

## **China-Russia Relations:**

# **Putin's Partners in Beijing: Old and Young**

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Russian President Vladimir Putin's official visit to China in early December, though preplanned, proved to be both timely and imperative as Moscow and Beijing faced mounting internal and external challenges. The sense of uncertainty, and even crisis, went well beyond China's leadership transition and beyond unprecedented terrorist activities in Russia. Despite the notable improvement in their relations with the U.S. in 2002, at the end of the year, both were sensing increasingly stronger winds of war from distant places (Gulf and Iraq) as well as from their door-step (North Korea).

### **Putin's 36 Hours in Beijing**

Arriving in Beijing shortly after midnight on Dec. 1, Putin's "tightly scheduled" working day (14 hours for Dec. 2) included almost nonstop meetings with top officials in China (President Jiang Zemin, Vice President Hu Jintao, Premier Zhu Rongji, and top Chinese legislator Li Peng) and an official evening reception. Putin's 36-hour stay in Beijing – the duration of which matched exactly his first official visit in July 2000 – was nonetheless quite fruitful. A lengthy joint statement and five other cooperation agreements were produced.

Most of the substantial exchange was between Putin and outgoing Chinese President Jiang Zemin, who just stepped down as the Chinese Communist Party (CCP) general secretary two weeks before. Their formal talks started with a review of the previous decade of bilateral relations and proceeded to focus on current and future bilateral relations and other major international issues.

The joint statement signed by Presidents Putin and Jiang reflects the agenda and items of the morning talk. The eight-part document starts with an assessment of the previous 10 years during which China and Russia elevated their relations through "three stages": from treating each other as "friendly" countries to building a "constructive partnership" and finally into setting up a "strategic cooperative partnership." Part two praises and reiterates the basics of the friendship treaty signed in July 2001 in Moscow (formally known as the "China-Russia Treaty on Good Neighborliness, Friendship, and Cooperation"). The rest of the statement covers various areas of cooperation including trade; exchanges in cultural, educational, science, legal, and media areas; foreign policy and world affairs; the

Shanghai Cooperation Organization (SCO) and antiterrorist affairs; regional stability and missile defense systems; and multilateral approaches to resolving world and regional problems.

Several features of the joint statement deserve more attention. One was its fair assessment of bilateral relations: the long-term (the previous 10 years), medium-term (since July 2001), and short-term (2002) between the two countries. For Russian and Chinese leaders, the tune of this brief assessment of the past was actually quite moderate compared with their more glowing wording elsewhere. "Moscow doesn't have such a comprehensive mechanism with any other country of the world," Russian Deputy Foreign Minister Alexander Losyukov commented. "It includes regular meetings between the heads of state and government, regular contacts between defense and foreign ministers, the heads of other key agencies, as well as the activities of 12-branch inter-governmental bodies coordinating cooperation and the work of more than 10 permanent working groups and commissions." As a result, the year 2002 was one with "dynamic development in all areas." Top Chinese leaders, too, believed that current China-Russia relations are perhaps the best China has ever had with any other major power. The thousands of kilometers of the China-Russia border are so demilitarized now that China unilaterally withdrew its regular forces 500 kilometers from the border area, exceeding the 100-kilometer requirement established by the Russian-Chinese official agreement.

There were strong reasons to be more optimistic about bilateral relations in the short term as well. Two-way trade reached a record of \$12 billion, up from \$10.7 billion in 2001. Large-scale projects are either in progress (nuclear power plants) or promising (energy and resources). In October, the Admiralteiskiye Verfi shipyard in St. Petersburg started to construct the first two of eight super-quiet Kilo-class diesel-electric submarines (totaling \$1.5 billion) for the Chinese navy. In November, the Northern Shipyard in St. Petersburg began to build the second of two destroyers ordered by the Chinese navy with a total cost of \$1.4 billion. In multilateral areas, the semi-hibernating SCO started to show signs of life when member states moved forward to operationalize its antiterrorist center in Kyrgyzstan's capital of Bishkek and its secretariat in Beijing. The nuclear issue on the Korean Peninsula is dangerous. It nonetheless also provides opportunities for both Moscow and Beijing to exert their influence vis-à-vis other powers.

