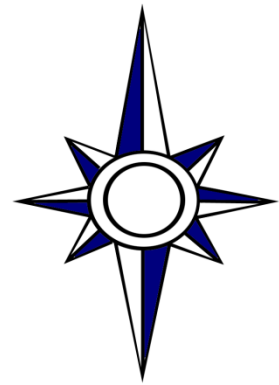


# Comparative Connections

A Triannual E-Journal on East Asian Bilateral Relations



## China-Russia Relations: All Still Quiet in the East

Yu Bin  
Wittenberg University

China-Russia relations were quite uneventful in the first four months of 2015. Instead, Moscow and Beijing seemed on divergent paths as the former continued to be plagued by geopolitics (Ukraine, Iran, etc.), while the latter was busy with geoeconomics (Asian Infrastructure Investment Bank (AIIB), Belt and Road Initiative, etc.). Beneath the surface calm, however, preparations were in high gear for the coming months in both symbolic (70th V-Day anniversary) and substantive areas such as strategic consultation, aerospace cooperation, and military sales.

### Li Zhanshu's visit to Moscow

Russia and China held the second consultation between Russia's Presidential Executive Office and the Central Committee's General Office of Communist Party of China (CPC) in Moscow on March 19. The first round of this consultation was held in Beijing on July 9, 2014 between Li Zhanshu (栗战书), director of the General Office of the CPC's Central Committee, and Sergei Ivanov, chief of the Russian Presidential Administration. It is worth noting that aside from his Party affiliations, Li is also director of the General Office of the newly created State Security Commission (SSC, 国家安全委员会) in China, which is chaired by Xi Jinping. The SSC was created in November 2013 to coordinate policies covering diplomacy, military, public security, and intelligence.

The broad portfolio of the SSC was reflected in the Li-Ivanov talks. One of the key issues was the upcoming visits by leaders of the two countries for the 70<sup>th</sup> anniversary of the end of World War II in both Europe and Asia (Xi's visit to Moscow on May 8-10 for Russia's V-Day celebration and Putin's visit to Beijing in early September for China's first-ever V-Day celebration). In the Russian case, Ivanov is in charge of the entire V-Day celebration. Their talks also covered foreign policy issues such as UN, G-20, APEC, BRICS, etc. Perhaps more importantly, the Li-Ivanov meetings prioritized domestic issues, such as the creation of three interactive sub-institutions in the areas of personnel training, anti-corruption, and "social process monitoring" mechanism. The two presidential offices have assumed much broader institutional capabilities in coordinating, guiding, and supervising those existing governmental bureaucracies in Russia and China.

The Li-Ivanov talks also means closer and more direct communication between Putin and Xi through their most trusted men, both of whom have been close advisers to their respective top leader for the past few decades. Ivanov, for example, was assigned to serve in the Leningrad KGB Directorate after being trained in KGB Higher Courses program in Minsk in 1976. It was

in the KGB Leningrad office where he befriended Putin. In 1998, when Putin became director of the Russia's Federal Security Service (FSB), Ivanov was appointed deputy director of the FSB. When Putin became prime minister in 1999, Ivanov was appointed secretary of Russia's Security Commission. Between 2001 and 2007, Ivanov was the first civilian defense minister in Soviet/Russian history from 2001-2007. From 2005-2007, he was reappointed a deputy prime minister in Putin's second government and put in charge of Russia's military and Special Forces. In 2007-2008, he was the first deputy prime minister of the Russian Federation. In 2011, Ivanov was appointed to his current position (chief of the Russian Presidential Administration). From those positions, Ivanov has also been in direct contact with his Chinese counterparts. For example, since 2005 Ivanov has co-chaired, with Chinese counterparts, several rounds of Sino-Russian strategic consultations.

Unlike Ivanov's distinguished experiences with Russia's military and security apparatus, Li's career included various civilian administrative positions in China's Hebei, Shaanxi, Heilongjiang, and Guizhou provinces. Before being appointed director of the General Office of the CPC's Central Committee in 2012, Li was governor of Heilongjiang Province (bordering Russia) and then CPC secretary of Guizhou Province. His acquaintance with Xi, however, can be traced back to the early 1980s when Li was Party secretary of Wu Ji County (无极县) in Hebei Province while Xi was Party secretary of the neighboring Zheng Ding County (正定县).

