

# In Search for a Normal Relationship: China and Russia Into the 21<sup>st</sup> Century

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## ABSTRACT

The Sino-Russian strategic partnership dating back to 1996 has been in essence a normal relationship consisting of both cooperation and competition. Such a relationship, however, is perhaps the most challenging for both sides. After the “best” and “worst” times, Moscow and Beijing are learning to live with, if not love, one another. The Shanghai Cooperation Organization (SCO), too, will provide a platform for the two sides to adjust their vital interests in Central Asia. In the foreseeable future, such a normal relationship, though “boring” compared with the previous heart-melting “honeymoon” and heart-breaking “divorce,” may prove far more mutually beneficial and enduring. This is the case not only because of a protracted, painful, and costly historical learning experience, but also because of growing interactions through ever-expanding and interlocking institutions across various areas of strategic trust, border stability, growing trade, and diplomatic coordination.

*Keywords* • Strategic Partnership • Russia-China relations • Shanghai Cooperation Organization (SCO) • Realism • Constructivism

## Introduction

By the end of Putin’s presidency in 2008, Sino-Russian relations will have undergone almost two decades of stability since the historical normalization of relations in 1989.<sup>1</sup> Few at the time expected that the two would be able to live normally with one another for such a sustained period in the wake of three decades of intense rivalry across the political, economic, and military areas. Gorbachev’s glaring democratization and the subsequent collapse of the Soviet communist system only highlighted the growing ideological divide between the two. Regardless, Russia and

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<sup>1</sup> Previously, the “honeymoon” between Beijing and Moscow lasted only ten years (1949-59).

China have in the following decades managed to stabilize and improve their relations into the current “strategic partnership.” Bilateral relations have been transformed from the worst security nightmare to one of common strategic vision for regional and global stability; from ideological rivals within the communist world to coexistence between the two largest states on the Eurasian continent with entirely different cultural and political systems; from the absence of any meaningful economic exchange to rising trade relations (US\$33.4 billion in 2006); and from sharing the longest fortified border to one of stability and flourishing commerce. In the past decade of their “strategic partnership” (1996-current), the two continental powers have been taking joint actions on various multilateral issues including the UN, SCO, and Korean and Iranian six-party nuclear talks for promoting a “fair and rational world order” based on sovereignty, equality, dialogue, and a new international security mechanism.<sup>2</sup>

All this happened when the two former rivals underwent major transformations themselves: Russia has become a rather normal democracy<sup>3</sup> while China remains communist, at least symbolically. In other words, Russia and China have been “in two different beds” in terms of their domestic political systems. A logical question is how and why they have managed to sustain and develop bilateral relations from different “beds,” but failed to do so with similar communist political systems in the past. One may also ask if they share similar if not identical “dreams,” and if so, what they are. How do those dreams interact with other factors—historical, geopolitical, generational, or past lessons—for a stable and dynamic relationship between these two large and vastly different states? Will it last and for how long, at least until the “good years” outnumber “bad years” in bilateral relations since 1949?<sup>4</sup> If so, what are the ramifications of their strategic partnership relations for the international system, which has been characterized by unipolarity and unilateralism exercised by the sole superpower of the United States? These questions, among others, are of enormous interests to students of international relations (IR) theorists in general and Sino-Russian relations in particular. The fact of almost two decades of stability

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<sup>2</sup> “China-Russia Joint Statement Regarding the International Order of the 21<sup>st</sup> Century,” *Xinhua*, July 1 2005.

<sup>3</sup> Despite growing critique of Putin’s recentralization policies in Russia, some do argue that Russia has essentially become a normal country. See Andrei Shleifer, *A Normal Country, Russia after Communism* (Cambridge: Harvard University Press, 2005). Indeed, Russia has in many ways changed enormously from its communist legacies, though continuing to carry with it the burdens of the past.

<sup>4</sup> The 30 “bad years” were between 1960 when Moscow withdrew experts and aids from China and 1989 when Gorbachev visited Beijing for normalization. In comparison, the 28 “good years” include 10 years of the Sino-Soviet “honeymoon” (1949-59) and the longest period of stability lasting 18 years (1989-2007).

between Moscow and Beijing itself requires a different conceptualization from the mainstream Western IR theories such as realism and liberalism. Both would treat the Sino-Russian case as deviant, though for different reasons.<sup>5</sup>

This study of Sino-Russian strategic partnership relations (1996-2007) will be done in three specific steps. It first reviews the relevant literature, which has been torn between what this paper defines as the “limitationist” and “alarmist” schools, though there is a separate area of “identity” studies of the changing Russian and Chinese politics/societies. This will be followed by an attempt to develop an analytical framework for an essentially normal relationship between the two. Finally, the study will examine various aspects of their “normal relations”: historical, political, strategic, economic, multilateral interactions, and military-military (mil-mil) interactions.

### **The Literature: A Polarized Field**

For quite some time, Western assessments of Sino-Russian relations has oscillated between two rather polarized views: one is that of the “limitationist school” that diminishes, or doubts, the significance of the Sino-Russian relationship in both bilateral and systemic terms; and the other is a near alarmist view of the Sino-Russian “strategic partnership,” particularly in the area of their mil-mil relations. In short, underestimation and overreaction seem to dominate the field.

#### *The Limitationist School*

The “Limitationist School,” which covers a wide range of assessments of Moscow-Beijing relations, tends to see recent Russian-Chinese relations as riddled with “limitations” and therefore unlikely to endure or develop smoothly in the future. Many books and monographs are titled with names such as Garnett’s 2000 “Limited Partnership” and Anderson’s *The Limits of Sino-Russian Strategic Partnership*.<sup>6</sup> Although some writings in this genre are more open-ended regarding the potential of Sino-Russian ties, they nonetheless question, for various reasons, whether the future orientation can live up to the expectations of a “strategic” partnership. For example, a systematic examination of Soviet/Russia policymaking towards China in the 1980s and 1990s reveals an emerging disagreement

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<sup>5</sup> Liberalism argues that “perpetual peace” exists only between democracies, while Realism insists that inter-state rivalry is the defining feature of international relations.

<sup>6</sup> Sherman W. Garnett, “Limited Partnership,” in Sherman W. Garnett, (Ed.), *Rapprochement or Rivalry? Russia-China Relations in a Changing Asia* (Washington, D.C.: Carnegie Endowment for International Peace, 2000); Jennifer Anderson, *The Limits of Sino-Russian Strategic partnership*, Adelphi Paper, 315 (London: IISS, 1997); Robert D. Blackwill and Sergei A. Karaganov, (Eds.), *Damage Limitations or Crisis?: Russia and the Outside World* (London: Brassey’s Inc., 1995).

between a “pro-Beijing” Moscow faction and a growing “anti-China” faction among Russia’s border authorities.<sup>7</sup> In another category, a study of Russian-Chinese military cooperation, for example, questions if the once adversary relationship between Moscow and Beijing has really switched to that of partnership, even if military cooperation since the Cold War has developed significantly.<sup>8</sup> In this regard, even some of the most informative studies of Russian-China relations question whether the current strategic partnership relations will continue if the gap between Russian and Chinese aggregate power continues to widen.<sup>9</sup>

This leads to a sub-group within the limitationist school regarding Russian weapon transfers to China. Many analyses discount the impact of Russian arms transfers on bilateral relations as well as regional and global distribution of power, but emphasize the commercial motivations of the transaction.<sup>10</sup> Almost all arms sales literature points to this “marriage of convenience” with the “second-best” of Russian arms

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<sup>7</sup> Elizabeth Wishnick, *Mending Fences, The Evolution of Moscow’s China Policy from Brezhnev to Yeltsin* (Seattle: University of Washington Press, 2001). Also see Andrew J. Nathan and Robert S. Ross, *Great Wall and Empty Fortress* (New York: W.W. Norton, 1997), Chapter 3, “The Rise and Decline of the Russian Threat,” pp. 35–55; Gilbert Rozman, “Sino-Russian Relations: Mutual Assessments and Predictions,” in Garnett, (Ed.) *Ibid.*, pp. 147–176; “China, Japan, and the Post-Soviet Upheaval: Global Opportunities and Regional Risks,” in Karen Dawisha, (Ed.), *The International Dimension of Post-Communist Transitions in Russia and the New States of Eurasia* (Armonk, N.Y.: M. E. Sharpe, 1997), pp. 147–176; “Sino-Russian Relations in the 1990s: A Balance Sheet,” *Post-Soviet Affairs* 14 (Spring 1998), pp. 93–113; Rajan Menon, “The Strategic Convergence between Russia and China,” *Survival* 39 (Summer 1997), pp. 101–125; Pi Ying-hsien, “The Dynamics of Sino-Russian Relations,” *Issues and Studies* 32 (January 1996), pp. 18–31; James Clay Moltz, “From Military Adversaries to Economic Partners: Russia and China in the New Asia,” *Journal of East Asian Affairs* 9 (Winter 1995), pp. 157–172; Hung P. Nguyen, “Russia and China: The Genesis of an Eastern Rapallo,” *Asian Survey* 33 (March 1993), pp. 285–301.

<sup>8</sup> Ming-Yen Tsai, *From Adversaries to Partners? Chinese and Russian Military Cooperation after the Cold War* (Westport, C.T.: Praeger, 2003).

<sup>9</sup> See Jeanne L. Wilson, *Strategic Partners: Russian-Chinese Relations in the Post-Soviet Era* (New York: M.E. Sharpe, Inc., 2004), p. 200. Wilson provides a rather convincing argument that Russia’s more cordial relations with China following the breakup of the Soviet Union has less to do with the democratic nature of the Russian state, but because of the decline of Russian power forced it to be less confrontational with a rising Chinese power, see pages 186–198. Wilson, however, still needs to explain, with the same realist token, how and why the rise of China’s aggregate power has not led to a more confrontational approach to relations with a much-weakened Russia. Toward the end, she appears to suggest that it is Russia’s nuclear deterrence and its abandoning of its no-first-use nuclear strategy in the 1990s that deters Beijing from taking advantage of Russia’s weakness. See, p. 200.

<sup>10</sup> See Alexander A. Sergounin and Sergey V. Subbotin, “Sino-Russian Military Technical Cooperation: A Russian View,” in Ian Anthony, (Ed.), *Russia and the Arms Trade* (Oxford: Oxford University Press, 1998), pp. 194–216; Stephen J. Blank, *The Dynamics of Russian Weapons Sales to China* (Carlisle, P.A.: U.S. Army War College, 1997); Taeho Kim, *The Dynamics of Sino-Russian Military Relations: An Asian Perspective* (Taipei: Chinese Council of Advanced Policy Studies, 1994).

transferred to China and Russia's need for outside funding to sustain its impoverished arms industry in the post-Soviet era. Perhaps more than any other study in the sub-area of the Moscow-Beijing mil-mil relations, Tsai's 2003 comprehensive study of the subject, *From Adversaries to Partners?*, is dedicated to investigating the "limits" of Sino-Russian military cooperation resulting from the "strained" partnership and the lack of "a stable political foundation for close military cooperation."<sup>11</sup>

#### *The Alarmist School*

The Alarmist School is located at the opposite end of the analytical spectrum in the study of Sino-Russian relations. Unlike the limitationist school, it sees the sustained level of arms transfers from Russia to China—in both quantitative and qualitative respects—as part of an emerging alliance between Moscow and Beijing in the post-Cold War era dominated by Washington. At a minimum, the impact and ramifications of such a mil-mil relationship between the two largest continental powers will inevitably affect the regional distribution of power. Potentially, the emerging "alliance" is to offset, and even rival, the U.S.-led military alliances in the Asia-Pacific with Japan, South Korea, and particularly Taiwan, a quasi-ally of the United States.<sup>12</sup>

In some respects, the alarmist school has two philosophical "cousins" in English language literature: the persistent "China threat" theme in the studies of Chinese foreign policy and U.S.-China relations particularly since the early 1990s,<sup>13</sup> and the more recent Russia bashing genre.<sup>14</sup> Both

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<sup>11</sup> Tsai, *From Adversaries to Partners?* p. xi, p. 2.

