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A WARY EMBRACE:  
WHAT THE CHINA-RUSSIA RELATIONSHIP  
MEANS FOR THE WORLD

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## P R O C E E D I N G S

MR. WRIGHT: Good afternoon. My name is Tom Wright. I'm a fellow and director of the Project on International Order and Strategy here at Brookings and a fellow at the Center for the United States and Europe. And it's my great pleasure to welcome everyone here today for discussion on the Russia-China relationship. We're delighted to host Bobo Lo for the Washington, D.C., launch of his new paper with the Lowy Institute in Sydney called "A Wary Embrace" on the Russia-China relationship. Bobo is a nonresident senior fellow at the Lowy Institute for International Policy and an associate research fellow with the Russia Center at the French Institute of International Relations. He is the author of many books and articles including "Russia and the New World Disorder," which is available for purchase outside in the bookshop. But particularly, we want to draw attention to this new paper, "A Wary Embrace," which is available online at the Lowy Institute website and also from online retailers.

We'd like to thank Michael Fullilove, director of the Lowy Institute, who is also a nonresident and a close friend of the Brookings Institution and was a fellow here a few years ago. And to the Lowy Institute for all of their cooperation with us here and for choosing us here today to launch this important paper. So Bobo is going to speak for about 10 or 15 minutes and outline the broad arguments of the paper and then we're joined by a stellar panel. Yun Sun of the Stimson Center; David Gordon, former director of policy planning and now with the Eurasia Group; and my colleague, Philippe Le Corre from the Center on the United States and Europe.

So I think we have a hashtag that you can tweet out, #RussiaChina, if you have any comments during the talk, and then we'll open it to questions and answers with about 25 or 30 minutes to go.

So without further ado, perhaps I could call Bobo to come up to the stage and to talk about his paper. Thank you very much.

(Applause)

MR. LO: Thank you. Thank you, Tom. Thank you, ladies and gentlemen. I really appreciate seeing you all here, especially since it's such a wonderful spring day in Washington, D.C.

It has become commonplace in recent years to assert that the Russia-China

relationship has never been better, that the views on the international system on the world order identical or near identical. Now, there is a fair bit of truth to this. It is certainly true that Beijing and Moscow agree on many things. They agree on a world order in which the United States is counterbalanced by other great powers. They both oppose western liberal interventionism. And they certainly believe in consolidating regime stability in the face of democratic and other external pressures.

On the specifics also they appear to hold largely congruent views on issues ranging from Ukraine through Syria to the South China Sea, cyber sovereignty, and it's certainly the case also that there are no serious disputes between Beijing and Moscow. And even by the standards of the general bonhomie that you get between world leaders these days, the personal chemistry between Chinese President Xi Jinping and Russian President Vladimir Putin certainly appears far better than most.

So in many respects the China-Russia relationship has emerged as the very model of a modern strategic partnership or what some people like to say a new model of international relations. And yet in my view, the currently popular thesis that this is an authoritarian entente, an authoritarian international I think is overblown. And I think it overlooks critical differences between Chinese and Russian positions in four main areas.

And these differences are not just trivial because they undermine their capacity and will to develop an alternative world order with its own particular rules of the game.

These differences are evident in four main areas: their perceptions at the existing international system; their visions of a future world order; their attitudes towards cooperation, towards engagement with the United States; and in their differing priorities in the Asia-Pacific region.

So let's start off with the perceptions of the existing international system. Although China and Russia agree that the U.S.-led global order is unsatisfactory in many respects, they diverge crucially in their overall assessment of its worth.

Moscow's view. Moscow's attitude towards the existing international system is unequivocally negative. It sees a system that was imposed on Russia against its will as the loser in the Cold War. And that it systematically deprived it of its justified place in the world, of its influence, of

its rightful status. It believes on the positive side if you're looking from the Kremlin, that this U.S.-led order is also in terminal decline and that its demise should therefore be expedited.

And so to this end it has sought to undermine it through various means such as discrediting the democratic process in the United States, making common cores with far-right populist parties in Europe, and military intervention in Ukraine and Syria.

The Chinese, by contrast, do not seek the demise of the existing international system but rather its reform. They recognize implicitly and actually explicitly that U.S. leadership and western-style globalization has actually been extremely kind to China. Helping to transform it from a regional backwater to an incipient superpower in just over three decades.

So if Russia has been the biggest casualty of the liberal world order, then China, by contrast, has been its prime beneficiary. And what this means is that China has a vested interest in the preservation of the international system, albeit with some changes that would reflect China's much enhanced influence and status in global affairs.

Beijing also worries about process. It worries about the anarchy that might ensue from the shift from the currently admittedly unsatisfactory system to a much more unpredictable new world order. And it also worries about the additional responsibilities it would have to carry in such a world order. It fears an escalation of international tensions and it also realizes, I think quite rightly, that an overt challenge to U.S. primacy would increase the chances of Sino-American confrontation, particularly at a time when China is nowhere near ready for this. That's the first major difference between China and Russia.

Second difference, whose multipolar order. Now, Beijing and Moscow talk a lot about a new multipolar order, or to use a fashionable parlance, polycentric system of international relations. But they differ in their visions of this multipolar order. Moscow identifies in essence three independent centers of global power: the United States as the leader of the west, China as the leader of the east, and Russia as the great transcontinental heartland power, if you like, balancing between the United States and China and being a bridge between east and west.

Beijing's vision, however, is substantially different to this. I would say Beijing subscribes to a bipolar plus vision. So the United States is still preeminent, yes, but China has

emerged as the only true counterpart, global interactor with the United States. The Sino-American relationship would be the fulcrum of global governance in the 21<sup>st</sup> century. And as for Russia in this Chinese vision, yes, Russia would be important, certainly. It would be a great power, absolutely. But it would not be a power on a par with the United States and China. That's a critical difference.

Now, such differences, such contradictions have been blurred by the gathering crisis between Russia and the west in recent years. Nevertheless, there is a clear tension in my view between Putin's view of Russia as a global power on par with the United States and China on one hand, and on the other hand the mainstream Chinese assessment of Russia as a secondary power, one of several adjuncts to the main U.S.-China global relationship. And I think these differences of perception are likely to become more significant as the gap between Chinese and Russian capabilities widens in the coming years.

Third difference. Beijing and Moscow agree that Washington is to blame for much of the instability and inequity in the world today. However, they also engage with Washington in very different ways. For China, the United States stands at the epicenter of its foreign policy. The United States is China's strategic benchmark. It is its second largest trading partner just after the E.U., and it is a primary source of technology and know-how. Accordingly, Beijing identifies, as I mentioned earlier, a powerful vested interest in maintaining at least a functional relationship with Washington, however serious their differences may be on individual issues.

