

China-Russia Relations: Putinism in Its First Year

by Yu Bin
Associate Professor, Wittenberg University

At the end of Putin's first year in office, Sino-Russian relations had clearly changed from a year before when the younger and largely unknown former KGB colonel suddenly found himself in the Kremlin. After an initial hesitation in pushing forward with his predecessor's overtures to China, the Russian president pursued a balanced and pragmatic approach to Russia's largest Asian neighbor through the last quarter of the year 2000. Bilateral relations were enhanced by regular and frequent contacts by both top leaders and bureaucratic functionaries across the diplomatic, economic, and military areas.

More Summit Diplomacy and Pragmatic Dealings

High-level contact between Russian and Chinese leaders continued as Chinese President Jiang Zemin and Russian President Vladimir Putin met during the Asia Pacific Economic Cooperation (APEC) Leaders' Meeting in Brunei in mid-November. This was the fourth meeting between the two heads of state in 2000, all in the second half of the year. The brief encounter in a multilateral environment focused on a few major issues, including that of "strategic stability;" i.e., their mutual opposition to the U.S.-led anti-missile defense program. The two presidents agreed to bolster their coordination in this area as the Russian president publicly stated his country's unchanged anti-missile stance.

Annual Premier Meeting. While summit diplomacy has become routine for both sides, substantive issues were hammered out and implemented at lower levels. During the fourth quarter, the fifth regular premier talk was perhaps the most instrumental in furthering bilateral cooperation in various areas. The two-day meeting in Beijing in early November, which was designated to work out concrete results from the broad principles mapped out during Putin's July visit, yielded 14 documents signed by Russian Prime Minister Mikhail Kasyanov and Chinese Premier Zhu Rongji. They included three documents on the principles, letters, and results for the regular premier meetings; four other agreements covering environmental protection, labor regulation, science and technology cooperation, and high-level communication; and six separate memorandums for cooperation in the uses of mineral resources, taxation, standardization, quality control, banking cooperation, method of financing for Russia-built nuclear power plants in China, and a joint gas pipeline project between Russia, China, and South Korea.

In more than a dozen documents signed by the two premiers, the one about Taiwan stood out for its strategic implications. Prime Minister Kasyanov confirmed no change in Russia's fundamental position. Russia pledged "not to support the concept of Taiwan's independence in any shape or form and supported China's non-acceptance of China and Taiwan as 'two Chinas.'" Russia also opposed Taiwan's admission to the United Nations and other international organizations whose members were sovereign states. Russia confirmed it had no intention of supplying arms to Taiwan. Additionally, the document indirectly but clearly warned the United States and Japan to maintain a hands-off approach toward Taiwan by stating that it was unacceptable to allow external interference into the resolution of the Taiwan problem. For its part, China did not object to Russia engaging in informal contacts with Taiwan in trade, economics, science, technology, culture, sports, and other areas. In the military area, the two sides reportedly discussed the sale of Russian A-50 early warning radar planes to China. No specific deals were disclosed.

The wide range of agreements indicated a steady deepening and broadening of bilateral cooperation across the sectors. Premier Kasyanov noted that "China is a special partner," and "we are impressed by the clear vision of the target and the long-term benefits of cooperation." In the words of Premier Zhu, Sino-Russian relationship moved into "a qualitatively new stage of partnership" following Putin's election and "at present Sino-Russian relations [are] at their best over the entire history of bilateral relations." In his meeting with Mr. Kasyanov, President Jiang, who is 31 years senior to Putin, said that "the young leaders of new Russia are pursuing an active and efficient policy, which is welcomed by the Chinese leadership."

Friendship Treaty in Progress. The annual premier meeting was part of the effort to draft a broad and comprehensive treaty of friendship and cooperation to be officially inaugurated during President Jiang's scheduled Russia visit in the first half of 2001. A broad Soviet-Chinese political and alliance treaty signed in 1950 expired in 1979. China suggested at that time that the accord not be extended. The exact letters and principles of such a new general treaty remain unknown. In light of the "strategic partnership" that has developed between Beijing and Moscow in the past ten years and the changing international environment for both countries, China decided to take an important political and strategic step toward Russia by signing such a document.

Preparations for such a treaty apparently have been speeded up by both sides. One day after Christmas, Chinese and Russian deputy foreign ministers met in Moscow to hammer out specifics of the treaty. Such a broad friendship treaty between Russia and China will certainly stand out among rather crowded summit arrangements in 2001 when both President Jiang and Premier Zhu will travel to Moscow. In July, Putin will go to Shanghai for the fifth annual meeting of the "Shanghai Five" before meeting Jiang again in October for the APEC conference to be held in Shanghai.