<sup>12</sup> See, for example, Constantine C. Menges, *China: The Gathering Threat* (Nashville, T.N.: Nelson Current, 2005); Robert H. Donaldson and John A. Donaldson, "The Arms Trade in Russian-Chinese Relations: Identity, Domestic Politics, and Geopolitical Positioning," *International Studies Quarterly* 47 (December 2003), pp. 709-732; Paul H. B. Godwin, "Uncertainty, Insecurity, and China's Military Power," *Current History* 96 (September 1997), pp. 255-256; Lucian W. Pye, "China: Not Your Typical Superpower," *Problems of Post-Communism* 43 (July/August 1996), pp. 11-12; Fleis K. Chang, "Beijing Reach in the South China Sea," *Orbis* 40 (Summer 1996), pp. 359-363; Arthur S. Ding, "The PRC's Military Modernization and a Security Mechanism for the Asia-Pacific," *Issues and Studies* 31 (August 1995), pp. 9-10; David Shambaugh, "Growing Strong: China's Challenge to Asian Security," *Survival* 36 (Summer 1994), pp. 51-52; Larry M. Wortzel, "China Pursues Traditional Great-Power Status," *Orbis* 38 (Spring 1994), pp. 169-170; Robert G. Sutter and Shirley Kan, *China as a Security Concern in Asian: Perceptions, Assessment, and U.S. Options*, CRS Report for Congress 94-32s (January 5, 1994), CRS10; Nicholas D. Kristof, "The Rise of China," *Foreign Affairs* 72 (November/December 1993), p. 66.

<sup>13</sup> For recent research on the issue, see Chengxin Pan, "'The China Threat' in American Self-Imagination: The Discursive Construction of Other as Power Politics," *Alternatives* 29 (2004), pp. 305-331; Menges, *Ibid.*; and Ross Terrill, *The New Chinese Empire, And What It Means for the United States* (New York: Basic Books, 2003).

<sup>14</sup> This includes Stephen J. Blank, "Putin's Twelve-Step Program," *The Washington Quarterly* 25, 1 (Winter 2002), pp. 147-161; Richard Pipes, "Fight From Freedom: What Russians Think and Want," *Foreign Affairs* 83, 3 (May/June 2004), pp. 9-15; Janusz

tend to adopt a worst-case scenario for China and Russia's foreign policies. To be sure, many writers in the alarmist school do not devote their analysis solely to Sino-Russian relations and some of their assessments vary with the passage of time. Many of their writings may even have high scholarly content with in-depth analyses. The Russian arms factor, however, seems to be a heavy-spice ingredient in their overall assessment of the foreign and defense policies of China and Russia in general and Sino-Russian relations in particular.

#### *Identity Literature*

Beyond the "limitationist" and "alarmist" schools lies a separate but related set of "identity" literature focusing microscopically on the changing socio-politico-economic identities in Russia and China in the last twenty years of the 20<sup>th</sup> century. Most of these studies are conducted within the domestic setting of a particular nation (Russia or China) and/or in the format of juxtaposing the two reforming communist systems.<sup>15</sup> Many of these studies investigate the rapidly changing ideational attributes at a time when both communist nations experienced rapid and almost irreversible changes from the legacies of their own brands of communism. More importantly, the sharply differing approaches of these reforms—Russia's focus on radical political changes and China's incremental economic reforms—constitute a convenient basis for scholarly and policy inquiries.

While the "identity school" manages to come up with greater details of the changes and continuities in those ideational realms, it nonetheless does not directly address the issue of how and why the two large nations interact in a sustained way seldom seen in their past relations, which

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Bugajski, *Cold Peace: Russia's New Imperialism* (Westport, CT: Praeger, 2004); Sarah E. Mendelson and Theodore P. Gerber, "Soviet Nostalgia: An Impediment to Russian Democratization," *The Washington Quarterly* 29, 1 (Winter 2005-06), pp. 83-96; John Edwards and Jack Kemp, *Russia's Wrong Direction: What the United States Can and Should Do* (New York: Council on Foreign Relations, Inc., 2006); Yuliya Tymoshenko, "Containing Russia," *Foreign Affairs* 86, 3 (May/June 2007), pp. 69-82. In his recent interview with ABC's *This Week With George Stephanopoulos* (October 28, 2007), Republican presidential candidate John McCain (R-Ariz.) went as far as to label Putin's Russia as "totalitarian" with "apprehensional behavior."

<<http://abcnews.go.com/Politics/story?id=3780676&page=1>> (October 28 2007); Thomas L. Friedman, "Not Their Parents' Russia," *New York Times*, February 9 2007, p. A21; Bret Stephens, "Little Sweaty Fist," *Wall Street Journal*, March 27 2007; Serge Schmemmann, "Vladimir Putin: Sore of His Power on the Verge of Leaving Office," *New York Times*, September 19 2007, p. A26.

<sup>15</sup> Henry E. Hale, "Regime Cycles: Democracy, Autocracy, and Revolution in Post-Soviet Eurasia," *World Politics* 58 (October 2005), pp. 133-165; Peter Nolan, *China's Rise, Fall: Politics, Economics and Planning in the Transition from Stalinism* (New York: St. Martin's Press, 1995); Minxin Pei, *From Reform to Revolution: The Demise of Communism in China and the Soviet Union* (Cambridge: Harvard University Press, 1994); Gilbert Rozman, (Ed.), *Dismantling Communism* (Washington, D.C.: The Woodrow Wilson Center Press, 1992).

tended to sway between honeymoon and hostility. Nor is it fully capable of explaining the ability of Moscow and Beijing to deal with one another at a time when their internal changes have led to the largest gap in their respective domestic political systems: a Western democracy for Russia—no matter how eschewed from the judgment of its Western critiques—and an Eastern, authoritarian, and communist state for China. However, these studies documented and provided ample empirical evidence that is useful, and even vital, for the study of Russian-Chinese interactive dynamics.

For the limitationist school, which constitutes the “mainstream” in the study of recent Sino-Russian relations, the long history of mutual enmity, radical socio-political changes in both nations, differences in cultural and political systems, plus low-level economic interactions, make Sino-Russian relations—let alone a “strategic partnership”—difficult to operate at best, particularly in the long-term.<sup>16</sup> To a certain degree, this more cautious assessment of the evolving relations between Moscow and Beijing makes some sense, given the multitude of issues cumulating over the decades of tension between the two communist states and centuries of almost zero-sum interactions across the longest boundary in the world. In the policy world, there is perhaps nothing wrong with a healthy dose of realism in analyzing such a complex relationship.

The flip side of the coin, however, is that the inertia in both the policy and scholarly worlds is simply too tenacious to turn to a somewhat different conceptual framework in order to explain the recent stable, or relatively normal, bilateral relations between China and Russia.

#### *Theoretical Context for the Current State of the Field*

In broader terms, the limits of the limitationist school perhaps lie beyond the area study of Russian-Chinese relations. Western IR theory itself has its own blind spots. For example, liberalist IR theories suggest that the Kantian “perpetual peace” can be achieved and maintained only between democracies.<sup>17</sup> Realism—be they traditional Morgenthauian classics or

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<sup>16</sup> Rozman predicts in 2000 that with caution and leadership commitment the two sides may weather through the difficult hurdles in their bilateral relations in the next five years. The realization of their strategic partnership is “less likely” in the next twenty years. See Rozman, “Sino-Russian Relations: Mutual Assessments and Predictions,” in Garnett, ed., *Rapprochement or Rivalry?* (2000), 149.

<sup>17</sup> For typical liberalist view, see Michael Doyle, “Liberalism and World Politics,” *The American Political Science Review* 80 (December 1986). For more elaborate assessment of the democracy-peace hypothesis, see James E. Dougherty and Robert L. Pfaltzgraff, Jr., *Contending Theories of International Relations: A Comprehensive Survey*, 5<sup>th</sup> ed. (New York: Longman, 2001), pp. 313–321; James Lee Ray, *Democracy and International Conflict: An Evaluation of the Democratic Peace Proposition* (Columbia: University of South Carolina Press, 1995); and Michael Brown, Sean Lynn-Jones, and Steven Miller, (Eds.), *Debating the Democratic Peace* (Cambridge: MIT Press, 1996).

neo-realist Waltzian variations—predicts that the rise and fall of major powers, such as the case of the rapid decline of Russian power and steady rise of China, will inevitably lead to intensified rivalries, and even open conflicts.<sup>18</sup> While geo-strategists in the age of the U.S. primacy are obsessed with the emergence of a dominant and antagonistic Eurasian power,<sup>19</sup> the new “unipolar stability theory” goes as far as to argue that any imbalance between the “secondary powers” in the Eurasian continent would invite counter-balancing acts from other members of the peer group and their neighbors before the potential threat from such a rising power affects distant America, thus leading to a sustained U.S. primacy.<sup>20</sup> As it happens that China borders more countries than perhaps any other nation-state in the world,<sup>21</sup> including five of the seven other known nuclear powers.<sup>22</sup>

Even the more contemporary constructivist theory won't detect any “ideational” basis for the current stability in Sino-Russian relations.<sup>23</sup> Ultimately, Samuel Huntington's clash-of-civilizations theory—which bridges Western realism and cultural/identity studies<sup>24</sup>—would cast out, at least implicitly, any genuine compromise, let alone cooperation, between an Orthodox stronghold of Russia and a Confucian “universe” of China. Given these theoretical underpinnings of Western IR theories,

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<sup>18</sup> For classic realism, see Hans Morgenthau, *Politics Among Nations* (New York: Knopf, 1948). For neo-realism, see Kenneth Waltz, *Theory of International Politics* (Boston, M.A.: Addison-Wesley, 1979).

Russia has undergone the most rapid decline of its comprehensive power in the history of the world, while China continues its steady rise to become a major trading and manufacturing state (average 9 percent of economic growth for 28 years). In 2006, China's GDP in US dollar terms was 3.4 times more than that of Russia and nearly 6 times in PPP terms (Purchasing Parity Power), which was the reversal the economic comparison in the late 1970s (See CIA, *The World Factbook* <<https://www.cia.gov/library/publications/the-world-factbook/>> (October 20 2007). As a realist theorist, Robert Gilpin argues that history is a succession of struggles for primacy between declining and rising powers. See Gilpin, *War and Change in World Politics* (Cambridge: Cambridge University Press, 1981).

<sup>19</sup> See Zbigniew Brzezinski, *The Grand Chessboard: American Primacy and Its Geostrategic Imperatives* (New York: Basic Books, 1997), pp. xiii–xiv.

<sup>20</sup> Stephen Brooks and William Wohlforth, “American Primacy in Perspective,” *Foreign Affairs* (July/August, 2002).

<sup>21</sup> The countries bordering China are Russia, North Korea, Mongolia, Kazakhstan, Kyrgyzstan, Tajikistan, Afghanistan, Pakistan, India, Nepal, Bhutan, Laos, Vietnam and Burma.

<sup>22</sup> They are Russia, India, Pakistan, North Korea and the United States (with US forward deployment in Asia).

<sup>23</sup> Constructivism believes that interstate relations are based upon their cultural bases, which take whether states view each other as enemies, rivals, or friends as a fundamental determinant. See Alexander Wendt, *Social Theory of International Politics* (Cambridge: Cambridge University Press, 1999).