Now, we should acknowledge that this is not a guarantee against confrontation but it does mean that the Chinese default position towards the United States is essentially one of cooperation and accommodation, finding ways to get on. Now, it's also true that the United States is the primary strategic reference point for Russia, but that is actually where the similarities end because the Russia-U.S. relationship, the bilateral relationship is meager. It is dominated by contentious security issues such as, well, conflict management in Syria as we've seen. This, ladies and gentlemen, is a tactical and opportunistic interaction at best, and one that is, as we have seen, more often than not, highly acrimonious.

Now, it's true that Donald Trump has declared his intention to improve relations, but let's be honest, real rapprochement is pretty unlikely given the well-publicized scandals of a Russian

cyber hacking in the U.S. presidential election, the, how should we say it, dubious contacts between senior Trump figures and Russian security services. So what this has meant is that bipartisan opposition, republican and democratic, in Washington, to a better relationship with Moscow I think is actually hardening. And while initial optimism in Moscow that somehow Trump would magic up a better relationship, well, those hopes have largely disappeared.

Fourth difference. This really is we would say mainly about Australia, but because the United States is very much an Asia-Pacific power, it's highly relevant but sometimes a little bit neglected. China, as we've seen, is committed to asserting itself as a leading power in the Asia-Pacific region. Now, specifically, this means promoting its interests in relation to Taiwan, in the South China Sea, in the East China Sea, and on the Korean Peninsula. More generally, the Chinese agenda, it seems to me, is about challenging U.S. regional primacy, weakening Washington's security relationships with Seoul and Tokyo, isolating Japan, and projecting Chinese naval power throughout the Western Pacific.

Now, this is an ambitious and comprehensive strategic agenda any way you look at it. By contrast, the Russian agenda is limited and prophylactic. Its main strategic priorities lie elsewhere. Eastern Europe and post-Soviet Eurasia, the Middle East, the Arctic, and of course, the creation of a new global order. If Moscow has any sort of strategic vision for the Asia-Pacific, then it is for an environment where no single power is able to dominate. And that means China. Moscow doesn't want to just see the end of U.S. hegemony; it just wants to see an end of hegemony full stop. So the idea that somehow it would be more acceptable for China to take the United States hegemonic role in the Asia-Pacific, that has no meaning in Moscow.

So what does this mean for the nature of the Sino-Russian partnership? Well, Moscow and Beijing have shown very little capacity to coordinate on grand strategy or let alone to establish sort of post-western norms and institutions. These, ladies and gentlemen, are independent actors. They are not allies. It is true that they've been quite successful in developing bilateral cooperation and also in managing their differences, but this does not equate to a commitment for global transformation on agreed terms. This is not an authoritarian entente but a relationship of strategic convenience driven by individual national priorities and interests.

Nevertheless, we should acknowledge that this Sino-Russian partnership is resilient, and the likelihood of significant shifts one direction or another I think is quite low. Beijing and Moscow recognize the flaws of their relationship but they also recognize that cooperation is a much better option for each side than confrontation or even tension. And this means that they are committed to sustaining their strategic, or what's known as a strategic partnership, committed to making it last.

And people wonder about, well, what is the Trump effect in all this? I think Trump's shenanigans, continuing uncertainties in Europe, have actually served to strengthen Sino-Russian engagement because at a time when there is so much volatility and there is so much uncertainty, you can never take anything for granted anymore, then Beijing and Moscow look to each other for a sort of relative predictability, relative stability for all the shortcomings and defects in their relationship.

However, conversely, China and Russia are most unlikely to upgrade their partnership to a bona fide alliance. Why? Well, for a start, the risk of dangerous entanglements from Europe to the Asia-Pacific remains a powerful disincentive. Instead, I believe, Putin will continue in his attempts to position Russia as the great middle power, an independent center of global influence and authority, and I think Xi, for his part, will strive to ensure that China's rise to superpower-dome is as smooth and harmonious as possible.

So the big question looking ahead is whether China and Russia can build on the progress of the past two decades and achieve a more deep-rooted convergence, even if it's not an alliance. And I think there's good reason to be skeptical. The challenges are enormous. The challenges of growing inequality, politely known as asymmetry in the relationship, an increasingly ambitious and globalist Chinese foreign policy, and contrasting visions of global governance, these are not trivial differences. They are enormous and they will require immense political will, and frankly, good luck, if they are to be negotiated successfully.

Finally, just on some policy implications for the west. At the risk of stating the obvious, western decision-makers need to draw the right lessons from the course of China-Russia relations. And I think the first of these lessons is the requirement for balance, to avoid overreacting to individual events, be they military exercises, summits, so-called landmark energy agreements. It is essential for western policymakers to assess each development on its merits and to maintain a sense of proportion

rather than be dazzled by the spectacle, to not be shocked and awed, if you like.

Second conclusion. Western policymakers need to understand the limits of their influence. There is very little, let's be honest, that they can say or do to affect the Sino-Russian relationship. The idea that somehow you can pull Russia away from China or China away from Russia frankly is absurd. In fact, the more we try, the more it will encourage Beijing and Moscow to use their partnership as leverage in other areas.

And finally, and perhaps the most important lesson of all, we need to treat China and Russia as individual great powers. So, China's rise poses tremendous challenges to the Asia-Pacific region and to global governance in general. No doubt about it. Equally, an aggressive Russia asks serious questions about the stability of the international order. However, their contrasting perspectives, their different priorities, and sometimes conflicting interests mean that the Sino-Russian partnership is less than the sum of its parts. Thank you.

(Applause)

MR. WRIGHT: Thank you for that terrific presentation. I really liked this paper. In fact, it's really not a paper; it's actually a book. When you order it you get it in a book format. It's the length of a book and I highly recommend it.

And I think it's interesting when we talk about this topic. I think once you bring up Russia and China, everyone wants to channel their inner Henry Kissinger, right, or reach back to their realist sort of education and see about splitting one off against the other and what that might entail. And I particularly like the way you sort of show that that was not only unnecessary but likely to be counterproductive.

We have a really great panel here to talk about this. We have David Gordon at Bobo's immediate right who is a senior adviser at the Eurasia Group and was previously director of policy planning at the State Department and had a long and distinguished government career before that. Yun Sun, who is a senior associate with the East Asia Program at the Stimson Center, but also most importantly a nonresident fellow here at Brookings and had previously been a China analyst for the International Crisis Group in Beijing. And Philippe Le Corre, who is a visiting fellow at the Center for the U.S. and Europe here at Brookings, my colleague, and also wrote a book called China's Offense in



Europe, which is a really great analysis of Chinese-E.U. relations.

