

# Russia's Vision of the Belt and Road Initiative: From the Rivalry of the Great Powers to Forging a New Cooperation Model in Eurasia

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## Abstract

*The article aims to highlight Russian approaches to Chinese One Belt-One Road initiative. It examines possible opportunities and challenges for co-development of the Eurasian Economic Union and the Belt project. Both projects and their co-development may reduce the uncertainty in Eurasia, caused by significant structural changes in international relations and the world economy, the emergence of new trade regimes and the erosion of leadership in international affairs. Russian interests in this regard are determined by the need for modernization and long-term development, which could also help to address acute security issues. These particular factors encouraged Russia to come up with an ambitious plan of the Extensive Eurasian Partnership, although the prospects of its implementation currently are uncertain. The present article argues that the success of Russia-China collaboration in Eurasia will depend crucially on the future dynamics of the Eurasian integration, as well as on the agreement to co-develop the Eurasian Economic Union and the Belt Initiative with concrete and mutually beneficial projects.*

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Key words: China, co-development, Eurasia, Eurasian Economic Union, integration, Russia, The Belt Initiative

JEL codes: D74, F02, F5, H56

## I. Introduction

Since 2013, when Chinese President Xi Jinping delivered a speech in Kazakhstan titled “Promote People-to-People Friendship and Create a Better Future,” the concept of the Silk Road Economic Belt (SREB, or the Belt Initiative), and later of the overall Belt and

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Road Initiative (BRI), has been widely investigated. The BRI offered the prospect of infrastructure upgrading, new investment flows, deepening trade and increased economic connectivity throughout the Eurasian continent: from the European Union to Northeast Asia, from Russia to Central Asia and further to the Middle East. The idea could not have been announced at a better time: the world order, and the globalization and regionalization processes are undergoing tectonic changes. However, notwithstanding the substantial benefits that the initiative has promised, many countries along the BRI have viewed it with strong suspicion. The Russian academia, who demonstrated particular interest in the land-based initiative, likewise expressed initial skepticism about the new idea.

Although a strategic friendship between the two countries was already established in 2013, the public discussions placed a huge emphasis on Russia's and China's competing interests in Central Asia, particularly in the economic domain (Malashenko, 2013; Zeleneva, 2014). Meanwhile, since the very announcement of the Belt Initiative up till now, the Russian expertise has mainly centered on the transport, infrastructure and investment-related aspects of the idea (Luzyanin and Sazonov, 2015; Luzyanin and Semenova, 2016; Sazonov, 2016). There were fears that the SREB could further increase China's trade and investment presence in former Soviet Republics and eventually replace Russia's role in the region. In particular, some authors claimed that the SREB intended to hinder the advancement of the Eurasian integration backed by Russia (Alferova and Kotelnikova, 2014). The SREB was described as an openly anti-Russian initiative designed to undermine the competitiveness of the Trans-Siberian Railway (Karaganov, 2014) and the Northern Sea Route (Khranchikhin, 2014). For these reasons, the rivalry between Russia and China for Eurasia was widely perceived as inevitable.

Nevertheless, the US policy at that time was set against both Moscow and Beijing, which motivated the two countries to approach each other and identify new areas of collaboration. On the one hand, the BRI seemed to be a reaction to Obama's "return to Asia" (Berger, 2014). On the other hand, in light of the worsening relations between Russia and the West, the SREB could become a valuable contribution to Russia's "turn to the East" policy (Filippova and Veleva, 2015). As to the Central Asian Republics, they saw potential benefits in cooperating both with China within the SREB and Russia as part of the Eurasian integration process. It is worth noting that the assumed benefits were not economic only: balancing the interests and involvement of big global powers in the region makes the policies of regional states more diversified and certainly gives those nations extra bargaining power. What particularly suited all Central Asian parties is that neither the Eurasian Economic Union (EAEU) nor the SREB made political

transformations a prerequisite for further economic collaboration (Lukin et al., 2016).

As a result, an alternative viewpoint gradually gained importance, which argued that Russia could maintain its influence and defend its national interests in Eurasia only through close coordination with China's initiative. The Kremlin had to accept that China will ultimately become the major investor in Central Asian economies, and the only means for Russia to retain its regional influence is to abandon the imperial ambitions and share responsibilities "in what used to be exclusively Russia's backyard" (Gabuev, 2015).