<sup>24</sup> Samuel P. Huntington argues that in the aftermath of the Cold War, countries with different religions/cultures will “clash.” See, *The Clash of Civilizations and the Remaking of World Order* (New York: Simon and Schuster, 1996).

it is not a surprise to note that the limitationist school, by nature, shares a basic premise with the alarmist school: that is, competitive and conflicting relations between states are permanent and timeless, particularly between those with undemocratic regimes. The difference between the limitationist and alarmist schools, therefore, appears to be a matter of degree. It is interesting that one of the first comprehensive studies of the Moscow-Beijing strategic partnership by the Carnegie Endowment for International Peace, for example, conveniently juxtaposes the uncertainty between two alternatives: *Rapprochement or Rivalry*, as if Russian-Chinese relations would have only these two alternatives.<sup>25</sup>

By no means are these theoretical “blind spots” in the IR field only academically significant. They have strong, lasting, and sometimes grave consequences in the policy world. One may not forget that few, if any, leading theorists, analysts, and political elite ever predicted the fall of the Soviet Union,<sup>26</sup> despite numerous writings specifying various problems of this first communist state. In 1970, the National Intelligence Estimates on China—compiled by CIA “technicians” whose academic training was largely associated with Western, or more precisely American, social sciences—argued that there was little prospect of improvement in Sino-American relations. This conclusion was made even ten years after Moscow withdrew all Soviet technicians from China in 1960 and in the aftermath of a bloody border clash in 1969.<sup>27</sup>

More recently, Western debate about “losing Russia”<sup>28</sup> also reflects the rather polarized view regarding certain developments in Russian domestic and foreign policies, as if the huge Eurasian nation used to be “owned” by the West before Putin was in power. This excessiveness in focusing on certain “extreme” phenomena is also evident in the ongoing debate regarding “who lost Iraq?”<sup>29</sup> in that the target nation-state must be either “possessed” or considered “lost,” but cannot or should not, be allowed to be just itself, or to be lived with. One should not forget that the same question, “who lost China?” was also asked throughout much of the 1950s and 1960s when McCarthyist witch-hunting besieged America. In academia, the sea-changes across the Eurasian continent in the last 20 years of the 20<sup>th</sup> century have yet to be adequately theorized, though the transition from communism was extensively documented by the

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<sup>25</sup> Garnett, (Ed.), *Rapprochement or Rivalry?*

<sup>26</sup> One of the exceptions is *The Final Fall: An Essay on the Eecomposition of the Soviet Sphere*, by Emmanuel Todd, translated by John Waggoner (New York: Karz Publishers, 1979).

<sup>27</sup> David Brooks, “The Art of Intelligence,” *New York Times*, April 2 2005.

<sup>28</sup> Despite its rather attention-grabbing title, Simes’ article offers a sober and cautious assessment of Putin’s domestic and foreign policies. See Dimitri K. Simes, “Losing Russia,” *Foreign Affairs*, 86, 6 (November/December 2007), pp. 36–52.

<sup>29</sup> James Dobbins, “Who Lost Iraq?” *Foreign Affairs*, 86, 5 (September/October 2007), pp. 61–74.

“identity school.”<sup>30</sup> In contrast, earlier studies of the causalities between reform and modern social revolutions in France, Russia, and China were much more eloquent and vigorous.<sup>31</sup> It appears that social sciences in general and political sciences in particular—though developed considerably from 19<sup>th</sup> century positivism and 20<sup>th</sup> century behavioralism—seem more capable in dealing with continuities than changes within the state. In the study of relations between states, particularly those with different political cultures and systems, IR theories have been far more comfortable with issues of competition, coercion, and confrontation, but not necessarily cases of compromise, coexistence, and cooperation.<sup>32</sup>

Last if not least, it is unclear to what extent the limitationist school is affected by Russian scholars whose writings regarding relations with China seemed to have largely been on the pessimistic side.<sup>33</sup> How much is this genuine, or is part of their concern more about Russia’s historical decline? Or alternatively, the limitationist school is partly the natural extension of the inherent pessimism of Western realist theories regarding human nature and the workings of the international system.

### **From “Polarization” to “Normalization”: Toward a New Analytical Experiment**

Largely because of these theoretical and analytical “deficits,” studies of Russian-Chinese relations in the post-communist phase remain underdeveloped at best. In both quantitative and qualitative terms, the sub-field has not generated a vigorous and diverse body of scholarly inquiry similar, or close, to the study of the decades when the two large continental states engaged in a seemingly perpetual conflict across all areas of interstate relations.<sup>34</sup> This state of affairs is somewhat of a

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<sup>30</sup> For an overview of the theories of communist transition, see Nolan, *China’s Rise, Fall*, pp. 54–109.

<sup>31</sup> Theda Skocpol, *States and Social Revolutions: A Comparative Analysis of France, Russia, and China* (Cambridge: Cambridge University Press, 1979).

<sup>32</sup> J. David Singer, “The Levels of Analysis Problem in International Relations,” in Klaus Kanor and Sidney Verba, (Eds.), *The International System: Theoretical Essays* (Princeton: Princeton University Press, 1961), pp. 77–92.

<sup>33</sup> See Alexander Lukin, *The Bear Watches the Dragon: Russia’s Perceptions of China and the Evolution of Russian-Chinese Relations Since the Eighteenth Century* (Armonk, N.Y.: M. E. Sharpe, 2003), particularly chapters 4 and 6; Garnett, ed., *Rapprochement or Rivalry?*, chapters 2 and 5; Dmitri Trenin, *Russia’s China Problem* (Washington, D.C.: Carnegie Endowment for International Peace, 1999), pp. 9–10.

<sup>34</sup> For a thorough review of the Cold War studies of Chinese and Soviet foreign policies, see David Shambaugh, *Beautiful Imperialist: China Perceives America, 1972–1990* (Princeton: Princeton University Press, 1991), particularly pp. 4–35; Lu Ning, *The Dynamics of Foreign-Policy Decisionmaking in China*, 2<sup>nd</sup> edition (Boulder, Colo.: Westview Press, 2000), bibliography, pp. 217–222. Also see Odd A. Westad, (Ed.), *Brothers in Arms: The Rise and Fall of the Sino-Soviet Alliance, 1945–1963* (Stanford: Stanford University Press, 1998); Sergei

surprise, considering the call in the early 1990s by a leading scholar of Sino-Russian relations for a “shift” toward “a new paradigm” away from obsessing over their disputes—which are conceived to be a “self-perpetuating” and “immortal” process—in order to obtain a better understanding of the “enduring significance” of the bilateral relations.<sup>35</sup> Dittmer’s 1992 work, *Sino-Soviet Normalization and Its International Implications, 1945-1990*, is perhaps the last serious and comprehensive effort to document and theorize the origins, processes, and outcomes of the normalization process of the two continental powers, which culminated in 1989. Unlike the highly charged, exciting, and sometimes dramatic Sino-Soviet conflict (1960-89), the process of reconciliation was rather low-key, “inching forward,” and “without fanfare” according to Dittmer. Nor will such normalization radically upset the international balance of power or be necessarily against U.S. interests. Despite the divergent reform paths taken by the two states and the turbulent 1989 Beijing summit, Dittmer believes that the Sino-Soviet rapprochement is “quite real” and therefore deserves to be analyzed objectively and without prejudice. For this purpose, a “new paradigm” for the field is needed—“one no longer focused exclusively on conflict but also taking into account the prospect of reconciliation.”<sup>36</sup>

Nearly 20 years after the publication of Dittmer’s work, such a new paradigm is yet to take any definitive shape. With a few exceptions such as Jeanne L. Wilson’s 2004 *Strategic Partners: Russian-Chinese Relations in the Post-Soviet Era*,<sup>37</sup> the field is largely dominated by writings of the two rather polarized assessments: the limitationist and alarmist schools,

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N. Goncharov, John W. Lewis and Xue Litai, *Uncertain Partners: Stalin, Mao and the Korean War* (Stanford: Stanford University Press, 1993); Robert S. Ross, (Ed.), *China, the United States, and the Soviet Union: Tripolarity and Policy Making in the Cold War* (Armonk, N.Y.: M.E. Sharpe, 1993).

<sup>35</sup> Lowell Dittmer, *Sino-Soviet Normalization and Its International Implications, 1945-1990* (Seattle: University of Washington Press, 1992), p. 5 and p. 11.

<sup>36</sup> *Ibid.*, p. 11.

<sup>37</sup> Wilson’s comprehensive treatment of the evolving strategic partnership relations remains a league of its own. It addresses many essential aspects of what this author defines here as “normal” relations. Wilson nonetheless does not attempt to conceptualize the Sino-Russian strategic partnership in any theoretical framework, though she prefers realism to liberalism and constructivism as theoretical explanations for the relationship. Like Wishnick’s *Mending Fences*, Wilson’s work, in essence, analyzes the bilateral ties from the Russian side. Wilson, *Strategic Partners*.

To a lesser extent, David Shambaugh accurately documented the evolution of Sino-Russian security and military relations during the 1990s, while Alexander Lukin provided a very balanced account of the evolution of Russian policies toward China. Neither one, however, tries to theorize the changing paradigm. See Shambaugh, “China’s Military Views the World: Ambivalent Security,” *International Security* 24 (Winter 1999/2000), pp. 71–74; Alexander Lukin, “The Russian Approach to China under Gorbachev, Yeltsin, and Putin,” in Gibert Rozman, Kazuhiko Togo, and Joseph P. Ferguson, eds. *Russian Strategic Thought toward Asia* (New York: Palgrave MacMillan, 2006), pp. 139–166

which were discussed earlier. Sino-Russian relations may eventually lean toward either one of these extremes, thus fitting the existing paradigms. The cumulative effect of the reconciliation and interactions between Moscow and Beijing, however, has been significant enough: the formation of the strategic partnership relations (1996), the final resolution in December 2004 of the centuries-old border issue, and the first-ever joint military exercises (Peace-Mission 2005). One does not have to mention the steady transfer of Russian military hardware and software to China.

All this calls for fresh perspectives in the study of the Russian-Chinese “strategic partnership” of the past decade. For this purpose, this study seeks to construct an analytical framework with at least *four* sets of conceptual attributes as follows:

- Conceptually, the current “strategic partnership” relationship between Beijing and Moscow is a state of relative “normalcy” located between the “best” and “worst” ends along a conceptual spectrum of their bilateral interactions.
- Historically, such a normal state of bilateral relations constitutes a sequential stage following the Sino-Soviet “honeymoon” (1949-1959), their hostility (1960-1982), reconciliation (1982 -1989), and mutual adjustment in the midst of dramatic changes in their respective domestic politics (1990-1995). In historical terms since the 1600s, the current bilateral relationship is perhaps the most equal, and therefore normal, between the two largest entities with entirely different political, cultural, and religious systems.
- In reality, such a relationship is indeed “normal” not only relative to the “best” and “worst” times in their past history, but also because of the appearance of “routine,” or an absence of breakthrough, dramatic changes, or even major progress. The growing functional interactions of various official capacities even appear redundant, rhetorical, and therefore boring, rather than unprecedented, substantial, and provocative. These features of normalcy in the Sino-Russian “strategic partnership,” no matter how boring they are, constitute the bulk of their bilateral interactions, which may appear deceptively “limited” for observers of the limitationist school.
- Last if not least, their “strategic partnership,” or normal relationship, does not necessarily evolve along a linear path, nor does it preclude a possible shift toward more substantive alliance building propensity. Rather, it is a continuous process of interaction, reciprocity, and learning, including the “right” or “wrong” lessons. It therefore incorporates continuities and

changes, progress and regression, and mutual adjustments to each other as well as to the external environment.

Taken together, these conceptual attributes for a “normal” relationship between the two largest states in the heartland of the Eurasian continent constitute a parameter, within which Moscow and Beijing have conducted their normal interactions across various issue areas. In this regard, both the limitationist and alarmist schools may miss much of the real, complex, and dynamic interactions between Russia and China. In other words, the state of affairs of current bilateral relations is perhaps not as good or bad, or strong or weak, as certain pessimists and conspiracy theorists have suggested. With the exception of extraordinary crises inside and/or outside their respective jurisdictional territories, the current state of the bilateral relationship, no matter what title it uses—be it “constructive” or “strategic”—will continue to operate in the future. To use an analogy, the current “strategic partnership” relations—despite its somewhat exaggerated sounding title—is perhaps the closest to the notion of a “marriage,” be it convenient or not. Compared with a heart-melting wedding or heartbreaking divorce, the daily life of a normal marriage is perhaps characteristically routine if not boring: dealing with daily chores, understanding if not necessarily liking each other, or simply staying together for various reasons. Managing a normal relationship, therefore, may be the biggest challenge for both sides. In contrast, Sino-Russian relations roller-coasted from “honeymoon” to “divorce” in the early 1960s when political elites in both nations failed to manage their “marriage.” It is toward the understanding of this relatively normal relationship between Moscow and Beijing to which this study is devoted.

### **Dimensions of Sino-Russian Normal Relations**

How does the “normal” Sino-Russian strategic partnership relationship operate in the real world? What constitutes “normal relations” in different aspects of bilateral relations in terms of substance and boundary? The rest of the paper examines several sub-areas in Sino-Russian relations—ranging from history, ideology, politics, economics and military relations—in order to assess the degree of normalcy in their mutual interactions.

