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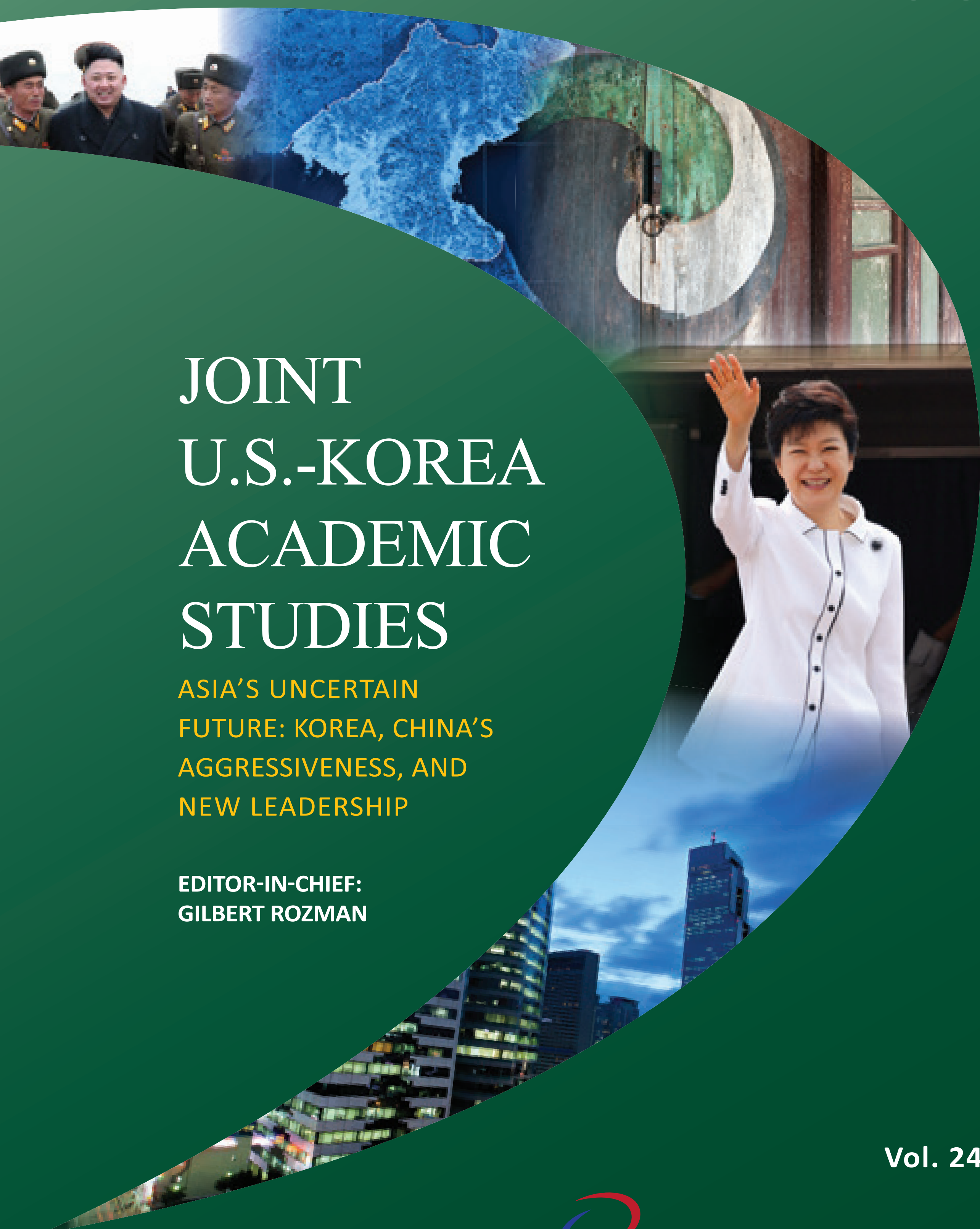

JOINT U.S.-KOREA ACADEMIC STUDIES

ASIA'S UNCERTAIN FUTURE: KOREA, CHINA'S AGGRESSIVENESS, AND NEW LEADERSHIP

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Bilateral Competition and Cooperation Under New Leadership

China and Russia

Sergey Radchenko

When in November 2012 the CCP unveiled its new Political Standing Committee, with Xi Jinping at its head, Russian Prime Minister and the Chairman of the United Russia Party Dmitrii Medvedev sent Xi a congratulatory message, which was strangely reminiscent of similar messages that were regularly exchanged between Moscow and its socialist allies during the Cold War. Practically every line of that message had a feeling of *déjà vu*: Medvedev's praise for China's successes "under the leadership of the CCP," his reference to the "implementation of the decisions of the 18th Congress of the CCP," and, most of all, his well wishing for the "friendly Chinese people" [*druzhestvennyi narod*]. This last term is evocative of an alliance between peoples, as in Sino-Soviet relations of the 1950s, and one that Russian officials would not think of using with respect to the "American people." Medvedev fell short of calling Xi a comrade, settling for "mister" (he was outdone by leaders of the other key Russian parties, the Communist Party and Just Russia, both of whom congratulated "Comrade Xi") but the general thrust of his message, as of many official pronouncements of recent months, reflects a bloc mentality, underpinning old-style relations.

The official Russian position – apparent from Foreign Ministry statements – is that it is, in principle, against bloc politics, but there is a stark gap between this and the discourse on Sino-Russian "friendship" evident above. For the architects of Russia's foreign policy, especially for Vladimir Putin who invested himself into building closer ties with China, this relationship is perceived as part of Moscow's opposition to Washington. Russian policy makers believe that Putin's worldview will win adherence among the Chinese leadership, who will see that the Americans are trying to contain China just as they once contained the Soviet Union. For his part, Xi, in pursuit of what he calls the "Chinese dream," has adopted a more assertive foreign policy than his predecessor. This has already raised concerns in the West and among China's neighbors about Beijing's intentions, in turn reinforcing Chinese leaders' perceptions of U.S. containment. In an atmosphere of growing, mutual mistrust between Beijing and Washington, Putin's anti-Americanism has certain appeal for Xi. As he recently put it in Moscow, "The Chinese and the Russian dreams coincide."[1]

Putin and Xi are of the same generation (born, respectively, in 1952 and 1953). Both matured when their countries were at the brink of war with each other. But unlike Putin, who has been deeply involved in the Sino-Russian rapprochement since the late 1990s and dealt with three generations of Chinese leaders, Xi is a relative newcomer. While Putin's views on China are fairly clear, what Xi thinks of the prospects of this "strategic partnership" remains to be seen. This chapter recounts recent developments in relations with emphasis on cooperation in the context of the Shanghai Cooperation Organization (SCO) and BRICS, their trade relationship, their roles in Central Asia, and Russia's perceived vulnerabilities in Siberia and the Far East. While Sino-Russian relations have a positive dynamic, there are also serious problems that may threaten long-term cooperation if China does not take a leadership role in ways that redress Moscow's concerns about being marginalized.

SCO and BRICS

A decade ago, the establishment of the SCO caused excited commentary in the West. Assessments ranged between alarmist warnings about a Eurasian NATO in the making, to skeptical dismissals of a toothless structure that superficially brought together countries that had little in common except for shared anti-Americanism, and that papered over serious internal contradictions. In retrospect, both were somewhat off the mark. The SCO has not become another NATO. Russian regional security needs are served much better (in the Kremlin's view) by the Collective Security Treaty Organization (CSTO), which excludes China. Moscow has adopted a "go slow" approach with the SCO, emphasizing economic cooperation, and resisting any FTA or expansion of membership. Russian policy makers reportedly view India's involvement with the SCO (India is presently an observer) as potentially a Trojan horse for U.S. efforts to ruin the dynamics of the organization (China is also opposed).[2] Yet, the SCO has seen more positive cooperation than skeptics would allow, including (largely symbolic) military exercises, a counter-terrorism and counter-narcotics agenda, and intelligence sharing. In a significant development, the SCO endorsed (in careful terms) Russia's position in the 2008 conflict with Georgia, even though such endorsement was difficult for Beijing, which feared that parallels may be drawn between South Osettia/ Abkhazia and Xinjiang/Tibet/Taiwan. China did not publicly oppose Russia's recognition of the former two – "taking into consideration its strategic partnership with Russia," according to Chinese officials.[3]

More recently, SCO activities have been overshadowed by BRIC (Brazil, Russia, India, China), later joined by South Africa to make it BRICS. In the 1980s, Mikhail Gorbachev briefly advocated the USSR-India-China triangle (under Soviet leadership, needless to say), and even floated the idea of extending it to embrace Brazil. The other powers were not keen to see Soviet sponsorship, and India and China had too many irreconcilable problems to be drawn into any triangles. It did not help that from the outset there was a subtle anti-American aspect to the idea, and New Delhi and Beijing had priorities in this regard which did not square with Gorbachev's interests.[4]

Today's BRICS shares some of the problems Moscow encountered in the 1980s. Sino-Indian dialogue has gone a long way since Rajiv Gandhi's path-breaking visit to Beijing in December 1988. However, unresolved issues plague the relationship, none more serious than the territorial dispute. Intensifying competition threatens to erode the political modus vivendi. Russian-Indian relations – healthy in political terms – suffer from Moscow's inability to gain new ground on the Indian market. India remains a major customer of Russian weapons and nuclear reactors, a Cold War tradition. Participation of Brazil and South Africa adds credence to the views of skeptics who dismiss BRICS as simply a "propaganda balloon" of anti-American orientation.[5] Yet, it would be simplistic to reduce BRICS to a platform for venting "multipolar" sentiments. While BRICS summits stress this, there has been a greater effort to go beyond general proclamations in elaborating a structural foundation of a post-American world order, which would entail greater prominence for the emerging economies in the IMF and the World Bank, development of new reserve currencies (this uncertain prospect has been popular in Moscow), and the creation of new financial institutions that would supposedly reflect the true interests of the developing world. At the latest summit in Durban, South Africa (March 26-27, 2013) there was talk of the establishment of a development bank and a financial safety net in the event of an economic crisis. With the development bank, it is not clear where the money would come from, or where it would go.[6] If China underwrote the bank, it would surely want the biggest say, something that other participants would find hard to accept. If each country contributed equally, the bank would have little money to spend. Reworking the world order along BRICS lines appears very difficult to implement.

Energy and Weapons

The Sino-Russian trade relationship has experienced dramatic growth in the last decade, despite the temporary setback occasioned by the global financial downturn. In 2012, the trade turnover reached $88 billion amid wide expectations of continued growth. China has replaced Germany as Russia's number one trading partner (conversely, the relationship matters quite a bit less for China),[7] but this relationship is plagued by a number of persistent and perhaps unsolvable problems. The key problem, from the Russian perspective, has been the "structure" of trade: more than half of Russia's exports to China are oil or oil products (primarily crude), with most of the rest taken up by other natural resources, including metals and lumber.[8] Technology makes up a small fraction of the export volume, even as Russia imports primarily finished products and machines from the PRC. Russia has become a natural resources appendage, feeding the insatiable appetites of Chinese industry. The Kremlin values the "energy dialogue," in part because it provides a material basis for the strategic partnership, which would otherwise be confined to general proclamations of solidarity, but also because it allows Russia to reduce its dependence on European markets and serves the strategy of integrating into the Asia Pacific.

Russia's continued export of natural resources to China also has disadvantages in the long term. Russia has only limited leverage in negotiating prices, and China, for all the fraternal feelings, drives a hard bargain. Moscow tries to diversify its market presence in East Asia by playing China off against the Japanese and the South Koreans. This reportedly underpinned its decision to scrap plans by the defunct Yukos to build a pipeline from Angarsk to Daqing in favor of a much more ambitious project, now known as the East Siberia Pacific Ocean (ESPO) pipeline, which, when complete, will bring Russian oil to Nakhodka, from where it can then be exported. ESPO also branches out to Daqing – the spur pipeline in operation since 2011 built with a credit of $25 billion from China's Development Bank to complete the ESPO, in return for the annual supply of fifteen million tons of crude for twenty years. Already one of the most expensive pipeline projects of all times, ESPO has recently gained notoriety in Russia due to allegations of corruption and astounding misuse of funds.[9]

As the details of the contract are unknown, there has been speculation that Russia is pumping the oil at embarrassingly low prices. While this is probably not the case,[10] Russian suppliers Rosneft and Transneft had recurrent difficulties with the Chinese oil major CPNC, which, for more than a year, paid less than the agreed price, accumulating vast debts to Russia. Transneft even threatened to break off the contract and repay the Chinese loan.[11] No one took these threats seriously, however, because the money had already been invested in building the pipeline and the spur to Daqing. In recent talks, Transneft and Rosneft agreed to give their Chinese partners a discount of 1.5 dollars on each barrel of oil, three billion dollars over the term of the contract,[12] a fraction of the discount the Chinese were seeking. The CNPC, not without the Chinese government's intervention, bowed before the political imperative of keeping the Russians happy, but in the end, the dispute points to China's increasing ability to dictate the terms of trade with a "junior partner." In the meantime, Japan's reluctance to get involved in expensive investment projects in Siberia means that Russia increasingly relies on China's credit, heightening public fears of its quiet penetration of the Russian economy.

Similar problems have plagued negotiations over gas supplies, under discussion since the 1990s. The Russians would like to sell gas at 'European' prices, while the Chinese are offering to pay quite a bit less due to domestic price caps. Gazprom has been reluctant to commit to the construction of massive pipelines unless the CNPC agrees to pay more for the eventual annual supply of 68 billion cubic meters of gas. As the former head of Gazprom's External Relations Department Ivan Zolotov explained in a private conversation, "We're not going to spend that kind of money just to satisfy political imperatives," adding that Gazprom "would not sink the company to please politicians."[13] This unresolved quarrel continues to embarrass the strategic partnership. Vladimir Putin tried to broker a breakthrough in a series of talks with the Chinese leadership in 2011, and during his visit to Beijing in June 2012. The issue was also raised during Xi Jinping's trip to Moscow in March 2013,[14] yielding an agreement to agree on the price by the end of the year. Russia will have to compete with cheaper gas from Kazakhstan and Turkmenistan at a time of a global gas glut, and face an uncertain future as China invests billions into the development of shale deposits.

Cheaply or dearly, Russia will sell energy resources across the border to China. The energy component of its exports is slated to grow, which can hardly be said of other components, especially advanced technologies. With the exception of nuclear cooperation – one field where Russia maintains a technological edge – Moscow does not have that much to offer the Chinese. Putin recently called for a "technological alliance" between Russia and China, proposing closer cooperation in civil aviation (by which the Russians mean "joint" development of a long-range plane to rival Airbus and Boeing) and space research, with establishment of joint "industrial clusters" and "technological parks."[15] While in the past the Russians have pushed these points much more eagerly than the Chinese, Xi has been willing to recognize that there has to be more to the economic relationship than just oil and gas. Some of these themes featured in the joint statement during Xi Jinping's visit to Moscow, although in exceedingly vague terms.[16] When reading out separate statements, Putin emphasized cooperation in high technology, aviation, and space research, and Xi mentioned only oil and gas. Neither took questions, probably to avoid embarrassment.[17] Indeed, the list of agreements shows that while China and Russia resolved to improve cooperation in the protection of migratory birds, tourism, and, strangely, rabbit husbandry, the real money-makers are once again resource giants like Rosneft, which is looking to double its oil exports.

One reason for meager results from Putin's long-standing effort to redress the structure of trade is the realization in Beijing that China's technological advancement would not stand to gain much from closer ties with Russia, itself sorely in need of modernization. China's increasing investment in research and development, amassed capital, and a capable and educated workforce, make it very unlikely that Russia will ever be able to repair the structural imbalance of bilateral trade. Weapons sales remain Russia's tried solution for escaping dependence on oil and gas exports. As recently as thirty years ago, the Soviet Union had a policy of export controls to prevent inadvertent leakage of dual-use technology to the Chinese. These restrictions were lifted with improving relations, and by the 1990s Russia was selling progressively more advanced weapons, including fighters and anti-aircraft missiles. China was also able to purchase important military equipment from former Soviet republics, notably, the half-built Soviet-era aircraft carrier from Ukraine, a prototype for the future Chinese aircraft carrier force. These sales for a time comprised a respectable percentage of the growing bilateral trade balance. Military sales plateaued. China came to place increasing emphasis on development of its own weapons systems, and Russia became more reluctant to sell the latest weapons. Chinese complained that Russia supplies "stripped-down" versions of weaponry, while Russian experts accused China of reverse engineering Russian military technology. As Gennady Chufrin argues, "if China wants to expand military cooperation with Russia, it should learn to abide by agreed terms and respect Russia's priorities."[18]

One example that attracted a lot of attention in the Russian media was Chinese production, under license, of the Su-27 Flanker (J-11 in China). In 1995 the two sides signed an agreement, worth $2.5 billion, by which China gained the right of assembly of 200 J-11s in Shenyang. Production was stopped in 2004, however, after the assembly of the first 95 planes, and the Chinese proceeded to build an indigenous version, the J-11B, prompting soul-searching in Russia amid fears that the cheaper Chinese planes would compete with the SU-27 in third-country markets. Officials at Rosoboroneksport, the monopoly arms exporter, downplayed the Chinese challenge: "They were confident that customers would continue to buy original Russian arms, rather than cheap [Chinese] imitations" – but military experts have been up in arms about the reports of violation of intellectual property rights, highlighting commercial and security threats in letting the Chinese have the latest Russian technology.[19] In July 2010 the Foreign Policy department of the Russian Presidential Administration reportedly even commissioned a study to explore this sensitive subject.[20] "Moscow should stop selling them [the Chinese] the rope to hang us with," noted Aleksandr Khramchikhin, a Moscow-based expert of distinctly China-unfriendly views.[21]

Russia has been careful to insist on additional guarantees in negotiating new weapons sales (most recently, supply of the long-range fighter SU-35, over which negotiations have gone on for years, with announcements by one or the other side that a deal has been reached, followed by denials and more negotiations). Moscow has insisted on the sale of as many as 48 planes, and Beijing has expressed interest in buying only a few, which only made the Russians more apprehensive. Just as Xi visited Russia in March, the official Chinese media announced that a deal on 24 planes (and four submarines) had been signed but the Russians quickly denied it.[22] This back-and-forth bickering highlights Russia's lingering uncertainty about defense cooperation with China, even as it has shrunk as a percentage of economic ties.

Russia's Federal Security Service recently announced the arrest of a Chinese citizen on charges of military espionage, a signal of concern about leakage of technology.[23] Such developments as technological plagiarism and military espionage do little to bolster the image of a harmonious Sino-Russian relationship. This will remain a sensitive problem, especially because efforts to impose more stringent control on the export of advanced technologies do not square with Moscow's priority of redressing the structural imbalance of trade. A solution entails China's engagement with Russia's military exporters on terms that do not threaten Moscow's long-term interests, and its voluntary restraint from competing in third-country markets. If not, it will not be long before views like Mr. Khramchikhin's gain ground.

Sino-Russian Competition for Central Asia

Despite grudging acceptance that Russia does not have exclusive influence in Central Asia, the Kremlin has yet to build up a reserve of tolerance for perceived "outside" interference in regional affairs. