Chinese-Russian Economic Relationships in the Emergent Multipolar Global Political Economy
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1. Introduction

In a post (American) hegemonic age, with Chinese capital assuming an increasingly significant place within ‘national’ political economies across the world, there is a need to understand China’s contribution to emerging structures within the global political economy. This paper contributes to this need by excavating contemporary economic relationships between China and Russia in the context of economic multipolarity. For their part, Russian officials have spent a considerable amount of energy following the dissolution of the USSR attempting to ensure that Russia did not become a ‘resource appendage’ to the West. In recent years, a new ‘materiality’ of multipolarity (see Stephen, 2014) is developing with the intensification of investment and trade relationships between Russia and China. The significance of such relationships is profound, as they demonstrate a complex and multifaceted ‘decentering’ of the global political economy from the mid-20th century American- and Western-fashioned institutional matrix in favour of that which is occurring on a bilateral or regional basis in the Eurasian-Pacific sphere. Importantly, contemporary Russian-Chinese economic relationships signal the complexity of this emergent decentering, but in ways that cannot always be deduced from the ‘strategic partnership’ articulated at the highest echelons of each state.

Here, I detail the contours of such relationships through focusing on agreements and decisions made between the Russian and Chinese actors prior to and following the incorporation of Crimea into the Russian Federation. Crimea and the wider Ukrainian crisis are important markers, as they signify for
many the point at which Russian-Chinese relations accelerated and intensified due to Russia’s contentious relations with the West. This paper will serve as a useful corrective to much contemporary commentary on Russian-Chinese security cooperation, which sees the intensification of economic relations as the result of joint decisions made in the wake of geopolitical flashpoints. Instead, I demonstrate that Russian-Chinese economic cooperation has been much longer in the making and part of a longer-run shift towards economic multipolarity, albeit a shift that is acquiring new institutional, governance, and reciprocal ‘embeddedness,’ as well as new forms of competition and cooperation amongst Russian and Chinese actors. The processes by which such embeddedness has occurred provide the context within which geopolitical and geoeconomic crises are mediated, not the reverse. In other words, the intention is to demonstrate the economic architecture that undergirds regional (if not ‘global’) security arrangements.

In this paper I consider emerging Russian-Chinese relations in the context of multipolarity; however, I do so with an eye to constitutive economic dimensions. Such an orientation can direct us to consider not whether the global political economy is multipolar as such, but rather what are the new forms of cooperation, contestation, domination and subordination across such ‘rising poles’ themselves. Doing so will prevent us from operating under the assumption that decisions and initiatives undertaken by Russian and Chinese political and economic actors can be read either as a response to American unipolarity, on the one hand, or necessarily facilitative of a multipolar world order, on the other.

This paper is an extension of my recent work on Russia, in which I consider the material and ideational basis of ‘official Russia’s’ articulation of multipolarity and civilizations in a post-hegemonic global political economy. In this work I consider the question of Russia’s rise and recent geopolitical and geoeconomic antagonism between the United States and Russia as part of the prolonged uncertainty and contestations following the collapse of the Soviet Union. In the present work, I trace emerging economic relations between Russia and China to demonstrate how, and in what ways, multipolarity is becoming cemented or loosened at the level of bilateral relations. I endeavour to move beyond the more abstract and generalized pronouncements of multipolarity in the contemporary global political economy to consider the extent to which such multipolarity is realized via contemporary Russian-Chinese
economic relations, and what sorts of ‘materiality’ are emergent in these relations. My contention is that the increased complexity of Russian-Chinese economic relations – including the proliferation of state and non-state actors and the number of institutional fora that have been rendered amenable for Russian and Chinese capitalist integration -- means that any resultant effects on ‘polarity’ cannot simply be deduced from each state’s strategic orientation towards polarity.

This paper is intended as a contribution to a nascent ‘multipolar turn’ in the disciplines of International Political Economy (IPE) and International Relations (IR) (see Silvius, 2016a; 2016b). Moreover, I seek to contribute to ‘non-Western’ (viz. Russian and Chinese) readings of global hegemony and post-hegemony by focusing on the sinews and building blocks of Chinese and Russian economic relations without making the a priori assumption that readings of American hegemony and unipolarity are the lone structuring conditions for such developments.

This paper proceeds in the following manner. In Section two I examine the question of (multi)polarity in the global political economy and consider the relationship of Russia and China to polarity. In section three I consider the manner in which the notion of multipolarity has been ‘embedded’ in state discourse pertaining to Russian-Chinese relations. In Section four I elaborate on the empirics and the emerging economic relations between Russia and China. Section five serves as a conclusion.

2. On Multipolarity in the Contemporary Global Political Economy

Major Russian officials, including President Vladimir Putin himself, have exhibited a propensity to view global political and economic affairs via a multipolar prism. As I demonstrate elsewhere, they do so in a ‘polysemic’ nature: subject to multiple meanings, interpretations and measures, multipolarity as a polysemic idea contributes to a flexible, but circumscribed, vision for the global political economy which can be mobilized in different ways for different audiences (ibid.). As a polysemic concept, multipolarity enjoys an unstable relationship to its ‘material’ referent. However, the overwhelming intention for Russian officials in deploying the concept is to counterbalance American forces at the level of world
order. In other words, multipolarity is deployed as a ‘common sense’ notion to re-imagine the world in a manner that does not correspond with American unipolarity and hegemony. It is simultaneously an ‘objective’ comment on the distribution of economic resources and political clout and a ‘volitional’ one representing the aspirations of Russian officials. We must therefore approach any nascent ‘multipolar turn’ (see Silvius, 2016a; 2016b) in IPE and IR with caution: while multipolarity may in the main signify broad macro-economic and strategic shifts away from American unipolarity, it tells us less about the manner in which relations across non-Western ‘poles’ are themselves constituted by a multiplicity of political, economic, social and ‘ideational’ actors and structures.