#### *A Historical Perspective: from Hierarchy to Equality*

By any measurement, the current state of bilateral relations between the two large land powers are perhaps the most equal and mutually beneficial since the 1700s, which have until recently been zero-sum and asymmetrical in that Russia’s historical expansion into the Far East was at the direct expense of the China-centered East Asian system of

tributary states.<sup>38</sup> Indeed, long before the British and other European powers made any serious inroads into China's coastal region, Russia began its relentless eastward expansion through military operations, diplomatic efforts, and commercial activities.<sup>39</sup> Russia's encroachment into China's northern and western frontier regions culminated in the mid-19<sup>th</sup> century with three major "unequal" treaties imposed upon China, which ceded to Russia 1.722 million square kilometers (sk), or 665,000 square miles, of China's territories.<sup>40</sup> To put this into some perspective, Russia's total land acquisition from China in six years was roughly equivalent to all of the United States east of the Mississippi River.<sup>41</sup>

Russia's land acquisitions came in the right place and at right time when China was suffering from its post-Opium Wars (1839-42 and 1856-60) vulnerability and was gradually reduced to semi-colonial status by foreign concessions, extraterritoriality, and the so-called "most-favored-nation treatment."<sup>42</sup> A much-weakened China was not in a position to neutralize Russia's expansive impulses. In addition, Russia's land seizure received relatively little attention due to the fact that the vast northern territory of China was lightly populated and thinly governed.

Russia's eastward expansion continued in the early 20<sup>th</sup> century when Russia joined other powers in 1900 to put down the anti-foreigner Boxers Rebellion; when it fought the Japanese in Korea and the Liaodong Peninsula of China's northeast (1904-05); and when the Bolsheviks instigated the independence of Outer Mongolia from China on November 5, 1921. In retrospect, Russia's territorial gains along China's periphery proved enduring and even permanent, despite the fact that other Western powers and Japan may have scored some of the most

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<sup>38</sup> Within this regional hierarchy, the "middle kingdom" presided over an expansive "tributary system." Those "peripheral" states would acknowledge China's cultural supremacy in exchange for autonomous rule. See Doak Barnett, *China and the Major Powers in East Asia* (Washington, D.C.: The Brookings Institution, 1977).

<sup>39</sup> After several military clashes, Russia and Qing signed the 1689 Treaty of Nerchinsk. By the late 1800s, Russian expansion into China's periphery regained momentum and clashes became frequent. The 1860 Treaty of Peking opened the entire northern frontier of China to Russia's political and commercial influences. Barnett, *Ibid.*, pp. 21-22.

<sup>40</sup> Russian scholars continue to regard Russia's expansion into China's peripheral areas as natural and therefore "legal." For recent Russian views, see Alexei D. Voskressenski, *Russia and China, A Theory of Inter-State Relations* (London: RoutledgeCurzon, 2003), pp. 16-17.

<sup>41</sup> These treaties were: the Treaties of Aigun in 1858 (479,000 sk to Russia), Peking in 1860 (337,000 sk), and Livadia in 1864 (1879, 906,000 sk). For a detailed study of Sino-Russian territorial disputes, see S.C.M. Paine, *Imperial Rivals: China, Russia, and Their Disputed Frontier* (Armonk, N.Y.: M. E. Sharpe, 1996), particularly pp. 28-29.

<sup>42</sup> Initiated by the British after the Treaty of Nanjing in 1842, this was a treaty-based guarantee that any privileges and concessions the Qing granted to any other foreigners would automatically apply to the British.

notable and memorable military victories and diplomatic deals in the past 200 years.<sup>43</sup>

Aside from its physical impact on China, Russian/Soviet “intangible” influence on China in the 20<sup>th</sup> century was perhaps unprecedented and unparalleled by that of any other power. In the early 20<sup>th</sup> century, the timing of the Bolsheviks’ unilateral declarations (25 July 1919 and 27 September 1920) to end Russia’s extraterritorial rights in China, for example, was perhaps the single most powerful catalyst for many aspiring young Chinese intellectuals to switch their beliefs from liberalism to Bolshevism.<sup>44</sup> Both the Chinese Communist Party (CCP) and the Nationalist Party (KMT) were molded after the Soviets, ideologically and organizationally. Throughout the first half of the 20<sup>th</sup> century, Stalin actively manipulated China’s domestic politics, particularly the CCP-KMT conflicts. In the end, it was three wars that secured Soviet influence in China: the Soviet defeat of the Japanese Kwangtung Army in Manchuria in August 1945, the advent of the Cold War in 1947, and the outbreak of the Korean War in 1950.

In 1949, China adopted the “lean-toward-one-side” policy (meaning to join the Moscow-led communist camp).<sup>45</sup> This was followed by more Soviet influence in both the PRC’s domestic and foreign affairs. In hindsight, after the Cold War was well on its way China had little choice than to see the world as divided into two confrontational camps. Beijing did briefly toy with the non-aligned movement in the early 1950s as a “third way” between the two blocs.<sup>46</sup> It was short-lived and inconsequential at best.

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<sup>43</sup> European holdings (Hong Kong and Macao) ended in the 20<sup>th</sup> century. Taiwan returned to China in 1945, 50 years after Japan took it in 1894. China, however, negotiated with Russia and Mongolia for a permanent recognition of the existing border, which was signed into a legal treaty in October 2004.

<sup>44</sup> Prior to the May 4<sup>th</sup> Movement (1919) in China, most educated Chinese were drawn to “Mr. Democracy” and “Mr. Science” as China’s salvation. During the Versailles Settlement in the first half of 1919, Western democracies insisted that China’s Shandong Province be transferred to Japanese control, despite the fact that China joined the Allies in World War I. The mood in China therefore switched overnight from pro-Western liberalism to anti-Western imperialism. China’s public opinion at this point, however, was still quite suspicious of the Bolshevik Revolution. Bolsheviks’ public renunciation of Czarist Russia’s special privileges in China in late July, therefore, decisively turned the tide of China’s public opinion. Ironically, when the July 25 declaration was officially published in Soviet newspapers, the portion of the original declaration was dropped detailing Russia’s unilateral return of the Manchuria Railroad and related properties to China. For details, see Shen Zhihua, ed., *Zhongsu Guanxi Shigang, 1917-1991* [History of Sino-Soviet relations, 1917-1991] (Beijing: Xinhua Chubanshe, 2007), pp. 6-12.

<sup>45</sup> Mao Tse-tung, *Selected Works of Mao Tse-tung* 4 (Peking: Foreign Languages Press, 1969), pp. 415.

<sup>46</sup> The initiators of the movement included India, Egypt, Indonesia, Yugoslavia, and China.

China's breakup with Moscow from 1960 was by no means the end of the Soviet "shadow" over China. In retrospect, China paid a tremendous price for this "splendid isolation" from both the East and West. Soviet military threats to China's security and survival, which had replaced its influence and involvement in China's domestic and foreign policies, were real and serious. On several occasions during the 1960s, the idea of carrying out a surgical strike against China's nuclear facilities was actively considered by both Washington and Moscow.<sup>47</sup>

Regardless of the various circumstances in the history of the bilateral relations, a key factor across these events was the asymmetrical power configuration. Russia—either as an imperialist power or a Communist giant—had always been in a position of dictating terms in bilateral relations. The asymmetrical power equation started to even out somewhat only in the last ten years of the 20<sup>th</sup> century with the rapid decline of Russia<sup>48</sup> and the steady rise of China.<sup>49</sup>

These changes in the balance of power between a rising and a declining continental power within a relatively short period of time are quite novel and complex factors in Sino-Russian relations. On the one hand, this means that for the first time in 300 years the conditions exist for Moscow and Beijing to interact on the basis of a more or less equal footing. The new balance of power between Russia and China, however, is by no means a guarantee for peaceful interactions between the two. For many Russians, the economic agony constitutes a severe discomfort in their perceptions of and relations with the outside world including China. Russia's steep economic decline also impairs its military potency. "Not since June 1941 has the Russian military stood as perilously close to ruin as it does now," lamented a prominent Russian scholar in 1998.<sup>50</sup> In the

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<sup>47</sup> For the Soviet threat to nuke China's nuclear facilities, see Dittmer, *Sino-Soviet Normalization*, 189–194; and Wishnick, *Mending Fences*, pp. 34–36. For the U.S. temptation, see William Burr and Jeffrey T. Richelson, "Whether to 'Strangle the Baby in the Cradle': The United States and the Chinese Nuclear Program, 1960–64," *International Security* 25 (Winter 2000/01), pp. 54–99; Patrick Tyler, *A Great Wall: Six Presidents and China, An Investigative History* (New York: A Century Foundation Book, 1999), pp. 38–40, pp. 61–64.

<sup>48</sup> By any standard, Russia's predicament was unprecedented. By 1997, the World Bank estimated the Russian GNP as US\$403.5 billion, just ahead of the Netherlands and behind South Korea, or about 5 percent of that of the U.S. With ruble's 30 percent devaluation in 1998, as a result of the melting down of Russia's financial market. Despite signs of recovery from late 1999, Russia's GDP in the 1990s dropped 36 percent; its industrial output value 45.7 percent, agricultural output value 38.8 percent and fixed capital investment 74 percent. See *World Development Report: Knowledge for Development, 1998–1999* (London: Oxford University Press, 1998); *Xinhua*, February 10 2001.

<sup>49</sup> Compared with Russia, China has managed to achieve a sustained economic growth since the late 1970s. In the period of 1979–2000, China's average GDP growth was about 9.6 percent. Lu Wei, "Yingjie Kaifang, Jujue Mishu [Welcome opening up and refuse to disorient]," *Zhongguo Jingji Shibao* [China Economic Times], February 12 2001.

<sup>50</sup> Alexei G. Arbatov, "Military Reform in Russia," *International Security* 22 (Spring 1998)

same year, the Russian armed forces did not receive any new nuclear submarines, tanks, combat aircraft, or helicopters. The deficiency and rapid deterioration of the Russian military was repeatedly demonstrated in the prolonged Chechnya wars and the tragic Kursk's sinking in 2000. The new power equilibrium, no matter how "normal" it is, may well be a source of discomfort and dissonance, and not necessarily a source for peaceful coexistence and cooperation. The sources of the current stability in Sino-Russian relationship, therefore, have to be found elsewhere.

#### *De-ideologization of Bilateral Relations*

At the heart of Sino-Soviet relations prior to the normalization process in the 1980s was the ubiquitous ideology factor, which contributed to both the "best" and "worst" relations in the second half of the 20<sup>th</sup> century between Moscow and Beijing. In retrospect, the ideology factor served as an amplifier first to exaggerate commonalities between China and the Soviet Union in the 1950s, and then differences in the 1960s and 1970s. Neither was normal. Both were highly emotional, leading to a state of affairs that prevented pragmatic compromise and conflict management when needed.<sup>51</sup> It is not surprising that the process of normalizing relations began with minimizing and/or neutralizing the ideology factor in bilateral relations.

In retrospect, there have been two distinctive stages in coping with the ideology factor in bilateral relations: the de-ideologization of the 1980s and disappearance of ideology in the 1990s. Up to the late 1980s, Beijing and Moscow gradually defused the old ideological passion from the early 1960s. Internal debates, however, were still centered on the issue of whether the other side was still "socialist," or how much deviation it made away from socialism.<sup>52</sup> The process of de-ideologization initially began in China with a subtle but steady re-perception of, and policy adjustment toward Moscow immediately after the end of the Cultural Revolution (1966-76), leading to more balanced views of the Soviet Union.

While mutual perceptions in the 1980s inched toward "normal," or without the passion of ideology, their respective policies toward each other were conducted in a more pragmatic manner. Many of the important steps towards normalization were begun during the last few

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, p. 83.

<sup>51</sup> Shen, ed., *Zhongguo Guanxi Shigang, 1917-1991*, pp. 99-402.