One important factor for the current state of bilateral relations is the regular high-level meetings between Chinese and Russian leaders, which were launched in 1996 by Boris Yeltsin and Jiang. If anything, Putin surpassed his predecessor in this regard. Over the previous 10 years, leaders of the two countries met on 18 occasions, of which 11 times were between Jiang and Putin. In 2002 alone, Russian and Chinese foreign ministers met eight times and more than 70 Russian official delegations visited China.

Another feature of the joint statement is its rather realistic identification of bilateral and multilateral issues of mutual concern. In contrast to the 2001 historical friendship treaty, the current joint statement focuses on specific areas for further coordination and cooperation. The nonpolitical issue areas discussed are more specific and more technical, and therefore, are achievable.

To analysts of both sides, this was a sign of a more mature relationship that is anchored in practical and specific “routines,” in addition to eloquent and/or idealistic principles. This sense of pragmatism is not evident only in issues of trade and social-cultural exchanges, but also for antiterrorist, SCO, and regional issues.

### **U.S. Non-factor**

Part of the current realism in the joint statement is the absence of the “American factor.” The almost ubiquitous anti-Americanism, concealed or overt, in many previous documents between Russia and China is virtually nonexistent in the current statement. Instead, there is more emphasis on bilateral and multilateral levels in dealing with outstanding issues in the post-Sept. 11 world.

One interpretation of this moderation of the Moscow-Beijing “strategic partnership” toward Washington is the predominant position of the U.S. vis-à-vis other powers. After Sept. 11, both Russia and China tried to adapt to, rather than oppose, the emerging unipolar world. Indeed, the terrorist attacks in 2001 against the U.S. not only provided opportunities for Russia and China to board the U.S. “ship,” but were also a real test of one of the key principles of their strategic partnership, that is, not to aim at any third party.

Putin’s second presidential visit to China, too, should be seen within this context. Throughout the fourth quarter, summit meetings between Russian, Chinese, and U.S. heads of state followed one after another. It began with a Bush-Jiang “barbecue party” at Crawford, Texas (Oct. 25) and continued at the annual Asia-Pacific Economic Cooperation (APEC) meeting in Mexico. Putin’s last-minute decision not to join the APEC Leaders’ Meeting because of the Chechen hostage crisis in Moscow was more than compensated in November when Russian and U.S. leaders met in Prague for the annual NATO summit and when Bush had a one-day summit with Putin in St. Petersburg after the NATO summit (Nov. 22). Putin’s visit to Beijing in early December was the last of these habitual summits in 2002 among the three Cold War triangular rivals.

Beyond this, Russia and China carefully observed each other’s U.S. policy throughout the last quarter of 2002, while briefing each other on a timely basis after their respective interactions with Washington and congratulating each other for improving relations with the U.S. In his meeting with Putin in late November, Chinese Foreign Minister Tang Jiaxuan spoke highly about the Putin-Bush St. Petersburg summit. A few days later, Director of the Russian Foreign Ministry’s Asian Department Yevgeny Afanasyev told a news briefing in Moscow that “Russia is pleased with the positive changes in relations

between China and the U.S. and believes that they will improve strategic stability ... After the events on Sept. 11, 2001, relations between Russia and the U.S. and between China and the U.S. have seen very positive changes. We welcome this progress and believe that it will improve strategic stability and promote the resolution of today's most pressing international problems." In fact, briefing each other on their respective relationship with the U.S. has become routine for Russian-Chinese summits.

A year-end review in a Chinese newspaper in Beijing went as far as to describe this emerging non-zero-sum relationship between Moscow, Beijing, and Washington at the end of 2002 as a new version of the "Romance of the Three Kingdoms" (*xin "san guo yan yi"*) based on "pragmatic and constructive cooperation." The triangle was not "symmetrical," nor did it lack of conflicts of interests, according to the analyst. Cooperation and mutual adjustment between the three, however, seemed to outweigh mutual suspicion and confrontation.