Before President Putin and President Xi announced coordinating the development of the EAEU and the SREB in May 2015, China, as normal, showed clear preference for bilateral over multilateral talks with Central Asian states, whereas Russia strived for the recognition of the EAEU as a legitimate international institution. However, China did not warm to the idea of the EAEU at first (Li Z. G., 2016). The EAEU was considered an artificial and unnecessary institution, which would not make regional cooperation any easier. At the same time, the Eurasian integration was developing at an increasingly faster pace, and the prospect of negotiating with a single collective partner with similar regulations in many areas, instead of spending time and effort on several individual counterparts, started to look like more of a reality (Li J. M. et al., 2015).

The joint declaration of May 2015 was the result of a reasonable compromise: Moscow accepted China's active role in Eurasia, and Beijing agreed to treat the EAEU as an equal negotiating party (Lukyanov, 2015). In fact, the agreement worked equally well for Moscow and Beijing, as their grand projects gained them the support of a large and powerful partner, which is essential for any big project in the initial stages (Denisov, 2015a).

In general, what one may notice in today's discussions in Russia is the rising euphoria over the current state of Russia–China relations and the prospects of linking the EAEU and the SREB. As mentioned by the authors of a newly published comprehensive paper on the Belt Initiative (Lukin et al., 2016), even the representatives of Russia's liberal wing assess the current dynamics of the so-called "alignment" more positively now. However, the opportunities (and risks) created jointly by the EAEU and the Belt Initiative for Russia and its partners in Eurasia, as well as for China, require very close consideration by all stakeholders concerned. With this goal, the present paper seeks to provide answers to a number of research questions. What are the interests of Russia with regard to the SREB? How will coordinating the development of the EAEU and the SREB contribute to the formation of a more comprehensive Eurasian partnership? What are the possibilities and limitations of such a partnership?

The remainder of the paper is organized as follows. Section II outlines Russia's

interests in coordinating the development of the EAEU and the Belt Initiative and describes the potential pitfalls in this process. Section III analyses Russia's latest megaproject, the Greater Eurasian Partnership, as well as the possible impact of US policy following the electoral victory of Donald Trump. The conclusions and findings are reported in Section IV.

## II. Eurasian Economic Union and the Belt Initiative: Areas of Co-development

### 1. Why Co-developing?

In the past decades, Russia's economic cooperation with Asia, particularly with China, has lacked a systematic approach and a long-term strategy. A comprehensive anchor project could solidify regional and bilateral economic ties, and such a comprehensive megaproject seems to have finally emerged. An agreement to coordinate the development of the EAEU and the Belt Initiative appears to have filled a void in the bilateral Sino–Russian economic cooperation.

Russia has expressed genuine interest in the implementation of China's Belt Initiative. According to a recent big data report evaluating the progress in building the BRI, Russia, as well as Kazakhstan, has been the most cooperative among 64 nations in advancing the initiative (The State Council Information Office of the People's Republic of China, 2015). Russia's key objective in participating in the Belt Initiative is to leverage China's investment capacity to develop the infrastructure network in Eurasia that would make the region more competitive and capable of intermediating trade and investment flows between Asia and Europe. Russia's participation in the SREB may not only produce greater investment and trade flows, but may also strengthen the capability of the EAEU to forge economic alliances with other countries and regional blocks.

In this respect, the Belt Initiative dovetails some of the key economic priorities for Russia that appeared to be difficult to implement by Russia on its own. It provides support for the development of regional infrastructure, most notably in the transportation segment, which frequently suffered from inefficient state budget spending in the past. In other words, China's initiative allows Russia to accelerate regional integration in Eurasia at lower political and economic cost. Possibly more importantly, the Belt Initiative strengthens the EAEU's position as an intermediary in the economic interaction between Asia and Europe and allows counterbalancing of the negative geopolitical implications of the formation of such economic megablocks as the Trans-Pacific Partnership (TPP).

Moreover, there are additional factors that favor the co-development of the Belt Initiative with the EAEU:

*In-country development:* China is pursuing SREB as a means of developing its western regions and better integrating them into the Eurasian continental economic framework. For Russia and its EAEU partners, the Chinese initiative is also a way to develop the regions that lie at the border and that could benefit from intensified regional economic cooperation.

