As of the end of June 2021, Harbin Bank had transferred 362 million yuan (around 50.5 million euros) and 7.1 billion roubles (105.5 million euros) to Russia. It addition, Harbin Bank joined SberCIB Terminal, Sberbank's platform for foreign exchange trading on the financial market.

Participation of the Russian and Chinese Regions in Cooperation

The success of building up economic cooperation between Russia and China is closely linked to issues of interregional ties. Interregional cooperation has acquired certain new features in recent years: first, its geography has expanded to include coastal provinces and central cities in addition to the traditional border areas; and second, the forms of cooperation are becoming more diverse and innovative formats such as the construction of tech parks are becoming more widespread.

Russian and Chinese commentators note the following examples of projects at the regional level in 2021:

[&]quot;One in Three Russians Wanted Joint 'Mir' and UnionPay Cards," Sekret firmy, March 13, 2022. URL: https://secretmag.ru/news/kazhdyi-tretii-rossiyanin-zakhotel-oformit-sovmestnuyu-kartu-mir-i-unionpay-13-03-2022.htm

[&]quot;UnionPay Account Reaches Thousands," Kommersant, March 11, 2022. URL: https://www.kommersant.ru/doc/5251525

^{142 &}quot;Moscow Hosts Second Russia-China Forum on Financial Cooperation," (in Chinese: 第二届中俄金融合作论坛在莫斯科召开), CRI, September 13, 2019. URL: https://baiiiahao.baidu.com/s?id=1644528422504624920&wfr=spider&for=pc

^{*}Work of Russia-China Financial Alliance Recognized by Governments of Both Countries, and the Development of Business in Russia Has Opened Up New Opportunities for Harbin Bank," (in Chinese: "中俄金融联盟"工作获两国官方肯定 哈尔滨银行对俄业务发展迎来新机遇), Sohu, September 9, 2019. URL: https://www.sohu.com/a/339717598_639898

^{144 &}quot;Harbin Bank: Financial Services Help Belt and Road Initiative Lead Russia-China Cross-Border Financial Cooperation in Many Areas," (in Chinese: 哈尔滨银行:金融服务助力"一带一路"多方位引领中俄跨境金融合作), Stock, December 27, 2021. URL: http://stock.10jqka.com.cn/hks/20211227/c635463490.shtml

^{145 &}quot;China's Harbin Bank Joins the SberCIB Terminal Platform for Carrying Out Foreign Currency Transactions," SBER Press, April 6, 2021. URL: https://press.sber.ru/publications/kitaiskii-bank-kharbina-prisoedinilsia-k-sbercib-terminal-platformedlia-provedeniia-valiutnykh-sdelok

First, Tula Oblast is actively building ties with China. The region's trade turnover with China for January–July 2021 amounted to \$530 million. This was achieved largely thanks to the launch of a strategically important project—the construction of the Haval automobile plant. Cooperation may expand even further following the start of construction of a plant for the production of automobile engines at the Uzlovaya industrial park. Despite the fact that China shut down production of the Haval H9 model at home, the Russian plant continues to operate. The successful past experience of implementing a regional investment project serves as a basis for expanding cooperation in the future through the development of networking cooperation.

The second successful example of interaction is the cooperation between China and Moscow Region in the construction of the Belyi Rast Container Terminal, a joint investment project of Russian Railways and Liaoning Port Group. 148 Investments amounted to \$347 million, and 2000 jobs were created in the region. 149

Third, in early 2022, JSC Sichuan Railway Investment Modern Agricultural Development announced the construction of a milk processing plant in the Republic of Tatarstan.¹⁵⁰ Investments in the project amounted to more than 12 billion roubles (approximately 180.5 million euros). The implementation of this project is extremely promising for the development of the agricultural complex.

Fourth, Heilongjiang Province, Guangdong Province and Amur Oblast are working on a new model of interregional cooperation named "Two Countries, Three Regions" that is aimed at regional growth and the coordination of projects for the development of Northeast China, the Great Bay area (Guangdong—Hong Kong—Macau) and the Russian Far East. ¹⁵¹ Cross-border supply and production chains are to be set up jointly, and points of growth for interregional integration created.

Fifth, work is under way on the creation of a Russian Centre in the China–SCO Local Economic and Trade Cooperation Demonstration Zone in Qingdao, China, ¹⁵² that will serve as the information headquarters for Russia—China regional investment cooperation, the centre of gravity for Russian enterprises in China and a focus for cultural tourism and scientific and technological cooperation, with a total investment of approximately 2 billion yuan (280 million euros).

Sixth, regional scientific and technical cooperation is developing. A memorandum of Cooperation was signed between Beijing's Changping District and Mos-

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^{146 &}quot;Tula Oblast Continues to Develop Cooperation with China," Tulskaya pressa, December 12, 2021. URL: https://www.tulapressa.ru/2021/10/tulskaya-oblast-prodolzhaet-narashhivat-sotrudnichestvo-s-knr-4612/

^{147 &}quot;HAVAL Plant in Tula to Continue Operations, Despite Production Shut-Down in China," TNS24, December 14, 2021. URL: https://www.tsn24.ru/news/ekonomika/tulskiy-zavod-haval-prodolzhit-rabotu-nesmotrya-na-zakrytie-proizvodstva-v-kitae/

¹⁴⁸ Belyi Rast Container Terminal. URL: https://brterminal.ru/ext/main

^{149 &}quot;Chinese Investors Pump More than \$750 Million Into Moscow Region," Ministry of Investment, Industry and Science of Moscow Region, November 10, 2021. URL: https://mii.mosreg.ru/sobytiya/novosti-ministerstva/10-11-2021-14-57-11-kitayskie-investory-vlozhili-v-podmoskove-bolee

^{150 &}quot;Chinese Company to Build 12 Billion Rouble Dairy Factory in Tatarstan," Milknews. Dairy Market News, January 20, 2022. URL: https://milknews.ru/index/molochnye-produkty/tatarstan-molokjo.html

^{151 &}quot;Video Meeting Held between Heads of China's Heilongjiang and Guangdong Provinces and Russia's Amur Oblast," People.cn, June 24, 2021. URL: http://hlj.people.com.cn/n2/2021/0624/c220027-34793063.html

^{152 &}quot;New Russian Centre Opens in China," RIA Novosti, November 29, 2021. URL: https://ria.ru/20211129/sotrudnichestvo-1761269656.html

cow's Troitsk City District on the creation of a new platform for high technologies as part of the Years of Scientific, Technical and Innovative Cooperation.¹⁵³

Support for interregional cooperation between Russia and China is typically carried out with the participation of the regional authorities, which act as a guarantor of sustainable interaction. At the same time, it is also necessary to create flexible private support mechanisms that ensure cooperation on a bilateral basis with minimal involvement of the state bodies.

In 2022, great uncertainty surrounds the development of the global economy, and the COVID-19 pandemic persists. The IMF has lowered its forecast for global GDP growth from 4.4 percent to 3.6 percent (compared to 6.1 percent in 2021).¹⁵⁴ The slowdown in economic growth, rising unemployment and inflation, volatility in the commodities markets, and ongoing geopolitical conflicts also complicate trade and economic cooperation between Russia and China.

Russian observers note that economic cooperation between the sides will likely intensify in 2022 in response to the expansion of the sanctions policy in order to ensure the economic security of Russia and China. According to them, Russia-China interaction can be sustained by expanding the practice of using strategic planning tools, setting targets for various indicators, and drawing up a list of measures that need to be taken. This will compensate for the increased risks for the global economy.

