Sino-Russian relations have improved steadily in recent years due to mutual concerns about U.S. unilateralism. However, while both sides proclaimed a strategic partnership aimed at promoting a multipolar world, both still placed higher priority on their respective relations with the U.S. than with one another. This could be changing, however, as positions harden, especially in Beijing, in the wake of the Kosovo campaign and the NATO Bombing of the Chinese Embassy in Belgrade. Now, both sides are seriously discussing a further deepening of their strategic partnership, to include the formation of a formal defense alliance, along with significant arms sales involving state-of-the-art Russian technologies.

One could conclude, therefore, that the second quarter of 1999 witnessed considerable substantiation of the Sino-Russian strategic partnership largely because of external developments—the Kosovo crisis and the bombing of the Chinese embassy in Belgrade. Supporting this conclusion are at least four separate but related shifts in diplomacy:

(1) from “low politics” of promoting economic relations to “high politics” of strategic cooperation;
(2) from routine “high-level” talks to crisis consultation and management;
(3) from symbolic ties “not to affect any third party” to concrete consultation and coordination aiming at exerting influence on a third party; and by
(4) significant, though still somewhat symbolic, moves away from the U.S., the lone superpower, by both China and Russia.

“Unrequited Love”

1999 began with a renewed effort to reverse the downward trend in bilateral economic relations. The Asian financial crisis, beginning from July 1997, had slowed down China's GDP growth rate from double-digits to less than 8%. It has also exerted a strong negative impact on the fragile Russian economy. Partially because of this, Sino-Russian bilateral trade, which is usually only a fraction of China’s trade volume with the U.S. and Japan, dropped 10.5% to US$5.48 billion in 1998. In February, top trade officials from both countries met in Beijing and then-State Councilor Wu Yi visited
Moscow to explore new areas for economic interactions. This paved the way for Premier Zhu Rongji's visit to Russia between February 24 and 27.

Known as China’s “Economic Tsar,” the Chinese premier was persuaded to make his two-day “working visit” into a four-day official stay in Russia. While the Russians intended to politicize Zhu's visit, the no-nonsense premier devoted much of his attention to a wide range of commercial possibilities, including oil exploration and transportation, nuclear power technology, hi-tech parks in China with Russian input, timber industry, retail business in Moscow and other Russian cities, joint ventures in TV, and air conditioning facilities. 16 agreements were signed between the two sides.

The high-level exchanges of top trade officials reflected a deep, and perhaps growing, concern on both sides that the “strategic coordinating partnership” from 1996 would not go very far without compatible economic intercourse between the two countries. In other words, Moscow and Beijing have in the previous seven years been more successful in putting together a framework of high-level exchanges (annual meetings at presidential, prime minister, and ministerial levels) than substantiating this strategic framework. “Commercializing” Russian-Chinese relations, therefore, assumed an important and strategic significance.

At the beginning of the quarter, both sides were more focused on improving relations with the U.S. than with one another. Beijing’s “economics-in-command” diplomacy also strongly manifested itself in relations with the United States. Indeed, Beijing believes that a healthy and growing economic relationship with Washington not only helps to smooth the troubled political and security relations with the world's most powerful country, but also serves China's long-term and strategic interest in economic modernization. This strategic calculation was behind a series of major concessions China made to enter the World Trade Organization (WTO) before and during Chinese Premier Zhu Rongji’s March visit to the United States.

The Russians, too, were embracing the West. Politically, Russia democracy is acceptable to the West, no matter how unstable and bazaar it is. The “New Russians”--young entrepreneurs in particular--are fluent in English and enjoy internet surfing. Until the Kosovo crisis, their nationalistic pride was somewhat neutralized by massive IMF loans.

Initially, Kosovo was not as significant a unifying force between Beijing and Moscow as one might think. Diplomatically, Beijing did not seem to be bothered too much by the heavy-handed approach of the U.S. and its allies, even if Chinese diplomats in the UN continued to express displeasure. China viewed the Yugoslav case as not affecting the fundamentals of China's national interest. Beijing’s foreign policy community was even advising top leaders to distance China from the Milosevic regime.

To a certain extent, China's general public, too, was either becoming indifferent or accustomed to the U.S.’ “bombing diplomacy.” While the Russians were not happy
about being left out of the Kosovo crisis, the Chinese were quite content precisely because China was left out, at least temporarily.

In sum, by early May, both the Chinese elite and general public were ready to join the West-dominated world trading system, abide by its rules, learning from its practice, and benefit from the opportunities it was supposed to provide.

