

# **The Policies of Russia, US and China and the Implication on International Relations**

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## **I. Russia's Policies and Its Relations with the US and Europe**

### **1. Medvedev-Putin Tandem has shifted to Putin-Medvedev Tandem, The continuity will outweigh changes in Russia's policies.**

1.1. Russia will continue to improve people's livelihood, in order to strengthen the ruling foundation of the authority.

During the term of Medvedev, despite a sharp reduction in GDP due to the global financial crisis, real incomes increased by 1.8%. Pensions and social protection benefits mainly contributed to this increase. According to a World Bank report, pensions increased in real terms by 18.1% in 2008, 10.7% in 2009, and 34.8% in 2010. As a result of the expansion of social protection benefits, the share of these benefits in total incomes of the population increased from 11.6% in 2007 to 18.1% in 2011, the highest rate over the last 20 years. <sup>1</sup>

Putin met serious challenges in the presidential campaign this time. The opposition party convened large-scale protests. After assuming his position, Putin will have to further increase the welfare and improve people's living conditions, in order to gain political support. In April 2012, in a government work report presented at Duma, Putin stated that average increase of real wages would be above 60%-70% by 2020.

1.2 Russia's goal for national modernization will not change.

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<sup>1</sup> *Russian Economic Report: Moderating Risks, Bolstering Growth*, World Bank, No 27, April 2012, URL<[http://www-wds.worldbank.org/external/default/WDSContentServer/WDSP/IB/2012/05/02/000333037\\_20120502005616/Rendered/PDF/682760WPOBox360C000270march20120eng.pdf](http://www-wds.worldbank.org/external/default/WDSContentServer/WDSP/IB/2012/05/02/000333037_20120502005616/Rendered/PDF/682760WPOBox360C000270march20120eng.pdf)>.

Putin will continue to work towards modernization. More than 1/4 of the country's GDP relies on the exports of raw materials and primary products, including natural gas, oil, steel and wood. High oil price means both advantage and disadvantage for Russia. The positive part is that it is helpful for increasing national revenue. In Putin's first term as President, Russia's economy developed quickly due to the high oil price. Currently, Russia is still more dependent on world market than most other countries. At the same time, the high oil prices will make the country overly depend on the benefits of energy. The leader will be reluctant to make decisions to enhance the reformation of economic structure and developing mode.

1.3 The continuity of Russia's domestic policies will outweigh changes.

Before the presidential election, Putin promised to promote the reformation. The previous economic and social approaches and other approaches in international relations will be proceeded with. This will accordingly result in relatively small impact on domestic politics, and the country will maintain a beneficial domestic environment.

**2. Medvedev and Putin vary both in their views about the West and the concrete approaches dealing with the relations with Western countries. Competition and cooperation will co-exist.**

2.1 The relationship between the US and Russia will maintain a conciliatory status after the "reset".

The mechanisms set up after the "reset" are still playing their roles. For instance, the US-Russia Bilateral Presidential Commission that established in 2009 and the 16 working groups under the commission are still active. The US understands that CIS is strategic support of Russia and avoids provoking incidents in the region. The US Ambassador to Russia Michael A. McFaul is an influential person. This is beneficial for the development of bilateral relationship. McFaul used to work for the U.S. National Security Council as Special Assistant to the President. He played an important role in the "reset" of the bilateral relationship and made contribution to the New START treaty.

2.2 There are still some disputes that are hard to resolve in the relationship between Russia and the West.

Actually, Russia is still unable to gain the trust from the West, even after the transformation. During the presidential election and the Duma election, a number of protests against Putin took place. There was obvious Western influence behind. The political environment faced by Putin is getting worse. Specifically, the disputes between Russia and the US on the anti-missile system cannot be resolved, and will have an impact on the Russia-Europe relationship as well. Whether the Eurasian Union proposed by Russia will be accepted by the US and Europe still faces uncertainties. Recently, Putin was absent from the G8 summit held in US and Obama declared that he would not attend the APEC summit to be held in Russia. The leaders from both sides temporarily lose the opportunity for strengthening private communications.