3.2. Humanitarian Cooperation between Russia and China

The Social Foundations of Russia-China Cooperation

A stable foundation for humanitarian cooperation between Russia and China has developed in recent years. Bilateral relations are described as "better than they have ever been," not only by government officials, but also by the general public. Opinion polls confirm this; over 91 percent of Russian respondents and 98 percent of Chinese respondents feel that bilateral relations will grow even deeper; 72.6 percent of Russians and 87 percent of Chinese believe that the two countries should work to strengthen comprehensive strategic cooperation.¹⁵⁵

Residents of the two countries see development as the main strength of the partner state. In 2021, almost 75 percent of Russian respondents spoke favourably about Beijing's achievements in carrying out reforms and becoming more open, believing that China has made an important contribution to global development and peacekeeping. In turn, 75.4 percent of Chinese respondents believe that Rus-

^{153 &}quot;China-Russia Competition of Scientific and Technological Innovations Wraps Up in Beijing," CGTN, September 11, 2021. URL: https://russian.cgtn.com/n/BfJEA-CEA-CcA/ECHDIA/index.html

^{154 &}quot;IMF Forecast for Global Economic Recovery in Coming Years Worse than Expected," Forbes, April 20, 2022. URL: https://www.forbes.ru/finansy/463091-mvf-uhudsil-prognoz-vosstanovlenia-mirovoj-ekonomiki-na-blizajsie-gody

^{155 &}quot;Russia-China Relations: A Long-Term, Mutually Beneficial Partnership Focused on the Future," (in Chinese: 中俄关系: 计之长远,面向未来的好伙伴!), China.org.cn, February 7, 2022. URL: http://www.china.com.cn/opinion2020/2022-02/07/content_78031910.shtml

sia's natural wealth, technical resources and human capital can provide powerful support for the country's development.¹⁵⁶

In developing social and cultural exchanges, countries learn from one another; they discover the merits of their partner. Accordingly, opinion polls suggest that the most important characteristics of Chinese people are "industriousness," "conscientiousness" and "peacefulness." In turn, the Chinese respondents noted "strength," "courage" and "self-confidence" as the most characteristic features of Russian people. 157

Humanitarian cooperation received a boost in 2021 and early 2022. The period before that was marked by a number of important events. First there was the 20th anniversary of the Treaty of Good-Neighbourliness and Friendly Cooperation Between the People's Republic of China and the Russian Federation, the extension of which was supported by 89 percent of Russian people and 97 percent of Chinese people, according to opinion polls. Then there was the 20th anniversary of the establishment of the Shanghai Cooperation Organisation, the 100th anniversary of the Communist Party of China, and the XXIV Winter Olympics in Beijing. These events created an additional favourable background for the promotion of humanitarian cooperation projects. Mutual understanding and friendship between the peoples of Russia and China deepened both at the official and unofficial levels.

Significant challenges also remained. Chief among these was the COVID-19 pandemic, which made most types of face-to-face contact impossible. On the flipside, the use of digital tools increased greatly as a result. Other challenges include growing geopolitical tensions, which manifested themselves in the unprecedented confrontation around Ukraine.

Results of Humanitarian Cooperation in 2021 at the Official Level

Russia-China humanitarian cooperation relies on the support of the governments of the two countries, reflecting the growing interest of the peoples in the history and culture of Russia and China. Humanitarian relations planning is arranged at the highest level.

Meetings of the Russian-Chinese Commission for Humanitarian Cooperation take place annually, coordinating government agencies at all levels to organize various joint events. The Commission held its 22^{nd} meeting via video link on November 16, 2021 and was attended by Deputy Prime Minister of Russia Tatyana Golikova and Vice Premier of the People's Republic of China Sun Chunlan. The sides noted the positive dynamics in overcoming the consequences of the pandemic and moving social and cultural exchanges to a new level. Despite the "difficult situation in the world," cooperation in education, cinematography, sports, media, archiving, youth policy and other areas have been developing steadily, and a number of events were held online.

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^{156 &}quot;How Can Public Opinion in Partner Countries be Assessed? Public Opinion Survey Report on Russia-China Relations Released," (in Chinese: 怎样评价对方人民?中俄关系民意调查报告发布) // Peking Gazette, January 28, 2022. URL: https://baijiahao.baidu.com/s?id=1723196108118559677&wfr=spider&for=pc

^{157 &}quot;Results of the "2021 Public Opinion of China and Russia" Poll Published," Rossiyskaya Gazeta, January 29, 2022. URL: https://rg.ru/2022/01/29/opublikovany-itogi-socoprosa-obshchestvennoe-mnenie-o-kitae-i-rossii-2021.html

The participants in the meeting also assessed the implementation of the Programme of Activities of the Russia-China Subcommittee on Cooperation in Archiving for 2021–2025. Discussions were held on the planned publication of two collections of documents—the first on Soviet-Chinese cultural ties in 1949–1960, and the second on economic ties in 1949–1959. Special emphasis was placed on the role of bilateral cooperation in healthcare and medical science, particularly in the context of combatting COVID-19. Description of the Programme of Activities of Activitie

At the 25th meeting of the Subcommittee on Science and Technology Cooperation on September 17, 2021, the parties noted that over 900 events had been held as part of the cross Years of Scientific and Technical Cooperation dealing with such topics as COVID-19, medicine, information systems, agriculture, laser physics, biophotonics, biology, seismology, atmospheric optics, oceanology and the environment. The sides agreed to expand promising areas of cooperation, including joint work within the framework of mega-science projects, support for Russia-China research projects, and interaction in the work of world-class scientific and educational centres.

At the 26th Regular Meeting of the Russian and Chinese Heads of Government on November 30, 2021, it was stated that "the parties express satisfaction with the continuous deepening of humanitarian cooperation and are ready to continue to promote the development of humanitarian exchanges in order to further bring the peoples of the two countries closer together, and transfer the traditions of good neighbourliness and friendship from generation to generation."¹⁶⁰

The Main Areas of Russia-China Humanitarian Cooperation

Education

Cooperation in Higher Education and Academic Mobility

At the 22nd Meeting of the Russian-Chinese Commission for Humanitarian Cooperation, Minister of Education of the People's Republic of China Huai Jinpeng said that 300 new cooperation agreements had been signed between the universities of the two countries over the past year, and specialized associations of universities were actively expanding their activities.

Further, the participants in the 21st Meeting of the Russian-Chinese sub-Commission on Cooperation in the Field of Education, which was chaired by Deputy Minister of Science and Higher Education of the Russian Federation Dmitry Afanasiev and Vice Minister of Education of the People's Republic of China Tian Xuejun, noted that the sides were committed to the continued implementation of the Declaration on Intergenerational Friendship between Russian and Chinese Youth,

^{158 &}quot;Fifth Meeting of the Russia-China Subcommittee on Cooperation in Archiving of the Intergovernmental Russia-China Commission on Humanitarian Cooperation," Committee of Civil Registry Offices and Archives of the Government of Khabarovsk Krai, October 12, 2021. URL: https://komza.khabkrai.ru/events/Novosti/3593

^{159 &}quot;On the Meeting of the Russia-China Commission on Humanitarian Cooperation," Russian Embassy in China, November 16, 2021.

URL: https://beijing.mid.ru/ru/news/o_zasedanii_rossiysko_kitayskoy_komissii_po_gumanitarnomu_sotrudnichestvu/

[&]quot;Joint Communiqué on the Results of the 26th Regular Meeting of the Russian and Chinese Heads of Government," The Russian Government. URL: http://static.government.ru/media/files/jLtBZyRLWHH1Ql3JR3nEiAnjtydeNJEc.pdf

taking into account the factors that caused personal exchanges to be suspended in connection with the pandemic in 2020–2021.¹⁶¹

On September 30 and October 3, 2021, the Chinese Embassy in the Russian Federation, together with the Russian-Chinese Friendship Society, the Russian-Chinese Committee for Friendship, Peace and Development, and the State Academic University for the Humanities organized a joint event to mark the 100th anniversary of the first exchange of Russian and Chinese students.¹⁶²

The COVID-19 has hit academic mobility hard. According to official data, academic exchanges had reached 100,000 people by 2020, but the restrictions put in place to combat the coronavirus cancelled out this achievement. At the same time, it is worth noting that the Russian side removed the relevant restrictions for Chinese students in the autumn of 2021, but the Chinese side did not take similar steps. 163

In his speech, Minister of Education of the People's Republic of China Huai Jinpeng stated that student exchanges reached 57,000 in 2020, "taking distance learning into account." It is difficult to estimate how many students are studying full-time in Russian and Chinese educational establishments as long as China maintains a zero tolerance policy with regard to the coronavirus. The media reported that the number was 10,000,166 which points to a tenfold decrease in academic mobility due to the pandemic. As noted in previous reports published by RIAC, the Institute of Far Eastern Studies of the Russian Academy of Sciences, and Fudan University, the tendency of the Russian and Chinese ministries of education to focus on quantitative indicators does not fully meet the objectives of cooperation in this area, and the importance of an expert dialogue on the qualitative indicators of interaction is growing.