The propensity to privilege the strategic dimension of polarity is evident in much scholarship within English-language IR and IPE that has attempted to discern the effect of China’s rise on the structure of polarity within the international system. Schweller and Pu (2011), for example employ the example of China in order to settle an intra-Realist debate on the existence and continuation of American unipolarity, suggesting that power transition to multipolarity is underway but that much depends on the extent to which a consensus within China’s foreign policy elite congeals around being a spoiler to, supporter of, or shirker of responsibility within American unipolarity (and corresponding global institutions) (see also Callahan, 2008; Clark, 2011; Deng, 2001; Ikenberry, 2008; Layne, 2008, 2011). Geeraerts (2011) suggests that China’s rise makes for a new ‘multilayered multipolarity’, with the US and China, and possibly the EU, in the top tier, and Germany, UK, France, Japan, Russia, India and Brazil in the second tier. In his review of Yan Xuetong, Carlson (2016) suggests that the prominent Chinese IR scholar’s views that China’s rise is compelling its leaders out of a position of non-alignment and into a bipolar structure in which it has no choice but to compete with the United States for allies. Nonetheless, Carlson maintains that Yan’s position remains a dissenting one amongst China’s foreign policy elite, who view the embrace of a bipolar strategy as needlessly confrontational.
Russian scholarship on polarity in the post-Soviet period has been divided between realist and liberal approaches. Russian realist scholars\(^1\) differ from Russian liberal IR scholars predominantly in their emphasis on the role of “power centers” within world order as opposed to that of democratic norms and institutions. They are a heterogeneous group reflecting a range of methodological approaches. Three ‘realist’ positions can be discerned: 1) the world is multipolar, or at least in the process of becoming so (Primakov’s position) 2) the world is unipolar in its structure; 3) the world is constituted by “pluralistic unipolarity.” The last position is attributed to Aleksei Bogaturov and entails viewing one collective pole of the United States and G-7 countries. Although Russian realists differ in their interpretations on polarity, they generally acknowledge the United States’ power superiority and advocate that Russian geostrategy be understood in terms of national interest. This necessitates an emphasis on sovereignty as a defensive principle against US intervention (Shakleyina & Bogaturov, 2004).

The main concept for Russian realists is the pole (“polyus”), a ‘power centre’ with military, economic and political potential which seeks to regulate global processes (ibid., p. 38). It differs from the Joseph Nye-inspired, liberal-pluralist, “interdependent” understanding of the term “power centers,” which includes both nation states and non-state “power brokers.” By this line of reasoning, in the early 2000s Russia came to be a power broker due to its current account surplus, foreign currency reserves and foreign policy role (Subacchi, 2008; Klepatskii, 2003). A pluralist multipolar world permits states to pursue national interests in a manner that rigid bloc formations do not afford, through regional and sub-regional engagement. A correlate to this position is the belief that poles are not states as such, but rather conglomerations of economic interests, “united around the most powerful centers of attraction and growth.” While not presently such a centre, Russia has the capacity to become so if it manages its own internal development appropriately (Lukyanov, 2010). During Putin’s first two presidential terms (2000-2008) official Russia’s\(^2\) depictions of multipolarity oscillated between such realist and liberal

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\(^{1}\) Aleksei Bogaturov and Pavel Tsygankov are amongst the most recognizable Russian realist scholars.

\(^{2}\) By official Russia I mean Russian politicians, state organs, knowledge creators, and intellectuals who produce material that is broadly regime or state sanctioned. See Silvius, 2016a.
interpretations in a manner consistent with Putin’s broader ideological approach of “liberal-conservatism” (Prozorov, 2005). Putin’s efforts towards embedding market and capital-supporting institutions at the national and regional levels have attracted considerably less scholarly and popular attention than his role in Russia’s political system (although see Silvius, 2015), and yet it is precisely such mechanisms that are significant in the context of emerging Russian-Chinese economic relations. Moreover, as will be demonstrated in subsequent sections, numerous cooperative fora to which Russia and China are part may be characterized by similar attempts to integrate national capitalism.

Numerous scholars understand Russia’s pursuit of multipolarity as a means to achieve regional and global balances of power. Conventional thinking holds that multipolarity is best understood as a concept and strategy used to express Russia’s dissatisfaction with American hegemony and unipolarity. Whether this entails the Russian leadership’s desire to definitively balance against the United States militarily and thereby transfer from a unipolar to multipolar world order (Ambrosio, 2001) or to use multipolarity as a bargaining chip vis-à-vis the United States and the West (Solovyev, 2008) remains a source of debate. Furthermore, in addition to using multipolarity as a strategy targeting the United States at the global level, Russia has pursued multipolarity in East Asia as a means of reasserting its diminished influence and ensuring a stable environment in which to restore its great power status (Rangsimaporn, 2009).

Multipolarity as a ‘volitional’ or ‘aspirational’ project of the Russian state predates contemporary geopolitical flashpoints. Since Yevgeni Primakov’s tenure as Russian foreign minister, which began in 1996, whereby Russian elites have rejected a strong liberal integrationist position and have instead sought the return of great power status (Mankoff, 2009). Since that period, numerous Russian thinkers and leaders have asserted that American power is waning and that American hegemony is showing signs of unravelling, employing multipolarity as a flexible concept to assess developments within global political and economic affairs and to legitimize Russia’s resurgent, although precarious, place in this order. I now turn to the development of this “common sense” position in post-Soviet Russia, beginning with Primakov.
Although it is misleading to see a clean break between the liberal internationalist position of Kozyrev and the multipolar position of Primakov, multipolarity begins to find greater expression in Primakov as a solution to Russia’s dissatisfaction with its diminished international status in the post-Soviet period. The following is a fairly indicative statement of Primakov’s position in 1996. He stated:

Russia in her transition from the bipolar world to the multipolar one should play the role of a counterweight to the negative trends that are appearing in international affairs. In the course of this transition not all power centers, determining this multipolarity, have yet formed. And somebody wants to dominate this situation (in Turner, 2009, p. 163).

Multipolarity has been presented as the rationale underlying Russia’s relations with multiple states since the 1990s. As I have argued elsewhere (Silvius 2016a; 2016b), four inter-related elements of multipolarity inform Russian ‘state-sanctioned’ approaches to world order during the Putin era, if not previously: 1) the promise that mutlipolarity can protect civilizational and cultural diversity, whereas American unipolarity is a form of cultural domination; 2) a geopolitical element, whereby multipolarity serves as a check against American unipolar military domination; 3) an objective economic dimension, whereby the global political economy is witnessing a dispersal of economic power beyond the Western core; and 4) the promise of a more efficient, just, and technically superior global system. Russian officials have continued to ‘embed’ notions of multipolarity in their public statements on a whole host of global political and economic affairs since this publication. The focus in this paper will be on the manner in which polarity has been articulated by Chinese and Russian officials in the context of Russian-Chinese relations. I will turn to this task below.

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Various Russian and Chinese actors may be contributing to a ‘multipolar global political economy’ and a ‘post-(American)-hegemonic’ world order through a variety of economic, political, and discursive practices. Moreover, Russian officials have employed the lens of multipolarity while declaring the deepening of Chinese-Russian relations at various points in time in the post-Soviet period. A strategic ‘Turn to the East’, with China as priority, has assumed greater significance for Russian officials since both the 2007-08 global financial crisis and the 2014 deepening of the Ukrainian crisis have accelerated high level. However, multipolarity as a common sense concept representing the existing state of affairs in the global political economy and governing contemporary Russian-Chinese relations may obscure more than it clarifies. Any opportunities for Russian-Chinese cooperation amid structures of polarity are met by significant politics and emergent forms of struggle, negotiation, dependency, primacy, and subordination across both sides. In other words, characterizing Russian-Chinese relations as contributing to multipolarity obscures relations between, and politics among, the constituent parts of the ‘poles’ themselves.