<sup>52</sup> Gilbert Rozman, *The Chinese Debate About Soviet Socialism, 1978-1985* (Princeton: Princeton University Press, 1987); *A Mirror for Socialism: Soviet Criticisms of China* (Princeton: Princeton University Press, 1985); Steven M. Goldstein, "Nationalism and Internationalism: Sino-Soviet Relations," in Tomas W. Robinson and David Shambaugh, eds., *Chinese Foreign Policy: Theory and Practice* (New York: Oxford University Press, 1994), pp. 224-265.

years of Soviet leader Leonid Brezhnev's life. His April 1982 speech in Tashkent called for Sino-Soviet effort to improve bilateral relations. Normalization talks resumed in late 1982. This was followed by a series of unprecedented "funeral diplomacy" in 16 months (between November 1983 and March 1985),<sup>53</sup> as well as the visit to China by the First Vice Premier Ivan Arkipov in December 1984, the highest ranking visit of a Soviet official in 15 years. Although the two sides appeared unyielding in their respective stances on normalizing relations,<sup>54</sup> Beijing and Moscow managed to keep alive the normalization talks at the deputy foreign minister level, where there were 12 meetings in six years (1982-88). Meanwhile, the lack of a major political breakthrough was more than compensated for by tangible progress in other areas of bilateral relations such as culture, sports, economics and trade, etc. The corner was finally turned in 1989 when Gorbachev visited Beijing for official normalization talks.

This, however, was by no means the end of ideological disputes between the two sides. Indeed, ideology issues were barely contained beneath the surface at a time when both China and Russia were overtaken by events at home. China in particular seemed always a step behind Soviet political developments. No sooner did Beijing "rediscover" the virtues of Soviet socialism, in the aftermath of China's Cultural Revolution, than Moscow started to depart from it. A growing ideological divide was emerging between Gorbachev's radical and glaring political transformation and Deng Xiaoping's gradualist economic reforms. While China's perceptions of the Soviet Union shifted from excitement to bewilderment to alarm, the Soviet view of China moved from criticism to respect to disdain. By the late 1980s, China's reform had generated considerable social tension between the elite and the society, culminating in the 1989 riot and crackdown. Meanwhile, Gorbachev's Russia quickly replaced Deng's China as the West's "pet" communist. The subsequent Soviet collapse practically eliminated any possibility for ideological uniformity between the two continental powers. In security terms, the end of the Soviet empire considerably reduced a direct threat to China's national security. This nonetheless also exposed China to the West's anti-communist crusade, whose brunt was to be felt later.

Regardless of how they perceived each other, their mutual perceptions, particularly the negative ones, seldom found their way into their bilateral relations. Since the 1990s, both sides have departed

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<sup>53</sup> After Leonid Brezhnev's death on November 10, 1983, his successors Yuri Andropov died on February 9, 1984 and Konstantin Chernenko also died on March 10, 1985.

<sup>54</sup> This included Beijing's demands for the removal of the three major "obstacles" in normalizing relations with Moscow: Soviet withdrawal from Afghanistan; stopping assistance to Vietnam's occupation of Cambodia; and reduction of Soviet troops along Sino-Soviet border and from Mongolia.

significantly from their respective past legacies. The issue of socialism is no longer relevant for relations between Moscow and Beijing. Indeed, managing the transition away from the past with minimum social tension and political instability are perhaps more important for the two nations. The two sides have tried, with greater degrees of success and sophistication, to prevent new ideological issues from escalating into policy issues.

*Soft-peddling the “Friendship Treaty”*

The careful management of the ideology factor by Moscow and Beijing has gone hand in hand with the return of the national interests as both the philosophical and operational principles in the 1990s. This, however, does not necessarily mean a complete switch to a Machiavellian ends-justifying-means approach. Rather, prudence and practicality are the rules of the game in the pursuit of their respective national interests. Specifically, this means both sides carefully define the outer and inner limits of their cooperative and competitive relations, regardless of the labels of their “partnership” as “constructive” or “strategic.” A case in point is the signing of a comprehensive “Sino-Russian Treaty of Good Neighborliness, Friendship, and Cooperation,” or the “friendship treaty” in July 2001.<sup>55</sup>

The 25-article treaty was signed against the backdrop of the new millennium and with the pending deployment of the U.S. National Missile Defense (NMD) system. The friendship treaty—which elevated, at least symbolically, their “strategic partnership” to a higher level—seemed to counter-balance Washington’s increasing unilateralism. The motivation for signing a comprehensive friendship treaty, however, was more complex.<sup>56</sup> The theme of the 2001 Friendship Treaty can be traced back to the joint communiqué signed in April 1996 when Yeltsin visited China. The same visit also led to the “Sino-Russian strategic partnership of equality, trust and cooperation for the 21<sup>st</sup> century.” In the last few years of Yeltsin’s time in office before his sudden exit at the end of 1999, however, he and his Russian-speaking counterpart Jiang Zemin harmonized their relations to such a degree that the need for a formal and “legalized” framework was not compelling, at least for the time being. In July 2000 when Putin visited Beijing for the first time in the capacity of Russian president, the Chinese raised the issue again. For Beijing, a general framework for bilateral relations was more desirable this time in

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<sup>55</sup> For the full text of the English version of the treaty, see *China Daily*, July 16 2001, <[http://www.chinadaily.com.cn/china/2006-03/21/content\\_548330.htm](http://www.chinadaily.com.cn/china/2006-03/21/content_548330.htm)> (October 20 2007).

<sup>56</sup> For an analysis of the treaty, see Yu Bin, “A ‘Nice’ Treaty in a Precarious World,” *Comparative Connections* 3 (October 2001), pp. 120–127, <<http://www.csis.org/media/csis/pubs/0103q.pdf>> (October 20 2007)

order to cope with the sudden changing of the guard in the Kremlin at the end of 1999. This was particularly true in dealing with Russia's new head of state (Putin) who did not appear to be eager to develop relations with Beijing in the first few months of 2000.<sup>57</sup> For Moscow, Russia's historically weak position also required some safety-net to deal with a rising China.

Both sides hailed the treaty as "historic," and "a milestone" for "a new type of inter-state relations" and for "Russian-Chinese friendship from generation to generation." Officials of the two countries stressed time and again that their treaty was not based on "anti-Americanism" nor on any hidden agenda. The appearance of the treaty, therefore, amounts to an "everything-and-nothing" feature: *maximum* cooperation by the two sides on every conceivable area and *minimal* impact on any third party.

Outside reactions and assessments, however, were rather polarized. On one hand, they highlighted the limitations of the treaty due to its non-alliance nature, the traditional animosity, the disappointing bilateral trade volume, and the respective need for Western resources for economic development.<sup>58</sup> On the other hand, some speculated that the treaty does have real, though hidden, teeth in the format of a major geostrategic shift in the Eurasian continent with "serious implications for the United States and its alliances."<sup>59</sup> The fixation, in legal terms, of Russia's opposition to Taiwan's independence (Article 5) is seen as a specific constraining factor aimed at both Taiwan and its main supporters (U.S. and Japan).<sup>60</sup> It so happened that before Putin's first official visit to China in July 2000, a widely circulated piece of news in

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<sup>57</sup> Yu Bin, "New Century, New Face, and China's 'Putin Puzzle': Sino-Russian Relations, January to March 2000," *Comparative Connections* 2, 1 (Pacific Forum, CSIS: 1<sup>st</sup> Quarter, March 2000); "Strategic Distancing...Or Else? Sino-Russian Relations, April to June 2000," *Comparative Connections* 2, 2 (Pacific Forum, CSIS: 2<sup>nd</sup> Quarter, July 2000), pp. 92-97, <<http://www.csis.org/media/csis/pubs/0001q.pdf>> (October 20 2007).

<sup>58</sup> Patrick E. Tyler, "China and Russia Draw Closer, With Ceremony Today," *New York Times*, July 16 2001, <<http://query.nytimes.com/gst/fullpage.html?res=980DE5DA103BF935A25754CoA9679C8B63>> (October 20, 2007); AP, "Russia, China Sign Friendship Treaty," July 16 2001, <[http://www.cbsnews.com/stories/2001/06/25/world/main298186.shtml?source=search\\_story](http://www.cbsnews.com/stories/2001/06/25/world/main298186.shtml?source=search_story)> (October 20 2007); Sherman Garnett offers a cautious, albeit balanced, assessment of the friendship treaty, see "Challenges of the Sino-Russian Strategic Partnership," *The Washington Quarterly*, (Autumn 2001), pp. 41-54 <<http://www.twq.com/oiatumn/garnett.pdf>> (October 2, 2007).

<sup>59</sup> Ariel Cohen, "The Russia-China Friendship and Cooperation Treaty: A Strategic Shift in Eurasia?" The Heritage Foundation, July 18 2001 <<http://www.heritage.org/Research/RussiaandEurasia/BG1459.cfm>> (October 20, 2007); Martin Fackler, "China and Russia Form New Bloc," *Associated Press*, June 15 2001.

<sup>60</sup> Bruce A. Elleman and Sarah C.M. Paine, "Security Pact with Russia Bolsters China's Power," *International Herald Tribune*, August 6 2001.

Asia concerned Putin's offer of Russia's direct military assistance to China in a Taiwan Strait crisis.<sup>61</sup>

The truth behind the treaty, however, may be somewhere between the two polarized views. Or in the words of Foreign Ministry Spokesperson Jiang Yu in 2006 that "this treaty is a *programmatic* [emphasis added] document for guiding the two countries' strategic partnership."<sup>62</sup> The dual-character of the treaty—minimalism and maximization—reflects the more complex nature of the bilateral relationship and the respective relations with the West. On the one hand, the goal for an open-ended treaty based on comprehensive and maximum cooperation is pursued as a result of a bitter learning experience of past bilateral relations, particularly the 1950 Treaty of Alliance and Friendship that roller-coasted the bilateral relations from "honeymoon" to "divorce" in a decade (1950-1960). A return to the past is simply unacceptable. Both are keenly aware of the need for maintaining the "median," or normal, relations of not being too close or too distant from one another. On the other hand, the intention of Moscow and Beijing not to offend any third party is perhaps genuine in that it is derived from a strategic reckoning by both sides to work with the existing international system, no matter how difficult it may be. This may well be the result of their painful and costly past pursuit of two alternatives: being part of a separate and inefficient communist trading bloc controlled by Moscow and/or a self-imposed "splendid isolation" in the case of China.

Perhaps a more important characteristic of their strategic partnership is the desire and efforts by both sides to maintain maximum flexibility and freedom of action in their respective relations with other countries. This is particularly true with regard to relations with the U.S. Aside from core issues such as sovereignty, Moscow and Beijing seem to have reached a decision not to overreact to the other's relations with Washington, at least not publicly. In the aftermath of the EP-3E collision with the Chinese Air Force jet in the South China Sea in April 2001, Russian officials described it as a "regrettable incident" and

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<sup>61</sup> Singapore's largest Chinese language newspaper *Lianhe Zaobao* (United Morning Post) broke the news by supplying great details of the alleged "Putinism." The Russian president was quoted as instructing the Russian military —after his meeting with Chinese president Jiang Zemin in Dushanbe, Tajikistan—that in case the U.S. military involved itself in the Taiwan Strait situation, Russia would dispatch its Pacific Fleet to cut off the route of the U.S. fleet in order to keep the latter far away from the Taiwan Strait. The story was recycled many times by many Asian news outlets. See Hong Kong *Sing Tao Jih Pao*, Internet edition, in Chinese, July 8 2000, cited by FBIS, July 10 2000.

Putin's remarks also caused major stock market tumbles in Taiwan, and was even picked up by a periodical under the official Chinese newspaper *Renmin Ribao* (RMRB). See Liu Shengzhi and Ge Lide, "Pujin zhichi zhongguo bao Taiwan [Putin supports China's effort to safeguard Taiwan]," *Huangqiu Shibao* (Global Times), front page, July 21 2000 <<http://www.people.com.cn/GB/paper68/1066/155413.html>> (October 20 2007)..

<sup>62</sup> Remarks made by Jiang Yu, Foreign Ministry Spokesman, July 13 2006, cited by Xinhua.

maintained a rather neutral position.”<sup>63</sup> Russia, however, was quick to bid on and win the contract for transporting the damaged U.S. spy plane out of China. After the massive U.S. arms sale to Taiwan in late April 2001, the Russian foreign ministry referred to the sale as a “question of bilateral relations.”<sup>64</sup> Since 2006, Moscow has experienced considerable tension in relations with the West. In August 2007, Putin ordered Russia’s strategic bombers to resume their routine patrolling, a move reminiscent of the Soviet Cold War practice. Beijing, however, has essentially stood by the sidelines in this new round of Cold War-style words and postures between Russia and America. Most Chinese analysts do not expect the two former superpower rivals to return to the “bad” old days. Some have gone as far as to warn that a return to a Cold War-type confrontation will severely limit, not broaden, China’s strategic space because China may have to choose between the two. It is therefore naïve to pursue the current Russian-U.S. tensions. Its soft-landing would serve the interests of all.<sup>65</sup> Whatever the case, Moscow and Beijing seem to be deliberately avoiding interceding on behalf of their strategic partner with regard to the other’s relations with Washington, even during times of crisis.