The joint Shenzhen MSU—BIT University celebrated its fifth anniversary in 2021. Media reports note that the university—"the flagship of Russia-China academic cooperation"—boasts 1,300 undergraduate and graduate students across seven

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^{161 &}quot;Russian and Chinese Universities Sign Agreement on Cooperation," Ministry of Science and Higher Education of the Russian Federation, September 8, 2021. URL: https://minobrnauki.gov.ru/press-center/news/?ELEMENT_ID=39705

[&]quot;Russia-China Youth Festival," State Academic University for the Humanities, September 10, 2021. URL: https://gaugn.ru/media/news/rossiysko-kitayskiy-molodezhnyy-festival/

¹⁶³ According to the authors, the situation started to change in 2022, and some Russian students who were not deterred by the rather strict guarantine procedure upon arrival in China are already doing internships at Chinese universities.

^{**}Huai Jinpeng Expresses Hope for the Development of Education Cooperation between Russia and China at 22nd Meeting of the China-Russia Committee for Humanitarian Cooperation," (in Chinese: 怀进鹏在中俄人文合作委员会第二十二次会议上回顾展望中俄教育合作), Ministry of Education of the People's Republic of China, November 16, 2021. URL: http://www.moe.gov.cn/jyb_xwfb/gzdt_gzdt/moe_1485/202111/t20211116_580292.html

For more on asymmetry with respect to the anti-COVID restrictions in the context of student exchanges, see: Natalya Seleznyova, "The Current State of Russia-China Humanitarian Cooperation," Russian International Affairs Council, January 20, 2022. URL: https://russiancouncil.ru/analytics-and-comments/columns/culture/aktualnoe-sostoyanie-rossiysko-kitayskogo-gumanitarnogo-sotrudnichestva/

¹⁶⁶ One work published by the Ministry of Science and Higher Education of the Russian Federation states: "178 countries took part in international youth exchanges with Russia in 2020–2021. China led the way with the most student exchanges (10,400 students)." See: "178 Countries Take Part in International Exchanges with Russia," Ministry of Science and Higher Education of the Russian Federation, September 9, 2022.

URL: https://minobrnauki.gov.ru/press-center/news/?ELEMENT_ID=46895&sphrase_id=293865

faculties,¹⁶⁷ and its students have achieved impressive results at various academic competitions and Olympiads. The sides have worked hard over the past few years to set up a first-class science and education centre in southern China.

The Russian media has mostly lauded the activities of the joint university in Shenzen, although Chinese assessments have been mixed. 168 This is something that the Shenzhen MSU—BIT University administration should take into account. So too should Russian universities that are planning to set up similar joint universities in the future. They should also bear in mind that there is already—fierce competition in China in the form of joint Chinese and Western universities, which currently number more than 30 (including joint universities with the United States, the United Kingdom and Australia).

The Study of Russian and Chinese as a Foreign Language

An important component of educational interaction is the study of the Russian and Chinese languages. Approximately 90,000 people are currently studying Russian in China in 868 primary, secondary and tertiary educational institutions, and 40,000 Russians are studying Chinese in 368 educational establishments. ¹⁶⁹ Chinese has been included as an optional subject in the Russian Unified State Exam for the past three years. Nineteen Confucius Institutes and four Confucius classes operate successfully in Russia, actively promoting language exchanges. According to the Department of Education at the Chinese Embassy in the Russian Federation, almost all of them are certified to administer Chinese language proficiency tests (HSK and HSKK). ¹⁷⁰

In 2021, various universities and university associations in the two countries held language Olympiads and other events to promote language learning. These included the 6th All-Russian Olympiad "Striving for Moscow" organized by Beijing Normal University and Moscow State Pedagogical University,¹⁷¹ the 8th "Crossroads of Cultures" Linguistics competition organized by the Russian-Chinese Association of Medical Universities,¹⁷² the Second "SCO Cup" National

^{167 &}quot;On the Meeting of the Russia-China Commission on Humanitarian Cooperation," Russian Embassy in China, November 16, 2021.

URL:https://beijing.mid.ru/ru/news/o_zasedanii_rossiysko_kitayskoy_komissii_po_gumanitarnomu_sotrudnichestvu/

Many comments on the issue of a joint university can be found, for example, on the Zhihu.com website. For a typical opinion, see: "How Would You Rate Shenzhen MSU-BIT University?" Zhihu (in Chinese: 知乎), April 29, 2020. URL: https://www.zhihu.com/topic/20165262/hot

^{169 &}quot;Huai Jinpeng at the 22nd Meeting of the China-Russia Committee for Humanitarian Cooperation Talks about the State and Prospects of Russia-China Educational Cooperation"

⁽in Chinese: 怀进鹏在中俄人文合作委员会第二十二次会议上回顾展望中俄教育合作) // Ministry of Education of the People's Republic of China, November 16, 2021.

URL: http://www.moe.gov.cn/jyb_xwfb/gzdt_gzdt/moe_1485/202111/t20211116_580292.html

^{170 &}quot;Confucius Institutes" (in Chinese: 孔子学院), Department of Education of the Embassy of the Republic of China in the Russian Federation (in Chinese: 中华人民共和国驻俄罗斯联邦大使馆教育处), May 8, 2021.
URL: http://www.eduru.org/russia/zeyyijyhz/2021050815572518052/index.html

^{171 &}quot;VI All-Russian Olympiad "Striving for Moscow" a Roaring Success" (in Chinese: 第六届"奔向莫斯科"俄语奥林匹克竞赛成功举办), Beijing Normal University, April 27, 2021. URL: https://rus.bnu.edu.cn/xwid/112880.html

[&]quot;Notice of Participation in International Russian Language Competition" (in Chinese: 关于参加俄罗斯国际语言比赛活动的通知), Dalian Medical University, January 6, 2021. URL: https://notice.dmu.edu.cn/info/1022/5958.htm

Olympiad of Colleges and Universities,¹⁷³ the online summer school on Chinese language and culture held jointly by Peking University and the Confucius Institute at Lomonosov Moscow State University,¹⁷⁴ the online Russian Language Day and "Learning Russian in the Digital Age" short film competition organized by Guangdong University of Foreign Studies with the support of the Consulate General of the Russian Federation in Guangzhou.¹⁷⁵

Cooperation in the Field of Continuing Education

Academic cooperation between Russia and China covers all areas and ages.