The Role of an Accident

Everything seemed to change with the fateful bombing of the Chinese Embassy in Belgrade on May 8. Suddenly, the Chinese discovered that Kosovo was not too far away from home. Tony Blair's new-internationalism and NATO's smart bombs convinced most, if not all, Russians and Chinese that what was happening in the Balkans could occur in their countries, as both are multi-ethnic states and have been bothered by growing separatist trends in areas such as Chechnya and Taiwan.

The immediate reaction from Beijing was to distance itself from the West. (Moscow had earlier suspended relations with NATO.) Beijing stopped all military exchanges and human rights dialogue with Washington. The bombing also immediately ended China's effort to make any further concessions in its WTO talks with Washington. The "globalization" mood in China as well as China's "commercialization" of relations with Russia and the U.S. were quickly overshadowed by an angry burst of anti-West demonstrations.

Until this point, the "strategic coordinating partnership" between Beijing and Moscow was broadcast as "non-alliance, non-confrontation, much less directed at any third country or third party." Since both sides depended more on the West-dominated world trading system than on each other, neither intended to get closer to the other at the expense of relations with the West. Only Russia's military sales to China embodied certain strategic implications. They were, nonetheless, constrained by Russia's unwillingness to transfer sophisticated technologies and China's inability to purchase military modernization.

The deepening of the Kosovo crisis and particularly the embassy bombing changed the strategic thinking in both Moscow and Beijing. A redefinition of their largely "harmless" strategic partnership and their respective policies toward the West seemed to be both necessary and desirable. A series of diplomatic and political moves at primary and functionary levels point to this change. The Moscow-Beijing hotline was activated immediately following the bombing of the Chinese Embassy. While Yeltsin and Jiang Zemin were coordinating their policies during an hour-long hotline talk on May 10, the Chinese president refused to answer phone calls from the White House.

Although both felt pressure from the West, each perceived the crisis in terms of its own national interest. While sharing Beijing's indignation over the embassy bombing, Moscow did not want to abandon its role as a peace broker for the Kosovo crisis. Such
mediation seemed to be the only pragmatic way to keep Russia “in” the Kosovo issue. Viktor Chernomyrdin, the Russian envoy for the Kosovo crisis, came to Beijing the same day Yeltsin and Jiang talked in order to guarantee that China, a U.N. Security Council member, would not block a Russian-brokered UN agreement. Chinese leaders apparently persuaded the Russian visitor that a bombing halt should be a precondition for resolving the Kosovo crisis. Moscow and Beijing’s policy coordination was clearly seen in the UN and elsewhere.

From 1994, Russia had been more eager than China to substantiate bilateral relations so that the former would be able to offset the impact of the proposed NATO expansion. China nonetheless had been more interested in a more peaceful and stable border with Russia. The Kosovo crisis clearly posed challenges and opportunities for Moscow and Beijing to substantiate and elevate their strategic relationship. Moscow’s fear of China’s complacency was therefore equalized by the bombing of the Chinese Embassy in Belgrade. Now some Russian officials openly discuss the possibility of forming a defense alliance with China, particularly in areas of weapons sales, personnel training, intelligence exchange, and policy coordination.

In May, Russian military delegations frequented the Chinese capital, including those led by Navy Chief Admiral Vladimir Kuroyedov and Chief of the General Staff of the Russian Armed Forces Valiedin Korapierinykof. These military exchanges culminated with a visit by General Zhang Wannian, Deputy Chairman of China's Central Military Committee. Immediately after the bombing of the Chinese Embassy in Belgrade, the Russian defense minister invited General Zhang for a 10-day official visit (June 7 - 17). Moscow was said to treat Zhang with the “highest protocol.” In a half hour phone call with President Yeltsin, the Russian leader said that he would do his utmost to promote the continuous deepening and development of comprehensive and friendly cooperation between the two countries. Yeltsin's eagerness to promote strategic relations with China was apparently put into action in General Zhang's meetings with top Russian military officials and new Prime Minister Sergei Stepashin. Stepashin, born in China when his father was an adviser to the Chinese military, focused on military cooperation and weapons sales in his meeting with General Zhang. He was quoted as saying, “My father served in the navy and helped build China's armed forces. Now, meeting you, I feel I am continuing my father’s cause.”