So I'm going to turn to David in a moment but I just wanted to push you, Bobo, on one thing before we turn to the panel. And I thought you did show that Russia and China have these big differences in perception. There are many things that would inhibit structural cooperation, and in fact, if you look back at previous authoritarian regimes, there are almost no examples, very few examples of effective authoritarian alliances, even in the Japanese-Germany case, which many people point to.

But my question is, does that really matter? I mean, should we not worry about their joint activities anyway? I mean, it seems to me there is one commonality which you refer to yourself which is they both share the same general objective which is in their regions they want to displace sort of the U.S.-led security order, and they'd like to replace it with the spheres of influence system that's more 19<sup>th</sup> century in orientation. And that while, you know, China doesn't want to play in Eastern Europe, and Russia, you know, as you said, doesn't really have an agenda for East Asia, that that actually works to their advantage and they're both in very different ways pursuing sort of revisionist foreign policies.

And so I guess my question is, you know, does that sort of mean that we need to take that joint challenge seriously even if we are recognizing that they're not sort of meeting in closed sessions to coordinate their strategies?

MR. LO: As I said right at the end, I think we need to take the strategic and normative threat posed by China and Russia to the global order. We need to take that threat seriously. However, to my mind it's not a coordinated threat. So we need to -- what I worry about is that in our obsession with a Sino-Russian authoritarian alliance, so called, that we're taking our eye off the ball. We're thinking about Russia-China -- China-Russia coordination, when in fact we should be really focusing much more specifically on what China is doing or not doing in the Western Pacific and what Russia is doing in Eastern Europe.

So rather than sort of worrying about, oh, gosh, they've had another naval exercise, that's a distraction. That's the secondary issue. We need to keep our eye on the ball. The eye is what they are doing individually. And that's why I worry that when we throw out this narrative of Sino-Russian coordination, you know, we're losing -- we're being distracted. We're failing to grasp, and

therefore address, the much more serious, the much more direct problems.

MR. WRIGHT: Great. Thank you.

David, if I could turn to you first and just ask for your general reactions to Bobo's argument, but also if you see, you know, real concrete room for Chinese-Russian cooperation or what the lessons we may have learned from the last few years met the limits to that cooperation.

MR. GORDON: Sure. Thank you very much. Great to be here.

I really liked Bobo's paper because I agree with the basic framework. So, I'm biased. On the other hand, I do think that the Beijing-Moscow relationship is much more fraught than it would appear by just looking at the meetings and all this. And I remember the last time I spoke at Brookings, which I think was a year and a half or two years ago, I brought with me a lot of data on the limitations of Chinese economic responses to Moscow's shift to look to the east after the Ukraine crisis and the imposition of western sanctions. And part of my point was that Moscow was really disappointed in the lack of Chinese economic and commercial engagement at that time, that they thought that they had a lot more play to go back up to a Kissingerian level. They thought that they were going to be able to shift away from some of their dependence on Europe in particular, but also on the U.S. in terms of investment to go with China. And it didn't happen. So I think the points -- I think Bobo's paper is basically right.

Let me just add one point and talk about the one issue that I disagree with him about. And I don't want to take Philippe's issue away from him but I think Europe is a huge issue in which the Chinese and the Russians look at it extremely differently and that China really seeks to deal with a coherent, successful Europe, and that Russia wants anything but. So that's another major issue, but I'll let Philippe talk about that in more detail.

So is it really the case that there's little the west can do to influence Russia-China relations? So I had the good fortune of visiting Beijing twice between the election and the inauguration. And the overwhelming question that I was asked wherever I went, by government officials, by think-tank people, by business and financial people, is, you know, is there going to be a Russia-U.S. entente against China? And so that maybe in retrospect it looks like things that we didn't have an ability to change this but the Chinese were quite worried that we did. Quite worried about

that. And I pushed. I said, why are you so worried about this? And it was very interesting. They said, you know, what's the matter with you? You know, you're old enough to remember the last decade and a half of the Cold War when the U.S. and China, the ends of the triumvirate of great powers, basically ganged up on the middle. Well, China and Russia have shifted roles since then and they were worried about a repeat. This is sort of Kissingerian terms of a repeat of an ends against the middle strategy among the top three. And I think it was a legitimate concern.

But I think that in my mind, in my mind, I think the Russia piece, the Russia piece of this why hasn't there been a better relationship with Russia, I think it comes down to one very, very critical choice that the president made. President Trump sees himself as being the most pro-military president ever, and because of that he went out and looked at who are the senior retired or senior military officers who have the most respect among their peers, and he came up with General Mattis, General Kelly, General McMaster. I think the outlier here was General Flynn, and he didn't last long. But all of these guys bring -- the U.S. military remains in many ways the most anti-Russian, big institution in the U.S. government. And I think that it's the willingness of the president to defer to his military advisors who are now in the cabinet on issues of foreign policy and national security that took any real rapprochement with Russia right off. When General Mattis took his first trip to Europe, went to NATO headquarters, the first thing he said was there will be no military cooperation between the U.S. and Russia on Syria. Of course, for months, for months and months, for over a year, the diplomacy between John Kerry and his Russian counterparts had been how do we create the political conditions for that military cooperation? So I think Russia really was shocked in this. But that's why I think that Beijing has been a little more pleased with the Trump ascendance and the form it's taking than you would suggest.

MR. LO: Okay. All right. All right.

MR. WRIGHT: David, can I just ask you one quick follow up? I mean, is that why Trump seems to be turning more towards Tillerson on the Russia diplomacy? I mean, Secretary Tillerson seems to now be the lead --

MR. GORDON: He's the guy.

MR. WRIGHT: I agree with your assessment in terms of where the military came

from, but it's sort of interesting how the president is now not quite trying to sideline them but sort of circumvent them.

MR. GORDON: And I think that Tillerson is the right guy to be in the lead on Russia. I mean, he's dealt with the Russians. He knows the Russians. But he's not coming from a viewpoint that's 180 degrees different from the military guys on this. But you can't have -- I don't think you can have, unless you have a rapprochement, you can't have a military guy doing that because they're not going to be able to do it.

MR. WRIGHT: Ms. Sun, if I could turn to you and ask you, like picking up on David's last point, in terms of the Trump administration and how sort of China views this, I mean, has the first 100 days changed their sort of view of both the United States and then the necessity or desirability of cooperation with Moscow or, you know, is it sort of just more continuity with how they were thinking before?

MS. YUN: Thank you, Tom. First of all, I really admired Bobo's paper and his books in the past.