For example, the Russian Children's Centre Orlyonok signed an agreement on cooperation in children's recreation and health with the Centre for International Language Exchange and Cooperation of the Ministry of Education of the People's Republic of China. The Russian-Chinese Children's and Youth Centre for Cultural and Language Exchange was established pursuant to the agreement.¹⁷⁶ In April 2021, the "My World" International Creative Project for children was launched in honour of the XXIV Winter Olympic Games in Beijing. The project received the support of the Consulate General of China in Yekaterinburg and the Ministry of Culture of Novosibirsk Oblast. 177

In 2021, the "Diplomacy of Friendship" Children's Art Festival organized by the International Education Center "Interdom" named after E.D. Stasova and the China Educational Association of International Exchange took place. The event focused on painting, photography, short films, animation and more.¹⁷⁸

Cultural Exchanges

Cultural contacts have always been a key element in humanitarian interaction between Bussia and China

Numerous events took place in this sphere over the past year, most notably the premiere of the Russian Film *Ice 2* (the sequel to *Ice*, which enjoyed a successful cinematic release in China in 2018) just before the opening of the XXIV Winter Olympic Games in Beijing in January 2022, ¹⁷⁹ the world premiere of the joint Russian—Chinese animated series *Ask Toma* on China's leading video hosting

^{173 &}quot;Second 'SCO Cup' Russian Language Olympiad and International Chinese Language Competition Come to a Close" (in Chinese: "相约上合杯"第二届俄语大赛暨国际汉语大赛落幕), Da Zhong Daily, December 24, 2021. URL: http://124.133.228.83/articleContent/3271_947181.html

^{174 &}quot;China-Russia Friendship Passed Down from Generation to Generation"—Opening of the 2021 Summer Online Chinese Language and Culture Camp by Peking University and the Confucius Institute at Lomonosov Moscow State University" (in Chinese: "中俄友谊,薪火相传"—北京大学-莫斯科大学孔子学院2021年线上中国语言文化夏令营活动开幕), Peking University, August 26, 2021. URL: https://sfl.pku.edu.cn/xyxw/130568.htm

^{175 &}quot;On the Events Held in Honour of Russian Language Day," Consulate General of the Russian Federation in Guangzhou, June 10, 2021. URL: https://quangzhou.mid.ru/-jo-sostoavsihsa-meropriatiah-k-dnu-russkogo-azyka

^{176 &}quot;Russia and China Developing Cooperation in the Field of Continuing Education," Rossiyskoe obrazovanie, November 16, 2021. URL: https://www.edu.ru/news/mezhdunarodnyy-opyt/rossiya-i-kitay-razvivayut-sotrudnichestvo-v-oblas/

^{177 &}quot;My World" International Creative Project. URL: https://projectmyworld.ru/ru_RU/

^{178 &}quot;Russian-Chinese Friendship Society Takes Part in 'Diplomacy of Friendship' Children's Art Festival," Russian-Chinese Friendship Society. URL: http://orkd.ifes-ras.ru/index.php_

^{179 &}quot;Russian Film Ice 2 Set for Chinese Release," RIA Novosti, December 14, 2022. URL: https://ria.ru/20220114/film-1767801885.html

service Youku Kids,¹⁸⁰ the inaugural Russia-China Video Competition in January 2022,¹⁸¹ the First SCO Museum Forum in Tula in October 2021,¹⁸² and the victory of the Russian drama *A Siege Diary* in the Best Director category at the XI Beijing International Film Festival in September 2021.¹⁸³

On March 25, 2021, the "Melting" Russia-China Oil Painting Exhibition was held in Harbin (Heilongjiang Province). ¹⁸⁴ In May, the Bolshoi Theatre in Moscow and the China National Centre for the Performing Arts in Beijing hosted a concert in honour of the 20th anniversary of the Treaty of Good Neighbourliness and Friendly Cooperation. This marked the first time that a joint concert had been organized via satellite communication, allowing tens of millions of viewers around the world to watch the show. ¹⁸⁵ The XI International Russian-Chinese Fair of Culture and Art was held on June 21–25, 2021. ¹⁸⁶ July 8 saw the opening ceremony of the 7th Jiamusi Tongjiang China-Russia Border Culture Season. ¹⁸⁷ On September 9, the Festival of Chinese Culture in Russia began, lasting until December 2021 ¹⁸⁸ The event, held online for the first time, included four elements: an opening concert, a ballet performance, youth exchange events, and online expert forums.

As noted at the 26th Regular Meeting between the Chinese and Russian Heads of Government, the sides intend to further strengthen regional cultural ties, expand exchanges of exhibitions, continue joint archaeological work, jointly file applications for sites to be included in the World Heritage List, and protect and restore cultural monuments.¹⁸⁹

Media Cooperation

On June 4, 2021, Xinhua Editor-in-Chief He Ping took part in an online meeting between President Vladimir Putin and the heads of the world's leading news agencies at the St. Petersburg International Economic Forum.

^{*}Joint Russian-Chinese Animated Series Ask Toma Premieres in China," Big Asia, February 13, 2022. URL: https://bigasia.ru/content/news/culture_and_resting/v-kitae-sostoyalas-premera-novogo-rossiysko-kitayskogo-multseriala-sprosi-tomu/

^{181 &}quot;Russia—China Video Competition Comes to a Close," Comnews, February 17, 2022.
URL: https://www.comnews.ru/content/218292/2022-01-17/2022-w03/zavershilsya-rossiysko-kitayskiy-konkurs-videorolikov

^{182 &}quot;Tula to Host First SCO Museum Forum," Tula News, October 7, 2021. URL: https://newstula.ru/fn_759631.html

^{*}A Siege Diary Wins Award for Best Director at Beijing International Film Festival," Moscow 24, September 29, 2021. URL: https://www.m24.ru/news/kultura/29092021/185140

^{184 &}quot;2021 Russia-China Oil Painting Exhibition Opens in Harbin," Poluostrov Kamchatka, April 4, 2021. URL: https://poluostrov-kamchatka.ru/pknews/news/288288.html?sphrase_id=919073

^{*}Beijing and Moscow Hold Concerts to Celebrate 20th Anniversary of the Treaty of Good-Neighbourliness and Friendly Cooperation Between the People's Republic of China and the Russian Federation," Xinhua News Agency, May 4, 2021. URL: http://russian.news.cn/2021-05/04/c_139923099.htm

^{*}XI International "Russian-Chinese Fair of Culture and Art" to be Held in Amur Region, "Gzt-sv, April 11, 2021.
URL: https://www.gzt-sv.ru/news/169153-priamure-projdyot-xi-mezhdunarodnyj-festival

¹⁸⁷ "Opening of the 7th Jiamusi Tongjiang China—Russia Border Culture Season" (in Chinese: 第七届佳木斯同江中俄边境文化季系列活动拉开帷幕), Outh.cn, September 9, 2021. URL: https://df.youth.cn/dfyw/202107/t20210709_13083839.htm

^{188 &}quot;Festival of Chinese Culture in Russia Opens Online," Xinhua News Agency. September 10, 2021. URL: http://russian.news.cn/2021-09/10/c_1310180645.htm

[&]quot;Joint Communiqué on the Results of the 26th Regular Meeting of the Russian and Chinese Heads of Government (Full Text)" (in Chinese: 中俄总理第二十六次定期会晤联合公报(全文)), Ministry of Foreign Affairs of the People's Republic of China, December 1, 2021. URL: https://www.fmprc.gov.cn/web/zyxw/202112/t20211201_10460421.shtml

A special edition of *Rossiyskaya Gazeta* was published to celebrate the 20th anniversary of the signing of the Treaty of Good Neighbourliness and Friendly Cooperation, and the Breath of China international radio station published a special issue to mark the occasion. ¹⁹⁰

In June, the Media Council of the Russian-Chinese Committee for Friendship, Peace and Development launched an online essay competition entitled "Twenty Years of Good Neighbourliness and Friendship—The Dawn of Russia—China Friendship." On July 15, the Council put forward and initiative called "Strengthening Media Cooperation and Building Good Neighbourly Relations and Friendship." 191

In September, the Russian arm of CGTN and Radio Metro 102.4 FM launched the "Flight into Space" Online Children's Art Competition, which was timed to coincide with the end of the mission of the Chinese manned spacecraft Shenzhou 12.192

On October 21, representatives of the Russian and Chinese media met under the auspices of the Interregional Council of the Russian-Chinese Committee for Friendship, Peace and Development and with the support of the Russian Consulate General in Harbin to discuss the issue of "Good Neighbourliness and a Common Future." 193

The latest edition of the Chinese-Russian New Media Forum took place online on November 22, 2021. The Forum has been held in this format for five years now. According to the Russian and Chinese sides, tasks in this area include helping the media boost strategic cooperation and humanitarian exchanges and developing and implementing next generation technologies. The "Consensus of Russian and Chinese New Media" was adopted during the Forum. 194

Cooperation in the Tourism Industry

After the outbreak of COVID-19, the border between Russia and China was closed to people, and tourist exchanges between the two countries were suspended.

In 2021, Russia launched a state programme for the development of tourism for the period up to 2030 and commenced work on the Tourism and Hospitality Industry national project. Plans to develop tourism involve developing the infrastructure for domestic tourism and improving the quality of services for

www.russiancouncil.ru 61

^{190 &}quot;Breath of China," China Media Group. URL: https://cdnimg.rg.ru/pril/fascicle/4/32/37/43237-1626330169.pdf

^{191 &}quot;Chinese and Russian Media Launch Joint Initiative to "Strengthen Media Cooperation and Build Good Neighbourly Relations and Friendship" (in Chinese: 中俄媒体共同倡议《加强媒体合作 筑牢睦邻友好》) Sohu. 15.07.2021. URL: https://www.sohu.com/a/477629687_115239

[&]quot;Flight into Space" Children's Art Competition," Radio Metro, September 1, 2021. URL: http://radiometro.ru/2021/09/01/konkurs-detskogo-risunka-polet-v-kosmos/

[&]quot;Russian and Chinese Media Representatives Hold Dialogue as Part of the Interregional Council of the Russian–Chinese Committee of Friendship, Peace and Development," Russia—China Committee, October 21, 2021. URL: http://russian-chinese.com/2021/10/21/sostoyalsya-dialog-predstavitelej-rossijskix-i-kitajskix-smi-pod-egidoj-mezhregionalnogo-soveta-rossijsko-kitajskogo-komiteta-druzhby-mira-i-razvitiya/

¹⁹⁴ "Chinese-Russian New Media Forum," TASS, December 2, 2021. URL: https://tass.ru/press-relizy/13076523_

[&]quot;Mikhail Mishustin Approves State Programme to Develop Tourism," The Russian Government, December 31, 2021. URL: http://government.ru/docs/44285/

inbound tourism. Chinese statistics suggest that tourist professionals in Russia are studying China's experience in development the domestic tourism industry and using internet celebrities to advertise tourism products.

Cooperation in Sport

In 2022, contacts in the field of physical culture and sport intensified. Humanitarian relations in this area received a boost thanks to the opening ceremony of the Olympic Games in Beijing and President Putin's visit to the country. What is more, the Chinese ice hockey team spent five months in Russia getting ready for the Games.

The Russian media provided extensive coverage of the Beijing Games, and Chinese spectators were in awe of Russia's winter sports stars. Russian figure skaters Kamila Valieva, Alexandra Trusova and Anna Shcherbakova won the hearts of the Chinese fans, with videos of their performances being viewed over 10 million times on Chinese social networks.

On February 4, 2022, the Ministry of Sports of the Russian Federation State and the General Administration of Sports of the People's Republic of China signed a Joint Statement as part of President Putin's visit to China on holding Cross Years of Russia-China Cooperation in the Field of Physical Culture and Sports. 196 The parties agreed to strengthen exchanges and cooperation in grassroots, elitelevel and youth sports, sport science, physical education and other areas. Special attention will be paid to efforts countering sport politicization, the exploitation of athletes for political goals, and cooperation in the fight against the use of performance enhancing drugs. The parties are busy drawing up an Action Plan for the Cross Years which is expected to include sports games, training camps, seminars, cultural festivals, competitions, and coach and athlete exchanges, including educational exchanges. 197

Joint sporting and related events have been held in the past. In May 2021, Moscow hosted the "Confucius Cup" competition of Chinese sports and art projects. On December 16, 2021, Heihe University and Amur State University established the Educational and Research Centre for Winter Sports at Russian and Chinese Universities. In late December 2021, the Chinese Embassy in Russia and the Russian Go Federation held the Chinese Ambassador's Cup live and online.

3.3. Mutual Recognition of Vaccines

In the context of the COVID-19 pandemic, the availability of vaccines is a key factor in the viability of a state in terms of humanitarian work and healthcare and, as

^{196 &}quot;List of Documents Adopted During the Visit of President of the Russian Federation Vladimir Putin to China," President of Russia, December 4, 2021. URL: http://kremlin.ru/supplement/5769/print

^{197 &}quot;Russia and China Sign Joint Statement on Holding Cross-Years of Russia-China Cooperation in Physical Culture and Sport in 2022–2023," Sport24, February 4, 2022. URL: https://sport24.ru/news/other/2022-02-04-rossiya-i-kitay-podpisalizayavleniye-o-provedenii-godov-sotrudnichestva-v-oblasti-fizkultury-i-sporta

^{198 &}quot;Amur State University Representatives Take Part in the Opening of the Educational and Research Center for Winter Sports of Universities of Russia and China," Amur State University, December 17, 2021. URL: https://www.amursu.ru/ news/sport/Predstaviteli_AmGU_prinyali_uchastie_v_otkrytii_Obrazovatelnogo_i_nauchno_issledovatelskogo_tsentra_/

[&]quot;Chinese Ambassador's Cup," Russian Go Federation. URL: https://gofederation.ru/tournaments/517298186

such, it is a matter of national security. The effectiveness of these latest vaccines, the level of public confidence in them, and their standing in the global pharmaceutical market all serve as indicators of scientific and technological progress, the overall level of economic development and, in many ways, the effectiveness of the socioeconomic model of the country producing the drug.

The issue of mutual recognition of vaccines (MRV) has two dimensions, which are often independent of one another: 1) the recognition of the vaccine itself, i.e., a statement of its suitability for immunizing the population; and 2) the recognition of vaccination certificates, essentially recognizing the validity of vaccination documents of persons immunized with a drug produced overseas upon entering the country. Vaccination certificate recognition is the more accessible level of MRV.

This issue was first broached in Russia-China relations in December 2020, when the Ministry of Health of the Russian Federation gave the green light to conduct the third stage of clinical trials of the Chinese drug Convidecia-CanSino, which Petrovax plans to release in Russia. Many thought that the approval of the vaccine for use in the Russian Federation would be expedited, but this never happened.

In March 2021, after a meeting with his Russian counterpart Sergey Lavrov in Guilin, Chinese Foreign Minister Wang Yi said that Russia and China would look into the issue of the mutual recognition of essential vaccines and information on health codes.²⁰¹ According to Yan Wenbin, Consul-General of the People's Republic of China in Vladivostok, the final stage of bilateral negotiations on MRV took place in 2021. It was expected that the sides would recognize each other's vaccines at the 2021 Eastern Economic Forum,²⁰² but nothing tangible came of it.

On January 14, 2022, Lavrov noted that the Russian side was still busy spelling out the "obvious practical importance of President Vladimir Putin's initiative regarding the mutual recognition of national vaccination certificates" that he proposed at the G20 Summit in October 2021, and that relevant agreements had already been reached with a number of countries. ²⁰³ China, however, was not one of them. The Russian Direct Investment Fund agreed to produce 100 million doses of Sputnik V in China. ²⁰⁴ On January 25, Ambassador Extraordinary and Plenipotentiary of the Russian Federation to the People's Republic of China Andrei Denisov intimated that the issue would be resolved through international organizations, such as the World Health Organization (WHO), which has already registered the Chinese vaccines Sinopharm and Sinovac. WHO has also submit-

^{200 &}quot;Petrovax and CanSino Biologics Inc. Launch an International Clinical Trial of the AD5-nCOV Vaccine Against Coronavirus in Russia," Petrovax, December 7, 2020. URL: https://petrovax.ru/press_centre/news/2020/2085/

²⁰¹ Quoted from: "Chinese Ambassador to Russia Zhang Hanhui Interview with Interfax," Embassy of the People's Republic of China in the Russian Federation, July 29, 2021. URL: https://www.mfa.gov.cn/ce/cerus//rus/gdxw/t1896112.htm

^{202 &}quot;Russia and China Recognize Each Other's Vaccines," FBM, July 10, 2021. URL: https://fbm.ru/novosti/politics/rossija-i-kitaj-priznajut-vakciny-drug-druga.html

^{203 &}quot;Foreign Minister Sergey Lavrov's Remarks and Answers to Media Questions at a News Conference on Russia's Foreign Policy Performance in 2021," Ministry of Foreign Affairs of the Russian Federation, January 14, 2022. URL: https://www.mid.ru/en/foreign_policy/news/1794396/?lang=ru