One of the major developments in Stepashin's meetings with the visiting Chinese general was said to be the agreement for Russia to sell 72 Su-30 fighter-bombers to China. In the past, Russian arms sales to China had always been hampered by payment problems and Moscow's reluctance to pass to China sensitive technologies. Recent high-level exchanges are believed to have ironed out these problems. For several years, Beijing had pursued such a transaction of top Russian jet fighters, yet Moscow only agreed to sell an older model of Su-27 while licensing India to produce the Su-30s. During Chinese Premier Zhu Rongji’s visit in February 1999, Moscow only agreed in principle to negotiate the details of the sale. The deepening of the Kosovo crisis apparently accelerated the pace of the hard bargaining between Moscow and Beijing over the sale of the best fighter-bombers in the Russian inventory. It is reported that the two
sides have started talks on China's own production of another 250 Su-30s under the license from Russia.

Regarding these developments, the influential Russian Izvestiya newspaper said that the combination of Chinese money and Russian military technology could create a powerful force on the world stage. The same Russian newspaper also quoted General Leonid Ivashov, head of Russia's international department, as saying that the consequence of NATO expansion and the Kosovo crisis would be “the swift return of the world to a bipolar system.”

Implications

Since the collapse of the Soviet Union, Russian-Chinese relations have undergone three distinct phases: from a “friendly” relationship in 1992, to a “constructive partnership” in 1994, to their “strategic partnership of coordination” at the end of 1998. Just a few months after the inauguration of this most recent strategic relationship, Moscow and Beijing are again actively elevating their bilateral ties to that of a defense alliance.

Ironically, both Russia and China are, in the last year of the 20th century, substantially “Westernized,” though each in its own way: politically for Russia and economically for China. It is fair to say that due to Russia’s democratization, the internal attributes of the two countries are farther apart than any time in their bilateral history. Moscow and Beijing are nonetheless forced to move closer than ever since the Sino-Soviet honeymoon in the 1950s. Thus, at the 50th anniversary of Russian/Soviet-PRC diplomatic relations, the Kosovo crisis has effectively united two otherwise very different powers. While Western politicians were bombing Yugoslavia largely to defend their own beliefs (liberalism) and NATO’S credibility, they apparently ignored and/or mismanaged the historical decline of Russia and the historical rise of China. The last six months of this century will perhaps produce significant developments between the two continental powers, and solidify their defense alliance against pressure from the maritime powers.

Chronology of China-Russia Relations
April-June 1999


April 14, 1999: Chinese Vice Foreign Minister Wang Yaguang and his Russian counterpart meet in Moscow to discuss issues of "strategic stability" and the U.S.-led Theater Missile Defense program (TMD).

April 8, 1999: The Joint Committee on Border Prospecting between China and Russia ended its 8th meeting in Moscow by signing initial agreements on the eastern and western sections of the borders between the two countries.
May 10, 1999: Russian President Yeltsin calls Chinese President Jiang Zemin through the Moscow-Beijing hotline to discuss the Kosovo crisis and the bombing of Chinese Embassy in Belgrade.

May 11, 1999: Jiang Zemin meets with Viktor Chermonyrdin, Russian special envoy for the Yugoslav crisis.

May 22-29, 1999: Commander-in-Chief of the Russian Navy Admiral Vladimir Kuroyedov visits Beijing and Shanghai.

May 27, 1999: Chinese delegation of the International Friendship Association visits Russian Duma. Yegor Stroyev, the Duma speaker, states that because of their common interest and historical legacies of bilateral relations, it is necessary for Russia and China to form a joint defense alliance. Chinese visitors express intent for more and closer ties in science, culture, and business.


June 1-3, 1999: Russian Foreign Minister Igor Ivanov visits Beijing to pave the way for the "second informal presidential consultation" when Yeltsin travels to China in the fall of 1999, following the first informal meeting by the two presidents in November 1998. Both Jiang and Zhu meet with Ivanov.

June 7-17, 1999: Col. General Zhang Wannian, Vice Chairman of China's Central Military Committee, visits Russia. He meets top Russian leaders include Defense Minister Igor Sergeyev, Prime Minister Sergei Stepashin, and Vladimir Putin, secretary of Russia's Security Council and director of the Federal Security Service. Both sides sign a cooperation agreement on the training of military personnel. General Zhang also visits Russia's Strategic Missile Troops and the Russian Pacific Fleet.


June 21-22, 1999: Beijing hosts the Sino-Russian seminar on regional cooperation oriented toward the 21st century, as some 200 participants commemorate the 50th anniversary of the establishment of Sino-Russian diplomatic relations.