### **Putin's Newfound Friends in Beijing: Not Made in Russia**

Despite the regular summit meetings between Putin and Jiang in the past three years, the Russian leader seemed very careful in scheduling his visit to China, as Putin referred to the upcoming visit to China as "planned, but still special." Both of his two trips (July 2000 and Dec. 2002) were at a time of "changing of the guard." While the first visit was for the young president to reconnect with the Chinese after Yeltsin's exit from power, Putin's second trip was to make sure the new faces in the Forbidden City were Russia-friendly.

Putin was the first head of state from a major country to visit Beijing after the CCP's 16<sup>th</sup> Congress in mid-November. It was particularly important for the Russians to have direct and immediate contact with China's fourth generation of leaders, not only because of the generational changes, but also because of the end of a near-century long "Russian complex" in China. The outgoing generation of leaders is the last one that was "made in Russia" (or Soviet Union, to be precise), though not necessarily pro-Russia in outlook. Perhaps more than any other generation of leaders, Jiang Zemin, Li Peng, and others were directly affected by Russia as well as the ups and downs of China-Russia relations. One by-product of this experience is that they knew more about Russia than either past or future Chinese leaders.

The incoming group of Chinese elite, however, was largely "indigenously" produced. Unable to speak Russian nor hum "Moscow Night," their eyes and minds have been largely conditioned by the reform decades during which China has been reforming itself away from the past Soviet model, but not getting closer to the system presided over by Putin. At any rate, China under the incoming generation of leaders may well become more Chinese and Western, but less Russian.

The two-plus decades of high economic growth have more than equalized the status of the two large neighbors. Indeed, current Russia-China relations are perhaps the most equal and normal they have been since the 17<sup>th</sup> century when the ever-expanding Russian empire constantly pushed back a declining Chinese dynasty.

The czar's communist successors were undoubtedly able to have a powerful impact on China during most of the 20<sup>th</sup> century. They nonetheless were also responsible, at least partially, for roller-coaster bilateral relations. The ideological commonality between the two communist giants pushed bilateral relations between boiling and freezing points, while normalcy and stability were hard to come by. It is ironical that the current stability and equality of bilateral relations has been achieved when their domestic systems are so very different as the two formal communist giants reform themselves away from their past.

Can the current normal ties be sustained under less Russianized Chinese leaders? Will they be able to continue the legacy of the generation of leaders who were largely "made in Russia?" How would they decide China's national interests – which may or may not overlap with those of Russia? To what extent will they be able to anchor the "strategic" nature of the bilateral relationship in the relatively weak economic and social arenas?

These questions cannot be taken for granted. Russia's concerns are particularly warranted as its Far Eastern region becomes depopulated. The fear of being "invaded" by the incoming Chinese, legally or illegally, has become a constant theme in Russian media and politics. Two weeks after Putin's second official visit to China, the Duma moved to prevent a Chinese oil firm (China National Petroleum Corporation, or CNPC) from acquiring the ownership of Russia's seventh largest oil company (Slavneft), leading to the withdrawal of the Chinese firm from the open auction two days before the sale. For the Chinese, the Russian move amounted to politicizing a commercial issue. Leaders in Moscow, therefore, have to fight hard from time to time against the "China threat" sentiment that permeates Russia for the sake of Russia's long-term and primary national interests.

In reaction to CNPC's withdrawal from the Slavneft bidding, Putin appeared to take quick steps to repair the damage in bilateral relations. On the same day that CNPC announced it was withdrawing from the tender list, Russian Prime Minister Mikhail Kasyanov instructed the Russian Atomic Energy Ministry to conduct talks with the Chinese Academy of Engineering Physics on possible cooperation in the sphere of high-density energy physics. The initiative came from the Russian side and is being coordinated with the Foreign Ministry and other federal executive institutions. Next, Putin urged the CEO of Russia's oil firm Yukos, which is to construct the Russian side of the 2,200-kilometer Siberia-Manchuria pipeline, to speed up that process.

In response to a somewhat heated debate regarding China in late December, First Deputy Chief of Russia's General Staff Yuri Baluyevsky, who just returned from a trip to China for the sixth round of consultations with the Chinese military, warned publicly that if

Russia changed its Chinese policy it might face a neighbor that “can threaten us by virtue of its quantitative and qualitative potential.” “Do we need this?” asked the senior military officer, “I believe that today the most correct policy is to have a good neighbor, true friend, and strategic partner, and never an enemy.”