Exploring New Areas. The last quarter of 2000 also broke new ground in bilateral relations. In early December, China and Russia inaugurated a joint committee in Moscow to promote bilateral cooperation in education, culture, public health, and sports. The

committee, at the deputy prime minister level, will oversee the planning and institutionalization of cooperation in areas that had so far been relatively unregulated, compared to joint efforts in economic, military, and diplomatic areas.

Growing Bilateral Commercial Relations

The bulk of the accords signed when Premier Kasyanov visited Beijing in early November were about economics. Some deals were the end results of protracted negotiations including the Russia-China-South Korean gas line project and financing arrangement for Russian-built nuclear power plants in China. Many other signed agreements, however, reflected substantial progress in deepening and institutionalizing bilateral economic exchanges. Agreements in the areas of environmental protection, labor regulation, communication, taxation, standardization and quality control, and banking cooperation will no doubt lead to a more orderly transaction of goods and services between the two countries.

These agreements were made against a backdrop of Putin's strong effort to bring some order and stability back to Russia's economic and social life, his temptation to re-centralize the much weakened power of the Kremlin, and perhaps more important, the initial and unexpected revival of the Russian economy--in 2000 GDP was up 7%, investment 17%, gold and currency reserves doubled to \$25 billion, and inflation was down to 20% from 1998's 84%. All constituted much needed stimulators for disappointing bilateral trade in the previous decade.

Better-than-expected economic situations in both Russia and China in 2000 led to a substantial increase in trade turnover with an estimated volume of \$7 billion for the year total, the largest amount in the last decade. Bilateral trade for the first nine months totaled \$5.772 billion, which is 42.6% more than that for the same period in 1999. Russian exports to China reached \$4.286 billion for the period, a 35.4% increase from 1999, while Russian imports of Chinese goods increased by 68.7% and totaled \$1.486 billion.

Partly because of those positive factors in bilateral economic relations, the November premier meeting was able to conclude some major agreements and projects including a commercial agreement for 2001-2005, laying the basis for the substantial expansion of commercial activities between the two countries. According to the agreement, payments for the goods delivered would be made in freely convertible currency and in keeping with current prices on the world market. The accord also specified transaction procedures and measures, including special protective, anti-dumping, and compensatory procedures and emergency steps to protect the domestic market.

An agreement on temporary employment of Chinese citizens in Russia and Russian citizens in China was also signed. The agreement aimed to lessen the concerns, particularly by the Russians, about foreigners who arrived in Russia on tourist visas and then illegally stayed.

The premiers' talk also launched the long overdue \$10 billion gas line project from Russia's Siberia to China and South Korea. According to the agreement, the three countries plan to complete the feasibility report in 2002. Twenty billion cubic meters of gas will be annually pumped to China and 10 billion to South Korea.

The premiers also explored other opportunities for cooperation including building a railway from the Korean Peninsula through Chinese territory to Russia's Trans-Siberian Line, constructing a 2,500 kilometer power line from Russia to China capable of delivering 10 billion kilowatt/hours of electricity a year, Russia participating in developing China's western region, and a Russian-Chinese shipbuilding project.

The annual premier meeting also discussed China's purchasing three Russian IL-96-300 planes, possible co-production of the Russian 50 to 175-seat passenger aircraft, and possible joint design of a supersonic administrative passenger aircraft.

Military and Security Cooperation: More Weapons Delivered

Russian and Chinese military relations in the last three months made headway in several areas. The most important military exchange was the fourth round of general staff meetings in Beijing between General Valeri Manilov, first deputy chief of general staff of the Russian armed forces, and his Chinese counterparts People's Liberation Army (PLA) General Xiong Guangkai, Deputy Chief of Staff, General Fu Quanyou, Chief of General Staff, and General Zhang Wannian, Vice Chairman of the Central Military Commission. The two sides reportedly exchanged views on world and regional affairs and security issues. They also reached consensus on the threat of terrorism and the U.S. proposed national and theater missile defense systems.

Perhaps the most visible development in the military area was the turnover of some major hardware to the Chinese military. The PLA Navy received the second 956-type destroyer (Sovremenny class) on November 25, a month ahead of schedule. It was built at St. Petersburg Severnaya Verf Shipyard according to a November 1997 contract of \$800 million for two such ships. The first destroyer was delivered last year. The destroyer 956 was specially designed to cope with enemy surface ships, including carrier groups, with its unique antiship supersonic Mosquito cruise missiles. Negotiations reportedly started on construction and sale to China of two more 956 destroyers possibly outfitted with more powerful weapons such as the "Ruby" or "Club" systems.