Unlike Ivanov, however, Li had never been in the international spotlight until being sent to Russia now as Xi's "special envoy" to develop institutionalized exchanges with his Russian counterpart for the purpose of "pragmatic cooperation" between the two offices. "Russia highly appreciates the fact that the Russian Presidential Administration is the only foreign body with which the Central Committee of the Communist Party of China maintains relations at all. We very much appreciate that," Ivanov was quoted as saying.

Li's most important mission in Moscow was to meet President Putin, who received him ahead of the meeting with Ivanov on March 19. "I know that you maintain regular contacts with our great friend, my big personal friend – Chairman Xi Jinping. Please convey my best wishes to him," said Putin. In response, Li described Xi as Putin's "good old friend" and that Xi "is looking forward to his trip to Moscow to take part in the events dedicated to the 70th anniversary of victory, as well as his visit to Russia." Li recalled that since Xi assumed China's top leadership, he and Putin had met eight times and reached many important agreements for bilateral relations and beyond. Li promised that he would work closely with his Russian counterpart to "ensure" that future summits would be held "properly at the highest possible level," which indicates that the two presidential offices would play more an important and institutionalized role in future high-level exchanges.

The timing of Li's Moscow trip was quite interesting. It was immediately after China's annual meeting of the People's Congress on March 5-15. Normally, Chinese leaders start their foreign trips after this important meeting. It was also the one-year anniversary of the Crimea takeover and when Russia was sanctioned by the West. The fact that Putin disappeared for 10 days (March 5-15) was quite uncommon, leading to wild rumors both in and outside Russia. Xi sent his most trusted man to Moscow at this point, making sure that his Russian partner was in good shape.

Li's talks with his Russian counterpart went beyond strategic issues, including specific projects such as the railroad bridge across the Heilong/Amur River. The construction of the 2,300-meter bridge started in 2009 after more than 20 years of negotiations. Since then, China has completed construction of 13 bridge pillars. Construction of the three pillars on the Russian side, however, had not started at the end of April, even though the project is supposed to be completed in 2015. Once finished, the bridge will have an annual capacity of 20 million tons of cargo. The delay in completing the bridge is only the tip of the iceberg in both the Sino-Russian economic relationship and Russia's bureaucratic gridlock. Many agreements signed by the two governments have been slow in being executed due to Russian inefficiency and corruption. This is one reason why the China uses the phrase "pragmatic cooperation" in both joint statements and leaders' speeches regarding relations with Moscow. At the end of April, Russian Prime Minister Medvedev personally "ordered" the construction of bridge pillars on the Russian side, starting May 5.

Perhaps more than anything, Russia's belated decision to join the China-led Asian Infrastructure Investment Bank (AIIB) highlighted the deficiency of Russia's decisionmaking mechanisms, which, from time to time, requires intervention from the highest level such as the president.

### **Russia's near absence from AIIB's "March madness"**

Russia was among the last of the 57 "founding members" to sign on to the AIIB by March 31, which was the deadline for countries to state their interest in participating in negotiations on the establishment of the new institution. Nations will still be able to join the AIIB following the deadline, but only as common members. The agreement to establish AIIB was signed in October 2014 by China and 20 other Asian countries: Bangladesh, Brunei, Cambodia, India, Kazakhstan, Kuwait, Laos, Malaysia, Mongolia, Myanmar, Nepal, Oman, Pakistan, the Philippines, Qatar, Singapore, Sri Lanka, Thailand, Uzbekistan, and Vietnam.

Russia's decision to join the AIIB was announced on March 28 when First Deputy Prime Minister Igor Shuvalov expressed Moscow's intent in an address to the China-sponsored Boao Forum for Asia in Hainan Province. In early March, several major European countries (Britain, Germany, France, etc.) led this 21<sup>st</sup> century "gold rush," despite strong opposition and lobbying efforts by the US for its allies not to join. The late rush to join even surprised China as a prominent Chinese commentator noted. Russia, however, had been "conspicuously quiet over whether it would join up," observed the *South China Morning Post* on March 29.