Whatever the result of this round of “China threat” debate in Russia, Putin’s successful trip to China did not seem to alleviate the worries of some or many Russians regarding a rising China. Part of the problem is the relatively weak mutual understanding between the two societies. This is the case despite a decade of hard work among the political elite of both countries and despite a growing number of Russians, including one of Putin’s twin daughters, who are studying Chinese. Indeed, ordinary Russians and Chinese are more interested in learning about the West and America than about each other. Recent opinion polls indicated that senior citizens (over 50) and those with a higher education tend to view China positively, while younger Russians feel less inclined to share that view.

Even the highly praised political/strategic relationship between Moscow and Beijing cannot be taken for granted. Despite the obvious success in high-level interactions in the past 10 years, the Russian elite is not yet at ease with China. One indicator of this lack of trust is Russia’s carefully managed weapon sales to India and China, with the former always qualitatively ahead of the latter in almost every category of weapons.

The sense of uneasiness is also reflected in the usually problem-free border issue. According to Russian media, Putin and Jiang decided, right before the signing of the joint statement, to add an item on the border issue to the text. Meanwhile, the Foreign Ministries of the two countries were instructed “in the shortest possible time” to complete the process of border talks. The urgency to find a resolution to the three disputed islands (Bolshoi Ussuriisky and Tarabarov near Khabarovsk and Bolshoi Island on the Argun River) may not be mere cosmetics but is designed to keep current uncertainty and disputes from deteriorating in the near future.

### **Old Guards, Only to Fade Away**

For all these reasons, Putin and his colleagues closely followed China’s leadership transition. Throughout the fourth quarter, top Russian leaders, including Putin himself, frequently expressed their expectation that China’s Russia policy would be sustained under the new leadership.

The Russians’ concerns regarding the consistency of China’s policies toward Russia, however, proved unwarranted. If anything, it seemed there was too much continuity in Beijing. For both sides, there was no question that Jiang was still the real mover and shaker in China-Russia relations, as the 76-year old Chinese leader presided over most of the Dec. 2 formal activities, including an official welcome ceremony in Tiananmen Square, the official morning talk, a walk through Zhongnanhai (the official residence for imperial and communist leaders) before a private lunch at the picturesque Yintai pavilion. Jiang also played host for Putin at the state dinner.

Only in the mid-afternoon of the day did Putin meet General Secretary-elect Hu Jintao. The term “elected,” however, was misleading at best. A more precise way to describe the rise of Hu is that Hu “emerged” first from the shadow of Deng Xiaoping and then from that of Jiang. By the time Hu and Putin met, the power transfer from Jiang to Hu continued, as the former still holds top posts in the foreign/defense institutions. Jiang’s title of head of state (president) would not be officially taken over by Hu until March 2003 when China’s Parliament holds its annual deliberation. Indeed, aside from China’s dynamic economic growth and ever-changing landscape, politicking in China these days seems everything but Russian in style with its swift and decisive changes (Putin’s overnight takeover from Yeltsin in 1999, Russia’s “shock therapy” economic reform in the early 1990s, ending of communism after a three-day coup in 1991, and even the 1917 Bolshevik Revolution).

Jiang, however, did manage to keep the process of leadership transition going. During the talks, Jiang told Putin that he was convinced that Hu would soon form good working relations with Putin and continue to consolidate and deepen the strategic cooperative partnership. With or without these assurances, however, it is an open secret in Beijing that Hu has been in the central decision-making process even longer than Jiang Zemin. In the past few years, Hu has also been vice chairman of the powerful Central Military Commission. Hu’s recent trips to Russia (Oct. 2001) and the U.S. (April 2002) were signs of his completion of his “leadership 101” course, with foreign policy as the final exam. On New Year’s Eve, Jiang finally called upon the nation, though belated, to rally closely around General Secretary Hu. It is only a matter of time before Hu is no longer a “who.”

### **Beijing’s ‘Putin Fever’**

In his address to Beijing University students and the faculty before departing for India on Dec. 3, Russian President Putin called his official visit to China “an epoch-making event” in relations between Moscow and Beijing. Putin was perhaps also aware that he was popular not only among the Russians, but also among the Chinese. Indeed, the most prestigious campus in China witnessed quite a fight for the 700 seats to see and listen to the Russian president in person. Some female students were particularly interested in how and why a hit song in Russia is titled “Marry a Man Like Putin.”

