

## China-Russia Relations: At the Dawn of a Unipolar World

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For Russia and China, the first quarter of 2003 may well be the last few months before their preferred world – multilateralism for Iraq and bilateralism for the Democratic People’s Republic of Korea (DPRK) – began to fade into one of unilateralism. Amid unprecedented diplomatic activities regarding Iraq and Korea, relations between Moscow and Beijing were quietly entering a new phase as China’s leadership change was taking definitive shape.

### **Getting to Know New Leaders in Beijing**

The election of Hu Jintao and Wen Jiabao as China’s president and premier at the 10<sup>th</sup> National People’s Congress (NPC, March 5-18), though widely described as the smoothest power transition in PRC history, produced perhaps the most indigenous generation of leaders (compared with that of Mao Zedong, Deng Xiaoping, and Jiang Zemin). Despite their technocrat background, neither has any extended experience living/studying abroad. Both served long years in China’s interior – and certainly poorest – provinces before getting to the central government.

Changes at the ministerial level were also a mixed bag for Russia. China’s new Foreign Minister Li Zhaoxing, though co-chairman of the Russian-Chinese antiterrorism group after Sept. 11, 2001, is a U.S. hand with many years of service in the U.S.

Moreover, the fourth generation of Chinese leaders has perhaps little to do with the once enduring “Russian factor” of the previous generations of Chinese leaders, either as China’s friend or foe. Neither were they instrumental in launching the relatively recent China-Russia strategic partnership, which was the brainchild of Jiang’s generation. Publicly, Russian officials welcomed China’s “very positive and smooth process of power transfer.” “Some innovations,” however, were expected, according to Russian Deputy Foreign Minister Alexander Losyukov. Engaging the new faces in China, therefore, was a top priority for Russian President Vladimir Putin and his colleagues.

In early January, the two sides publicized their intentions to have all three Chinese leaders – Chinese Communist Party secretary general, National People’s Congress chairman, and the State Council premier – to visit Russia in 2003. Russian Foreign Minister Igor Ivanov’s February visit to Beijing finalized Hu Jintao’s first official visit

abroad – to Moscow and St. Petersburg – on May 25-27 at the invitation of Putin. The two heads of state would also meet twice at multilateral fora within the year: the Shanghai Cooperative Organization (SCO) summit in Almaty (Kazakhstan) from May 28-29 and the annual Asia Pacific Economic Cooperation (APEC) meeting in late fall. Additionally, Premier Wen would join the annual prime ministerial meeting in Moscow in the fall.

This least internationalized generation of Chinese elite happened to come to office at the dawn of a sea change in world politics. From Iraq to North Korea, from London to Washington, the era of preemption and unipolarity is soon to descend upon the world. Despite the awkward linkage of Iraq and the DPRK as part of the “axis of evil,” Washington’s vastly different approaches – unilateralism for Iraq and multilateralism for the DPRK – are equally destabilizing, if not dangerous, for Moscow and Beijing.

“Russia and China will work to deepen relations of strategic partnership,” stated Foreign Minister Ivanov in his February visit to Beijing. “Lately, the coordination of the two sides’ efforts in the international arena has markedly increased,” declared Ivanov. In addition to finalizing high-level exchanges with his Chinese counterpart Tang Jiaxuan, Ivanov’s primary mission was to exchange views with the Chinese concerning Iraq and the Korean Peninsula. Meanwhile, the two sides did expect certain progress in some specific areas such as SCO activities and border issues. The Russian foreign minister brought with him Deputy Foreign Minister Losyukov, the presidential SCO envoy and Vitaly Vorobyev, top negotiator on border issues with China.

### **More Tangible Interests**

For Moscow and Beijing, the Iraqi crisis constituted more than a turning-point for their preferred multipolar world order. More tangible interests were at stake. Both became “addicted” to oil, though for different reasons. As one of the largest oil exporters in the world, Russia’s recovery depends heavily on its own “oil dollars.” For China to sustain its high growth rate, reliable oil imports are vital as the country becomes the world’s third largest consumer of oil and gas after the United States and Japan.

By February, Russian companies had invested \$1.25 billion in the Iraqi oil industry since the beginning of the UN oil-for-food program, and both sides were interested in expanding that cooperation. China also participated in the same UN program. Although oil from Iraq amounts to only a fraction of Chinese imports (about 1 percent), half of Chinese total imports of 70 million tons came from the Middle East and Persian Gulf region, where socio-political stability would be seriously affected by the war.