So on the issue of how to assess Sino-Russia relations, I think the Chinese reaction is - the question is a point of reference. What do you compare this bilateral relationship as it currently stands to? Do you compare it to Sino-U.S. relations or Russia-U.S. relations? The Sino-Russia relations today are so much better. And if you compare it to the relationship between China and Russia in the past, say from 1960s to 1990s, the relationship today is very good. So that's why they would say that our relationship with Russia is in its best shape for decades at this current moment. And they would say that we have worked much more closely with Russia for much less in the past.

So I think there is an issue of point of reference and how do you compare it. And there are a lot of differences. And I know Philippe is going to talk about the strategic competition between Russia and China given China's Belt and Road Initiative in Central Asia, and there are quite a lot of disagreements between the two.

And then on the issue of the Trump effect, I agree with Bobo that I don't think the Chinese are immediately changing their policy on Russia. Since the external stride or the perception of the external stride by the United States in the case of East Europe and in the case of West Pacific

as being a key element that brought this rapprochement between China and Russia, especially since 2013, since Xi Jinping assumed power. Then the logic naturally continues that now that China has a better relationship with -- presumably has a better relationship with the United States and President Trump, that at least on China's part removed some of the willingness to cooperate as closely with Russia.

But I don't think that is a policy position that Beijing is taking today. One, Beijing doesn't want to appear expedient or opportunistic at this point. That immediately after Trump decides to have a better policy towards China, China is turning its back against Russia. That projects an image that China does not want to have internationally. It wants to have the consistency.

And also from the Chinese judgment, although President Trump seems to be pursuing a transactional relationship with China on some of the issues today, when they look at the long run, they still feel that the U.S. inevitably will see China as a long-term competitor. So the U.S.-China relations in the long run remains to be competitive. So from that angle, they feel that, well, Russia offers us more stability and more predictability in terms of our policy.

The interesting issue is on specific issues, when say at the current moment when Trump administration requests Chinese cooperation or Chinese consent on some of the issues, what is Beijing's choice? How Beijing reacts to that when Beijing has that transactional mindset in dealing with Trump, and there are two interesting examples from April. The first one is a Chinese abstention on the Syria resolution, at the U.N. Security Council on April 12<sup>th</sup>. So that came out as a surprise because China has cast a double veto with Russia for six times in the past and the most recent one being the end of February. And actually, the day before at the Mar-a-Lago summit between President Xi and President Trump, the Chinese representative at the U.N. had made quite an assertive and spicy criticism of the western position on the Syria issue. So I think people were expecting that China would cast another veto with Russia on the issue of Syria, but China did not. And what that means to me is that China is trying to settle or differentiate or cater to U.S. demand at least on some of the issues. It doesn't mean that they're going to change their policy on Russia completely but on tactical issues and technical issues, as in the Chinese are willing to see whether there is a leeway.

And the second event or the second example is last Friday Russia announced they're

banning the popular social media app, We Chat, in Russia. And the official explanation for that is We Chat was not following the rules and the management regulations inside Russia. And you see the Chinese-Russia specialist coming out saying that while this is not a political issue, it doesn't carry any political message, it's just a legal matter on a commercial matter. But you would think that between Beijing and Moscow, if their relationship is really as good as they describe, then such a contentious issue would have been handled more privately rather than through such a high profile method. So I think those subtle events does convey some message that tactical and technical issues as under Trump's overall positive policy towards China, the Chinese will take his demand into consideration.

MR. WRIGHT: Thank you.

Philippe, if I could turn to you. You know, you wrote a great book on China's engagement in Europe, particularly on sort of the economic side, and you've also looked at the Central Asia component of it. I'm just wondering how do you see all of this fitting together, and do you sort of also share sort of the view that there's real limits to this cooperation? Or how do you see the Chinese dynamic really playing out in the European context?

MR. LE CORRE: Well, first of all, I have to add my compliments to the author of the paper. I think it was a very balanced view and very accurate of the Russia-China relationship.

And just to follow up on what Yun Sun was saying, it's interesting that the Chinese social media are banning Russia. As we know, there's nothing political about banning social media, even in China. It's all economic and technical. Anyway, social media.

So to answer your question, Tom, more directly, I think, you know, one of the things that Bobo points out in his paper is the fact that the Chinese agenda is very much about geo-economics rather than politics or strategic.

MR. WRIGHT: In Europe.

MR. LE CORRE: I mean globally.

MR. WRIGHT: Oh, globally.

MR. LE CORRE: Globally. First, I mean, you have the Belt and Road Initiative, which is convening a massive summit in a few days in Beijing. The AIIB, which is this new infrastructure bank that has been launched by Beijing. And on the other hand you have the Eurasian Economic

Union that the Russians have put together. Now, the idea behind the, actually both projects, I mean, the Russian one and the Chinese one, is to create more possibilities for China on one hand, with all the problem of overcapacities, steel and Chinese goods in general, and for Russia to tie together the former Soviet Republics of Central Asia. And of course, in Central Asia it's a complicated matter. I mean, if you go to Kyrgyzstan or Kazakhstan, they speak to you in Russian and there's no evidence of Chinese presence there. Surely, the Kyrgyz do not know that 70 percent of their country's debt is owned by China. In fact, there's no Chinese presence at all. It's quite surprising.

On the other hand, we know that in the course of this Belt and Road Initiative there are all kinds of projects going on, some successful, some not so successful. In a place like Pakistan, for example, not so far away from Central Asia, more South Asia, there's been, you know, 40 workers killed along the roads or along the belt I should say. And there was a kind of security dimension missing.

So where is China going in terms of security and protecting its own project of expanding economically is a question. And in Central Asia, the answer to that question is very clearly it's not going anywhere. Russia is basically the big brother when it comes to protecting the five Central Asia republics.

Just one point on defense. I mean, as far as we know, China is a net importer of defense equipment from Russia. How long will that last? I mean, basically, the Chinese PLA, the People's Liberation Army, has been building thanks to Russian and military equipments, and that's the main reason for the -- I mean, that's the main flow of goods. So there's this sort of dichotomy between security and economics. And again, coming to what David was saying and what you were saying, Tom, on China and Europe, Tom, you said that China doesn't want to play in Eastern Europe, and I beg to disagree. It is playing but in the economic field, not the security field. Or not yet. I mean, in Pakistan, they may have to address this other than hiring Pakistani security people. But surely, in Central Asia -- sorry, in Central Europe and Eastern Europe, it's about building infrastructure as part of the belt-and-road initiative. So it is about expanding China's presence. Building a high-speed train between Belgrade and Budapest. Having all kinds of projects in the Balkans, in Hungary, in Poland, and getting political support from these countries as well, when in Central Asia, of course, it doesn't try

because Russia is just, I mean, has a military presence, for example, in Kyrgyzstan. And it's still relied upon by the Central Asians.