Several inter-related tendencies animate much English IR and IPE scholarship on emerging Russian-Chinese relations. The first is methodological statism, whereby the Chinese and Russian states are analyzed in toto. Indeed, as Breslin demonstrated, such an orientation characterized much scholarship pertaining to China’s rise and China’s relationship to globalization during the early 2000’s, whereby not only Chinese state-civil society relations but those involving Chinese and ‘foreign’ capital within the Chinese economy were simplified in favour of state-centric analysis (Breslin, 2016). The second is to accord analytical primacy to the ‘strategic’ dimensions of Russian-Chinese relations. The third is to derive an understanding of these relations by way of leaders’ readings of American unipolarity, if not polarity, in general. Another way of stating this is as a tendency to deepen Russian-Chinese relations in accordance with the desired effect on ‘world order,’ and that decisions are undertaken with the intention

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of having the desired effect on strategies of polarity. Here, I elucidate by way of a review of contemporary literature on Russian-Chinese relations.

Kaczmarski (2015) criticizes the propensity of analyses of Russian-Chinese relations to fall either on the side of reaffirming the ‘strategic partnership’ between the two countries (see for example Hsu and Soong, 2014), or, following Bobo Lo (2009), declaring gestures of cooperation to be little more than an ‘axis of convenience’, in which each instrumentally attempts to improve their position vis-à-vis the United States through ultimately superficial collaboration. For Brenton (2013), the idea of an axis of convenience does not adequately capture the governing logic of Russian-Chinese affairs: neither shared ideology, nor economic opportunities are sufficient to serve as the basis of a relationship for the two. Rather, similar vulnerabilities and a threat from the West necessitate the characterization of an ‘axis of insecurity’ in global affairs. Wilson (2016), while demonstrating institutional and economic complexity in Chinese-Russian relationships with an analysis of the linking of the Russian-led Eurasian Economic Union and Chinese-led ‘One Belt, One Road’ project, nonetheless concludes that latent tensions and growing power disparities between the two powers will ultimately compromise cooperative endeavours.

Swanstrom (2014) suggests that Russian-Chinese competition in Central Asia renders the idea of strengthening relations between the two as more rhetoric than substance, suggesting that insofar as cooperation exists, such as via the SCO, it is done so that each side can monitor one another whilst also developing greater leverage vis-à-vis the West. Carlsson, Oxenstierna, & Weissmann (2015) suggest that while Russian-Chinese relations are complex and represent degrees of cooperation and competition, there are considerable constraints on the two countries deepening their coordinated responses via global or other institutions. Lukin (2015), conversely, views the relationship between Russia and China as unambiguously genuine, due to the objective positions each enjoys in world order, suggesting that deep Russian and Chinese cooperation “began long before the Ukrainian crisis: it has been going on for over thirty years now and was set in motion by the dies’ gradual awareness that their fundamental options about the international system and geopolitical situation are very close or even identical” (p. 32), citing,
amongst other matters, a desire to transition from unipolarity to multipolarity, preserve the ‘absolute sovereignty of states’ via the United Nations and a system of international law, reject Western attempts to impose universal values, as well as the content of the values, and each country’s need of the other for trading purposes (pp. 32-34; see Snetkov & Lanteigne, 2015 for an analysis of divergent Russian and Chinese positions on the matter of humanitarian intervention).

Such assessments attempt to reduce deep complexity to what is purported to be a singular logic governing the relationship between the two. One prominent example which avoids this latter tendency is to be found in Kaczmarski (2015), who undertakes a sophisticated analysis of the multiple levels at which Russian-Chinese relations are determined – internal, regional, bilateral and global – along with their corresponding institutions and structures. Kaczmarski offers a constructivist approach to understand a ‘socially-negotiated power transition’ from Russia to China, arguing that the growing imbalance of material power between the two countries, which has accelerated following the 2008 global financial crisis, has been accompanied by a strengthening of bilateral relations in ways that are irreducible to strict strategic calculations. In a similar vein, Wishnick (2017) demonstrates that Russian and Chinese identity formulations are complex and variegated, both at the level of ‘Asia’ and in defining aspects of their bilateral relationship. Ferguson (2012) suggests that Chinese-Russian collaboration constitutes not overt military hard balancing but rather a ‘soft-balancing’ premised on a shared normative dimension, specifically referencing the institutionalization of ‘sovereign democracy’ in the Shanghai Cooperation Organization (SCO) as a means to counter American norms of ‘human rights.’ For his part, focusing on the development of Russian-Chinese cooperation in the Russian Far East and adjacent Chinese territories, Fortescue (2015) convincingly demonstrates that while situations such as the Ukrainian crisis provided an impetus for Putin to seek closer relations with China, that such relations are obtained via not through instantaneous executive fiat, but rather through complex, and institutionalized, policy processes.

Recently, Lo (2015) has expanded on his ‘axis of convenience’ thesis, suggesting that Russia’s oft-declared ‘turn to the East’ (povorot na vostok), while being Sino-centric despite attempts to enhance
relations with multiple Asian states, remains largely instrumental in nature and governed by the desire to assume greater leverage vis-à-vis the West (see also Lo, 2014; Hill and Lo, 2013). For Lukin (2015), the Ukrainian crisis served to consolidate the non-West, although processes leading to such a consolidation, including, importantly, the development of ever-closer Russian-Chinese relationships, had been underway since the late Soviet period. For Watts, Ledberg and Engelbrekt (2016) suggest that the Russian-Chinese relationship, particularly via increased arms trading and an increase in joint military operations, expanded arms trading and expanded significantly since 2008, albeit due not to the Global Financial Crisis but Russia’s willingness to project power in its conflict with Georgia, followed by growing Russian authoritarianism, as well as China’s newfound assertiveness. Ban and Blyth (2013) maintain that within the format of the BRICS, participating countries selectively adopted the Washington Consensus template whilst nonetheless maintain space for state-led developmentalism (see also Ferchen, 2013).