As the quarter progressed, there was a growing sense of urgency and even crisis among Russian and Chinese leaders regarding the unfolding crises around the world. The two sides intensified their exchanges and coordination, in both bilateral and multilateral fora, to postpone or avoid the final showdown. The Iraqi issue dominated almost all high-level meetings and exchanges. On Feb. 19, Putin and then Chinese President Jiang spoke over

the phone and exchanged opinions on Iraq. Both supported continuing inspections in Iraq to fulfill Resolution 1441 of the UN Security Council and finding a diplomatic solution for the crisis. They stressed the importance of coordinating the actions on Iraq and other international issues.

A week before the U.S.-UK ultimatum for Iraqi compliance, Chinese Ambassador to Moscow Zhang Deguang went to the Kremlin to meet Russian Security Council Secretary Vladimir Rushaylo, calling for settling the Iraq crisis through political and diplomatic means. Meanwhile, a separate consultation was taking place in Beijing where Director of the Mid-East and North Africa Department of the Russian Foreign Ministry Mikhail Bogdanov was meeting Foreign Minister Tang on the Iraqi crisis.

### **Orchestrating with Discordance**

Russia's and China's positions on Iraq and on the Korean Peninsula "largely" or "virtually" "coincide," claimed Foreign Minister Ivanov in Beijing several times in late February. There was no question that both Moscow and Beijing preferred multilateralism for the Iraqi case and bilateralism (U.S.-DPRK) for the Korean crisis. Ivanov's carefully chosen phrases, however, reflected some visible nuances in their approaches to U.S. unilateralism.

Beijing was clearly more hesitant to take the lead in opposing Washington, but chose to echo the joint effort by the French-German-Russian "axis." Neither did China threaten to veto the U.S.-UK bill in the UN Security Council before the final showdown. Russia, however, indicated several times its willingness to exercise its veto. In the Korean case, Russia abstained from voting on the International Atomic Energy Agency decision to submit the DPRK's non-compliance to the UN Security Council on Feb. 12, while China simply went along. On Jan. 14, China's Foreign Ministry spokeswoman even publicly disagreed with the DPRK's decision to pull out of the Nuclear Non-Proliferation Treaty (NPT).

China's low profile regarding Iraq and the DPRK reflects its more disadvantageous position in the world. As a member of the Western community of democracies, Russia, like France and Germany, could afford to go to a greater length in challenging Washington. China, however, does not have that political "capital" to spend. Many analysts in China therefore believe that Washington would react stronger to similar behavior (criticizing the U.S.) by the non-Western, un-democratic China, possibly by pushing the Taiwan "button."

Despite the publicized principle that Sino-Russian strategic partnership does not target any third party, many Russian liberals believe that relations with China are, and should be, subject to Russia's relations with the West in general and with the U.S. in particular. Viktor Kremenyuk, deputy director of the Institute of the USA and Canada and who was visibly angered by the U.S. unilateralism, went as far as to say that if U.S. unilateralism continued, Moscow would have to completely restructure its foreign policy by

developing closer links with China, Iran, and the DPRK. For Kremenyuk, China belongs to the same category of states as Iran and the DPRK, states that Russia could selectively choose to have closer relations with, depending on how much Russia intends to impress the West and the U.S. Developing a relationship with China for its own sake, therefore, remains a secondary quest at best.

In terms of relations with Iraq and the DPRK, Russia seemed to have more leverage with Baghdad and Pyongyang. As the new year started, Russian officials publicly stated that Russia had “no proof of North Korea’s military nuclear program” (Deputy Foreign Minister Losyukov conducted a mini “shuttle diplomacy” between Pyongyang, Beijing, and Moscow, including a six-hour “successful and substantive” meeting with Kim Jong-il), and that the DPRK’s decision to withdraw from the NPT, as the Russian defense minister put it, “is not a threat to the security of Russia.”

Russian confidence may not be mere diplomatic rhetoric. Kim Jong-il has had three summits with Putin but made only one official visit to China. Two months before the current nuclear crisis, the North Korean leader traveled to Vladivostok to meet Putin, who was the only Russian/Soviet head of state to have visited the DPRK (in 2001). Even during the height of the crisis, DPRK officials were talking about building more nuclear power reactors, possibly with Russia’s help.

China did not seem so sure about the DPRK. Right after the new year, the People’s Liberation Army (PLA) conducted an unusually early military exercise. Unlike previous large-scale exercises usually aimed at the Taiwan Strait and occurring in early spring, the PLA this time emphasized cold-weather operations and capability for both ground and naval forces. To be sure, China and the DPRK are not adversaries and the DPRK itself is NOT a threat to China’s security. The unfolding crisis, if it continues to deepen, would constitute a threat to China’s vital interests, however.