^{204 &}quot;Russia expects to produce more than 150 mln dozes of Sputnik V per year", Interfax, November 30, 2021. URL: https://www.interfax.ru/russia/805722

ted an application for recognition of Russia's Sputnik V.²⁰⁵ The issue of mutual recognition of vaccines was also discussed at a meeting between Russian President Vladimir Putin and his Chinese counterpart Xi Jinping in February 2022. The Russian leader thanked the Chinese side "for its assistance in setting up production of Sputnik V and Sputnik Light in China."²⁰⁶

Despite all this, Russia and China still have not recognized each other's vaccines or COVID certificates. It would seem that work on the mutual recognition of vaccines has political and economic connotations in addition to the obvious humanitarian ones

Political Connotations

The mutual recognition of vaccines by Russia and China could signify that the sides have reached an entirely new level of comprehensive partnership and strategic interaction. Achieving this goal will destroy the arguments of those forces that do not acknowledge the strategic trust in Russia-China interaction. Moreover, it will prove that the countries are committed to taking each other's fundamental interests into account. In the meantime, the issue of MRV highlights a paradoxical situation in which two friendly states, having coinciding or similar positions on a number of global problems, have been slow to resolve a specific issue.

In the meantime, the MRV topic highlights a paradoxical situation when two friendly states, having coinciding or similar positions on several global problems, are slow in resolving a specific industry issue.

The mutual recognition of vaccines and vaccination certificates can play a role in countering the global disparity in their distribution, which, according to UN Secretary-General António Guterres, is the "biggest mistake of our time." ²⁰⁷

The problem of inequality prompts further study of the issue of the vaccine independence of those international structures that count Russia and China among their members, for example the SCO and BRICS. The first thing that could be done is to expand the immunization of the population with Chinese, Russian, and possible Indian vaccines. Meanwhile, many of the member states of these organizations continue to depend on the availability of Western-made vaccines, while the West insists on giving priority to the countries of the "golden billion," and in some cases oversupplying them.

What is more, China could be interested in MRV from the point of view of connecting Russia to its "Health Silk Road" as an integral part of the Belt and Road

²⁰⁵ "Russian Ambassador Denisov Assesses Prospects for Mutual Recognition of Vaccines by Beijing and Moscow," Federal News Agency, January 10, 2022.

URL: https://riafan.ru/1585305-posol-rossii-denisov-ocenil-perspektivy-vzaimnogo-priznaniya-vakcin-pekinom-i-moskvoi

^{206 &}quot;Putin Publishes Op-Ed Entitled "Russia and China: A Future-Oriented Strategic Partnership" for China's Xinhua News Agency, "Xinhua News Agency, February 3, 2022. URL: http://russian.news.cn/2022-02/03/c_1310451663.htm

For example, as of the end of 2021, there were 133 doses of the COVID vaccine per 100 people in high-income countries, compared to just four in low-income countries. For more detail, see: "Open Letter to G20 Heads of State and Government," World Health Organization, October 29, 2021. URL: https://www.who.int/news/fitem/29-10-2021-an-appeal-to-g20-leaders-to-make-vaccines-accessible-to-people-on-the-move

Quoted in: "Guterres Calls to Unite Efforts in Distribution of COVID Vaccine," RIA Novosti, February 9, 2022. URL: https://ria.ru/20220209/covid-19-1771926935.html

Initiative, and not in a roundabout way through EASU structures, but at the individual level.

Economic Connotations

The mutual recognition of vaccines and COVID certificates provides an incentive to form new areas of economic cooperation between China and Russia. MRV could contribute to the restoration and intensification of person-to-person business contacts, expert exchanges, and the resumption of labour migration and tourism activity. Not only would MRV demonstrate the high level of trust between the Russian Federation and China once again, but it would also prove that the Russian and Chinese vaccines work, which would in turn increase their commercial potential.

Humanitarian Connotations

The value of MRV for the humanitarian agenda is undeniable, as it is a factor in the wellbeing of the population both in the manufacturing country and in neighbouring territories. Large-scale immunization at the regional and/or global level is the only way to avoid a situation in which a significant proportion of the unprotected population allow the virus to mutate unhindered, thus increasing the risk of new dangerous strains appearing. MRV can help to partially alleviate this problem.

The mutual recognition of vaccines and vaccination certificates will have a positive impact on contacts in education, culture, the arts, and public and popular diplomacy. It will also reunite families separated by lockdown measures.

More than that, the mutual recognition of vaccines can serve as a symbol of the humanitarian focus of the Russia-China partnership, strengthening its international image, especially in the developing world.

The current delay in the mutual recognition of vaccines and COVID certificates can be explained by a number of factors:

China prefers to register foreign vaccines listed by the World Health Organization. On October 30, 2021, Xi Jinping spoke at the G20 Summit via satellite link, where he called for the mutual recognition of WHO-approved vaccines for emergency use. ²⁰⁸ By making an exception for Sputnik V, Beijing will set a precedent for other unregistered vaccines (in particular, Cuba's Soberana), encouraging manufacturers to seek recognition in China.

As Ambassador Extraordinary and Plenipotentiary of the Russian Federation to the People's Republic of China Andrei Denisov noted, both countries have "quite complicated but justified procedures" for the biomedical testing of vaccines, which have not been implemented due to their complexity.²⁰⁹

 $URL: ht\bar{t}ps://\bar{i}afan.ru/1585305-posol-rossii-denisov-ocenil-perspektivy-vzaimnogo-priznaniya-vakcin-pekinom-i-moskvoil-pe$

^{208 &}quot;Xi Jinping Calls for Promoting Mutual Recognition of COVID-19 Vaccines," Xinhua News Agency, October 30, 2021. URL: http://russian.news.cn/2021-10/30/c_1310280409.htm

^{209 &}quot;Russian Ambassador Denisov Assesses Prospects for Mutual Recognition of Vaccines by Beijing and Moscow," Federal News Agency, January 10, 2022.

China is concerned about the destabilization of the health situation. The recognition of all foreign-issued COVID certificates would make it easy for people (mainly those transiting through China or the Russian Federation) with questionable immunization quality to enter the country. This will create another serious challenge, especially for densely populated Chinese cities. Russia is also interested in the reliability of the immunizations of visitors to the country. The sides have clearly chosen to act on the basis of reciprocity on this matter.

When recognizing COVID certificates, a significant amount of time is required beforehand to come up with a suitable format for the document—it needs to provide the necessary information while at the same time ensure a high degree of data protection—and create a joint system of digital documents.

There are also considerations of commercial rivalry that should not be ignored. The mutual recognition of vaccines and vaccination certificates narrows the scope for using domestically produced vaccines in favour of foreign-made ones.

It is worth noting that the sides *de facto* make exceptions for a wide range of COVID certificates, although *de jure* no foreign vaccines are recognized in either country.²¹⁰ For example, China started accepting visa applications from U.S. citizens immunized with the Pfizer, Moderna and Johnson & Johnson vaccines in April.²¹¹ The justification for this decision was that these drugs are approved by the WHO, although European COVID certificates are still not valid in China. Russia's vaccine was informally recognized during the 2022 Olympics in Beijing—Russian athletes who could produce a certificate proving they had been inoculated with the Sputnik V vaccine were allowed to compete.²¹² In June 2021, the authorities in the popular Russian tourist destination of Krasnoyarsk Krai announced that it would accept foreign COVID certificates.²¹³

All this speaks to the fact that the issue of vaccines in Russia–China relations is a sensitive one with multiple layers.

²¹⁰ With the exception of Hong Kong (Hong Kong Special Administrative Region of the People's Republic of China).

