

China and Russia

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China's relationship with its neighbor to the north has been fraught historically with tension, mistrust, and competition. Even in the early years of communist China, fraternal assistance and cooperation between Moscow and Beijing masked suspicion and nationalist pride that eventually led within a decade to an extended period of ideological competition between the two countries for influence and leadership in the communist world, and eventually military hostility along their common border.

Although an underlying sense of mistrust has not disappeared, the demise of the Soviet Union has enabled Russia and China to display a new commitment to cooperation that is facilitated by an increasing array of common strategic interests and challenges. Russia has Chechnya; China has Taiwan and Xinjiang separatism. Russia bristles at NATO and Partnership for Peace nations extending around its periphery; China is likewise sensitive to the U.S. military presence and alliance partnerships on its doorstep. Moscow is suspicious of U.S. meddling in its internal affairs, charging that the United States, through non-governmental and governmental agents, have fomented "color revolutions" in former Soviet states to increase U.S. influence in the region and potentially induce similar changes in Russia; China has similar concerns. Both countries favor the creation of a multipolar world.

China has used its relationship with Russia as the prototype for its "new security concept" in which alliances are replaced by "constructive strategic partnerships" among states and, in Chinese parlance, are "not directed at any third country." In practical terms, China and Russia have resolved their long-standing border dispute, and agreed to complete the delimitation of their 4,300-kilometer border by 2007. China and Russia have also worked together through the Shanghai Cooperation Organization (SCO) to promote their respective economic and security interests in Central Asia, although Russia remains wary about growing Chinese (and U.S.) influence in these former Soviet states.

The two countries have also found common cause as partners in the UN Security Council to protect shared interests. For instance, China and Russia, both of which have economic and political interests to protect in Iran, have stood together to oppose UN action to sanction Iran over its defiance of the international community concerning its nuclear program. Russia has taken the lead in this effort, which has allowed China to remain relatively quiet on the matter.

China and Russia have developed substantially closer economic and military ties in recent years that have cemented the relationship in practical terms. In 2005, Sino-Russian trade grew by 37.1 percent on the previous year to \$29.1 billion. Russia is now ranked as China's eighth largest trading partner.¹ Much of Russia's exports to China come in the form of oil, natural resources, and military hardware sales; about half of the increase in Russian export value to China in 2005 came from the oil trade. Russia currently provides 8 percent of China's energy needs. China, meanwhile, exports an increasing number of high-tech products to Russia. The two countries announced a goal of increasing total bilateral trade to \$60-\$80 billion by 2010, although implementation may prove difficult if commodity prices decline.

Even as the energy trade remains a point of convergence for China and Russia, energy-related matters also serve as points of contention in the relationship. China has been frustrated, for instance, with Russia's reluctance to allow Chinese investment in Russia's energy sector. Russia has also resisted making a final decision on whether to run at least a spur from its planned cross-border oil pipeline – running from East Siberia to the Pacific Ocean -- to Daqing in northeastern China. Despite several statements of seeming commitment to China (and Japan) by the Russian leadership over the past several years, no final decision on the matter has yet been made, deeply frustrating Beijing with Russia's apparent gamesmanship.

Because China has a limited capacity for indigenous military development, Russia continues to be China's primary source of advanced defense items, which in recent years have included, *inter alia*, Kilo-class diesel submarines equipped with long-range anti-ship cruise missiles; advanced destroyers with anti-carrier missiles; 3rd and 4th generation fighter aircraft; AWACS and tanker aircraft; advanced radars; short-range missiles; and anti-aircraft batteries. Russia has been careful not to sell China its most advanced items due to lingering fears among many Russian strategists about contributing too readily to the military development of a major power along Russia's border. However, weapons sales to China have continued for economic reasons to keep Russia's defense industry afloat in an era of decline since the end of the Cold War.

In August 2005, the two sides engaged in their first joint/combined military exercise. Held under the aegis of the SCO, "Peace Mission 2005" involved about 10,000 troops and was framed as an exercise to combat "terrorism, extremism, and separatism" (although it included an amphibious operation with echoes of a Taiwan scenario). Some viewed the exercise as a vehicle for Russia to sell China more weapons; nonetheless, questions have arisen about the implications of growing China-Russia political and military cooperation for future strategic relations, particularly given an increasingly convergent commitment to constrain U.S. power and influence.

Nonetheless, the China-Russia relationship has inherent limitations. Both states still have stronger trade and investment relations with the United States than with each other. Sino-Russian trade in 2005 was one-tenth of China's trade with the United States, and 2 percent of China's total trade volume.ⁱⁱ Russia is also wary of the demographic imbalances created by the encroachment of China's population into its sparsely populated Russian Far East. This area requires an influx of labor, but Chinese immigrants have engendered resentment and security concerns due to problems of assimilation and growing Chinese economic domination of the region. The massive benzene spill at a factory in China's Jilin province in November 2005 led to cross-border effects downstream that generated ill will, and demonstrated Russia's susceptibility to poor governance, lax regulations, and other vulnerabilities from the rising power to its east.

In the end, the nature of future bilateral relations between China and Russia will depend greatly on their respective relationships with the United States. The relationship today remains a marriage of convenience in which Russia's economic interests coincide neatly with China's desire to modernize its military quickly and meet its energy/natural resource needs. Both sides also see continued political and strategic advantage to demonstrate closer collaboration as a point of leverage against any suspected or real U.S. efforts to influence or impose its will on the two governments.

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ⁱ Ministry of Commerce of the People's Republic of China, *Top Ten Trading Partners*, March 21, 2006, <http://english.mofcom.gov.cn/aarticle/statistic/ie/200603/20060301722237.html>, accessed March 30, 2006.

ⁱⁱ Patrick G. Moore, "China gets its pound of Russian flesh", *Asia Times Online*, March 24, 2006, http://www.atimes.com/atimes/Central_Asia/HC24Ag01.html, accessed March 30, 2006.