3. Embedding Multipolarity in Russian-Chinese Relations

In this section I demonstrate the significance of multipolarity within prominent state officials’ statements about, and articulations of, Russian-Chinese relations. In such a way we can see the manner in which the concept has become embedded in ‘state-sanctioned’ portrayals of these relations, circumscribing the manner by which we might consider the effects of the relations on polarity in the global political economy. Here I follow a format I have undertaken elsewhere (Silvius 2016a; 2016b), whereby I demonstrate the manner in which Russian officials have articulated multipolarity in a number of institutional fora, including those which are multilateral in nature. Elsewhere, I have demonstrated the manner by which more radical and, potentially, anti-regime understandings of Eurasianism are adopted by official Russia so as to ‘embed’ the conception of Eurasianism in its regional development projects (Silvius, 2015). Similarly, by embedding multipolarity in discourse and statements about Russian and Chinese relations, prominent officials on both sides invite us to consider the corresponding effect of their
decisions and engagements on polarity itself in a manner that blunts the analytical significance of multipolarity while also providing it with new purchase in state projects.

A brief history of major developments in Russian-Chinese relations as they pertain to the idea of multipolarity following the collapse of the Soviet Union to 2008 will demonstrate that a Russian ‘turn to the East’ is a more complex and uneven affair that is not simply reducible to these two geoeconomic or geopolitical flashpoints. Russia sought Chinese support for its membership in the Asia Pacific Economic Cooperation (APEC) format in the early 1990s, and such support was formalized in a joint communique signed between Russia and China in 1995. The arrival of Yevgeni Primakov as Russia’s foreign minister in 1996 signaled a decisive re-orientation from the liberal-integrationist approach of his predecessor, Andrei Kozyrev. Primakov has been widely credited with first articulating the notion of multipolarity in Russian foreign policy discourse, and his ‘Primakov Doctrine’ demonstrated Russia’s intentions of autonomy in its foreign conduct. The development of a strategic partnership with China in 1996 constituted a move from the West for both countries, after which “the official rhetoric of the two countries oscillated between promoting a multipolar world order and denouncing the current unipolar system.” (Turner, 2009, p. 162-163).

Indeed, the language of multipolarity occurs throughout subsequent Russian-Chinese agreements and statements, including the 1997 ‘Joint Russian-Chinese Declaration about a Multipolar World and the Formation of a New World Order.’ In 1999 the Shanghai Five – comprised of China, Russia, Kazakhstan, Kyrgyzstan, and Tajikistan, and founded in 1996 – signed The Bishkek Declaration, which committed signatories to political and military cooperation in the ‘general trend’ towards multipolarity. The Shanghai Cooperation Organization (SCO), which succeeded the Shanghai Five with the addition of Uzbekistan, has been a venue in which Russia and China have articulated their aspirations for multipolarity. Also, in May 2003, President Putin and then Chinese President Hu Jintao signed a joint

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5 The following elaborates upon material originally contained in Silvius 2016b. Additional material is derived from Hsu and Soong (2014) except where otherwise indicated.
6 See also RFERL, ‘Newsline’, RFERL (23 April 1997), which details multiple agreements in which the two sides affirmed their desire for a multipolar world.
declaration supporting a multipolar world (Turner, 2009). This represented a broader trend during Putin’s first presidential term in which Russia deepened ties with Central and Eastern Asia via multilateral for a – including the SCO, the Collective Security Treaty Organisation (CSTO), and the Eurasian Economic Community (now the Eurasian Economic Union), all of which have been articulated as contributing to multipolarity (Torbakov, 2004). Such developments occurred within the general warming of relations between Russia and China. The July 2001 Russian-Chinese Treaty of Good Neighbourliness and Friendly Cooperation provided a more comprehensive framework for economic, diplomatic, and geopolitical cooperation. In 2006, the two countries celebrated a decade since the signing of the 1996 treaty and lauded one another’s respect for sovereignty and peaceful coexistence.

Nonetheless, Sino-Russian cooperation is not the only vehicle by which Russia would pursue multipolarity in the 1990s. Primakov first proclaimed the existence of a “strategic triangle” of Russia, China and India, during a December 1998 visit to India, which was to serve as a cornerstone to an emergent multipolar world order (Ambrosio, 2005; Kuchins, 2001). Also, in spite of the aforementioned assertion that the Primakov Doctrine constituted a turn from the Western world, that Russia was pursuing multipolarity in the European sphere during the Primakov era is also evident. Yeltsin suggested that multipolarity was pursued by the members of “the Great European Troika” – Russia, France and Germany and that the Organization for Security and Cooperation in Europe could serve as a means to undermine NATO in Europe.7 Hence, Primakov set the template for the Russian state’s ‘pragmatic’ geopolitical strategy of multipolarity, under which all willing partners could participate in the emerging multipolar order.

Russian-Chinese relations have taken on a deeper ‘ideational’ significance during this period as well. From March 21-November 9, 2006, China celebrated ‘The Year of Russia’ (albeit for less than 9 months). Russia in turn celebrated The Year of China in 2007. Upon assuming the Russian presidency in 2008, Dmitri Medvedev’s undertook his first foreign visit as President to Kazakhstan and China. During

his visit to China, he, along with Chinese President Hu Jintao issued a joint declaration in which they ‘reaffirmed the commitment of both countries to civilization and cultural diversity with the world community, and to the formation of a multipolar world.’ In the same year Hu developed a four point proposal to institutionalize Sino-Russian relations, with an emphasis on economic development between China’s Dongbei (formerly ‘Manchuria’) region and the Russian Far East (Hsu and Soong, 2014, p.75-76). Moreover, Xi Jinping’s first foreign trip upon assuming executive power was to Moscow in 2010, and Li Keqiang’s first foreign visit upon becoming the Prime Minister of China in 2012 was to Russia (Kaczmarski, 2015, p. 18). More recently, Russian-Chinese cooperation in the sphere of media has intensified. For example, 2016 was declared the Year of the Russian and Chinese Mass Media, in which the two countries were to launch a series of initiatives,\(^8\) including the June launch of the Russian Edition of China Watch, a joint project of China Daily and Rossiyskaya Gazeta\(^9\) and a May cooperation agreement between Russian and Chinese telecommunication companies, which had, amongst other objectives, the establishing of a Russian television in China.\(^10\)

In an October 2016 interview with Rossiya Segodnya International News Agency and IANS News Agency, Putin stated:

BRICS is one of the key elements of the emerging multipolar world. The five countries have consistently reaffirmed their commitment to the fundamental principles of international law and promote the central role of the United Nations. Our countries reject the policy of coercive pressure and infringement upon the sovereignty of other states. We take similar stances on urgent international issues, including the Syrian crisis and the Middle East settlement.\(^11\)


Indeed, this statement is virtually identical to a March 2013 interview that Putin gave to ITAR-TASS:

BRICS is a key element of the emerging multipolar world. The Group of Five has repeatedly affirmed its commitment to the fundamental principles of the international law and contributed to strengthening the United Nations central role. Our countries do not accept power politics or violation of other countries' sovereignty. We share approaches to the pressing international issues, including the Syrian crisis, the situation around Iran, and Middle East settlement.  