*Complementarity:* The EAEU and the SREB are widely recognized as complementary projects, as the latter is meant to provide infrastructure and investment, while the former is intended to ensure the necessary regulation for the region (Karaganov, 2015). China's rise as an industrial power creates spare capacity in a number of sectors, most notably in infrastructure development. In some of the sectors, the overcapacity could be relieved through exporting this capacity to Eurasia, which has succumbed to bouts of de-industrialization in the past several decades and is currently experiencing a "capacity deficit" due to protracted periods of underinvestment.

*An anchor project in Eurasia:* The Belt Initiative may establish a new cooperation model in Eurasia that does not simply mimic the Western integration patterns, but advances its very own vision of integration that is less predicated on trade liberalization and more focused on encouraging further investment flows and infrastructure development. This kind of integration setup lowers the burden on countries like Russia in bearing the political and economic costs of conventional economic integration (the EAEU), while making the EAEU more palatable for potential participants in Europe.

## 2. What Sets the Eurasian Economic Union and the Silk Road Economic Belt Apart?

At the same time, it has to be noted that there may well be potential pitfalls for the Russia–China cooperation against the formation of the BRI. To begin with, the key priority for China is infrastructure development along the East–West transport corridor (Vinokurov and Lissovolik, 2016), while the critical issue for Russia is to develop infrastructure on the North–South meridian trajectories.

Another factor to take into account is that while China, in pursuit of its quest to connect the East with the West, is diversifying the transportation routes, most of which by-pass Russia's territory, Russia's "pivot to Asia" has so far relied heavily on reinforcing economic linkages with China. Indeed, since the outbreak of the Ukrainian crisis in 2013, the lack of diversification on the part of Russia in developing trade and investment ties with Asian counterparts such as South Korea or Japan may have benefited China. China's multipronged approach in diversifying its economic alliances and trade routes appears to be much more pragmatic and successful.

Apart from the diversification of transportation routes, China is also exhibiting a

pragmatic and a diversified approach to spreading foreign direct investment (FDI) over the Commonwealth of Independent States (CIS) region. In particular, the most important destination for its outward FDI has been Kazakhstan, which by the end of 2015 received seven times more FDI inflows on a cumulative basis compared to Russia. Interestingly, nearly 98 percent of China's FDI into Kazakhstan has been directed into the oil and gas sector, with some of the key projects featuring Sinopec's investment of US\$1.4bn and CNPC's US\$12bn investments into oil and gas extraction as well as US\$6.2bn into pipeline construction (Lissovolik and Vinokurov, 2016).

Table 1. Foreign Direct Investment (FDI) Inflows from Russia and China to Kazakhstan

	Gross FDI inflows from China (US\$m)	Share of China in total FDI inflows (%)	Gross FDI inflows from Russia (US\$m)	Share of Russia in total FDI inflows (%)	Total FDI inflows (US\$m)
2000	90.1	3.2	162.9	5.9	2781.2
2005	216.5	2.7	226.8	2.9	7915.8
2010	1717.6	7.7	951.6	4.3	22 245.6
2011	1693.1	6.4	1000.1	3.8	26 467.3
2012	2414.6	8.4	1069.5	3.7	28 884.9
2013	2246.0	9.3	1299.2	5.4	24 098.3
2014	1861.2	7.8	1580.1	6.7	23 725.5
2015	441.9	3.0	527.7	3.6	14 751.6
2016 H1	369.6	4.0	360.0	3.9	9286.0

Source: National Bank of Kazakhstan: [www.nationalbank.kz](http://www.nationalbank.kz).