So there is a game going on, and obviously, the majority of this Eastern and Central European countries are more on the Chinese side than the Russian side for obvious political reasons. There might be a couple of exceptions there and also many of them are part of the European Union which is another side subject. But China has been sort of using this opening of Eastern Europe for the past 10 years. It started with the Euro debt crisis and the fact that many of these countries feel a little bit sidelined by globalization and by mainstream Europe, and Russia doesn't have much to offer because, you know, both in Central Asia and in Eastern and Central Europe, Russia can offer protectorates which in Eastern Europe doesn't interest anybody almost, when in Central Asia, because of the commonality of cultures, of language, of history, it's still very much the Russian sphere. And the Chinese know about that and there's a kind of, you know, equilibrium between the two powers that, you know, China may have an increasing presence in Central Asia but mainly in the economic sphere.

MR. WRIGHT: Great. Thank you.

So before I go back to Bobo, if I could just throw out another question just for anyone who cares to answer it. But it just strikes me that with the Trump administration that Russia and China, even if they're both acting separately, both have sort of a tremendous opportunity here that's sort of, you know, would work to both of their advantages in two respects. The first is, you know, it really does seem for the first time maybe since the war there's a president who cares not one little bit about democracy promotion or human rights or sort of the values component of U.S. foreign policy, which, of course, is something that the Chinese and the Russians have been very aggravated about for some time. And you know, while they may not be actively proposing sort of an authoritarian model, they can, you know, to spread around the world, they can help consolidate authoritarianism where it arises.

And the second area is that there is a doubt about, you know, I think still the U.S. security commitment in both of these regions. President Trump has still not explicitly endorsed Article V of the NATO Treaty, even though he has said NATO is no longer obsolete. And there was a report the other day that FON Ops have yet to start in the South China Sea, that that may be linked to the



North Korean threat. And so I'm wondering if you could all just sort of reflect on that sort of dynamic. I mean, are we seeing sort of a fundamental game changer here with the Trump presidency in terms of, if not a Russia-China alliance, at least they're a joint sort of challenge, Bobo, that you mentioned?

David, do you want to --

MR. GORDON: Yeah. So, I mean, I do think that this issue of reassuring allies, which was what all of these guys in the national security positions of the government wanted to do; right? And they were worried about it because, of course, during the campaign and for 30 years before that Trump had basically badmouthed the western alliance system. And he continued doing it during the campaign. And the interesting thing is when he found these generals who were so well respected, what they had in common was a deep belief in the alliance system. And so there's certainly been an effort to reassure, but the effort to reassure has inevitably run up against the president's proclivity because I think one of his strongest-held beliefs is that America's allies basically screwed the U.S. in terms of burden sharing. And I think he holds that belief very, very, very, very powerfully. So it rubs up against this quest for reassurance. And I think that tension is going to be semi-permanent over the course of the administration. I don't think it's going to go away. I don't think it's going to be resolved one way or the other. And I do think that that will create opportunities for alternative powers.

Now, you know, will that lead the Russians and the Chinese to work more closely together? I suspect not. Because I think Bobo's point particularly about Asia, about the Russians not wanting the Chinese to take over from the U.S. role is very strongly held. But everybody's going to be hedging. So you're going to have a lot more hedging including with the Russians by a country like Japan. So I do think there's an opening here. I don't think it's going to end. I don't think we're going to get to an equilibrium in terms of the resolving of this tension around alliances in a way that is the status quo ante. I don't think that's where we're heading, and that will definitely create openings.

MR. WRIGHT: Okay, thank you.

Bobo, do you want to come back in on that or on all the various comments?

MR. LO: There's quite a bit. Fascinating. Thank you very much. These are really interesting comments. And I can't possibly do justice in my responses to them but I will try and pick up a few points.

Let's start off with the last one about whether a Trump administration or the Trump presidency does create certain tactical and strategic opportunities for China and Russia. I think yes and no. Okay, what do I mean by that? There are two major elements in play. One is the sheer volatility of Donald Trump himself. Sheer unpredictability, which makes calculation not just by U.S. allies difficult but by U.S. enemies or U.S. rivals. So really, it's almost like everything has been thrown up in the air. Everything that you kind of betted on about the rules, good or bad. The rules of the international game have now become suspect. Have now become unsafe. So that means you can count on nothing. He may support your line on a particular issue today but tomorrow it might be different. And if you hang around long enough, it will come full circle. So this makes strategic or tactical calculus extraordinarily difficult for enemies, rivals, and friends.

But there is another aspect which is there's an argument that the adults are back in charge. That you've got McMaster, you've got Mattis, you've got Bannon we think may be on the outs, or at least on these issues. And you've got Tillerson. And there is a certain sort of underlying pragmatism. So basically, Trump can say or think whatever he likes but these adults who are actually running the show will ensure a certain continuity in U.S. policy. So these are two contradictory trends. Very hard to pick.

Now, I actually think the biggest problem, the strategic opportunity that arises from the Trump administration is the sheer dysfunctionality of U.S. foreign policy under Donald Trump, the unpredictability. In other words, it's not Russia or China, let alone a Sino-Russian authoritarian entente that is the biggest threat to the liberal world order. It's Donald Trump.

So in that sense, it creates opportunities for other players to play, except they don't quite know where the limits are. They don't know how the map is unfolding. It's an extraordinarily unpredictable environment that allows real opportunities for advantage but also it maximizes risk as well. So it's very, very difficult to play in.

Now, just picking up some of the other points. David, you mentioned that China and Russia look at Europe very differently, and in a way their contrasting attitudes towards Europe exemplify their broader attitudes to the international system. China actually wants Europe to be reasonably functional because it wants, more or less, functional international system, albeit with

increased Chinese influence. The Russians want to see it all go to the devil in the handbasket really. And so they're actively disrupting processes in Europe because it fulfills a larger objective.

On the Kissingerian triangle, I've always been a bit of a skeptic about the value of strategic triangularism. I actually believe that even in the heyday of a Cold War, that the U.S. got a lot out of the triangle. China got some things but they did not really influence Soviet behavior at all. Actually, the Soviet Union, in fact, expanded many of its activities. It put far more divisions on the Chinese frontier than it did before the strategic triangle, before Nixon's visit to Beijing.

And these days, I actually don't think that they have much opportunity to -- I take your point that the Chinese were worried about a Russia-U.S. rapprochement, but they were wrong. And do you know why they were wrong? Because they didn't really understand the Russian mentality. They completely underestimated just how profound the Russian animus is towards the U.S. political establishment. That Russian -- sorry, excuse me, the United States represents what's known as the "pervyy vrag," the First Enemy. It's the great other. It's almost like the Great Satan.