## **II. The US Policies and Trans-Atlantic Relationship**

### **1. Domestic problems split the focuses of the government**

1.1 A variety of problems including economy and people's livelihood need to be addressed.

The current global crisis started in the US and has had serious impact on the US strength. From 2007 to 2011, government debt ratio rose from 62% to 100% of GDP. In the future, the US government will still be challenged by weak economic growth. According to IMF report, US economic growth is projected at 2% percent in 2012 and 2.5% in 2013, reflecting ongoing weakness in house prices, pressures to deleverage, and a weak labor market. Although recent labor market outcomes have been promising, with unemployment falling to 8.25% in March, the outlook is for only modest increases in employment during 2012 and 2013.<sup>2</sup>

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<sup>2</sup> "World Economic Outlook: Growth Resuming, Dangers Remain", International Monetary Fund, April 2012, URL<<http://www.imf.org/external/pubs/ft/weo/2012/01/pdf/text.pdf>>.

1.2 Obama invests plenty of time and resource in the competition for reappointment, which will inevitably influence the US foreign policies.

There is a report by the Daily Mail in April this year. The report says that according to an upcoming new book titled *The Rise of the President's Permanent Campaign*, Obama is the US President who is most devoted to winning the reappointment since 1977. By March 6, Obama had held 104 fundraisers by March 6th this year, compared to 94 held by Presidents Carter, Ronald Reagan, George Bush Senior, Bill Clinton and George W. Bush combined.<sup>3</sup>

## **2. The US pivot to Asia will continue, and the focus on Europe will accordingly decrease.**

2.1 The US is strengthening its relationship with alliances in Asia-Pacific, and increasing investments in the region.

In October 2011, US Secretary of State Hilary Clinton stated in her essay titled "America's Pacific Century" that "One of the most important tasks of American statecraft over the next decade will therefore be to lock in a substantially increased investment -- diplomatic, economic, strategic, and otherwise -- in the Asia-Pacific region". The US further strengthened its relations with the traditional allies such as Japan, the ROK, and Australia, and managed to expand the security partnership with India, Singapore and Vietnam. The US even tried to change the abnormal relationship with Myanmar.

2.2 Since Asia-Pacific is the strategic pivot and Middle East is also a focus of the US, it is difficult for the US to pay equal attention on Europe.

The turbulence in the Middle East is out of control. The authorities that shared a close relationship with the US have been turned down, including the Ben Ali regime, Hosni

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<sup>3</sup> 'Obama has held more re-election fundraisers than previous five Presidents combined as he visits key swing states on "permanent campaign"', Daily Mail, 29 April 2012, URL<<http://www.dailymail.co.uk/news/article-2136851/Obama-held-fundraisers-previous-Presidents-combined-visits-key-swing-states-permanent-campaign.html>>.

Mubarak regime and Ali Abdullah Saleh regime. The US needs to think about how to communicate with the new authorities. In Hillary Clinton's testimony on National Security & Foreign Policy Priorities in the Fiscal Year 2013 International Affairs Budget before the Senate Foreign Relations Committee, February this year, besides strengthening the investments in Asia Pacific, the US also focuses on the wave of change sweeping the Arab world. The State Department is proposing a \$770 million Middle East and North Africa Incentive Fund.<sup>4</sup>

The current strategic focuses of the US lie in Asia Pacific and the Middle East, and these two regions occupy the priorities of the US investment.

### **III. China's Overall Foreign Policies and the Relationship with the US, Russia and Europe**

The year 2012 is an important year for China's domestic politics. China faces a leadership transition. However, the overall strategy of reform and opening up will continue; the all-dimensional foreign policy for friendly relationship will not change; there will be obvious continuity in China's policies.

#### **1. Adhering to Scientific Development and Peaceful Development Road**

1.1 China will continue to seek sustainable development, change production mode, take people as the foremost and improve people's wellbeing.

In recent years, China has made remarkable progress in social and economic development, as well as overall national strengths. China has become the second largest economy in the world. At the same time, China is still a developing country and is facing the problems of imbalance, discordance and unsustainability. Chinese government will adhere to taking people as the foremost and working for people's wellbeing, and will fulfill the responsibilities to provide public services.

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<sup>4</sup> "National Security & Foreign Policy Priorities in the FY 2013 International Affairs Budget", Testimony of Hillary Rodham Clinton before the Senate Foreign Relations Committee, 28 February 2012, URL<<http://www.state.gov/secretary/rm/2012/02/184847.htm>>.

1.2 China will adhere to the peaceful development road, mutual benefit and win-win, and promote the construction of a harmonious world.