### **Record Trade, to be Lubricated with Russian Oil**

Not everything was in crisis for Russia and China. Bilateral trade reached a record level in 2002, totaling almost \$12 billion as a result of a near 12 percent increase over the previous year. The current trade volume, though at a record high, is far from its potential. Toward the quarter’s end, years of mutual effort to promote more trade finally got a major boost when Russia made the final decision March 14 to lay an oil pipeline from Angarsk to the Pacific port of Nakhodka with a spur line to Daqing in China.

For almost nine years, the two sides had worked on the possibility and feasibility of an oil pipeline to China. Russia’s final decision, however, was a compromise and combination between the original Angarsk-Daqing line and a “pro-Japan” Angarsk-Nakhodka route.

It was clear that the final decision was made by the highest authorities in Russia. Its compromised nature reflected Russia’s overall post-communist foreign economic policies, which aim at maximizing Russia’s economic, political, and strategic interests.

Whatever the case, Russia seems more careful with its oil “weapon” than selling arms to others, including China.

Beyond the huge oil input, China and Russia debuted several other projects for economic and scientific development, including cooperation in developing integrated circuits (IC), in designing, assembling, and delivering civil aviation equipment, in making heavy Ural trucks, and constructing a railroad between Ussuriisk, Primorye, and China’s Dongning (Heilongjiang Province) for exporting up to 20 million tons of Dongning’s coal through the Russian port city.

### **Putin’s China Policy: Starting from Home**

China was Russia’s “strategic partner,” said President Putin in late January to a Russian Federation State Council meeting. In contrast, the Russian president defined the United States and the European Union as Russia’s “trusted partners.” In the age of a proliferation of various kinds of partnerships in Moscow’s diplomatic vocabulary, perhaps only Putin knows the differences between these terms. This rare juxtaposition of the two types of partnership, however, did separate Russia’s Western partners from the one in Asia.

Putin’s remarks, however, were made, not in the context of the unfolding crises in Iraq and the DPRK, nor in regard to Moscow’s delicate relations with Washington. Rather, they were made in response to the “grave and serious concern” of Viktor Ishayev, the governor of far eastern Khabarovsk territory, regarding China’s “active expansion into Russia.” Ishayev called for a long-term adjusted strategy in dealing with an “expanding” and “threatening” China. In his moderate response, Putin reminded the audience that Russia does have a long-term strategy for relations with China, which is the friendship treaty. It was therefore important to take joint decisions “on the basis of consensus and mutually taking into account the two countries’ interests.”

It is not clear if Putin was able to persuade the local bureaucrats. Their alarmist views about China actually represent a steadily growing perception of a “China threat” among Russia’s nationalistic and liberal circles, as well as among the general public. China’s fast rise simply reinforces this anxiety.

### **Russia’s Vision vs. the Lost World**

At a time of international fluidity, Moscow has every reason to stabilize relations with Beijing. For this purpose, a good start with new leaders in Beijing is paramount. “Russia’s military-political objective is to turn an enemy into a competitor, a competitor into a neutral party, a neutral party into a partner, and a partner into an ally,” stated Anatoly Kvashnin, chief of staff of the Russian Armed Forces, on Jan. 18. It was remarkable for a top brass of the former superpower to have such a nonmilitary strategy of turning adversaries to allies. Like Putin, the Russian chief of staff singled out the U.S., European Union, and China as three “power centers” to be seriously dealt with by Russia’s foreign and defense policies. Curiously, the Russian chief of staff did not

include Japan in his ideal world order, a nation that was grossly and fatally underestimated 100 years ago by the czar's generals.

The real world, however, is traveling away from the Russian and Chinese vision of an ideal world order of several more or less equally rated major powers. Not only is the existing world system being abandoned by a lone superpower that favors superiority over equilibrium, but it is also being undermined by nonstate actors ranging from transnational terrorists to multinational corporations.

If that is not enough, nuclear deterrence – one of the key factors that contributed to the so-called “long peace” during the Cold War – is being replaced by the doctrine of preemption and first-use. Meanwhile, the fast descending unipolar world is also unleashing another, and perhaps worse, nightmare. The nonproliferation regime is, ironically, being taken apart by both so-called “rogue states” (the DPRK, Iran, and others) toying with nukes on one hand, and the world's only constitutionally “pacifist” nation (Japan), on the other.

The latter, the first and only victim of nuclear weapons, has been actively encouraged since January by such prominent U.S. figures as the former Secretary of Defense William Cohen and Sen. John McCain to arm itself with nuclear weapons. On March 28, Japan successfully launched its first spy satellites, a first step toward independence in gathering intelligence, which is the basis for making its own decisions regarding war and peace. A day before the satellite launch, Director General of Japan's Defense Agency Ishiba Shigeru suggested in testimony to the Diet that Japan acquire longer-range missiles. Ishiba is also a leading advocate for a possible preemptive strike against the DPRK if the latter “expresses the intention to demolish Tokyo and starts fueling its missiles.” If the current impasse between Washington and Pyongyang continues, the Korean Peninsula – not Iraq, or Afghanistan – would become, like 100 years ago, the beginning of a real “lost world.”