On benchmarks, very -- very good point. And I had an exchange with various people on the interpreter, which is the Lowy Institute's website magazine. Benchmarks are crucial, and you're absolutely right to point out that the relationship is better than it's ever been. We need to acknowledge that. It's far better than the era of the 1950s -- '40s, '50s, the so-called era of unbreakable friendship that was anything but, of course. It is more multidimensional. It is more developed. They know how to handle trouble better. But the reason I raised the benchmarks in a way not dismissive but I try to underplay things, is you have people saying that this is a Sino-Russian alliance, and we need to address, to take that argument on. Because yes, it's vastly better than it's ever been. Yes, it's a relationship from which both sides see far more benefits than defects. Nevertheless, it is no alliance. And we need to talk up the relationship as much as it should be talked up, but also recognize its limitations. It's about balance for goodness sake.

And this is sometimes people sort of -- I wrote a Brookings book on this China-Russian relationship in 2008, and I called it An Axis of Convenience. And a lot of people thought that when I said axis of convenience, I meant that it was all about tactical expediency. But no. It's about tactical expediency, strategic calculus, and long views. You can't just apply a glib label to it, although

you could, maybe axis of convenience is that label. But Axis of Convenience, what I was trying to do is convey the impression of a relationship that had a lot of complexity, that had superficial and transactional elements, but it also had elements of reasonably fast-sided thinking. And we need to understand this.

And part of this, sort of the way China and Russia deal with each other, what they're looking for, and this is one area where they certainly are one, is they both prize strategic flexibility, which is why they like a good relationship with each other irrespective of what may happen in other relationships, but also why they don't want an alliance because that's way too committal.

On Central Asia, just very quickly. In Central Asia, I think you're right about the Chinese emphasis on geo-economics versus the Russian emphasis on geopolitics. However, I do wonder whether the equilibrium that you're talking about is actually that sustainable. Because both sides have been talking until now about a division of labor. So the Chinese do the economic influence primacy. The Russians are clearly the dominant, security, strategic political actor in Central Asia. However, the question arises how long can this compartmentalization be sustained? Because it seems to me that the rise in China's geoeconomic influence has been so spectacular that it inevitably has geopolitical consequences. You cannot separate the political from the economic, the geoeconomic from the geopolitical. And I was at a conference in IFRI, the French Institute of International Relations, in September, where both the Russian and Chinese participants on the panel that I was moderating acknowledge that this division of labor had effectively become defunct. So I'll leave it there.

MR. WRIGHT: Great. Thank you. I think we'll go to the audience because we have a lot of expertise actually in the audience as well, and I'm sure there's lots of questions. So we have microphones. So if you just put up your hand we'll take them in twos or threes.

I see Bruce in the front row and then the gentleman halfway down. So why don't we take the gentleman halfway down and then up to Bruce. Yeah.

MR. ROSE: Yeah. My name is Gerald Rose. I'm with the Executive Intelligence Review. And I address this to Ms. Sun but others can comment on it.

I think there's a vast underestimation of the philosophical implications, deep

philosophical implications of what's developing on the Belt and Road. It's not just a geostrategic action. It's actually -- Xi Jinping, it's a vision for the future. It's also in Russia, and there is tremendous interest in the United States, can we get out of the impasse of the last, you know, 30 years? Can we get out of there? Is there a way? Tillerson raised it recently in can we discuss a 50-year perspective? Can we actually get beyond geopolitics and actually come up with something what is called win-win? Right? I mean, that's what it said, right, win-win. But it means it's a revolution. It's not just merely -- it's a rethink. It's a complete rethink of what are our relationships that has led us to \$6 trillion in war, total chaos in the Middle East, complete poverty except in a few places. China has lifted 700 million people out of poverty. This is impressive.

MR. WRIGHT: Okay. I think we got --

MR. ROSE: Yeah, you got the point. Okay.

MR. WRIGHT: Yeah, we got it. So we'll address it in one moment.

Bruce?

MR. JONES: Bruce Jones from Foreign Policy. First of all, thank you to Bobo and to Lowy for doing this event here.

I would ask -- wanted to ask both Bobo and David to comment on the energy aspect of the relationship. Because neither of you touched on it but it seems to me that there's potentially a very major stake for both Russia and China in building that relationship. The building of it is extremely complicated but I'd like you to both to kind of pick up that theme and see whether you think that's something that's going to be real or stays in the space of the rhetorical.

MR. WRIGHT: We're actually going to take two more as well because we have a lot of people on the panel. So Michael and then the gentleman over here.

MR. FULLILOVE: Well, let me first of all just quickly say as the director of the Lowy Institute, Michael Fullilove, how pleased we are to be here. And I want to thank Bruce and Martin and everybody at Brookings for making us feel so much at home.

Can I just draw out the speakers a little bit further on the Trump effect? We saw the pretty incredible result overnight in South Korea. We're seeing effects in Mexico and Australia, so I know we're talking about two adversaries of the United States, but I'd like to hear a little bit more from

the panel about the Trump effect on the U.S. allies.

MR. WRIGHT: Just over here. Yeah.

SPEAKER: I'd like to follow up on what was asked by Bruce about energy. If you can elaborate especially on the Yamal Project, which is, in my view, very important given the fact that it is the first major project which is not funded by (inaudible) and it is very clearly politically motivated, so it's something which should be taken into consideration from my point of view.

I know your skepticism about this relation between China and Russia. Could you try maybe to correct the skepticism on two things -- what is the importance of this relationship in the BRICS grouping? At the origin of the BRICS we are so skeptical and since 2009, to some extent there was impressive progress made with this grouping.

And secondly, what about the Shanghai Cooperation Organization? Is it something absolutely not important from your point of view or is it something on which we can observe a sort of dynamic coming from China and Russia? Thank you.

MR. WRIGHT: Thank you. So we'll go to Yun Sun first maybe since one of the questions was directed to you, and then Philippe, David, and Bobo. And if you could all keep your answers quite short so we can get in another round of questions. You know, feel free to ignore the toughest questions.

MS. YUN: Sure. On the issue of the Belt and Road Initiative, I agree with you. I think it's both an economic campaign -- it's primarily motivated by the domestic need of the Chinese economy. The Chinese economy has been slowing down and it needs to absorb the excess capacity while the domestic market has been saturated for the infrastructure development. So China is looking abroad for such a market for the Chinese capacity. So looking from that perspective, yes, it is about economics, but it also has a long-term strategic impact that I don't think anyone can deny.