Table 2. Foreign Direct Investment Flows between Russia and China

	Gross FDI inflows from China (US\$m)	Share of China in total FDI inflows (%)	Gross FDI outflows to China (US\$m)	Share of China in total FDI outflows (%)	Total FDI inflows (US\$m)	Total FDI outflows (US\$m)
2007	111.6	0.2	48.0	0.11	55 874.0	44 800.8
2008	-49.3	-0.1	25.1	0.05	74 783.4	55 663.3
2009	231.4	0.6	21.6	0.05	36 583.2	43 281.1
2010	336.3	0.8	29.8	0.06	43 167.8	52 615.8
2011	125.9	0.2	19.6	0.03	55 083.5	66 851.3
2012	449.6	0.9	62.8	0.13	50 588.0	48 821.8
2013	596.9	0.9	14.3	0.02	69 219.0	86 507.0
2014	1271.0	5.8	54.3	0.10	22 031.3	57 082.0
2015	645.3	10.0	11.0	0.05	6478.2	22 188.5
2016 H1	244.9	3.6	1.1	0.01	6730.3	14 958.6

Source: Bank of Russia: <https://www.cbr.ru>.

The FDI patterns pursued by China in the CIS region point to China's determination to secure several potential entry points into the Eurasian region, while at the same time diversifying sources of supply of raw materials: a fact which is also demonstrated by China's substantial share gain in Kazakhstan's exports in the past decade.

Table 3. Kazakhstan's Trade with Russia and China, Shares in Percent

	Share of China in Kazakhstan's exports (%)	Share of China in Kazakhstan's imports (%)	Share of Russia in Kazakhstan's exports (%)	Share of Russia in Kazakhstan's imports (%)
1995	5	0.9	45	49.9
2000	8	3.1	20	47.5
2005	9	7.2	11	38.0
2006	9	8.1	10	38.3
2007	12	10.7	10	35.4
2008	11	12.1	9	36.4
2009	14	12.6	8	31.3
2010	18	16.5	5	22.8
2011	18	13.2	9	42.8
2012	18	16.8	7	38.4
2013	17	17.1	7	36.8
2014	12	17.8	8	33.4
2015	12.0	16.6	10	34.4

Source: UN Comtrade Database: <https://comtrade.un.org>.

The development of the EAEU–SREB will be complex due to a number of factors:

*Structural divergence of the projects:* Since its inception, the EAEU has evolved into a bureaucratized institution with its own norms, regulations, structure and separation of duties. Meanwhile, the BRI still appears to be an all-encompassing strategic idea, which does not suggest a clear framework for coordinating its policies and actions with other states and institutions.

*Lingering gaps in the economic policy coordination of EAEU economies, including with respect to trade policy:* In some cases, trade restrictions continue to limit the scale of economic cooperation in the region.

*Competition between EAEU economies for attracting investment and trade flows:* There are multiple areas of such competition, including with respect to leadership in serving as the regional financial center, as the key gateway to supplies of mineral resources or as a regional export hub.

*Lack of integration at the micro-level of sectors and companies:* Discussions among EAEU members about the ways to integrate into global and regional value chains are at the initial stages, and the level of cross-border investment in the region is yet to recover from the crisis period.

*Diversification of China's economic policy:* The willingness of China to ensure optionality and diversification of trade routes as well as to develop economic ties implies that China will seek to reserve a role for collaboration with Russia and the EAEU's competitors. The agreement to coordinate the development of the EAEU and the Belt Initiative would definitely not prevent China from bilateral economic interaction with

the Eurasian states if they explicitly express such a desire (Bordachev, 2015; Uyanayev, 2016).

*Lack of EAEU–EU connectivity:* Thus far, the European Union has been reluctant to engage actively in the dialogue with the EAEU, which limits the degree to which the SREB can seamlessly exploit the Eurasia–Western Europe link.

In general, the success of the EAEU and the SREB's coordinating development will largely depend on how advanced and mature the Eurasian integration is. A positive course of events would strengthen the position of the EAEU as a key intermediary in the economic interaction between Asia and Europe. The positive factors will include the unification and harmonization of rules as well as the lifting of barriers to movements of goods across the vast expanses of Eurasia. Moreover, deeper cointegration of the EAEU and the SREB will make it increasingly difficult for the EU to withhold engagement with the EAEU further as its economic weight continues to rise in the world economy. However, the reverse is also true: the failure of the EAEU–SREB alignment may damage the standing of both of them. In particular, the major challenge the BRI faces now is the heightened expectations over the initiative, and if the Belt, or the alignment, does not work as anticipated, this may cause widespread disillusionment and damage the reputation of China (Safronova, 2016). No matter how inclusive the Belt Initiative is, it is still considered Chinese.

### 3. Putting the Co-development into Practice

First, greater economic integration of the EAEU with countries across the globe (not just in Eurasia) will serve to improve the alignment of the EAEU and the Belt Initiative. A major unexploited reserve in this respect is the EAEU's creation of bilateral free trade agreements (FTA) with countries in the "far abroad." Thus far, dozens of countries have expressed interest in pursuing FTA with the EAEU, including such economic heavyweights as Indonesia and South Korea, although only a single agreement has entered into force; namely, the FTA with Vietnam.

Another factor that will be important for boosting the co-development of the EAEU and the Belt Initiative is greater investment cooperation between Russia and China, which will attenuate the asymmetries in China's regional investment patterns observed in the preceding decade and balance out the significant emphasis on trade liberalization placed by China in economic relations with Russia. Qualitatively, the investment cooperation between the EAEU and China should not merely target the creation of transportation corridors in Eurasia, but also the integration of producers into regional and global value chains.

Furthermore, while the work on the co-development of the Belt Initiative and the EAEU suffers from the lack of projects, forming a free trade area between China and the

EAEU is seen as the first step to such “co-development.” However, from the perspective of the EAEU member states, signing an FTA with China is a long-term goal, with the immediate priority being greater investment cooperation. The latter may involve such areas as cooperation between the countries’ sovereign funds, as well as creating alliances in building regional value chains and integrating into the global value chains. The main challenge for policy-makers is to exploit the complementarities in the economic structure of China, Russia and its Eurasian partners in forging trade and investment alliances in the region.

In addition, as the EAEU and SREB represent completely different types of institutions, creating a common negotiation platform for coordinating co-development is crucial. Otherwise, it may turn out that no roadmap on the alignment will follow, and coordinating the development of two grand projects will remain merely a part of the official rhetoric (Bordachev, 2016).

Finally, one of the focal points of EAEU–SREB co-development as well as the economic development in Eurasia more broadly is the formation of new development institutions, such as the BRICS Development Bank and the Asian Infrastructure Investment Bank (AIIB).

The BRICS banks’ starting capital amounted to US\$50bn, with capital increasing to US\$100bn over time. Brazil, Russia, India, China and South Africa initially contributed US\$10bn each to bring the total to US\$50bn (accordingly, the share of each country in terms of the voting quota is 20 percent). One of the first projects launched with the participation of the BRICS bank in Russia was the construction of two small hydropower plants, Beloporozhskaya HPP 1 and Beloporozhskaya HPP 2, with a total capacity of 50 MW in the Republic of Karelia (Russia). In the agreement on the financing signed by the Eurasian Development Bank (EDB), the International Investment Bank (IIB) and Nord Hydro – Belyi Porog (Nord Hydro), the BRICS New Development Bank acts as the funding bank, with the Russian Direct Investment Fund as a co-investor. According to a press release of the Eurasian Development Bank (2016) on the project, “the BRICS Bank will finance the project as part of its program to support green projects in the member states, including those based on renewable energy sources, aimed at improving energy efficiency and efficient water management, waste processing, etc.”

The AIIB is to have a greater focus on infrastructure, including with respect to the implementation of the Silk Road project. Given the tremendous infrastructure needs in Eurasia as well as the experience accumulated by other development institutions in the region (including the Asian Development Bank and the Eurasian Development Bank), the AIIB is likely to actively use the instrument of co-financing of infrastructure projects with other development institutions and the private sector.

Another development institution that may play a role in the cointegration of the EAEU and the Belt Initiative is the Eurasian Development Bank (EDB). The EDB's contribution is likely to emanate from the financing of integration projects across the EAEU states as well as through co-financing large projects that involve some of the key regional players, including China. The EDB is already active in implementing projects together with other development banks, including the Asian Development Bank, the World Bank and the European Bank of Reconstruction and Development.