### **Chronology of China-Russia Relations January-March 2003**

**Jan. 1, 2003:** Russian-China bilateral trade in 2002 totaled \$11.93 billion, up 11.8 percent from 2001. Russian exports rose 5.7 percent to \$8.41 billion and imports were up 29.8 percent to \$3.52 billion. Machinery, including military hardware, was Russia's biggest export to China, accounting for a 19.6 percent share and totaling \$1.5 billion.

**Jan. 4-7, 2003:** Alexander Yakovenko, director of the Russian Foreign Ministry Department of Information and the Press, hold talks with Chinese Deputy Foreign Minister Liu Guchang for cooperation in the field of information exchange and news service for the general public.

**Jan. 10, 2003:** Putin signs the federal law ratifying the Shanghai Convention on Combating Terrorism, Separatism, and Extremism adopted by the State Duma on Dec. 20, 2002 and approved by the Federation Council on Dec. 27, 2002.

**Jan. 15, 2003:** Russian Aerospace Agency First Deputy General Director Valery Voskoboinikov reveals that Russia and China are setting up working groups for designing, assembling, and delivering civil aviation equipment.

**Jan. 17-21, 2003:** Russian Presidential Special Envoy and Deputy Foreign Minister Aleksandr Losyukov travels to Beijing (Jan. 17-18 and 21-22) and Pyongyang (Jan. 18-21) following the DPRK Jan. 11 decision to pull out of the Nuclear Non-proliferation Treaty. Vice Foreign Minister Yang Wenchang met with Losyukov during his stopovers Jan. 17 and 21.

**Jan. 20, 2003:** Chinese FM Tang Jiaxuan and Russian counterpart Igor Ivanov hold talks at the UN on bilateral relations, tensions over Iraq, and the Korean Peninsula.

**Jan. 20–23, 2003:** Shanghai Cooperative Organization (SCO) coordinators meet in Almaty, Kazakhstan to discuss SCO financial problems and its rules/regulations.

**Feb. 19, 2003:** Presidents Putin and Jiang Zemin speak over the phone and exchange opinions on Iraq. Both support continuing inspections in Iraq to fulfill UNSC Resolution 1441 and finding a diplomatic solution for the Iraq problem.

**Feb. 26-28, 2003:** Russian Foreign Minister Ivanov visits China at the invitation of FM Tang. Ivanov meets with Jiang Zemin and Hu Jintao. Ivanov and Tang issue joint communiqués regarding the Iraqi and Korean crises.

**Feb. 28-March 3, 2003:** SCO's National Coordinators Council holds a regular meeting in Beijing. The meeting discusses preparations for SCO's next summit and the setup and operation of the permanent steering bodies of the organization – the working secretariat in Beijing and the Region Anti-Terrorist Organization in Bishkek. No agreement is reached on SCO enlargement.

**March 4, 2003:** The Interfax-China information agency, a member of the Interfax Group, launches new real-time information product: the China News Russian-language news-wire, including: Interfax China IT&Telecom Report; Interfax China Metals Report Weekly; Interfax China Energy Report Weekly; Interfax China Business Report Weekly; Interfax China Business News. All are created by Interfax journalists and editors in Shanghai, Hong Kong, Beijing, and Moscow.

**March 7-11, 2003:** Russia's First Deputy Minister for Atomic Energy Igor Borokov signs protocol with Chinese Academy of Engineering Physics to cooperate in the field of laser technologies and creation of electro-physical installations.

**March 14, 2003:** After years of feasibility studies (since 1994), Russian government makes final, and compromised, decision to build the Angarsk-Nakhodka oil pipeline to the Pacific port of Nakhodka (for Japan) with a spur line to China's city of Daqing (North-Eastern China).

**March 17, 2003:** China's new Foreign Minister Li Zhaoxing and Russian FM Ivanov talk on the phone about Iraq.

**March 18, 2003:** President Putin congratulates Hu Jintao on his election to the Chinese presidency. The two leaders discussed Russian-Chinese relations.

**March 23, 2003:** Russian and Chinese Foreign Ministers Ivanov and Li call for an immediate end to military actions in Iraq. The foreign ministers said that "only the UN Security Council can make decisions about restoration of Iraq and settlement of the Iraqi problem in line with UN Security Council resolutions." Moscow and Beijing "will make vigorous efforts to bring this about."