In April 2015, prior to the BRICS summit in Ufa, Xinhua published a statement of Putin in which he urged all BRICS members to coordinate more closely on major international issues, and to play an active part in shaping a multipolar world order. Russian Deputy Foreign Minister Sergei Ryabkov stated in July 2015 that "BRICS is in fact an already established new center of the multipolar world and the new and more democratic system of international relations." Moreover, in May, 2015, he told the PRC’s official news agency, Xinhua, "BRICS is a symbol of a multipolar world, and the West just cannot put up with emerging alternatives." In September, 2016, Russia’s Foreign Minister Sergei Lavrov stated that ‘The Asia-Pacific Region has become the driving force of economic development, this is part of the process of transition to the multipolar world system.'

Key Chinese officials have also adopted the language of multipolarity. In November, 2013, The Chinese Foreign Minister, Wang Yi, suggested that the construction of a multipolar world was a significant component of Russia, China and India's relationship. In September, 2015, TASS, the Russian news agency, quoted Chinese President Xi Jinping as saying, "The movement towards the multipolar

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world and the growing influence of countries with emerging markets and developing countries have become unquestionable historical trends."\(^\text{18}\) In October, 2016, during an official visit to Cuba, the Chinese Premier, Li Keqiang stated that "We are transitioning from a crushing U.S. domination to the first steps of a multipolar world led by Asia, specifically China."\(^\text{19}\) The language of multipolarity has also appeared in official Chinese policy papers. For example, The China-EU Strategic Agenda for Cooperation of November 2013 states that "The world of today is experiencing profound and complex changes. As important actors in a multipolar world, China and the EU share responsibility for promoting peace, prosperity and sustainable development for the benefit of all. They agree to continue to consolidate and develop their strategic partnership to the benefit of both sides, based on the principles of equality, respect and trust. The EU reaffirms its respect for China's sovereignty and territorial integrity. China reaffirms its support to EU integration." Moreover, "The world's trends toward multipolarity and economic globalisation are deepening…"\(^\text{20}\) The action plan for the Chinese proposed One Belt, One Road initiative emphasizes, "The initiative to jointly build the Belt and Road, embracing the trend towards a multipolar world, economic globalization, cultural diversity and greater IT application, is designed to uphold the global free trade regime and the open world economy in the spirit of open regional cooperation."\(^\text{21}\) China’s first Arab Policy paper, issued in January, 2016, stated that "The world is experiencing profound and complex changes. The trend toward a multipolar world and economic globalization is deepening, and cultural diversity and the information society continue to move forward. Changes in the international configuration and international order are accelerating."\(^\text{22}\)


4. The Emerging Materiality of Chinese-Russian Relations

The proliferation of agreements and joint-initiatives undertaken by a multitude of economic actors in China and Russia would suggest that there is an emerging ‘materiality’ to Chinese-Russian economic relations. While it is beyond the scope of this paper to adjudicate on the likelihood of either the success or durability of these agreements and initiatives, in sum, they point to a phenomenon that is to be considered alongside some of the strategic and discursive components of Chinese-Russian relations, whereby each country’s desire for a multipolar world order/global political economy is asserted with some degree of regularity.

The previous section demonstrates that Russian and Chinese officials have clearly demonstrated a preference for a multipolar world order. Indeed, it is possible to conceive some of the dimensions of a multipolar world order as portrayed through the discourse and practices of prominent officials. Even if we are, however, to accept three major premises – that Russian and Chinese officials have exhibited a preference for multipolarity, that they are actively constructing it, and that it represents some sort of material and ideational reality through the dispersal of economic and political clout among major ‘poles’ – we can assume little about the relations between the constituent elements of the poles themselves.

It is my intention here to avoid a simplified ahistoricism when understanding recent developments in Russian and Chinese relations. While one can plausibly demonstrate the intensification of economic engagement by Russia with China in the aftermath of the Ukrainian crisis and corresponding Western sanctions, which rendered ‘normal’ economic conduct with Western actors more difficult for Russian officials and firms, it would be incorrect to deduce the rationale of emerging Chinese-Russian economic relations from each state’s stated ‘world order preference’ in the context of geopolitical crisis. Moreover, insofar as Russian-Chinese cooperation has accelerated in recent years, it has done so in light of orientations that have been asserted by Russian officials throughout the post-Soviet era, including the development of institutional frameworks and mechanisms of governance that precede recent crises. Far from demonstrating a straightforward turn from American hegemony, however, emerging Chinese-Russian economic relations demonstrate complex possibilities for new forms of cooperation and
contestation. If key Russian officials have spent considerable energy in the post-Soviet period seeking to avoid becoming a ‘resource appendage’ to the West, accelerated engagement with Chinese productive and finance capital invites questions as to whether Russia is becoming junior partner or semi-periphery to China amid Chinese development aspirations.

By demonstrating the multitude of state and non-state actors through which Chinese-Russian economic relations are constituted, my intention is to gauge the qualitative change occurring via emerging mechanisms and institutions. A proliferation of agreements and undertakings would suggest that Russian-Chinese economic relationships are diversifying, with a corresponding effect on the international division of labour. Such a perspective is a useful corrective on purely quantitative assessments of phenomena in question. Simola (2016), for example, demonstrates that aggregate trade and FDI figures amongst the two countries might demonstrate either the relative insignificance of the relationship between the two countries compared to the value with other trade relations, or the lop-sided nature of the relationship, in that engagement with China is more significant to Russia than engagement with Russia is to China. By demonstrating the proliferation of concrete initiatives undertaken by actors on both sides, my intention is to consider their possible future effects on structures of world order. In this section, I argue that the deepening of discrete trade, investment and financing relations amongst Chinese-Russian actors are creating material structures beyond those of a ‘strategic’ nature. Moreover, while leading to a decentering of the political economy away from American or Western structures of power, any insistence that such developments hasten the arrival of a multipolar global political economy should be problematized.

While pronouncements of Russian/Chinese preferences for multipolarity or the two countries’ co-pursuit of multipolarity have existed since the 1990s, as has been demonstrated, the initiatives and mechanisms by which a coordinated economic strategy may be implemented have proliferated recently. Such a proliferation has made for a more complex ‘materiality’ to the corresponding aspirations to a multipolar world order. Nonetheless, the processes by which Russian-Chinese economic engagement has amplified have implications on the international division of labour. Insofar as Russian and Chinese
officials act in concert towards the end goal of a multipolar world order, they do so amid emerging structures which, in addition to offering new avenues for cooperation, are also replete with new relations of power and the possibility for conflict, inequality, and subordination. In this section, I will highlight some of the concrete joint initiatives announced or undertaken by Russian/Chinese actors with the intention of teasing out their implications for bilateral relations, as well as the ‘polarity’ of the contemporary global political economy.