### III. The Extensive Eurasian Partnership and the Impact of Changes in US Policy

#### 1. Integration of Integrations

Many major powers in the world have been demonstrating a growing interest in the changes occurring in Eurasia and the future regional integration. Japan has been working to enhance collaboration with Central Asian countries as part of the Central Asia plus Japan dialogue. The former president of Korea, Ms Park Geun-hye, has shown Korea's ambitions for integration projects via the Eurasian Initiative. Back in 2011, the USA envisaged the future development of the region in the New Silk Road initiative. The Belt Initiative and the EAEU represent other attempts to set up a regional agenda. Overall, the region abounds with various integration projects, but most of them seem to be competing with each other. Due to the absence of a grand vision for the region, as well as the emergence of closed and exclusive groupings in the world (the Trans-Pacific Partnership and Transatlantic Trade and Investment Partnership), Russia's leadership recently advanced a new concept, the Extensive, or Greater, Eurasian Partnership (EEP) (President of Russia, 2016).

The basic idea of the EEP is very similar to the message of the BRI: for various integration projects in Eurasia to work well together, an inclusive and non-discriminatory "integration of integrations" platform is needed. When voicing the new idea, President Putin mirrored the words of President Xi rather than suggesting a formal, clear-cut integration model. However, the Russian idea seems to have garnered even more limited support than the BRI did at the very start.

It should be emphasized that there is no rivalry between the EEP and the Belt Initiative; instead, they complement each other, just as the EAEU and the Chinese project do. The Belt Initiative aims at co-development and policy coordination rather than furthering regional economic integration (Denisov, 2015b), while the EEP attempts to advance the idea of cointegrating integration projects that are particularly prevalent on the Eurasian continent. At the same time, if, for instance, one is to draw comparison

between the EEP and TPP, the major difference would be that the former has aspired to widen economic integration (by extending geographical borders and inviting new parties to join), and the latter is purported to have deepened economic integration of its member states only.

Although the term “Eurasian Partnership” was coined by President Putin in mid-2016, it was, to a large extent, a reincarnation of the EAEU–SCO–ASEAN Economic Partnership, which was announced early in 2015 and later mentioned in the updated *Foreign Policy Concept* (2016). Interestingly, the Shanghai Cooperation Organization (SCO) became a part of the idea, although previously the announcement of the Belt Initiative was interpreted as the result of China’s frustration over sluggishness and inactive economic policy of the SCO, not least due to Russia’s reluctance to see economic issues dominating the agenda of the institution (Lukin, 2015).

Moreover, there is vast untapped potential in collaboration between divergent types of multilateral institutions in Eurasia, such as the Belt Initiative, the EAEU, as well as the SCO and the Collective Security Treaty Organization (CSTO) (Karaganov, 2015; Luzyanin et al., 2015), which are intended to combat security challenges and maintain stability in the region. While China, despite its emerging role in world affairs, is still uncomfortable with taking higher security responsibilities abroad, Russia, largely due to its membership in the CSTO, has the necessary military infrastructure and institutional capabilities to maintain stability in Eurasia. Thus far, China has been the primary source of economic transformation, whereas Russia has remained the pillar of regional stability. However, Denisov (2015b) calls into question whether this separation of regional duties between the two countries will stay in place in the future or China will take on more responsibility in the security field. Furthermore, Lukin (2015) raises concerns about whether China may have a dominant role in the SREB–EAEU–SCO linkage, if established.

## 2. The US Impact

The victory of Donald Trump in the US presidential race is becoming a game-changer for US foreign policy. Donald Trump’s presidency will inevitably affect both Russia’s and China’s strategies in their respective neighborhoods as well as the way Moscow and Beijing define their collaboration and joint initiatives. The new administration in Washington has increased uncertainty both for Russia and China. Such uncertainty raises a number of questions.

First, what would US Asia–Pacific policy look like, and how would the USA identify its priorities in its relations with China: deeper economic cooperation or towering competition?

Second, how would the USA approach the integration projects in the Asia-Pacific after

its withdrawal from the Transatlantic Trade and Investment Partnership? Would the USA attempt to reload US-led economic projects or abandon integration initiatives completely?

Third, in what way would security challenges like the North Korean nuclear program direct US policy and its relationships with its partners in the region, including Russia and China? The latter plays a critical role in the dynamics of the North Korean issue and cannot be ignored.

Fourth, would it be possible for the new administration to establish a new detente with Russia or is the hostility between the two powers likely to increase?

Sixth, what could be the Sino–Russian reaction to the US behavior? Would there be deeper political and economic collaboration or formation of short-term ad hoc policy, determined by specific fields and interests?