Russia's absence in the "March madness" for the AIIB puzzled the Chinese not only because Russia is China's most trusted strategic partner and a model of the so-called "new type of major power relationship" (新型大国关系) promoted by Beijing; it was also because China had since early 2014 kept Russia informed about deadlines for those interested in joining the AIIB, including the October 2014 deadline for signing the AIIB memorandum. To China's surprise, Russian Foreign Ministry "politely" rejected the invitation at the time.

Russia's negative attitude toward AIIB was debated in the Chinese media. Some went so far as to speculate that Russia's belated decision was deliberate for several purposes. One was to allow

more European countries to join before it moved. An earlier Russian entrance may have led to stronger opposition from Washington against its allies' decisions to join AIIB. Russia's late entrance into AIIB was also said to be used to prevent the US and Japan from joining AIIB before the end-of-March deadline. US Treasury Secretary Jack Lew's visit to Beijing in the last two days of March may have been a US attempt to negotiate its way into the AIIB, according to this line of thinking.

In actuality, the Russian Foreign Ministry rejection reflected internal consultation with the Russian Ministry Finance, which had been plagued by the rapidly deteriorating Russian financial situation resulting from the plunge in the price of oil, Western sanctions, and capital flight. "We have no money to participate in Chinese geopolitical projects" was the internal explanation for Russia's rejection of AIIB, according to Russian sources (*Moscow Times*, 1 April 2015). The low-level bureaucratic interests displaced Russia's broader interests in the case of AIIB. It was not until Russia's First Deputy Prime Minister Igor Shuvalov started to prepare for his trip to Boao in late March that the issue drew his attention. By that time, the "roof" of AIIB was off, thanks to coverage by global media, as "bidders" were rushing to join AIIB as founding members before the door closed at the end of March. Even so, Shuvalov's enthusiasm for AIIB was not necessarily shared by other Russian bureaucrats. Just a few days before Shuvalov's announcement at Boao, Deputy Finance Minister Sergei Storchak was quoted as saying that Russia had not yet decided if it would apply for AIIB membership. Eventually, President Putin was said to intervene and made the last-minute decision.

Both the initial Russian disinterest and its last-minute reversal over AIIB membership were indicative of some long-term, and sometimes contradictory, factors/considerations in Russia's geopolitical thinking, including relations with China. Russia has been, until recently, not very enthusiastic about China-initiated multilateral economic institutions. The economic "wheel" of the Shanghai Cooperation Organization (SCO), for example, has never moved smoothly. China's attempt to set up a SCO bank has not even left the talking stage. Beijing's frustration with the SCO led to bilateral interactions with individual Central Asian states for developing its energy and infrastructure projects, and with considerable success. Perhaps because of this, Russia has since 2011 tried to develop a separate, Russian-led economic entity called the Eurasian Union consisting mostly of the former Soviet republics. Russia and Kazakhstan created a Eurasian Development Bank. In early March, when the UK broke ranks with the US by announcing its decision to join AIIB, President Putin proposed a currency union within the eight-member Eurasian Union. It is possible that Putin was not aware of the fast approaching deadline of the AIIB for founding membership.

Aside from Putin's intervention, Russia's last-minute reversal on AIIB might be driven by four considerations. One is Western economic sanctions that have constrained the Russian economy as well as its economic relations with other countries, including those within the post-Soviet space. A multilateral financial institution with Western members and Russia would alleviate Russia's economic predicament. Second, the AIIB could serve as an interface between Russia and many Asian nations, and their \$8 trillion need for infrastructure investment is attractive to anyone. Third, there is perhaps no need to either oppose or remain outside AIIB because almost all the SCO and Eurasian Union member states have joined. This also means China has effectively bypassed Russia's effort to prevent China from setting up a SCO bank. Last but not

least, Russia itself would benefit from AIIB, at least its Asia-Pacific region -- where economic stagnation and even decline have been the trend ever since the Soviet disintegration -- would. "We expect that we will implement projects with the bank's funds in the eastern regions of the country," said Andrei Bokarev, director of international relations at the Russian Finance Ministry shortly after Russia's decision to join AIIB.