²¹¹ Guanyu jiezhong xinguan yimiao hou chengji fu hua renyuan jiance yaoqiu de shuoming ["Clarification of Screening Requirements for People Travelling to China by Air Who Have Been Vaccinated against the Novel Coronavirus"], Embassy of the People's Republic of China in the United States of America, April 16, 2021. URL: https://www.fmprc.gov.cn/ce/ceus/chn/lszi/zytz/t/1869583.htm

^{212 &}quot;Ambassador in Beijing Evaluates Prospects for Mutual Recognition of Vaccines by Russia and China," RIA Novosti, January 25, 2022. URL: https://ria.ru/20220125/vaktsiny-1769359504.html

^{213 &}quot;Holiday Resorts in Kuban to Accept Foreign Vaccine Certificates," TASS, June 25, 2021. URL: https://tass.ru/obschestvo/11753969

Conclusions and Recommendations

Global and Regional Problems

- 1. When signing the Treaty of Good-Neighbourliness and Friendly Cooperation Between the People's Republic of China and the Russian Federation in 2001, Russia and China made a long-term choice in favour of promoting the principles of a multipolar world order. The failures in the system of global governance and lack of mutual trust that we see today are the result the two countries not adoping a unified approach to these issues. The room for manoeuvre that has been created by the signing of the Treaty must be used to embrace the diversity and contradictions in the world. Moscow and Beijing are calling on the international community to build the future world order on the basis of consolidation, not new divisions.
- 2. Russia and China are both interested in stability and prosperity in Central Asia, and in Eurasia as a whole, although their views on how these goals should be achieved may differ. The only way to maintain stability and ensure development is through mutual respect for each other's interests in the region.

The withdrawal of the United States from Afghanistan and the crisis in Kazakhstan marked the formation of a new strategic environment in Eurasia, which in turn created new opportunities for Russia-China interaction. The biggest geopolitical crisis in relations between Russia and the West will inevitably impact regional processes. The confrontation between these two entities in the Eurasian space will grow, and given this new state of affairs, U.S. interest in Eurasia, and particularly in Central Asia, is likely to be restored. India, Pakistan and probably Turkey will get in on the act too, hoping to increase their presence in the region.

- 3. The situation in Afghanistan changed dramatically in 2021 following the with-drawal of coalition troops, with the Taliban (an organization whose activities are banned in the Russian Federation) returning to power in the country. Given this, Russia and China should strengthen cooperation on the issue of Afghanistan and pay greater attention to the country in regional cooperation. This is because the Afghan question affects the interests of both countries, and because it has important consequences for the region as a whole. The countries in the region need to take responsibility for the situation and, as the largest of these states, Russia and China will play a particularly important role.
- 4. The crisis in Kazakhstan has demonstrated that destabilization risks remain in Central Asia due to the activities of terrorist and extremist groups, as well as to the intervention of external forces. This is not in the interest of any of the countries of Central Asia, nor does it suit Russia or China. Moscow and Beijing both seek to maintain stability in the region, and cooperation between the two could create an important foundation for regional security.
- 5. The role of the Shanghai Cooperation Organisation may grow in the new international configuration, although the existing mechanisms will need to be adapted to meet the new challenges. The expansion of the SCO provides an opportunity

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to make some long-overdue corrections to the decision-making process: in particular, the proposal has been put forward to develop differential decision-making methods for various issues and give the SCO Secretariat additional powers.

In addition, given the extremely harsh sanctions regime against Russia, it would be wise to look into shifting the emphasis in economic cooperation in the SCO and expanding financial ties. It is also important to strengthen cooperation in ICT to counter the militarization of this sphere.

6. According to Russian experts, it would be appropriate in the medium term to discuss the compatibility of various cooperation projects and develop strategies for either linking or separating economic, cultural, information, medical and other initiatives.

When exercising soft power, Russia, China, India and other Eurasian SCO members should ensure that there are no contractions in their respective ideologies: the influence of each SCO member forms a separate ideological and cultural field, which, among other things, forms the basis of the "Shanghai Spirit."

- 7. Interaction needs to be stepped up between the SCO and the CSTO. Particularly, an information exchange for combatting transnational crime should be established. Synergy in the interaction between the two organizations can be best achieved by "calibrating" and "improving" the mechanisms of both in this area to meet the demands of the changing international environment.
- 8. Russian-Chinese cooperation in linking the EAEU, the BEP and the OBOR with the involvement of the SCO can help mitigate the effects of Western sanctions. External restrictions and market volatility complicate the development of Eurasian integration, which has already come up against a number of difficulties of its own, and, in this context, strengthening ties with China is a natural choice.

Trade and Economic Cooperation

9. Cooperation in 2021 and early 2022 continued to strengthen, as the Russian and Chinese economies adapted to the coronavirus pandemic. The importance of building bilateral ties (which will not depend on the foreign policy situation) is growing against the backdrop of the sanctions pressure on Russia and China. It is more important than ever to engage in strategic planning in various areas of economic cooperation, particularly in trade.

Russia—China cooperation could be extended to a wider range of areas: metallurgy, raw materials, the chemical and iron ore industries, the development of potash resources, timber production and processing, civil aviation, the automotive industry, power engineering, shipbuilding, marine equipment manufacturing, IT equipment, consumer electronics, environmental protection equipment, and building materials.

10. Government agencies and the private sector should do more to promote Russian and Chinese manufacturers on each other's markets. Mechanisms to promote cooperation between individual companies with minimal state involvement should be developed. These mechanisms should be aimed at reducing the costs

for companies looking for potential foreign partners, which would create opportunities for attracting preferential loan funding, and provide information on other non-tariff restrictions. A national classifier of effective tools to support production and the further export of products could be developed to potentially scale-up the best practices in economic cooperation in Russia.

Chinese experts point to the need to improve the conditions for admitting the agricultural products onto the markets of the two countries. The Plan to Deepen Cooperation between Russia and China to Promote Soybean Production and Processing needs extending in order to increase bilateral trade in this product, as well as to promote trade in other oils and oilseeds.

It is important to encourage cross-border e-commerce and direct sales, promote the formation of vertical full-industry chains, and create long-term and stable agricultural partnerships.

11. The efficiency of customs clearance processes needs to be improved in order to promote transport communication between Russia and China, including transit traffic through Russian territory on the China—Europe route. Logistics issues need to be dealt with, including issues relating to the development of container transportation.²¹⁴ Transit times need to be reduced, and conditions to ensure the safety of delivered goods created.

In particular, it would be a good idea to increase cross-border traffic and railway container volumes, improve the quality of electronic data exchange, and enhance the work of border checkpoints, especially at rail checkpoints. In this context, it is necessary to develop new bilateral agreements on border crossings, step up work on the construction of infrastructure, optimize the working hours of border crossings, introduce innovative transportation methods, improve customs clearance conditions, and, as Chinese observers have noted, promote cooperation in the format of "Smart Customs, Smart Borders, Smart Communication."

- 12. Progress in the energy sector needs to be accelerated. Chinese commentators note that it is in their country's interests to ensure that Russia supplies 100 million tonnes of crude oil through Kazakhstan over the next ten years, and to increase natural gas imports by 10 billion cubic metres to 48 billion cubic metres per year. A true Russia-China energy partnership would require that the sides step up their long-term comprehensive cooperation in the oil and gas, electricity, coal, new energy and power engineering sectors; expand cooperation in the petrochemical industry, gas power generation, the construction of energy networks, the use of renewable energy sources, and the development of technological innovations in this area.
- 13. It is extremely important to work on creating a stable, predictable and comfortable investment environment for businesses, as well as to develop the neces-

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^{214 &}quot;Demand in So High that Rail Infrastructure Can't Keep Up," Kommersant, November 17, 2021. URL: https://www.kommersant.ru/doc/5076674

^{215 &}quot;Smart Customs, Smart Borders, Smart Communication" — A Joint Initiative to Advance Production" (in Chinese: 共同推进"智慧海关、智能边境、智享联通" 建设与合作的倡议), ΓΤУ KHP, January 19, 2020. URL: http://www.customs.gov.cn/customs/xwfb34/mtjj35/2846260/index.html

sary institutional infrastructure for investment cooperation. To this end, Russia, China and the WTO member states signed a Joint Statement on Investment Facilitation.²¹⁶ At the Regular Meeting of the Russian and Chinese Heads of Government, the economic and trade ministries of the two countries also decided to explore the possibility of updating current bilateral investment agreements.²¹⁷

14. Another promising area is the creation of growth points using the tools offered by the digital economy and new forms of trade in services such as e-commerce, telemedicine, distance learning, online exhibitions, electronic payments, etc. Additionally, it is important to explore the digitalization potential of traditional trade in services, strengthen cooperation in innovation activities, and work together in technology fields such as 5G, biomedicine, green and low-carbon technologies, and smart cities. Interaction should be market-oriented and promote links between Russian and Chinese companies.