For the remainder of this section I place analytical significance along three lines. These are undoubtedly intertwined; however organizing each in succession will prove to be a helpful heuristic towards demonstrating the complexity of emerging Russian-Chinese economic relations. Such a categorization and composition is preferable to a strict chronology of events. The first is to demonstrate the proliferation of high profile agreements undertaken via executive and state coordination. The second is the development of existing or new multilateral fora for the purposes of facilitating Russian-Chinese capital flows across borders and the creation of a ‘business-friendly’ environment. The third is ‘lower level’ agreements and practices amongst non-state actors and the enhancement and routinization of relations between Russian and Chinese capital. In sum, the empirics contained below demonstrate two noteworthy trends. The first is the complex role that Chinese and Russian state structures play in coordinating national and foreign capital, both state-majority and private. The second is precisely the proliferation of agreements that signal the complex interpenetration of Chinese and Russian capital in one another’s national political economies.

Executive Coordination

In the aftermath of the Ukrainian crisis high level meetings and decisions undertaken by the Russian and Chinese executive were the vehicles by which multiple agreements were signed concurrently. Importantly, components of agreements at this time would suggest the lessening of Russian reluctance to permit Chinese investment in crucial spheres of the Russian economy. On March 17, 2014 the Crimean Parliament formally requested accession to the Russian Federation. On an April 18 broadcast to Russian
homes, Putin claimed that Russian-Chinese ties “will significantly affect the contemporary architecture of international relations,” Russia has “never had such trusted relations” with China, and that “cooperation with China, including that in international issues, is at unprecedented level.”

On May 20-21, Putin visited China, during which time Russia and China signed over 50 agreements, arguably the most significant of which being a 30 year, $400 billion gas contract between the state-controlled Gazprom and the China National Petroleum Corporation. About the series of agreements, Reuters stated: “The deal is a political triumph for Putin, who is courting new partners in Asia as customers in Europe attempt to reduce their reliance on Russian gas to bolster their bargaining positions with Moscow after its seizure of Crimea from Ukraine.”

Alexei Pushkov, chairman of the State Duma’s International Affairs Committee hailed the contract with China for its “strategic significance” and tweeted “Obama should give up the policy of isolating Russia: It will not work.”

Of additional significance, Russian officials reversed their previous aversion to Chinese investment in the Russian auto industry and allowed the Chinese automaker Great Wall to invest in a project in the Tula region. Reporting at the time in the Moscow Times, Kashin (2014) suggested that the plethora of agreements signaled that Russia was gradually lifting restrictions on the export of sensitive dual-use technologies to China and permitting Chinese state-owned corporations to increase their investment in the Russian economy. Indeed, in recent years Russia has demonstrated a willingness to sell sophisticated military technology to China. For example, In April, 2015, China became the first

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foreign purchaser of Russia’s S-400 Air Defense System from the major Russian arms exporting company Rosoboronexport.\textsuperscript{28} In January, 2016, the Russian military announced that Russia would begin to supply China with Su-35 Fighter Jets, which were manufactured by Russia’s United Instrument Manufacturing Corporation. China would become the first foreign purchaser of the jets.\textsuperscript{29}

In May 2015, Putin signed the Federal Law on Ratification of the Agreement between the Russian and Chinese Governments on Cooperation in Natural Gas Supplies from the Russia to China. The agreement itself, which was signed on October 13 2014, provided the main conditions for cooperation in natural gas supplies from Russia to China via the Eastern route, including a trans-border gas pipeline across the Amur River between Blagoveshchensk and Heihe. The agreement elaborates on a condition within a contract signed between Russia's Gazprom and China National Petroleum Corporation on May 21st 2014.\textsuperscript{30} At the June 2015 St. Petersburg Economic Forum Russia's Rosneft and ChemChina signed an agreement for delivery of 200,000 tonnes of crude oil supplies on a monthly basis for one year, as well as a memorandum of understanding on Rosneft’s purchase of 30 percent stake of ChemChina Petrochemical Co. Ltd, ChemChina's subsidiary.\textsuperscript{31} In June 2016 Gazprom and China National Petroleum Corporation signed a memorandum of understanding on a joint venture for gas generation and underground gas storage in China.\textsuperscript{32}

The May 2015 meeting between Vladimir Putin and Xi Jinping exemplifies this proliferation and the multiple levels of engagement and coordination. While both Putin and Xi’s Press Statements following the Russian-Chinese talks mentioned the 70th anniversary of the end of World War II and their

shared involvement in the war, the substantive effects of the meeting were economic in nature.\textsuperscript{33} The following list\textsuperscript{34} is not exhaustive of the agreements signed during this visit. The two sides issued joint declarations on deepening a comprehensive partnership and strategic cooperation and promoting mutually advantageous ties, as well as coordinating the development of the Eurasian Economic Union and the Silk Road Economic Belt. Multiple transport agreements were signed, including: parameters and financing models for the Moscow-Kazan high-speed rail line, the Moscow-Beijing Eurasian high-speed transport corridor priority project, and projects to build a railway linking Elegest, Kyzyl and Kuragino to the Far East port. China Development Bank, the Chinese Export-Import Bank and Russia's Sberbank and Vnesheconombank signed agreements on the provision of credit lines. Moreover, China Development Bank and Russia and Vnesheconombank signed a framework agreement on cooperation in joint support for developing the Far East. Russia’s VTB Bank signed multiple agreements: a cooperation agreement with Chinese export credit insurance corporation Sinosure, an agreement with China Development Bank on opening a credit line to finance trade operations between China and Russia, and an agreement with China Export-Import Bank on opening a credit line worth 3 billion Yuan. Russia's MTS and China Development Bank also agreed upon a Yuan/ruble credit line equal to $200 million (USD). Gazprom and CNPC agreed on the basic conditions for gas supplies from Russia to China via the western route. The two sides agreed to promote the Russian Sukhoi Superjet-100 plane on the Chinese market. Rosseti, the Russian power grid company and China's State Grid Corporation established a joint enterprise to develop electricity grid projects. RusHydro and the Three Gorges Corporation signed a cooperation agreement.