Still, Russia's decision to join AIIB does not mean it will be as eager and efficient as other member states in addressing AIIB affairs if they are seen as coming at the expense of its own Eurasian Union framework. All signs indicate that Moscow still believes the AIIB should work with the Eurasian Union. Beijing seems to understand this perfectly well. In his meeting with Putin in Moscow on April 7, Foreign Minister Wang Yi used the word "connection" (连接) between China's "Road and Belt" economic blueprint for Eurasia (一路一带, New Silk Road of both land and sea transportation between China and Europe through Central Asia and the Indian Ocean and Russia's Eurasian Economic Union. For the time being, a balance, psychological and real, seemed to be reached between the two economic endeavors.

### **Politics of anniversaries**

Russia and China started to jointly celebrate the end of WWII in 2010 in conjunction with then President Medvedev's state visit to China in September. In Beijing, Medvedev and Chinese President Hu Jintao signed the "Joint Statement of the Heads of State of China and Russia on the 65th Anniversary of the End of the Second World War." "China and Russia resolutely condemn the attempts to distort the WWII history, to beautify the Nazis and militarists, and to disdain the liberators," said the joint statement.

Five years later, China and Russia are considerably elevating both the rhetoric and the level of their joint activities for the 70<sup>th</sup> anniversary. President Xi will visit Moscow in May for Russia's V-Day parade, which for the first time will include a 102-person Chinese military honor guard marching with Russian and other countries' militaries through the Red Square. In September, President Putin will travel to Beijing for the first military parade to celebrate China's own Victory Day for the war of resisting Japan's invasion, which was designated in 2014 for the first time. In the past, China would stage a military parade only during the Oct. 1 celebration of the founding of the People's Republic.

These high-profile activities for the 70<sup>th</sup> anniversary of the end of WWII reflect the heavy and tragic burden of history on the two Eurasian powers. Regardless of when and how they found themselves at war with the Axis powers in the 1930s and 1940s, both were on the winning side in 1945, despite their huge casualties: 26.6 million dead for Russia and about 35 million casualties for China.

Seventy years after their ordeals, ghosts of the past seem to be coming back for Beijing and Moscow. Russia, for example, was not even invited to join the 70<sup>th</sup> anniversary of the liberation of Auschwitz, and neo-Nazis in Ukraine were among the most anti-Russian groups during the ousting of the pro-Russian President Yanukovich in February 2014. In the east, Japan is rising again 70 years after its defeat.

Both Beijing and Moscow express concern about the future trajectory of Japan as a result of the deepening of the US-Japan security alliance following Abe's April 2015 US visit. For both countries, their Japan-phobia casts a much longer shadow than WWII – 2015 happens to be the 120<sup>th</sup> and 110<sup>th</sup> anniversaries of Japan's defeat of China's Qing Dynasty and Russia's Czarist regime, respectively. Indeed, 1945 capped nearly 80 years of Japan's military ascendancy from its 1868 Meiji Restoration. In between, the world witnessed Japan's colonization of Korea and Taiwan, Siberia intervention (with 70,000 troops) after the Bolshevik Revolution, the seizure of Manchuria, Marco Polo Bridge Incident, Shanghai attack, Rape of Nanjing, and Pearl Harbor. These records of Japanese militarism were behind the 1950 Sino-Soviet Treaty of Friendship and Alliance, which targeted only one clearly defined enemy: Japan.

Fast forward to the 21<sup>st</sup> century, and Xi's presence in Moscow's V-Day event on May 9 would be particularly valuable for Russia because of an almost collective boycott by Western leaders of the celebration as a result of the confrontation between Russia and the West over Ukraine. In September, Putin will reciprocate with a trip to Beijing for China's Victory Day.