This list of questions does not exhaust, of course, the amount of uncertainties. However, even this limited number of concerns provides a high level of unpredictability. The US foreign policy bureaucracy is under transition, while the internal debate is far from reaching consensus.

However, the first few months of Donald Trump's presidency reveal some possible trajectories of his foreign policy. Potential implications for Sino–Russian relations and projects are outlined as follows.

First, the new administration in Washington may be trapped in dual deterrence when both Moscow and Beijing are contained. This is the least plausible scenario for the USA, which may find itself in the shoes of Leonid Brezhnev, a Soviet leader who had to contain both China and the USA in the 1970s. President Trump seems to understand the problem and is making political steps to address it, trying to revisit relations both with Moscow and with Beijing. The relationships with the respective countries are very different: US–Russian relations are focused main on security, while Sino–American interests are much more diversified and are bolstered by extensive economic ties. It is very unlikely that the contradictions between Russia and the USA will disappear, whether it is the issue of Ukraine or the Middle East. In addition, it seems unlikely that China would compromise on the issue of the South China Sea or withdraw from the plans to guarantee its security in the region. The promise of President Trump to reindustrialize the USA may harm Sino–US economic interdependence. In sum, a scenario of towering hostility in relations between Moscow and Washington and Beijing and Washington is probable, although the intensity and context of these tensions may be very different. China is in the best position in this triangle: its relations with the USA and Russia are better than the relationship between Russia and the USA.

Second, the US interest in the BRI is likely to be a secondary priority for the new administration. The European interest in the project may play a significant role here.

Many EU countries are motivated to partner with China on the BRI and would avoid joining the USA in case it regards the BRI as a geopolitical challenge. The USA's key allies in the region (Japan and South Korea) may have a restrained attitude to the BRI. However, they lack the resources to propose an alternative project as well as the interest of the USA to support it. Central Asia is also likely to be a secondary priority for the USA.

Third, due to the small probability of a breakthrough in US–Russia relations, Moscow may be motivated to continue its “turn to the East,” which may become irreversible. For China, this presents an outstanding opportunity to build stronger ties with Russia, to guarantee its security in the North and to have a reliable and influential partner in dealing with Central Asia. The key risk for Russia is an asymmetry of economic and political relations with China. The USA may make an attempt to detach Moscow from Beijing. However, this would unlikely be successful due to the limited portfolio of proposals Washington may make to Moscow, the lack of trust between them and the growing trust between Russia and China.

Fourth, the USA may encounter a challenge on the level of ideological approach to international relations in comparison with China. Beijing promotes the idea of harmonic integration and cooperation, where the enrichment of China leads to enrichment of its neighbors. Moscow and its Eurasian Economic Union partners seem to support this ideology. The same is likely for the EU, which will inevitably be a key partner of the BRI. The USA will need to find its place in the project or provide an alternative.

#### IV. Conclusions

The Kazakhstan-initiated and Russian-led EAEU, China's BRI, as well as Russia's EEP favor different approaches to engagement with major institutions and powers in the vast region of Eurasia.

Structural changes in international relations and the world economy, the emergence of new trade regimes and the erosion of leadership in international affairs give rise to a high level of uncertainty. The creation of regional partnerships is a way to reduce such uncertainty. Russian interests in this regard are determined by the need to obtain reliable international partners for modernization and long-term development, which could also help to address acute security issues. These particular factors encouraged Russia to come up with the ambitious plan of the EEP, although the plans for its implementation are vague.

It is hardly surprising that the Belt Initiative aroused increased attention in Russia. After close consideration of the SREB, Russia saw the potential benefits of the initiative for its own internal development and for further advancement of the EAEU. Therefore,

Moscow initiated the merging of the EAEU and the Belt Initiative and, thus, defined it as a key priority in its collaboration with China.

The success of Russia–China collaboration in Eurasia will depend crucially on the future dynamics of the Eurasian integration, as well as on the ability to reach an agreement to co-develop the EAEU and the Belt Initiative with concrete and mutually beneficial projects. The success of the co-development will also determine the EAEU's role as a meaningful counterpart and international player. Conversely, the proclamatory co-development will damage the EAEU's standing irreparably, which will inevitably affect Russia's position in Eurasia. Deep and progressive integration of the EAEU is definitely a condition for its advancement in co-development with the Belt Initiative.

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