During an August 2015 Russian-Chinese Volga-Yangtze Dialogue Held in Cheng-tu, China, Russian and Chinese delegations signed nine agreements on cooperation between the countries' regions and more than 10 commercial agreements and contracts between private companies. They report further


that 104 investment projects were initiated during the dialogue.\footnote{TASS. "20 Agreements and Contracts Signed at Russian-Chinese Volga-Yangtze Dialogue."} In September, 2015, Bilateral Talks Held between Russian President Putin and Chinese President Jinping were held during the Eastern Economic Forum in China. The talks were indicative of the multiple spheres of engagement between Russia and China. According to the Kremlin, amongst the agreements were guiding principles of activities of the Sino-Russian Committee for friendship, peace and development; details on the construction of a cableway across the Amur River and joint construction of a bridge across the Amur River; protocols developed between Russia and China's customs services; a Memorandum on Cooperation signed between the state corporation Bank for Development and Foreign Economic Activity (Vnesheconombank), Russian Export Centre joint stock company, the People's Government of Guangdong Province and China's Sinotrans Guangdong Co.; and numerous documents regarding cross-border electronic trade were signed.\footnote{The Kremlin. "Russian-Chinese Talks." 3 September 2015.} Furthermore, according to the BRICS post, during these talks Russia's Rosneft signed a memorandum of understand with China's Sinopec for a joint development of Russkoye and Yurubchenskoye oil fields, and Rosneft also signed an agreement with China National Chemical Corporation (ChemChina) on Rosneft's subscription for a 30 per cent stake in ChemChina. Furthermore, ChemChina signed agreement for a proposed acquisition of a majority stake of Russia's Far-East Petrochemical Company.\footnote{The BRICS Post. "China, Russia Energy Firms Ink Array of Deals."} According to TASS, a Memorandum of Understanding was signed to set up a Russian-Chinese Economic Alliance aimed at fostering cooperation on Beijing's Silk Road East-West trading route. An additional Memorandum of Understanding was signed between Gazprom and CNPC on gas deliveries from Russia's Far East to China through a pipeline; and Russia's Yakutia and China's Huaqing Housing Holding signed an agreement to create an IT-park in Yakutia.\footnote{TASS. "Russia's Yakutia, China's Huaqig Housing Holding Sign Agreement to Create IT-park." TASS, 3 September 2015. Business and Economy. Accessed 14 August 2016. http://tass.ru/en/economy/818423.}

\textit{Multilateral Coordination}
Russia’s presence in multilateral institutional arrangements invites demonstrates that agreements into which it enters cannot be accomplished by executive fiat alone. As alluded to earlier, Russian officials have long intended for the SCO to enable greater degrees of economic collaboration amongst its members. During the September 2014 SCO Heads of State Summit in Dushanbe, Tajikistan, the SCO Heads of State signed an agreement on establishing good conditions for international road transports, which would facilitate road transportation network routes, including the Europe-Western China transportation corridor, which links the ports on the Yellow Sea coast to the ports in Russia’s Leningrad Region. This was accompanied by discussions about developing a common SCO transport system connecting Russia’s Trans-Siberian Railway and Kaikal-Amur Mainline with the Chinese led Silk Road Route. During the June 2016 Shanghai Cooperation Organization Summit, commemorating the SCO’s 15 year anniversary, held in Tashkent, Uzbekistan, SCO members states agreed to the adoption of the Tashkent Declaration, which outlines a multifaceted framework for cooperation in the economic and security spheres, and approved the 2016-2020 Action Plan for the SCO Development Strategy. This builds upon an SCO Heads of Governments Summit, held in Zhengzhou, China, in December 2015, in which the Russian Prime Minister, Dmitry Medvedev, announced Russian intentions to deepen relations between the Eurasian Economic Union, the SCO and the Association of Southeast Asian Nations (ASEAN) and protect capital investments and facilitate the movement of goods across the borders. Correspondingly, the heads of government of SCO member states signed agreements to facilitate the ‘free’ movement of goods, services and technologies within the SCO countries by 2020. Putin has also

39 Vladimir Putin. “Shanghai Cooperation Organization Summit.”
40 Vladimir Putin. “Shanghai Cooperation Organization Summit.”
called for the harmonization of regulations amongst the Eurasian Economic Union, the SCO, and ASEAN to promote business development.\textsuperscript{44}

The SCO is but one venue for institutional and regulatory harmonization between the Russian and Chinese economies. During Putin’s Official Visit to China in June, 2016, Russia and China issued a Joint Declaration between the Eurasian Economic Union (EEU) Commission and the Chinese Ministry of Commerce on the official start of talks on an agreement on trade and economic cooperation between the EEU and China.\textsuperscript{45} This followed the May 2015 meeting between Presidents Putin and Jinping, during which the two sides issued joint declarations on deepening a comprehensive partnership and strategic cooperation and promoting mutually advantageous ties, as well as coordinating the development of the Eurasian Economic Union and the Silk Road Economic Belt.\textsuperscript{46}

The BRICS Development Bank was established during the 2014 BRICS Summit held in Brazil. The initial agreement called for $100 billion for the Development Bank along with $100 billion foreign currency reserves pool. The Bank’s board is to be constituted by the finance ministers from each BRICS nation and have a rotating presidency, with India assuming the initial presidency.\textsuperscript{47} In May 2015, Putin ratified the creation of the $100 Billion BRICS Reserve Fund, which had initial contributions from China ($41 billion), South Africa ($5 billion) and India, Brazil and Russia (each with $18 billion).\textsuperscript{48} In June 2015 TASS reported that the Russia would hold 65 362 shares in the bank 5.92 of votes in the Bank.\textsuperscript{49}

July, 2015, the BRICS New Development Bank headquarters officially opened in Shanghai. In June 2016, the Chinese Government announced that they will continue to support the BRICS Development Bank. In January 2016, the China-Led Asian Infrastructure Investment Bank was officially established, with Russia amongst its 57 founding member states. 

*Enhancing and Routinizing Trade, Investment and Financing*

In addition to executive level talks and multilateral coordination, there has been a proliferation of agreements and engagement among private and state representatives. The full effect of such engagement may not be easy to capture quantitatively; however, they are indicative of the growing complexity of Russian-Chinese economic relations and the routinization and institutionalization of engagement in manners that circumvent ‘strategic’ corridors.

Cooperation between the two countries extend beyond ‘trade relations’ to encompass a range of institutional sinews and governance mechanisms that would forecast the deepening of relations. For example, the two countries have made numerous announcements or agreements to enable economic actors from each country to conduct economic activity in one another’s currency, including changes to cross-border payment systems, agreements between individual Russian and Chinese banks to conduct transactions in the other’s national currency, or each country’s Central Bank agreeing to increased use of the other’s national currency. In August, 2015, the People's Bank of China authorized the use of the

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ruble alongside the Yuan in the City of Suifenhe, which is on the China-Russia Border. Importantly, these bi- and multi-lateral mechanisms would indicate the increasing ease and frequency with which those situated within the two significant national political economies of Russia and China may conduct affairs without reference to, or conduct via, Western/American-centered institutions and mechanisms for global economic governance.