China has formed the concepts of peace, development and cooperation and a system of strategic thinking for foreign affairs with peaceful development. China initiated a new model for the rising of a great power. In a relatively long term, China will remain the nature of a developing country. This means that China must focus on promoting modernization and resolving the problems in development and people's livelihood. China needs a peaceful and stable international environment and will further carry out foreign exchanges and cooperation.

## **2. China-US relationship – building a new type of relationship**

2.1 China proposed a concept for building a new type of relationship between major powers.

On the occasion of the fourth China US Strategic and economic dialogue, President Hu Jintao proposed five points for developing a new type of relationship between China and the US. He believes that both countries need to think creatively, trust each other, act in spirit of equality and mutual understanding, work actively and nourish the friendship. China will adhere to the road of peaceful development and endeavor to avoid the old-fashioned model that the catching-up powers will conflict with the existing dominant powers. A new type of relationship between China and the US will benefit the whole world.

2.2 There are also problems between China and the US.

First of all, China believes that Asia-Pacific is large enough to accommodate the interests of both China and the US. However, the increasing investment of the US in the region is along with the strategic thinking of containing China. This has had impact on China-US relationship as well as the regional security. The US utilizes the tension in the Northeast Asia as an excuse to upgrade both frequency and intensity of the US-ROK and US-Japan military exercises, and strengthens related alliances. The US carrier once entered the Yellow Sea, under the excuse of exercise. The US will continue to expand its military

presence in the region. Concerning the East China Sea disputes between China and Japan, the US has supported the claims of Japan in different occasions and carried out large-scale joint military exercises. As for the South China Sea issue, the US has walked away from its previous blurry and adiaphorous position which had been carried out for many years. Instead, the US claims that South China Sea issue involves the US national interests, and has begun to actively intervene into the relevant issues. The US is seeking to utilize the platforms such as ARF and East Asia Summit, make the issue multilateralized and intervene in the issue through military cooperation with the relevant countries.

Second, the neo-interventionism promoted by the US has become a new problem in the China-US relationship. The US realized authority change in Libya and is seeking to carry it out again in Syria. The neo-interventionism is imposing new challenges on the principle of non-interference supported by China. The US is dissatisfied with China's position concerning the Syrian issue in UNSC and is leading the Western camp in approaching China.

Last but not the least, this year, the US enters into the period of presidential election. With intense completion, the domestic economic and social problems will become more sharp and complex. Accordingly, the incentives to export the crisis are upgrading. With the approaching 18<sup>th</sup> National Congress of the Communist Party, China will gradually complete the task of formulating the strategy and enter the phrase for implementing the strategy. China and the US will encounter more collision and coordination in the change of the international system. We will have more disputes as well. The influence of the domestic factors on the bilateral relationship will be more prominent.

### **3. China-Russia relationship will continue to develop**

China will keep developing strategic partnership with Russia and strengthen communication and cooperation in the important international issues.

China and Russia will also enforce bilateral economic and trade, as well as energy cooperation. China–Russia oil pipeline is a successful example. It provides experiences

for the bilateral cooperation. We are working on the natural gas pricing and the pipeline routine planning. Both sides will promote regional cooperation by the platform of Shanghai Cooperation Organization. The cooperation will expand from security to the fields of economy, trade and finance.

#### **4. China-EU relationship will face both opportunities and challenges**

4.1 China is sincere in helping with Europe and has carried out a variety of methods.

For instance, China doesn't dump the Euro bonds. On the contrary, China will purchase more euro bonds. Since China has a large quantity of euro bonds, the problem in the European economy will inevitably have an impact on China. With the deepening integration of world economy, it is impossible for any country to save its own interests. Therefore, the countries should help each other and work for mutual benefits.

4.2 China-EU relationship will maintain deep cooperation and strengthen coordination in all fields.

Besides promoting political, economic and trade cooperation, both sides have strengthened the coordination in macroeconomic policies and global economic governance. Both sides will actively carry out communication and dialogues in social and cultural fields. The exchanges between political parties will be promoted. The cooperation in military field is started as well.

4.3 At the same time, China-EU relationship is faced with some problems.

On the one hand, Europe asks China for help. On the other hand, Europe takes precautions against China. Europe is carrying out trade protectionism and sanctions against China, and producing more problems in China's fighting for the market economy status. China-EU economic cooperation has already been undermined. We must emphasize that China is not a threat to Europe in all the fields. For instance, China will not influence the energy cooperation between Europe and Russia.