In sum, the wording of the current treaty provides both sides with assurances at a historical time when each needs support from the other in some areas (domestic stability, anti-terrorism and separatism, and mutual desire for a multipolar world order) and when both need to obtain resources and benefit from the Western-dominated world system. In the final analysis, a stable, peaceful and predictable bilateral relationship is perhaps the best that Moscow and Beijing can count on in a highly fluid and even “hot” post-Cold War world where the world’s dominating superpower enjoys its freedom of action exceeding that of any time in its history.

The sustainability of this rather novel “strategic partnership” relationship based on a seemingly “everything-and-nothing” treaty was tested immediately after the 9/11 terrorist strikes against the U.S. In hindsight, Moscow and Beijing quickly came to assist the U.S. war on terror: all condemned the killings of innocent people; both started sharing intelligence on terrorism with the U.S.; neither seemed to care too much about U.S. unilateral trashing of the ABM treaty; and together their strategic partnership, along with their joint venture in the Shanghai Cooperation Organization (SCO), weathered the stormy and uncertain

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<sup>63</sup> “Russia ‘expects’ US-China plane incident ‘to be resolved equitably,’” *Interfax*, April 6 2001, FBIS.

<sup>64</sup> *Agence France-Presse* (AFP hereafter), April 25 2001, FBIS.

<sup>65</sup> Lu Gang, “Mei e ruo gao lengzhan, dui zhongguo mei haochu [If the U.S. and Russia engage in another Cold War, it is no good for China],” *Huanqiu Shibao* [Global Times], August 30 2007, <<http://world.people.com.cn/GB/57507/6190518.html>> (October 20 2007).

times of the post-9/11 era of preemption and unilateralism, only to have emerged with more maturity and confidence.

*SCO: Between Cooperation and Competition*

August 2007 appeared to be the finest moment for the SCO: the 7<sup>th</sup> summit in Bishkek, Kyrgyzstan was the largest summit ever held by the regional group;<sup>66</sup> leaders signed the first multilateral political document (“the Treaty among the member states of the Shanghai Cooperation Organization on good-neighborliness, friendship and cooperation,” or the SCO Friendly Treaty);<sup>67</sup> and it was the first time for all member countries to participate in the joint anti-terror military exercise, code-named Peace-Mission 2007, in Russia’s Volga-Urals region.

Perhaps more than anything else, “Peace-Mission 2007” attracted outside attention. From Washington’s perspective, the SCO is so close because both of its ongoing anti-terror wars (in Afghanistan and Iraq) are being fought around the SCO’s peripheries. It also seems distant, since the SCO is the world’s only regional security group without the direct participation of the U.S., the sole superpower still in its “unipolar moment.” Worse, the SCO allowed 80 some nations, but not the U.S., to observe the rehearsals of the drill.<sup>68</sup>

There is, therefore, a growing perception that Moscow and Beijing are not merely creating their own “space” separate from the West, but also are poised to shape this regional security group into a military alliance. A closer look at the chemistry between Russia and China, however, reveals a far more complex interactive mode of cooperation, competition, and compromise. Relations between SCO members, particularly Moscow and Beijing, are perhaps not as strong or harmonious as commonly perceived. A military alliance is the least likely outcome for the SCO for several reasons.

Peace-Mission 2007 itself—involving some 4,000 troops and 1,000 pieces of large armaments including 80 aircraft—was unprecedented in

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<sup>66</sup> With a total of 12 nations participating the summit, the SCO gathering in Bishkek was the largest since its inception in 2001. Besides the six member countries (China, Kazakhstan, Kyrgyzstan, Russia, Tajikistan and Uzbekistan), representatives of SCO observer countries (Mongolian President Nambaryn Enkhbayar, Iranian President Mahmud Ahmadinezhad, Indian Minister of Petroleum and Natural Gas Murli Deora, and Pakistani Foreign Minister Khurshid Kasuri) also attended the summit. Among the honored guests of the host nation were Turkmen President Gurbanguly Berdimuhamedow, Afghan President Hamed Karzai, and UN deputy secretary general. The summit was also joined by some 1,400 other guests and participants, and was covered by 508 journalists from 16 countries. “SCO Summit Participants To Be Treated To Kyrgyz-European Cuisine,” *Itar-Tass, Bishkek*, August 13 2007, FBIS.

<sup>67</sup> See SCO website, “Bishkek Declaration,” August 16 2007, <<http://www.sectSCO.org/html/01753.html>> (October 20 2007).

<sup>68</sup> “U.S. Observers Denied Monitoring Of SCO Military Exercises,” *Interfax*, August 13 2007, FBIS.

many dimensions. It was the first joint exercise involving the armed forces of all of its member states (Russia, China, Kazakhstan, Tajikistan, Uzbekistan, and Kyrgyzstan). 1,600 Chinese troops and 45 aircraft were sent either by rail (10,300 kilometers) or air (2,700 kilometers) to Russia, the longest force projecting operation for the People's Liberation Army (PLA). Not only did SCO members dispatch their best units, but also they integrated more closely and more efficiently this time: generals gathered in the same situation room; all units interfaced through a Russian communication mechanism, though communication between Russian and Chinese forces had to rely on 200 interpreters;<sup>69</sup> and commandos of different SCO states boarded and dropped from the same chopper(s).<sup>70</sup>

Despite many of these "firsts," Peace-Mission 2007 was a far more realistic application of the SCO's military power to its declared anti-terrorist goal. Unlike the Peace-Mission 2005 joint exercise held in China, there were no strategic bombers involved this time. Both sides dispatched their fighter-bombers, plus attack helicopters. On the ground, infantry fighting vehicles and other supporting vehicles were involved but there were no tanks. The inland environment did not require naval forces. In 2005, cruise missiles were launched from submarines, while marines hit the beaches for targets that looked more like regular military than those of stateless transnational terrorist groups.

Secondly, security affairs are only a relatively small portion of the growing volume of interactions between SCO states. In certain ways, the SCO operates more like the European Union, with most of its functionality within the political, economic, and social areas. Even the EU, however, would not be a close analogy for the SCO. The European giant originated and admits new members according to political and cultural, if not racial, criteria (such as democracy and Christianity).<sup>71</sup>

Contrary to the EU's political and religious uniformity, the SCO is, first and foremost, a community of nations with a diverse background of Christianity, Islam, Buddhism, Hinduism, and Confucianism. Beyond culture, it is a meeting place of the East and West; democracies and non-

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<sup>69</sup> "RF-China Language Barrier At SCO Exercise Being Coped With," *Itar-Tass*, August 11 2007, FBIS.

<sup>70</sup> "Summary: PLA Ground Force Helicopters Airlift Tajik Troops In Training Exercise, To request additional processing," *Jiefang Junbao* (People's Liberation Army Daily, JFJB), August 14 2007, FBIS.

<sup>71</sup> Turkey, for example, has so far failed to obtain full EU membership after many years of unrequited love. Its non-Christian "face" is perhaps the only real and yet unspoken barrier to its European "dream," even if it is a member state of the Council of Europe since 1949 and of NATO since 1952. Turkey joined the European Economic Community (today known as the European Union) as an associate member in 1963, the Western European Union as an associate member in 1992, and signed the EU Customs Union agreement in 1995. Since 2005, Turkey has been in full accession negotiations with the European Union.

democracies; large and small nations; and relatively developed, newly industrialized, and less developed countries. In more tangible terms, this loosely-held entity occupies much of the Eurasian continent and has almost half of the world's population. The economies of the key member and observer states, however, relate more to the outside world than to each other: Russia's energy, China's manufacturing, and India's information technology. The SCO is indeed a league of its own. Such a vast landmass and civilization mix has many implications for both the global system and for itself. It will in the foreseeable future remain preoccupied with its own issues. Decision-making may never be swift, given the equal status of its member states and the consensus-building process. One case in point was that on July 24, 2007 for the first time in its three years of existence (since January 2004), the SCO's Regional Anti-Terrorist Structure (RATS) produced a list of dozens of international religious extremist organizations.<sup>72</sup>

It is toward these multiple goals—security, stability, economic, and cultural/societal—that the SCO reinforces its anti-terrorist “teeth.” In the aftermath of the Soviet collapse, the Taliban phenomenon (1996-2001 in Afghanistan) underscored a general state of instability in Central Asia because of those extremist forces. Even for large states like Russia and China, border stability remained a challenge. Three months before 9/11, the SCO came into existence with an explicitly defined mission of combating terrorism, separatism, and religious extremism in the region.<sup>73</sup> In retrospect, the formation of the SCO and its collective effort to combat the challenges from the stateless terrorist forces forestalled the coming storm of terrorist attacks on America. In contrast, the U.S. was preoccupied with the building of missile defense for the next war with a major power “challenger” to U.S. supremacy.<sup>74</sup>

A Moscow-Beijing military alliance is unrealistic also because within the SCO, Moscow and Beijing may not have entirely identical interests regarding Central Asia. Moscow may be more interested in stretching the SCO's military and security functions because of its stronger military presence in this former Soviet space. In April 2007, the Russian side drafted a document for more coordination and integration of the SCO defense infrastructure as a basis for more stability and economic

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<sup>72</sup> This includes 17 in Russia, six in China and 24 in Uzbekistan, “Shanghai bloc states make list of banned extremist groups,” *Kyrgyz AKIpress* news agency website, July 24 2007, FBIS.

<sup>73</sup> See SCO web site, <<http://www.sectSCO.org/html/00035.html>> (October 20 2007).

<sup>74</sup> CIA Director George Tenet went in mid-June 2001 to brief Condi Rice, National Security Advisor then, about the “growing noise” of suspected terrorist activities the US intelligence intercepted that “something was coming.” Rice, however, “focused on ... ballistic missile defense system that Bush had campaigned on. She was in a different place.” See Bob Woodward, *State of Denial: Bush At War, Part III* (New York: Simon & Schuster, 2006), pp. 49-51.

development. Other SCO members, however, did not reciprocate.<sup>75</sup> Beijing is perhaps more interested in exploring the SCO's economic and non-security related potential. Although these two dimensions may supplement one another in managing regional affairs, Russia may not perceive Beijing's rapid economic advancement into the region as entirely harmless. Given these diverse interests between Russia and China, the SCO is at best an interface for Moscow and Beijing to adjust their respective interests in Central Asia.

An alliance may take some shape only under extreme circumstances, in which the core interests of both Moscow and Beijing are perceived to be harmed and endangered by the same adversary at more or less the same time. This does not necessarily mean that the SCO will never become a military alliance. The potential is there. What is more important, however, is to see that the potential for it not to become an alliance is perhaps even bigger than the other way round.

*Economic Relations: the Weakest Link?*

The Sino-Russian economic relationship is best known as the "weakest link."<sup>76</sup> Several features underscore this predicament in the otherwise growing "normal" relationship. One is the rather stagnated trade volume throughout the 1990s when political relations elevated considerably from "constructive" to "strategic" partnership. By the decade's end, bilateral trade (US\$8 billion) fell far short of the official expectation of US\$20 billion. Trade volumes have grown considerably since then (US\$33 billion for 2006), but as a proportion of the other's total trade the figures remain relatively low and static (about 2 percent for China and 8-10 percent for Russia. See Table 1 Sino-Russian Trade). This has been the case despite efforts from both sides to stimulate economic transactions. Even if both sides recognize the problem of "too little" trade, complaints about "too much" were loud and clear, particularly from the Russian side: too many cheap Chinese products of poor quality to Russia; too many Chinese in Russia's Far East and even in Moscow;<sup>77</sup> too much raw materials as part of Russia's exports to China, etc. Russia, however, has long accepted its status as a raw material supplier to Europe, but psychologically can hardly reconcile its economic relations with China even if the latter is fast becoming a manufacturing center for the whole world. China, too, is

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<sup>75</sup> "Russian chief of staff stresses importance of SCO military cooperation [Russia eager to speed up military cooperation, but not reciprocated by others]," *Itar-Tass*, Urumqi (China), August 9 2007, FBIS.