Similarly, both countries have sought to stabilize the ‘investment climate’ within which international capital operates within their borders. In 2010, during a meeting on the Far East’s Socioeconomic Development and Cooperation with Asia-Pacific Region Countries, then President Dmitry Medvedev prioritized establishing an ‘attractive investment climate’, developing special economic zones and creating the conditions for new production chains and multilateral cooperation in Russia’s Far East. In October, 2015, representatives of Russia’s Irkutsk Region and China’s Liaoning Province signed a free economic zone agreement in Irkutsk, East Siberia. In March 2016, a ‘Russian Street’ in the Chinese City of Suifenhe, which borders Russia, was announced to signal the creation of a special economic area in the city for Russian capital.

Russian-Chinese investment and financing agreements have trajectories that precede Crimea. In June 2013 Putin met with Russian Direct Investment Fund representatives. The following words by Putin are telling, as they signal that Russian economic development has been predicated on foreign direct investment with diverse forms of foreign capital:


Dmitry Medvedev and Sergei Lavrov. “Excerpts from Transcripts of Meeting on the Far East’s Socioeconomic Development and Cooperation with Asia-Pacific Region Countries.”


In 2012, the total volume of contributions by direct investment funds in Russia doubled to reach $10 billion, with half of these funds coming from the Russian Direct Investment Fund and its co-investors.

I also want to point out the contributions into Russia’s economy by companies that are global infrastructure leaders. They bring more than just investments; they also bring technology, experience and expertise. I am referring to the Russian Direct Investment Fund’s partners from China, Korea, Kuwait, Japan, India, Germany and France.

We intend to consistently develop public-private partnership mechanisms that are appealing to businesses, including for implementing infrastructure projects.

I want to assure you there will be more and more such projects every year; Russia has much to offer. I will add that we made a fundamental decision to invest significant resources from our reserves, from the National Welfare Fund and to attract pension savings into infrastructure projects that pay. This form of co-financing will certainly be interesting for our strategic investors.

Moreover, during this meeting, Putin discussed an investment fund that had been created jointly with the Chinese Investment Corporation, with up to $4 billion in capital.\(^6\)

Indeed, Chinese sources of investment and finance capital have become increasingly significant for Russia, and the mechanisms to enable them have multiplied. However, Chinese-Russian cooperation on this front has a genealogy that precedes recent geopolitical flashpoints. In October 2011, Russia’s Vnesheconombank (VEB), Direct Investment Fund (RDIF), and China Investment Corporation (CIC) signed a Memorandum of Understanding of their intent with CIC to set up a joint investment fund. The Russian government announced its plans to invest $10 billion in the fund within five years, including $2 billion in 2011.\(^6\) In June 2012, Vladimir Putin and Hu Jintao, upon signing a joint statement to deepen ‘trust-based interaction and strategic partnership,’ affirmed Russian and Chinese commitment to implement the Chinese-Russian investment cooperation plan and expand investment.\(^6\)\(^6\)

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In March 2013, during Xi Jinping’s First Visit to Russia as President of China, both Putin and Jinping affirmed their desire for reciprocal investment. In April, China’s Northeast Heilongjiang Province announced plans to increasing investment in Russia by $1 billion by 2015, and $2 billion by 2020. Also in April, Chinese Deputy Prime Minister Zhang Gaoli, met Russian Deputy Prime Minister Igor Shuvalov to discuss issues related to bilateral investment cooperation, with Shuvalov claiming that thousands of Russian entrepreneurs are seeking to expand investment collaboration with their Chinese partners. The First Russia-China Investment Cooperation Commission was held in September, 2014, during which 32 bilateral investment projects relating to transportation infrastructure, petrochemical complexes, the development of agriculture and the extraction, processing and delivery of natural resources through the Far East region were discussed. In late June and July 2014, China’s Ministry of Commerce and the Russian Ministries of Economic Development and Industry and Trade held the first China-Russia Expo in Harbin, China, during which top Chinese and Russian officials and industrialist discussed investment cooperation with the aim of furthering economic and trade cooperation between the two countries.

Putin’s October 2014 meeting with Premier Li Keqiang yielded a Memorandum of Understanding to jointly build one high tech park in each country and involved the Russian Direct Investment Fund, Russia-China Investment Fund, the Skolkovo Fund, and the local Government of

northwest China’s Shaanxi Province. In April, 2015, Russia's Skolkovo Foundation and Chinese Cybertaut Investment Group developed a $200 Million Joint Venture Capital Fund. In May 2015 the China's South West Mining Company and the authorities of the Kolyma region in Russia's Far East signed an agreement to have the former invest $8 m in Development of Silver Deposit in Russia's Fast East, which included an agreement to build 130 km of roads connecting the deposit with a nearby settlement.

The July 2015 Innoprom Industrial Trade Fair was held in Yekaterinburg, during which Russian and Chinese companies sign 10 framework agreements on cooperation in various branches of industry including building underground railways, developing rail transportation services, exchanging construction materials, legal proceedings, automated systems and robotics. The October 2015 China-Russia Trade Expo, which was themed ‘Silk Road Economic Zone: New Opportunities for Cooperation,’ took place in Heilongjiang, China, which had the theme”. Xinhua reported that during the expo more than $2 bln (USD) worth of trade contracts were signed and an alliance of 35 Russian and Chinese financial institutions was established to “better serve cross-border financial activities between China and Russia.” In January 2016 Russia’s Rusnano and China’s Zhongrong International Trust established the $500 mln Rusnano Zhongrong United Investment Fund, to focus on the development and transfer of nanotechnology. In March 2016, the Chinese Minister of Agriculture, Han Changfu, Encouraged

73 TASS. "China, Russia Companies Sign 10 Framework Deals at Innoprom Industrial Trade Fair."
Enterprises to Invest in Russia's Far East Agriculture. In June 2016 Russian Railways, the Russian investment company Sinara Group, China Railway and the Chinese state owned manufacturer CRRC agreed to construct a new plant in Russia that could produce 100 high speed trains, which would be designed for the Moscow-Kazan high speed railway. In the same month, China agreed to grant a 20-Year $5.9 Billion Loan to the Moscow-Kazan High-Speed Railroad Project and confirmed the involvement of the Silk Road Fund in providing capital to the project.

5. Conclusion

Forthcoming...

Works Cited