Integration in the form of "production, teaching, research" in biotechnology, precision medicine, telemedicine and human capital development; investment cooperation between Russian and Chinese companies in the field of low-carbon energy and green "infrastructure"; promoting innovation in "green" and low-carbon technologies—these are also important areas for developing bilateral relations.

Humanitarian Cooperation

15. Humanitarian cooperation between Russia and China continues to develop steadily, although the COVID-19 pandemic continues to place significant restrictions on personal contacts.

The Russian and Chinese people should realize the need to develop relations between the two countries. Joint projects should be implemented at both the official and private levels, and the peoples of the two countries should take the initiative when it comes to taking part in these projects.

Developing a strategy for the development of cooperation at a high level with the help of think tanks and public organizations such as the Russian-Chinese Committee for Friendship, Peace and Development, which is celebrating its 25th anniversary in 2022, is another guarantee that cooperation between the two countries will continue well into the future.

16. In order to meet the new challenges, academic cooperation in new areas and disciplines is needed, and the training of young scientists in advanced scientific fields needs to be enhanced. The Ministry of Science and Higher Education of the Russian Federation and the Ministry of Science and Technology of the People's Republic of China could set up grant programmes for advanced specialists and further encourage the participation of young scientists in projects.

^{216 &}quot;112 WTO Members Sign Joint Statement on Investment Facilitation Discussions," China Internet Information Center, November 11, 2021. URL: http://russian.china.org.cn/international/txt/2021-12/11/content_77925153.htm

^{217 &}quot;Joint Communiqué on the Results of the 26th Regular Meeting of the Russian and Chinese Heads of Government," The Russian Government. URL: http://static.government.ru/media/files/jLtBZyRLWHH1Ql3JR3nEiAnjtydeNJEc.pdf

17. Once the epidemiological situation settles down, it would be advisable to resume bilateral exchanges of representatives of the Russian and Chinese media. Large-scale joint projects could be organized to promote Russia-China cooperation, continue active information exchange, and jointly cover events on the bilateral agenda. Attention should be paid to cooperation within the framework of global and regional news alliances and the implementation of joint initiatives as part of these alliances.

In addition, given the vulnerability of the information space to fake news, the Russian and Chinese media could develop common methods to combat disinformation.²¹⁸

- 18. Greater use should be made of sports diplomacy, which could help improve the image of the two countries and deepen mutual understanding between Russia and China.
- 19. It is recommendable to create a broad communication platform for young people. Interaction between young Russian and Chinese people could be increased by focusing on existing projects and their commercial benefits, which would be in line with both the political and economic interests of the two countries. Chinese experts have proposed creating a Russia-China Youth Exchange Fund to implement joint projects, including scientific research projects and cultural and sporting events.

Cooperation in the Fight against the Pandemic

- 20. Despite the importance of the mutual recognition of vaccines and vaccination certificates, China's position on only recognizing vaccines registered by WHO should be respected, especially given the fact that Russia's vaccines are unlikely to be included in the WHO list any time soon. Given that travel restrictions are currently in place in China, the mutual recognition of COVID certificates does not seem to be a pressing issue at this time. The problem of immunization with a foreign drug is not particularly important for Russia either, as it has its own high-quality vaccines. Accordingly, fast tracking the issue "just because" would be counterproductive. We must wait for the necessary conditions for the mutual recognition of vaccines and vaccination certificates to develop organically. The parties seem to be implicitly aware of this, otherwise the issue would have long been settled through a deliberate political decision.
- 21. It may be a good idea to cooperate in such areas as joint research in the development and manufacturing of vaccines, specifically through the CanSino—Petrovax partnership, the coordination of anti-epidemic measures in contacts between Russian and Chinese citizens, and the elaboration of the issue of creating a mechanism for jointly preventing and controlling the spread of the disease in border areas.²¹⁹

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²¹⁸ RIAC, IFES RAS, and Fudan University thank First Deputy Director General of TASS and RIAC member Mikhail Gusman for his recommendations on this thesis.

^{219 &}quot;Joint Statement of the Russian Federation and the People's Republic of China on the International Relations Entering a New Era and the Global Sustainable Development," President of Russia. February 4, 2022. URL: http://www.kremlin.ru/supplement/5770

- 22. It is important to optimize trade between Russia and China in biotech equipment in order to ensure the uninterrupted supply of the necessary materials to meet the needs of Russian vaccine production, with payments being made in national currencies.
- 23. It may be wise to consider furthering cooperation in the fight against the pandemic within the SCO, focusing on the exchange of information and ideas on the creation of multivalent vaccines that are effective against new strains of coronavirus. It was reported in February 2022 that Gamaleya Research Institute of Epidemiology and Microbiology had made the relevant advances.²²⁰ In the long termThe SCO countries could establish a collective structure for the creation of new drugs and testing kits. In the meantime, the SCO, due to its modest budget, would do better to limit itself to developing standards for epidemiological monitoring and measures to improve sanitary control at border crossing points, as well as a single protocol for PCR testing.

^{220 &}quot;Gamaleya Center Promises Vaccine against Multiple COVID Strains," Vedomosti, February 17, 2022. URL: https://www.vedomosti.ru/society/articles/2022/02/17/909806-vaktsinu-ot-neskolkih-shtammov

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Russian International Affairs Council

The Russian International Affairs Council (RIAC) is a non-profit organization focused on developing practical recommendations for all Russian foreign affairs agencies, public and private companies, and other organizations that are actively involved in international activities.

RIAC engages experts, political leaders, entrepreneurs and members of civil society in public discussions with the aim of increasing the effectiveness of Russian foreign policy.

Along with research and analysis, RIAC is involved in activities aimed at creating a solid network of young global affairs and diplomacy experts.

RIAC is an active player on the public diplomacy arena, presenting Russia's vision on the key issues of global development on the international stage.

RIAC members are the leaders of Russia's foreign affairs community—diplomats, businesspeople, scholars, public leaders and journalists.

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The Institute of Far Eastern Studies of the Russian Academy of Sciences

The Institute of Far Eastern Studies of the Russian Academy of Sciences (which will be known as the Institute of China and Contemporary Asia of the Russian Academy of Sciences from July 2022) is Russia's leading centre of Chinese Studies. Its work is dedicated to the analysis of the politics, economics, social processes, culture and recent history of China and other East Asian countries at the behest of the highest authorities of the Russian Federation.

The Institute's main activities include: the comprehensive analysis of the socio-political and economic development of East Asia countries; the study of various aspects of political and economic integration processes in East Asia; and the analysis of the activities of international organizations and dialogue structures (SCO, RIC, BRICS, ASEAN, APEC, etc.).

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Fudan University

Fudan University was established in 1905 as Fudan Public School. It was the first institution of higher education founded by a Chinese person, renowned educator of the time Ma Xiangbo. The school's name was chosen from the "Biography of Yuxia" in the Classic of History (尚书大传 虞夏传), where the two characters fù 复 ("return") and dàn 旦 ("dawn") are found in the famous lines "Brilliant are the sunshine and moonlight, again the morning glory after the night," signifying continuous self-renewal, and expressing the hope that China will become a country with a strong higher education system run by Chinese intellectuals.

Fudan University merged with Shanghai Medical University in 2000.

As one of the first participants in the 211 and 985 Projects, Fudan has developed into a comprehensive research university, with Departments of Philosophy, Economics, Law, Education, Literature, History, Science, Engineering, Medicine, and Management.

Fudan University celebrated its 100th anniversary in 2005.

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