<sup>76</sup> Wilson, *Strategic Partners*, p. 61.

<sup>77</sup> A highly comprehensive and objective assessment of the Chinese migration to Russia was made by Vladimir Portyakov, "New Chinese Migrants in Russia as a Problem of Harmony and Conflict in Russian-Chinese Relations," *East Asian Review* 10 (March 2006): pp. 81-96.

upset by, and perhaps has grown used to, Russia's too-much-talk-but-little-action, particularly regarding the much anticipated oil pipeline project from Siberia to China's northeastern provinces.

**Table 1. China's Trade Relations with Russia: 1992-2006 (in US\$ billions)**

Year	Export	Import	Total	% (- / +)	(%) in PRC total trade	(%) in Russian total trade
1992	2.336	3.526	5.862		165.53 (3.54%)	79.4 (7.38%)
1993	2.691	4.988	7.679	+30.9%	195.70 (3.92%)	71.1 (10.8%)
1994	1.581	3.495	5.076	-33.9%	236.62 (2.14%)	77.5 (6.54%)
1995	1.665	3.798	5.463	+7.6%	280.86 (1.94%)	96.9 (5.63%)
1996	1.693	5.153	6.846	+25.3%	289.88 (2.36%)	100.7 (6.79%)
1997	2.032	4.086	6.118	-10.6%	325.16 (1.88%)	107.2 (5.7%)
1998	1.839	3.641	5.480	-10.4%	323.95 (1.69%)	89.9 (6.36%)
1999	1.497	4.222	5.720	+4.4%	360.63 (1.58%)	84.1 (6.8%)
2000	2.233	5.769	8.002	+40.2%	474.30 (1.68%)	111.6 (7.16%)
2001	2.711	7.959	10.671	+33.4%	509.77(2.09%)	116.1 (8.40%)
2002	3.521	8.406	11.927	+11.8%	620.79 (2.05%)	127.0 (9.39%)
2003	6.21	9.7	15.8	+32.0%	851.21 (1.85%)	157.4 (10.03%)
2004	9.1	12.1	21.2	+34.7%	1154.74 (2.09%)	210.0 (10.09%)
2005	13.21	15.89	29.1	+37.1%	1422.12 (2.04%)	288.5 (10.08%)
2006	15.83	17.55	33.4	+14.7%	1760.70 (1.90%)	374.4 (8.92%)

Sources: Chinese Ministry of Commerce <<http://zhs.mofcom.gov.cn/tongji.shtml>> (October 20 2007); <<http://zhs.mofcom.gov.cn/aarticle/Nocategory/200405/20040500218163.html>> (October 20 2007); Russian News Net, <[http://rusnews.cn/db\\_ezhongguanxi/db\\_ezhong\\_tongji/](http://rusnews.cn/db_ezhongguanxi/db_ezhong_tongji/)>(October 20, 2007); Russian Import and Export, <<http://www.users.globalnet.co.uk/~chegeo/index2.htm>>(October 20 2007).

Regardless of the sources of the dismal and disappointing economic fact of life—be they difficulties and chaos of Russia's economic environment in the wake of Yeltsin's "shock therapy" (1992-93); disorganized border trade; too much and/or too little bureaucratic intervention, etc.—the state of Sino-Russian trade is somehow qualitatively different from past economic relations when Moscow and Beijing underwent their "best" and "worst" times. Both now trade with each other for largely tangible interests, as compared to their highly politicized economic relations in the past. While the massive US\$2 billion Soviet economic loans to China during the 1950s was certainly the result of China's lean-to-one-side strategic choice in the early years of the Cold War, the sudden withdrawal of Soviet aid from China in 1960 resulted in the most serious ideological polemic between the two communist giants. The outcomes of these earlier bilateral economic interactions were somewhat expected because the communist centralized economic systems in both countries were closely related to their respective political systems and, therefore, dictated economic activities in

both countries. In the 1960s and 1970s, bilateral economic relations remained insignificant for both countries. While Moscow developed close economic linkages with its Eastern European partners, China's self-imposed "splendid isolation" reduced Beijing's trade with the outside world to a minimum. In sum, the minimum trade relations between the two countries during this period were compatible with the nature of their political and economic systems, as well as the difficult bilateral political relations.

The current strategically "willing" but economically "reluctant" trade partnership, therefore, is perhaps normal if not necessarily desirable, given the existing structural impediments in both nations, as well as in their economic transactions. If this "weakest link" of economic relations is considered as part of the normal relationship between Beijing and Moscow, it is not hard to comprehend the protracted decision-making process for a Russian oil pipeline to China.

The idea of building an oil pipeline from Russia's Siberia to China was first raised by President Yeltsin in 1994, a year after China became a net oil importer. It was not until the end of the 1990s, however, that the two sides started to step up their deliberation for the feasibility of the project. In the first few years of the 21<sup>st</sup> century, however, the pipeline became a more complex issue when Japan joined the pipeline game by offering Russia billions of dollars for a pipeline to Russia's Pacific coast, instead of one to northeastern China. Meanwhile, the rising global demand for oil was stimulated by both emerging economies such as China and India, and the 2003 Iraq war, leading to soaring oil prices in the past few years. It was in 2003 when Russia opted against a plan to build a single pipeline directly to China.<sup>78</sup>

Until recently, Russia seems to have enjoyed, as well as benefited from, its grand energy-politick in order to milk the Sino-Japanese pipeline competition as much as possible.<sup>79</sup> An obvious delaying tactic is to have numerous "feasibility studies" of the pipeline project in the first few years of the new century. This was true even after the Russian government made the final decision to go ahead with the main East Siberia-Pacific Ocean (ESPO) oil pipeline at the end of 2004. It took another 15 months for the two sides to sign an agreement just to begin the feasibility studies for a 70-kilometer branch line off the main route.<sup>80</sup> The

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<sup>78</sup> "Putin Says 'No Doubt' China Oil Pipeline Will Be Built," *AFP*, March 22 2006, FBIS.

<sup>79</sup> An alternative interpretation of Russia's pipeline strategy is that Russia is still undecided in its self-created game of geostrategics about how to balance various regional powers in northeast Asia, particularly China. See a penetrating analysis along this line of thinking, see Gilbert Rozman, "Russia in Northeast Asia: In search of a Strategy," in Robert Legvold, (Ed.), *Russian Foreign Policy in the Twenty-First Century and the Shadow of the Past* (New York: Columbia University Press, 2007), pp. 343-392.

<sup>80</sup> "Fifteen Russian-Chinese Cooperation Documents Signed in Beijing," *Interfax*, March 22 2006, FBIS.

widely publicized “feasibility studies” accord signed in Beijing on this meaner branch line to China during Putin’s March 2006 visit is bizarre considering that the China National Petroleum Corporation (CNPC) had already committed US\$400 million to finance the branch line.<sup>81</sup> Russian strategy on oil has obviously frustrated many in China. Beijing’s official reaction, however, has been rather low-key. No matter how unpleasantly the game is being played, Russia still delivers a large quantity of crude oil to China by rail, while maximizing its potential gain from a pipeline system in the future. In sharp contrast, Moscow abruptly stopped its oil supply to China in 1960 when relations between Khrushchev and Mao deteriorated. Indeed, some in China strongly believe that it would be irrational for Russia not to play its energy card.<sup>82</sup>

Behind the continuous tug of war over the oil pipeline issue lies divergent goals over the energy issue. For Beijing, it is, and should be, an economic issue to be determined largely, if not exclusively, by the mechanism of supply (Russia) and demand (China). Russia, however, has increasingly attached a strategic dimension in several respects. Perhaps more than any other nation, Russia as the largest oil exporting country next to Saudi Arabia benefits enormously from the rising oil demand and price. With its huge oil reserves and ability to deliver energy products across and beyond the Eurasian continent, the former political-military superstate rapidly assumes the identity of a super-oil state. In the Far East, the belated entrance of Japan into the pipeline game means not only a potentially huge market for Russia’s energy products, but also effective leverage in its negotiations with China for both pipeline construction and future price advantage. At a minimum, a new Asian market for Russian oil and gas outside its traditional European area will certainly create more demand for Russian energy. China’s seemingly endless appetite would lead to a higher price level even if Middle Eastern stability is taken for granted. Moreover, any future pricing with China will be set by the market, which will, in turn, be used to elevate existing “friendly” prices for Russia’s “near abroad” states (former Soviet republics) to market level.<sup>83</sup>

Beyond Russia obviously playing of its oil cards lies the genuine concern—no matter how irrational from China’s perspective—over a perceived rapidly deteriorating bilateral trade structure, in which Russia is fast becoming a raw material supplier for China. In 2005, only 2.2 percent of Russia’s exports to China were machinery and other high-tech

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<sup>81</sup> “CNPC To Issue US\$400Mln Grant To Build ESPO Pipeline Branch To China,” *Interfax*, March 22 2006, FBIS.

<sup>82</sup> Interviews with scholars in Shanghai and Beijing, June-July 2006.

<sup>83</sup> “Russia Not To Take Voluntaristic Approaches In Gas Pricing,” *Itar-Tass*, March 22 2006, FBIS.

products, down from 28.8 percent in 2001,<sup>84</sup> and Russian-made machinery and electronic products made up only a fraction of China's US\$350 billion in annual imports of mechanical and electronic products.<sup>85</sup> In his March 2006 visit to Beijing, Putin urged the Chinese side to reverse the downward trend of Russia's machinery product exports to China (a "trade irrationality" in Putin's words).<sup>86</sup> President Hu, however, believed that Russian enterprises were "fully capable of achieving a bigger market share" in China "if they can bring their advantages into play and come up with competitive products and technology," that enterprises should be the "main force in the strengthening of international economic and technological cooperation," and that governments should play a supportive and facilitating role.<sup>87</sup>

While the lack of competitiveness of Russian products in both the Chinese and international markets<sup>88</sup> cannot be redressed overnight, the Russians did have an achievable goal in its China economic policy. That is, until Russia obtains the contract on constructing more nuclear power plants in China, a Russian oil pipeline would continue to remain on paper. In his first day visit to Beijing in March 2006, Putin made it clear that "cooperation between Russia and China in the energy sector *includes continuation of our involvement in the construction of new nuclear facilities in China* [emphasis added]."<sup>89</sup> Yet until at least the two Russia-built reactors in Tianwan of east China become fully operational in 2007, China might not contract additional Russian reactors.<sup>90</sup> "Should the first two reactors be successfully commissioned, Russia has the *rights* [emphasis added] to obtain a contract on constructing a third, fourth and maybe other reactors," claimed Russian Federal Atomic Energy Agency Sergei

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<sup>84</sup> "Exploiting new fields for China-Russian trade" *RMRB Online*, March 28 2006, FBIS.

<sup>85</sup> "Chinese, Russian Vice PMs Vow To Enhance Economic Ties," *Xinhua*, March 22 2006, FBIS.

<sup>86</sup> "Putin Lauds Rapid Growth of Russia-China Trade, Urges Structural Reform," *Xinhua* March 19 2006, FBIS.

<sup>87</sup> Full Text of President Hu Jintao's Speech at the Opening Ceremony of the Sino-Russian Summit Forum of Economic and Business Circles, Beijing, March 22 2006, FBIS.

<sup>88</sup> According to First Deputy Prime Minister Sergei Ivanov, the decline of Russia's manufacture sector was unprecedented since the Soviet collapse. In 2006, Russia ranks 22<sup>nd</sup> in the world in the output of machine tools and 19<sup>th</sup> in acquisition. In contrast, Russia ranked in 1990 second and third in the world, respectively. In 2006 Japan produced 82 times more equipment than Russia, Germany 50 times more and China 31 times more. "Ivanov: Russia's Machine Tool Industry Lags Globally, Threatens Nation's Security," *Interfax*, July 20 2007, FBIS.

<sup>89</sup> "First Unit Of Russian-built Plant To Be Plugged Into China's Grid in April," *Itar-Tass*, March 21 2006, FBIS.