Beyond these joint activities, China and Russia have been actively expanding the scope of the 70<sup>th</sup> anniversary commemoration. It happens that the anniversary is also the 70<sup>th</sup> anniversary of the founding of the UN. Russia invited Secretary-General Ban Ki-moon to participate the events in Moscow including the military parade and he accepted the invitation. The UN General Assembly (UNGA) adopted on Feb. 26 a resolution to mark the 70th anniversary of the end of WWII. It was sponsored by nearly 40 countries including China, Russia, Belarus, Brazil, Germany, India, Mongolia, Poland, Serbia and Vietnam. On the same day, China's top diplomat to the UN, Liu Jieyi, initiated an open debate on international peace and security with two themes: member states should reflect on history and reaffirm commitments to the purposes and principles of the UN Charter; and that member states should look into the future and explore effective ways to maintain international peace and security.

### **Signs of life in the security-military area**

The lack of high-level exchange in the first four months of 2015 seemed more than offset by progress in sensitive areas such as military sales and joint research and development (R&D) in military and aerospace. On Feb. 10, the first session of the Russian-Chinese Inter-state Committee for Space Navigation was held in Beijing, discussing cooperation between Russia's GLONASS and China's Bei Dou navigation systems and the creation of a lunar-research station. The two sides have also been probing a possible joint development of a heavy-transport helicopter with a 15-ton load capacity. Reports indicated the deal would be sealed during Xi's visit to Moscow in early May. Meanwhile, the prospect of China selling military equipment to Russia has been gaining momentum, particularly China's 054A frigates and diesel engines for naval use. Russian naval-building capability has been strongly affected by the sharp decline in relations with Ukraine, which used to provide Russia with naval power equipment.

In April, security consultations at the functional levels were also accelerating. On April 16-17, China's Defense Minister Chang Wanquan attended the fourth Moscow Conference on International Security and met Defense Minister Gen. Sergey Shoygu. On April 23, China and Russia held their first consultation on Northeast Asia security in Shanghai. Chinese Assistant

Foreign Minister Liu Jianchao and Russian Deputy Foreign Minister Igor Morgulov co-chaired the meeting. Officials from foreign affairs, national defense, and security departments attended the meeting. This “consultation” for Northeast Asian security was held just three days before Japanese Prime Minister Abe’s week-long visit to the US.

Also in April, China became the first country to purchase Russia’s *S-400* anti-aircraft missile system, which is capable of engaging multiple airborne targets at a range of 400 km (249 miles). China will likely receive them in 2017 (about \$3 billion for at least 6 battalions of *S-400*; each battalion consists of 8 sets of missile systems). Once in operation, the *S-400* could effectively engage targets over Taiwan and the Diaoyu/Senkaku Islands.

At the end of April, two Chinese Navy 054A-type frigates (*Linxi* 沂 and *Weifang* 坊) were on their way to the Black Sea from the Gulf of Aden for a series of naval exercises with Russian naval vessels. In mid-May, the two will conduct *Naval Coordination-2015* with Russian ships in the Mediterranean. This will be the second joint naval drill with the Russian Navy in the Mediterranean since early 2014.

The absence of other major wartime allies at the May 9 V-Day parade in Moscow left Russia and China as the only two heavyweights, a situation that the two countries would rather not have for at least two reasons. One is that they still value the contributions of the wartime allies for their survival and ultimately the final victory regardless of what happened later. Second, those Western allies were the dominant powers in the second half of the 20<sup>th</sup> century, and that will continue into the 21<sup>st</sup> century. It is difficult, if not impossible, for China and Russia to develop a separate system in a highly integrated world (though China thinks Russia is more capable of doing so due to its vast land and rich resources).

This explains why China has adopted a policy of neutrality in the Ukraine crisis since the end of 2013. Such a policy was reinforced by Xi Jinping’s call for building a “global network of partnerships,” which was the main theme of the Symposium on the International Development and China’s Diplomacy co-hosted by China Institute of International Studies and China Foundation for International Studies in late December 2014.

As a result, China and Russia have been reluctant to turn their strategic partnership relationship into an alliance, even if they perceive that their strategic space is being squeezed by tightening of the military alliances by the world’s most powerful countries (NATO and the US-led alliances with Asian countries) in the name of collective defense. In that sense, China and Russia are not just being haunted by the ghost of WWII, but also that of World War I, when major powers in the West (except the US) declared war on each other in 10 days. If anything, the world today is more dangerous than 100 years ago with the proliferation of weapons of mass destruction in the hands of nation-states in a far less balanced world than either the pre-World War I era or the Cold War. In this context, one wonders how long the current strategic partnership relationship (not alliance) between Russia and China would continue.