I think the success of the Belt and Road Initiative also depends on a lot of backers. There is a security backer that Philippe mentioned. There is also an issue of the commercial viability of a lot of these projects. Indeed, China wants to generate trade and facilitate trade but these are very expensive infrastructure projects and with very long term loan repayment terms. So is the Chinese government or the Chinese banks able to get their money's worth? In the long run I think that still

remains to be seen. And there are criticisms domestically in China about this point. Other people don't dare to say that publicly. I'll stop there.

MR. WRIGHT: Thank you. Philippe?

MR. LE CORRE: So, yeah, I mean, the Belt and Road project, it's great. It's still very much in progress. We don't know in 10 years where we will be. Obviously, it's about influence. It's about setting the agenda which I definitely find very interesting, but it's also part of, you know, China's global rise. It's just one element, one tool perhaps. On the other hand, China, going back to the Moscow-Washington access, you know, and China was asked whether there was a Berlin-Washington access. I mean, we're live in this word of access that keeps changing. And at the end of the day, Beijing has recognized the fact that, you know, there is globalization. It's one of the prime countries to benefit. And in a way, the Belt and Road Initiative is wide enough, vague enough to be able to go alongside this pro-globalization agenda which has been clearly advocated by President Xi Jinping in Davos and that it will no doubt continue to advocate. But I think the Chinese are getting more flexible because, you know, exactly, because as you said, Bobo, the uncertainty due to the Trump effect.

MR. WRIGHT: Thank you. David?

MR. GORDON: Yeah. Just a couple points. On Belt and Road, I remain a skeptic on Belt and Road. On the other hand, I don't see any strategic challenge by China to the United States in going west where there definitely is one in the western Pacific waters. So I think getting involved for the United States, taking a more positive attitude, joining AIIB are all the right things to do.

On the energy question, I think that's a big one. I mean, but in some ways, again, to my mind, it reflects some of the differences in the Chinese viewpoint and the Russian viewpoint. I mean, what China wants to do is to really diversify its range of dependencies. It definitely wants to have an energy relationship with Russia, but it's not -- it doesn't want that to be the dominant relationship. So the Russians, I think, see energy as the driver of this much closer and broader strategic relationship and that's been the source of their disappointed and I think will continue to be.

So on Trump and allies, I mean, no one knows what the South Korean vote would have been so it's not easy to pull out but, you know, certainly the most egregious case of Trump personally undermining the reassurance of allies was the series of tweets last week on South Korea.

There's just no doubt about that. That was just, I mean, I was blown away. The THAD and the trade deal. Oh, my word. A week before an election. So that was absolutely extraordinary.

But I think we've got to be careful though because, I mean, I think that Moon was likely to have won the election even had that not happened. So we've got to be really careful.

MR. WRIGHT: It was interesting, too, that I think Moon in an interview with Fifield in the Washington Post last week was actually very restrained in his remarks and basically said he agreed with Trump on all these things and that there was no difference. It's just interesting given the background, you know, there that he was trying to downplay those differences. Also, according to Bloomberg yesterday when McMaster contradicted Trump on THAD, he shouted at McMaster over the phone so that may or may not be true.

MR. LE CORRE: So there's definitely, I mean, there's no doubt that HR is consolidating on the national security space in the White House. Other people don't like that. They're going to the media. So be very careful on that.

MR. WRIGHT: Great. Bobo?

MR. LO: Okay. Just several issues.

Fifty-year perspective. The problem is that particularly in Russia, the political situation has always been so volatile until relatively recently. Until Putin really managed to consolidate his political authority. But there's a tradition in Russian political culture of thinking not about the long term, because before the long term is a short and medium term and that's so unpredictable that you need to put your foot on that. And that means that 50-year perspectives, no, that's nice. It's a nice intellectual exercise but it has no practical validity.

Win-win. When people talk about win-win I always think there are a couple of gags going around. One is that it means China wins and it wins again. (Laughter) And then the other gag was a friend of mine had lunch with China's chief WTA negotiator and he asked him about the meaning of win-win. And the negotiator came back to him and said win-win, it just means you haven't negotiated hard enough. So these are, I think, Russia, and also China, their respective elites operate in an essentially Hobbesian strategic world, in my opinion.

Energy. In theory, this should be the relationship of the century. You have the world's



largest importer of energy with the world's largest exporter of energy. What could go wrong? But it's precisely because one is an exporter and the other is an importer but their perspectives differ radically. Because China's interest is, as has been pointed out, in diversification. It doesn't want just the oil and gas minerals. It wants to control the market. That's really key. Whereas Russia, Russia sees energy as, in a sense, like the nuclear weapons of the 21<sup>st</sup> Century. You're not going to drop them but you use them to project influence and power to compensate for your weaknesses in other areas. And so it means that they have fundamentally different perspectives. Now, sometimes they can sort of get to work and it manages, but China's interest is in minimizing, yes, it wants Russian oil and gas, but if it doesn't get Russian oil and gas there are lots of other options. And in fact, even if the Russians dump a whole lot of oil and gas on them -- you know, they really do it with oil but virtually no gas -- the Chinese will still look elsewhere because there is no way they're going to put themselves in hoc to the Russians. Equally, the Russians don't want to rely on China as a market.

Now, right now they don't really have a lot of options when it comes to oil in Asia, but the thing is, the ideal situation for Russia is to have markets right across the Asia-Pacific region. One of the reasons why it prefers the Altai Pipeline, gas pipeline, to the Power of Siberia Pipeline is because with the Altai Pipeline, which is far further to the west in Central Eurasia, it means that it can supply both European and Asian customers, which means it can tell the Chinese, you don't pay our price, we send the gas in the other direction. With the Power of Siberia pipeline you're stuck. There's only one customer. And so this is the real killer. And this means that they have fundamentally different perspectives on oil and gas and commodities. Now, as I said, sometimes you can make it work but it's a challenge. Let's be honest.

On the Trump effect on U.S. allies, I think it varies. But if I had to sort of pick a common denominator it's the creation of uncertainty, of fluidity, and it's also the delegitimizing effect on U.S. foreign policy. And I think that is the major -- not only can you not trust in U.S. foreign policy from day to day if you're an ally, but you're also worried about your association with such an apparently maverick individual, actually carries certain reputational consequences as well for you. And so that is a real concern.

On Yamal, just very quickly. I think, if, and I don't think it's going to happen, but if

there were some improvement in U.S.-Russia relations and some loosening of the sanctions, Exxon Mobil would be back in the arctic quicker than you could say. Because when Exxon and Rosneft had that deal, Exxon got the choice bits and they left CNPC with the leftovers. The Chinese -- the Russians don't want to -- the Chinese are not Russia's favorite partner in the Arctic because the Chinese don't offer technology and know-how, not like Exxon, and also there's always this Chinese agenda. What do they want in the Arctic really? It's not about energy; it's actually about broader stuff.