Putin’s charisma, however, goes well beyond gender relations. The “Putin fever” in the midst of the Beijing winter indicates a thinly veiled sentimentality among more educated Chinese deploring the rather “ordinary” quality of Chinese leaders these days. The era of strong leaders ended when Deng passed away five years ago. China under the third generation of leaders, however, seems to have done better without those movers and shakers of history. As the helm passed to a rather nameless fourth generation of leaders, Putin observed in Beijing the inevitability of the rise of China going hand in hand with the invisibility of its leaders.

All this was perhaps well anticipated by the Russian president even before his second official trip to Beijing. In a midnight chat in the Kremlin with a correspondent of the

official Chinese media two days before his trip to Beijing, Putin explained his popularity at home and in China as a product of “tumultuous times ... of the past 17 years since 1985” in Russia with “instability ... stagnation, bleak prospects which make people anxious, indifferent, and downcast.” In a way, this is true for Russia, which, since the end of communism a decade before, has become a world leader in tuberculosis, AIDS, drug addiction, corruption, and crime. But for the Chinese, Putin remains a formidable leader, not only because he presides over a huge country with rich history and culture as well as a military to haunt even the sole superpower in the world, but because he also is a man with a will, and perhaps the ability, to restore Russia’s past glories.

### **Chronology of China-Russia Relations October-December 2002**

**Oct. 1, 2002:** Russian President Vladimir Putin congratulates Chinese President Jiang Zemin on the People’s Republic of China’s 53<sup>rd</sup> anniversary.

**Oct. 7, 2002:** President Jiang calls President Putin to exchanged opinions on bilateral relations. The two sides agreed that China and Russia should further strengthen communication, coordination, and cooperation.

**Oct. 11, 2002:** Member countries of the Shanghai Cooperation Organization (SCO) held an International Forum on Investment and Development in Beijing. Russian Vice Minister of Energy Valentin Shelepov talked about three pipeline projects including two for oil (Siberia to China’s Dalian and Russia’s Nakhodka area-Pacific coast) and one for natural gas pipeline (from east Siberia to northeast China).

**Oct. 13, 2002:** Mikhail Lesin, Russian minister of press, television and mass media communications, began his first official visit to China for the first meeting of the working group on cooperation in the mass media – a permanently operating body of the bilateral commission on cooperation in public education, culture, public health and sport. Lesin met Chinese Vice Premier Li Lanqing in Beijing the next day. A two-year agreement on cooperation in television and radio broadcasting was signed.

**Oct. 14-19, 2002:** Georgy Poltavchenko, Russian president’s envoy to the Central Federal District, led Russian business group for the 92<sup>nd</sup> China Export Commodity Fair in Guangzhou. The 100-member delegation included 18 state governors of Russia’s Central Federal District. China’s Premier Zhu Rongji met with the group in Beijing on Oct. 18.

**Oct. 19, 2002:** President of the Russian Academy of Sciences Yuri Osipov meets in Beijing with Li Peng, chairman of the Chinese National People’s Congress.

**Oct. 25, 2002:** Chinese President Jiang strongly condemns the Moscow hostage seizure.

**Oct. 25, 2002:** Foreign Ministers Igor Ivanov and Tang Jiaxuan meet on the sidelines of the Asia-Pacific Economic Cooperation (APEC) in Los Cabos, Mexico. Tang expresses shock and strong condemnation of the hostage-taking terrorist incident in Moscow.



**Oct. 27, 2002:** President Jiang Zemin met with Russian Prime Minister Mikhail Kasyanov, who represents Putin at the APEC Leaders' Meeting in Los Cabos, Mexico. Putin canceled his trip because of the hostage crisis.

**Nov. 13, 2002:** Two Russian companies – the Sirocco Aerospace International leasing company and the Aviastar-SP aircraft building plant – sign a contract to build five Tu-204-120 aircraft (\$30 million apiece) for Chinese carriers to be delivered before the end of 2003. China also signed an option for the construction of 10 more aircraft of this kind to be equipped with Rolls Royce engines.