## **Chronology of China-Russia Relations January – May 2015**

**Feb 2, 2015:** Chinese Foreign Minister Wang Yi, Indian External Affairs Secretary Sushma Swaraj and Russian Foreign Minister Sergei Lavrov meet in Beijing for the 13<sup>th</sup> Russian-India-China (RIC) Foreign Ministerial Meeting. A joint communique is issued after the 90-minute meeting. Chinese President Xi Jinping meets Swaraj and Lavrov separately.

**Feb. 10, 2015:** First session of the Russian-Chinese Inter-state Committee for Space Navigation is held in Beijing, co-chaired by Igor Komarov, director of the Russian Federal Space Agency and Chinese counterpart Sun Laiyan, administrator of the China National Space Administration.

**Feb. 10, 2015:** State Councilor and Minister of Public Security Guo Shengkun meets visiting Russian Federal Security Service chief Alexander Bortnikov in Beijing.

**Feb. 23, 2015:** Foreign Minister Wang Yi meets Foreign Minister Lavrov at UN headquarters in New York City. They stress the importance of commemorating World War II to safeguard the “fruits of victory” of the war and for maintaining international peace and security.

**March 19, 2015:** President Vladimir Putin receives in the Kremlin Director of the General Office of the Central Committee of the Communist Party of China Li Zhanshu.

**March 24, 2015:** Special Representative of the Chinese Government on Korean Peninsula Affairs Wu Dawei meets Russian Deputy Foreign Minister Igor Morgulov in Beijing. They discuss the Korean Peninsula and emphasize the need to resume the Six-Party Talks.

**March 25, 2015:** Wang Qishan, member of the Standing Committee of the CPC Central Committee Political Bureau and secretary of the Central Commission for Discipline Inspection, meets Oleg Plokhoi, head of the anti-corruption department of Russia's Presidential Executive Office in Beijing.

**March 25, 2015:** Deputy Chief of General Staff Qi Jianguo meets visiting Lt. Gen. Khalil Arslanov, deputy chief of general staff of the Armed Forces of the Russian Federation in Beijing.

**March 28, 2015:** Russia joins the Asian Infrastructure Investment Bank (AIIB).

**March 29, 2015:** Foreign Minister Lavrov and Chinese counterpart Wang Yi meet in Lausanne, Switzerland while attending the meeting between foreign ministers of the six nations and Iran on the Iranian nuclear issue. They discuss Iranian nuclear negotiations, the Middle East, and bilateral relations.

**April 7, 2015:** Foreign Minister Wang Yi visits Moscow and meets Foreign Minister Lavrov. They discuss the upcoming visit of President Xi for the commemoration of the 70<sup>th</sup> anniversary of the end of World War II. Wang is also received by President Putin.



**April 16, 2015:** China's Defense Minister Chang Wanquan attends the fourth Moscow Conference on International Security and meets Defense Minister Gen. Sergey Shoygu.

**April 21, 2015:** Chinese Vice Premier Zhang Gaoli and Russian counterpart Arkady Dvorkovich meet in Beijing to discuss energy cooperation.

**April 23, 2015:** China and Russia hold their first consultation on Northeast Asia security in Shanghai. Assistant Chinese Foreign Minister Liu Jianchao and Russian Deputy Foreign Minister Igor Morgulov co-chair the meeting.

**April 23-24, 2015:** Special Forces from Kazakhstan, Kyrgyzstan, China, Russia and Tajikistan conduct an exercise in Tokmak, Kyrgyzstan. The 150 participants focus on techniques for jointly encircling and destroying illegal armed groups in the conditions of mountain terrain.

**April 28, 2015:** Chinese Vice Premier Wang Yang and Russian Deputy Prime Minister Dmitry Rogozin co-chair the Joint Commission for the Regular Prime Ministers Meetings of China and Russia in Hangzhou, Zhejiang Province.