Quickly on the BRICS. The fact that we've got this big Belt and Road Summit coming up shows in some ways how marginal the BRICS are to the Chinese, because Putin sees the BRICS as a kind of -- a basis for alternative global governance. You know, this is where, you know, he has actually specifically said we want to develop from a strategic dialogue into a fully-fledged partnership with proper institutions and stuff like that. Now, the Chinese are not interested in that. For them, BRICS is just another of many institutions useful, but certainly no alternative to the existing network of institutions. If China does have an alternative, it wants "Made in China" alternatives, like the Belt and Road Initiative, like the AIIB.

Which brings us to the SCO. The advantage with the SCO is this. The SCO doesn't do anything for regional security. So the Chinese understand this. They've tried to, therefore, make a call for things like an SCO free trade zone. The Russians, unsurprisingly, have showed absolutely no interest in this. Guess why? But what the SCO can do is mediate bilateral differences in a multilateral framework. In other words, just the mere fact that you meet up for the SCO Summit and there's a lot of glad-handing and happy-clappy stuff going on, that carries in itself a certain value.

MR. WRIGHT: Thank you. That was a very good set of responses from the panel. We're almost out of time so unfortunately we don't have time to go back to the audience but I would like to finish with one question, which is over the last few months, the issue that's really emerged as preeminent for the Trump administration in Asia and Europe is North Korea. We haven't mentioned it yet. China seems to be cooperating, but despite what we were saying earlier about Russia, you know, playing a sort of different game, in Asia, Russia has traditionally been a bit of a spoiler in North Korea. Sometimes it's intervened to sort of give overtures to Kim Jong-un when China has sort of stepped up cooperation with the United States. So I'm just wondering if you could all comment very briefly just in

literally 30 to 60 seconds each on how you see that playing out. Is there a Russia-China -- there's obviously a China component in North Korea, but what's the Russia component? How will that sort of affect U.S. national security?

So if we can -- if someone wants to volunteer or we can go in reverse order.

David, do you want to?

MR. GORDON: Yeah. I mean, you know, I don't think that if the North Korea issue continues to grow in salience and if there is a pathway forward between the U.S. and China, I don't think the Russians are going to be a spoiler on this. I'm very much of that view. Now, and that's the irony here of the Moon election is that I think the Moon election could facilitate an easier way to reconcile U.S. and Chinese views on where to go forward on this.

MR. WRIGHT: Thank you.

Philippe?

MR. LE CORRE: Yeah, just a few words. I think, you know, Russia was part of the six-party talks for many years. It does want to play a role because it sees itself as a global power. Having said that, it is now involved in various conflicts in Ukraine, in Crimea, of course, in Syria. And for some reason the Korean Peninsula has not been on top of the Russian agenda. But perhaps by going back to some kind of six-party talks which have been mentioned various times recently, Russia could actually reengage with China and sort of legitimate the reinstallation of this concept which has not really worked. But in any case, you know, the six-party talks allowed everybody to be happy, and in a way, China would feel it would have another ally on board.

MR. WRIGHT: Thank you. Yun Sun?

MS. YUN: Well, I agree with Philippe that Russia has not been a major player; it's relatively a minor player so far on the issue of North Korea. And there's a tendency on the Chinese policy coming into (inaudible) to point to Russia and say, now why don't you blame Russia for its food supply and food aide, too, for North Korea? Why are you pointing at China only? But we also know that the magnitude of the Chinese support to North Korea and the trade is very different. Russia, in comparison, their trade relationships with North Korea, it's very small. It's negligible.

I think there is a tendency on China's part to have some sort of policy coordination

with Russia on North Korea simply because they do see a U.S. alliance system in Northeast Asia where U.S., South Korea, and Japan's position are sort of on the same side, and China, Russia, and North Korea could sort of be on the other side. Although more recently, I think a more interesting development is the Chinese have supported -- you see the Chinese talking about, well, we support the U.S. bilateral talk with North Korea to mitigate the tension. And potentially, we could have a four-party with U.S., China, South Korea, and North Korea. I doubt that the Chinese at this point want Japan to be in the game given the state of Sino-Japan relations, and that leaves an interesting question of what role China expects Russia to play in the multilateral setting.

MR. WRIGHT: Thank you. Bobo, final word?

MR. LO: It's very interesting. Again, another anecdote about Russia in the six-party talks. I remember some -- it must be about 10 years ago, or at least 10 years ago, I asked a senior Japanese diplomat who had been involved in these talks, whether Russia actually played a value -- had a certain nuisance value in the six-party format. And he said no value, just nuisance. (Laughter) Now, having said that, I agree. I don't think Russia will be a spoiler. And it won't be a spoiler for a number of reasons. It won't be a spoiler because it doesn't want to upset the Chinese over an issue that is viscerally important to Beijing. It doesn't want to get involved because North Korea is seen as dirt poor. And a pain in the ass. It really is. It's got far more --

MR. WRIGHT: But Putin did invite Kim Jong-un to Moscow; right? I mean, he did.

MR. LO: Yes. But in a way, the idea, with Kim Jong-il --

MR. WRIGHT: Un.

MR. LO: Yeah, but I mean, he also did that with Kim Jong-il as well in the past.

MR. WRIGHT: Right.

MR. LO: What they want to do, what Russia wants in the Korean process is power. Well, not that much power, but certain influence but without responsibility. So in other words, by playing in the six-party talks you'll say, yes, Russia is an Asian power. Yes, Russia is a global great power. Yes, no important security decision in the world can be made without indispensable Russia. But it doesn't want the grief. It doesn't want the aggravation and that's really important.

Now, for the Chinese, the Chinese want to stop the Russians from being part of the

six-party talks. Why? It's not that they need Russia to help them. In fact, on many issues the Chinese don't need Russian cooperation. What they need, however, from Russia is not to be a pain in the ass. They don't want to repeat the western experience of dealing with Russia where Russia might not be able to help you but it sure as hell can hurt you. It can obstruct your objectives, and the Chinese, I look at the western experience and I think, yeah, no, we won't go that way, which is why they big up Putin, they big up Russia, and they always say it's a great global power. It's doing the right thing. In principal positions, we agree on everything, and Putin, what a guy.

MR. WRIGHT: Thank you. Bobo, thank you for a really terrific paper, A Wary Embrace. It's available on the Lowy Institute website, as well as online at Amazon, Google.

Thank you to our panel for really great comments. And to all of you. And to the Lowy Institute and Michael Fullilove for partnering with us today. And with that we are adjourned. Thank you.

(Applause)

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