<sup>90</sup> "Accord On New Tianwan Power Units May Be Shortly Signed," *Itar-Tass*, March 21 2006, FBIS. The two sides finally signed an agreement for the second phase of the Tianwan nuclear power plant in early November 2007 when Chinese Premier Wen Jiabao visited Russia. See "China Sign Basic Agreement To Build 2nd Phase Of Tianwan NPP," *Interfax*, November 6 2007, FBIS.

Kiriyenko in Beijing.<sup>91</sup> In the nuclear area, which means billions of dollars and years of employment for hundreds of enterprises, Russian needs, interests, and anticipation are at least as strong and passionate as those of the Chinese for oil and gas.

It is between these diverging as well as overlapping goals of economic calculus and geopolitical concerns that two strategic partners trade off their respective national interests. Such a normal economic relationship—with both cooperative and competitive elements—may well continue indefinitely, while leaving past “glories” and “glooms” in the dustbin of history.

#### *Mil-mil Relations*

Sino-Russian mil-mil relations have been thoroughly combed.<sup>92</sup> Almost all analysts, regardless of their political and normative views, agree that Russia’s arms sales and technology transfers to China since the late 1980s are substantive (see Table 2, Major Russian Arms Transfers to China, 1990-2007), if not unprecedented. With a cumulative amount in delivery of billions of dollars worth of Russian arms to China, this is at least as impressive as the record in the Sino-Soviet “honeymoon” period.

At least four major differences, however, separate the current Sino-Russian military-technical cooperation (a Russian phrase for arms sales and military-related technology transfers) between Moscow and Beijing from any previous cases. The first is the largely commercial-oriented aspect of Russian weapons transfers to China which have often been the result of hard negotiations. In contrast, the massive transfer of military hardware and technology to China during much of the 1950s, which also involved large technology transfers,<sup>93</sup> was largely due to political, ideological, and strategic considerations. The second feature is the sustainability of the current arms transactions, which are now in their second decade, while the previous “best” record was a mere ten years in the 1950s. The third difference is that the current state of military-technical cooperation is one of several related areas of cooperation such as developing confidence building measures (CBMs) in border areas, border demarcation (together with foreign services), regular strategic dialogue at

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<sup>91</sup> “Russia Hopes For Further Involvement In Tianwan NPP Construction,” *Interfax*, March 22 2006, FBIS.

<sup>92</sup> Tsai, *From Adversaries to Partners?*; Wilson, *Strategic Partners*, chapters 5 and 6.

<sup>93</sup> Shortly after Stalin’s death in 1953, Khrushchev became more willing to transfer military technology to China. In November 1954, China obtained the complete set of blueprint for the Mig-17, whose Chinese version of J-5 made its debut in 1956. This was followed by Soviet transfers of complete data to China for the production of the T-54 tanks, 85 mm cannons, and AK-47 assault rifles. See, “Zhonguo yinjin sulian wuqi shimo: heluxiaofu yuanhua wuqi zuihao [The story of China’s weapons imports from Soviet Union: Khrushchev’s weapons were the best],” *Guoji Zaixian* [International online], October 19 2006, cited by <<http://www1.6park.com/news/messages/41202.html>> (October 20 2007).

the defense ministerial and general staff levels, cooperation and joint ventures in other related areas such as the nuclear, space, and other high-tech sectors, and more recently, military exercises of various levels, formats, and scales.

**Table 2. Major Russian Arms Transfers to China (1992-2007)**

Contract	Items	Delivered	US\$ Amount
1990	- 3 IL-76MD military transport aircraft	1991	n.a
	- 24 Mi-17 helicopters	1991	n.a
1991	- 2 battalions of S-300PMU SA-10 air defense systems with 8 batteries of 32 truck launchers and 256-382 5V55U missiles	1993	\$220 m
1992	-26 Su-27 delivered (20 Su-27SKs & 6 Su-27UBK trainers)	1992	\$1.2 bn
	- 7 IL-76MD military transport aircraft		\$140 m
1994	- 2 Kilo-class submarines (type 877E)	1995	\$180 m
	- 120 missiles for S-300PMU SA-10 air defense systems	n.a	n.a
	- 8 batteries of improved S-300PMU <sub>1</sub> (SA-10A Grumble) systems with 32 truck launchers and 196 improved 48N6E missiles	Late 1990s n.a	\$400 m
1995	- Additional 22 Su-27s as part of the licensing package to produce 200 Su-27SK planes in China	First two test flights in 1998	\$2.5 bn
	- 4 IL-76MD military transport aircraft	1996	n.a
	- 60 Mi-171 helicopters	1997	n.a
	- 13-15 Tor-M <sub>1</sub> (SA-15 Gauntlet) SAM systems	1997	
1996	- 2 Sovremenny-class Project 956RM destroyers	1999&2000	\$1 bn
	- 2 Kilo-class submarines (type 636)	1997/98	n.a
1999	- 40 Su-30MKK;	2001	\$2 bn
	- 28 Su-27UBK two-seat trainers		n.a
	-20Tor-M <sub>1</sub> (SA-15 Gauntlet) SAM systems	2000	n.a
2001	- 38 Su-30 MKC	2003	\$2 bn
	- 8 batteries of S-300PMU <sub>1</sub> (SA-10A Grumble) systems (32 truck launchers and 196 48N6E missiles)	n.a	\$400 m
2002	- 8 Kilo-class submarines (Project 636);	2004-07	\$2 bn
	- 2 Sovremenny-class destroyers (project 956EM)	12/05;9/06	\$1.4 bn
	- 25 Tor-M <sub>1</sub> (SA-15 Gauntlet) SAM systems?	delivered	n.a
2003	- 28 Su-30MKK	2004	\$1 bn
	- 8 batteries of S-300PMU <sub>2</sub> (SA-10B Favorit) systems with 32 truck launchers for 256 48N6E <sub>2</sub> missiles	n.a	\$980 m
	- 107 Mi-171/Mi-17V <sub>5</sub> helicopters delivered from 1996.		n.a
2004	- 24 Mi-171 helicopters	n.a	n.a

2005	- 150 AL-31F (for Su-27s and Su-30s); 100 AL-31FN (for Chinese J-10) aircraft engines; spare parts.	2006-?	\$1 bn
	- 100 RD-93 engines for FC-1 Super 7 fighter planes	2006-07	\$1.5 bn
2006	- 34 Il-76 military transport planes; 4 Il-78 in-flight refueling tankers; 88 additional D-30KP-2 engines.	2006-11	\$200 m
	- 24 Mi-171 helicopters (22 cargo and two passenger)	7/2006-07	n.a
	- 8 batteries of S-300PMU2 (SA-10B Favorit) systems	2009	\$1 bn

Sources: Moscow Defense Brief, <<http://mdb.cast.ru>> (October 20, 2007); <<http://www.sinodefence.com>> (October 20, 2007); Tsai, *From Adversaries to Partners?*, p. 127; Shambaugh, "China's Military Views the World," p. 72.

In short, current Sino-Russian mil-mil relations are far more complex, multidimensional, and institutionalized than any previous phases. Fourth, many of these mil-mil interactions are conducted on the basis of equality rather than hierarchy, which was the case in the 1950s when Beijing was clearly the junior partner in its alliance relationship with Moscow.

Not everything is free from problems, given the sensitive nature of the mil-mil interactions. Even under the best circumstances, Russian elite remain suspicious of China,<sup>94</sup> let alone during a time when China is rising to be more powerful for the first time in their 400-year history of interactions. The fact that problems are discussed, resolved, contained, and/or deflected from turning into bigger issues or affecting other aspects of the bilateral relations is in itself a marked contrast to the boiling-to-freezing experience of the 1950s.

### The Future: Between the "Best" and "Worst"

Given these features in Sino-Russian relations in the post-Soviet period—an equilibrium in their balance of power, the absence of the once ubiquitous ideology factor, interests-driven economic and mil-mil relations, pragmatism in managing the SCO, plus a loose but pragmatic "friendship treaty"—Russian and Chinese elites have finally moved away from the love-or-hate oscillation and toward more pragmatic mutual expectations and complex reciprocity. Short of major disruptions

<sup>94</sup> Russia's weapon export to China and cooperation in military technology has always been technologically below the level it offers to India. Since 2006, there have been no major contracts from China for Russian arms because of at least three factors: Russia's postponement of its deliver the contracted 40 Ilyushin cargo planes including 10 oil tankers to China (US\$1.5 billion); the near saturation of China's market by large quantity of airplanes and naval vessels; and the lack of breakthrough in military technology cooperation and technology transfers.

in their domestic climate and major wars in the world, Moscow and Beijing are set to co-exist with one other for the long-haul.

Perhaps the most important “safety valve” in their current “normal” bilateral relations is a tacit consensus in the political psychology among many Russian and Chinese political elites. That is, the current state of normalcy is to be carefully handled with any means, not necessarily just for some pressing geopolitical reasons, and/or some nominal gains in their numerous and still growing transactions, be they weapon systems or energy items. The protracted period of the Sino-Soviet confrontation from the 1960s to the late 1980s—ideological polemic, border conflict, militarization of border regions, and world-wide contention for ideological and strategic interests—was ironically preceded by the Soviet-Chinese “honeymoon.” The rapid deterioration of bilateral relations from the “best” to the “worst” cost both sides enormously. Economically, both countries devoted huge amounts of capital and manpower to defense, at the expense of the living standards of their peoples. Strategically, Moscow and Beijing had to prepare for a possible two-front war for many years. China’s effort to search for an alternative approach from the Soviet centralized planned economy—though it eventually led to successful reforms—was paralleled with unprecedented domestic policy failures such as the Great Leap Forward (1958-61) and the Cultural Revolution (1966-76). For Russia, confrontation with China was perhaps the most important indirect and long-term cause of the final downfall of the Soviet empire.<sup>95</sup> Despite all these mutually antagonistic efforts—in which precious resources were diverted, drained, and wasted by both sides—Beijing and Moscow only found themselves in a brave new but unfriendly world of unipolarity.

The current normal relationship between the two largest Eurasian continental powers is definitely more complex, routine, if not boring, than the “best” and certainly more idealistic period of the 1950s. But it is also far less costly than the “worst” period of confrontation (1960s-early 1980s). The alternatives, be they “honeymoon” or “divorce,” are either undesirable for mature and pragmatic elites or unthinkable in the era of

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<sup>95</sup> Both Soviet official data and the CIA estimates indicate a steady decline of the Soviet economy from the mid-1960s and a worsening trend in the 1970s. This trajectory of the Soviet economic decline happened to parallel the deterioration of Sino-Soviet relations. In 1960, the Soviets unilaterally withdrew all technical personnel from China. In 1969, the process of militarization of their ideological conflict began when the two militaries clashed several times along their borderlines. Eventually, the Red Army had to substantially increase its military deployment in Asia, leading to a de facto two-front strategy. The Soviet defense expenditures as percentage of Soviet GNP registered a steady increase throughout this period and started to decline only in the late 1980s when Gorbachev took major steps to normalize relations with China. For a recent study of Soviet economic decline and military spending, see Brooks and Wohlforth, “American Primacy in Perspective.”

weapons of mass destruction. Living with one another without sentimentalities, but with sensitivities to the lessons of history, is perhaps more challenging and imperative for Beijing and Moscow in the years ahead. Beyond that, the two sides are also keenly aware of the lopsided nature of their “strategic partnership relationship” in that the strategic trust among their political elite is yet to be matched by a corresponding chemistry between the two peoples. The hundreds of cultural, business, educational, and sports activities in the Year of Russian (2006) and Year of China (2007)—the first-ever in Sino-Russian bilateral history—were actually realistic and badly needed for ordinary Russians and Chinese whose hearts and minds seem more open to the West than to each other.

In the long term, the Sino-Russian strategic partnership relations may or may not be a reliable barometer for the future because it was a time when Russia was weak and disoriented after the disintegration of the Soviet empire. Now Russia is on its way back, not necessarily to the Soviet legacies, but to its traditional status as a major power on the Eurasian continent. China, too, will, and perhaps more than any other country, have to deal with such a Russia either led by “Putin the Great” (staying in office beyond 2008) or shadowed by “Putin the ghost” (working behind the scenes).