**Nov. 21, 2002:** President Putin sends message of congratulations to General Secretary of the Central Committee of the Communist Party of China Hu Jintao on his election to this post. Putin's message noted with "satisfaction" regarding "the continuity and consistency of China's foreign policy course and the course of development of relations with Russia."

**Nov. 23, 2002:** Foreign Minister Tang joined the SCO foreign ministers forum in Moscow to work on the SCO's coordinating mechanism (a secretariat based in Beijing and the headquarters of the regional antiterrorist organization in Bishkek). An interim document was adopted to regulate relations among the SCO member states, other countries, and international organizations. Tang briefed his Russian counterpart Ivanov of the CCP's 16<sup>th</sup> Congress and the two discussed Putin's official visit to China in early December. Putin met Tang the same day.

**Nov. 25, 2002:** Chairman of Russia's Supreme Court Vyacheslav Lebedev starts the official visit to China at the invitation of his Chinese counterpart, Xiao Yang. Chinese President Jiang Zemin met with Lebedev Nov. 26.

**Nov. 25-27, 2002:** A 40-member trade mission from Taiwan opens a trade exhibition in Moscow. The trade mission toured the Moscow Chamber of Commerce before proceeding to the Czech Republic, Poland, and Ukraine.

**Dec. 1-3, 2002:** Russian President Putin pays his second official visit to China. Among the documents signed during the visit were a joint statement and several others including a 10-year credit line of \$200 million to be opened for Russian imports from China.

**Dec. 15, 2002:** Russian State Duma expresses doubts about the legality of the China National Petroleum Corporation's (CNPC) participation in bidding for the Russian oil firm Slavneft. CNPC withdrew the next day.

**Dec. 16, 2002:** Russian Prime Minister Mikhail Kasyanov reportedly instructs the Russian Atomic Energy Ministry to conduct talks with the Chinese Academy of Engineering Physics on possible cooperation in the sphere of high-density energy physics. The initiative of the talks came from the Russian side and is being coordinated with the Foreign Ministry and other federal executive institutions.

**Dec. 16-27, 2002:** A delegation of the Russian Interior Ministry, led by Deputy Interior Minister and Commander-in-Chief of the Russian Interior Troops Gen. Vyacheslav Tikhomirov, tours China at the invitation of the Command of the People's Armed Police Forces of the Chinese Ministry of Public Security.

**Dec. 16-18, 2002:** Deputy Chief of Russia's General Staff Col.-Gen. Yuri Baluyevsky and his Chinese counterpart Xiong Guangkai, deputy chief of the PLA's General Staff hold in Beijing the sixth round of consultations. The two sides discuss a possible joint SCO antiterrorist exercise in 2003 and some military units along SCO border areas. They also discuss Iraq, North Korea, and missile defense issues. Baluyevsky meets with Chinese Defense Minister Chi Haotian the same day.

**Dec. 24-26, 2002:** SCO holds its third experts conference in Bishkek, capital of Kyrgyzstan, to discuss the issue of setting up a regional antiterrorism center. A preliminary agreement decides that China and Russia will each provide 32–38 percent of the center's expenses and the rest of the budget will be shared by Tajikistan, Uzbekistan, Kazakhstan, and Kyrgyzstan. Russia and China would provide most of its 40 staff members as well as the two deputy directors, while a representative of Kyrgyzstan will be the center's first director. The center could start working in the fall 2003.

**Dec. 25, 2002:** President Putin phones Chinese leader Hu Jintao, congratulating him on his 60<sup>th</sup> birthday.

**Dec. 27, 2002:** Russian Foreign Minister Ivanov and his Chinese counterpart Tang talk on the phone, calling on the United States and North Korea to de-escalate mutual accusations and to resume dialogue. The ministers were in favor of a nonnuclear status for the Korean Peninsula, the settlement of all disputes via peaceful means, and negotiations.

**Dec. 28, 2002:** President Jiang sends a message of condolence to President Putin for the victims of the deadly blasts at the Chechen government building on Dec. 27.

**Dec. 30, 2002:** Russian-Chinese trade in 2002 is estimated to set a new record of \$12 billion, compared with \$10.7 billion for 2001.