In December, China received the first 10 of 40 contracted multipurpose Su-30MKK fighters. The Russian-Chinese contract also had an option on several dozen more. Separately, 8 of the 28 Su-27UBK planes flew to China in December, the remaining 20 will be delivered within the next two years. To facilitate the transaction, a Russian delegation consisting of government officials and Sukhoi engineers went to Beijing while deliveries of the Su-27s and Su-30s were being made. These contracted orders will, in the next few years, bring the total number of Sukhois to 118 units for the Chinese air force. Another 200 Su-27SK fighters would be license-produced by China within a period of 15 years.

In early November, the Russians had another chance to tantalize their Chinese counterparts at the “Air Show China-2000” in the southern Chinese city of Zhuhai, Guangdong province. In addition to the familiar Sukhoi models, the Chinese were impressed by the Russian Ka-50 (Black Shark) helicopter and other air defense equipment.

Meanwhile, Beijing continued to negotiate the purchase of Russian early-warning A-50 aircraft, possibly buying or leasing two to four for about \$200 million each. The Russia-made early warning radar plane suddenly became the only option for the Chinese military after Israel unilaterally canceled a deal with China under strong U.S. pressure in July.

The A-50, which went into service in the Russian air force in 1984, has a maximum speed of 810 km per hour, cruising altitude of 10 km and a 7,500 km range. Over land it can detect enemy flying objects at a range of 200-240 km and oversee at a range of 340-380 km. It can supply information to computers at ground command and control posts by radio from a distance of 2,000 km. The PLA desperately needs such a plane because it cannot “see” Taiwan, while the island’s small but more modernized air force and radar system are equipped with more advanced American gadgets.

The negotiation of the radar planes, among other possible deals, apparently encountered some difficulties as the two sides failed to reach “major” agreements at the year’s end as anticipated by the Russian side during the November meeting. A possible problem was how to pay for the radar plane, buying or leasing. Russia clearly opts for hard currency, as Premier Kasyanov made clear. It would also be in Moscow’s interest to minimize technology transfers to China. For the Chinese, the hard lessons from the abortive deal with Israel point to the need for eventual self-sufficiency in these highly sensitive items. The purchase of such expensive items from Russia, therefore, must involve some transfers of technology.

A Tale of Two Presidential Elections: Implications for Russo-Chinese Relations

At year’s end, Sino-Russian relations were affected by both bilateral chemistry and the larger international environment. Although triangle politics was a distant drama of the Cold War, Russia and the United States perhaps matter most to geo-strategists in Beijing. The year 2000 turned out to be a rather unexpected and even ironic twist of fate for the two countries, to which China paid disproportionate attention.

The year began with a real “Y2K bug” for Sino-Russian relations when Boris Yeltsin suddenly and dramatically exited the Kremlin. His hand-picked successor Vladimir Putin proved to be a far more skilled and effective leader for both domestic and foreign politics including relations with China. Not only did Putin sustain, in his own style, the momentum of Sino-Russian relations, his energetic and sophisticated play of Russian domestic politics and diplomacy, from a position of weakness, also captured the attention and imagination of the Chinese at various levels. By year’s end, almost all Chinese major media outlets rated the “Putin phenomenon” at the top of their “top-ten list” for the year

2000. This was the case in spite of Putin's declared European-centered diplomacy in the first half of the year and a series of disastrous Russian domestic accidents in the second half.

The Russians, too, seem somewhat more inclined to favor China as Russia's most trusted friend. More than half (51%) of the Russian political, intellectual, and opinion elite polled in December by an independent opinion survey center, a Russian subsidiary of the American Gallup organization, saw China as first among Russia's "strategically important allies," surpassing Belarus (49.6%), Germany (39.4%), India (23.5%), the United States (20%) and Britain (15.6%).

In contrast to a growing intimacy between Moscow and Beijing in the first year of Putin's presidency, Washington's changing of the guard turned out to be less certain for both China and Russia. Domestically, the endless recounting and legal battles between the Gore and Bush teams finally ended with a court decision, only to find a sharply divided Congress and a not-so-soft landing for the longest boom of the U.S. economy. The incoming Bush administration will certainly have a few domestic challenges. In foreign policy, the Clinton administration was preoccupied with seemingly easy "preys" (breakthroughs with North Korea and the Mideast peace) that never materialized. Meanwhile, President-elect Bush's foreign policy team, while professionally and politically correct, will find it difficult to balance the campaign promise to deploy the national missile defense system at the earliest time possible against guaranteed strong repercussions from around the world, particularly from China and Russia. For Beijing and Moscow, living with a mega-strong yet uncertain power like the United States is a major undertaking in the new year, whether to be its friend or foe.

Chronology of China-Russia Relations October-December 2000

Oct. 11, 2000: The Russian Defense Ministry discloses a successful Chinese test-launch of Russian-made Tor-M1T, a modernized version of the Tor-M1 anti-aircraft system, at a test range in the Gobi desert.

Oct. 16, 2000: A group of rectors from Russian institutes arrives in China to study the Chinese education system, paid-for tuition, the examination process, and exchange programs.

Oct. 17-19, 2000: Border Directorate of the Public Security Department in China's Jilin Province visits with Russia's Federal Border Service in Vladivostok to draw cooperation plans and assess the results of joint activity. Past cooperation substantially reduced the number of border-crossing incidents in the first half of 2000 to 87 compared with 317 in 1998 and 224 in 1999.

Oct. 18, 2000: Chinese President Jiang Zemin meets Arkady Volsky, co-chairman of the Russian-Chinese Committee of Friendship, Peace, and Development in Beijing.

Oct. 23-28, 2000: A delegation of PLA military prosecutors visits Moscow and Leningrad military districts for an exchange with Russian counterparts.

Oct. 25-Nov. 2, 2000: Yevgeny Primakov, Chairman of the Fatherland-All Russia (OVR) faction in the State Duma lower house of parliament and former premier, meets with President Jiang and FM Tang Jiaxuan in Beijing.

Oct. 30, 2000: Russian Deputy PM Ilya Klebanov meets with his Chinese counterpart State Councilor Wu Yi in Beijing in preparation for the China-Russia premier meeting.

Nov. 3-4, 2000: Russian Prime Minister Mikhail Kasyanov meets with Premier Zhu for the fifth premier annual meeting. Talks focus on cooperation in the fuel and energy sector, military-technical and scientific-technical cooperation, transportation, shipbuilding, aircraft building, space exploration, and joint hi-tech projects.

Nov. 13-18, 2000: Valeri Manilov, First Deputy Chief of General Staff of the Russian Armed Forces, visits Beijing for the fourth round of meetings between respective general staff headquarters.

Nov. 16, 2000: Presidents Jiang and Putin meet during the first day of the APEC Leaders' Meeting in Brunei.

Nov. 16-19, 2000: Commander-in-Chief of the Russian Interior Troops Colonel-General Tikhomirov meets Chinese Public Security Minister Jia in Beijing. China reaffirms its support for Russia's action in Chechnya.

Nov. 20, 2000: A resolution on the preservation of and compliance with the Anti-Ballistic Missile Treaty (ABM) is approved 88 to 5, with 66 abstentions in the 55th UN General Assembly session. China, Russia, Belarus, and Kyrgyzstan jointly sponsored the resolution, which called for "continued efforts to strengthen the ABM Treaty and to preserve its integrity and validity."

Nov. 25, 2000: China receives second destroyer of the 956E series from Russia, a month ahead of schedule.

Nov. 29, 2000: A Chinese delegation of the committee on internal affairs and justice of the National People's Congress visits Moscow.

Dec. 1, 2000: Chairman of the Central Bank of Russia Viktor Geraschenko visits China to participate in the ceremony inaugurating the mission of Moscow People's Bank in Beijing; its chief purpose is to deepen business ties.

Dec. 3-12, 2000: Chinese Vice Premier Li Lanqing meets PM Kasyanov in Russia.

Dec. 4-8, 2000: Col-Gen Georgiy Shpak, commander of Russia's airborne forces, meets Liu Shun Yao, PLA's Air Force Commander-in-chief, and Wan Weishan, commander of the Chinese Airborne Corps, in China.

Dec. 8-9, 2000: Fifth session of the Russo-Chinese sub-commission on transport is held in Beijing.

Dec. 18, 2000: A Russian delegation arrives in Beijing for arms sales talks; China receives ten of forty Su-30MKK fighter-bombers.

Dec. 27, 2000: The governments of Japan, China, South Korea, and Russia sign an agree to set up a joint radio navigation service in the Far Eastern seas using Russian-made radar stations. The accord was to guarantee safe sea navigation, safe flights of aircraft, and safe traffic of transport vehicles in the Far East. North Korea, Philippines, Indonesia, India, and others may eventually join.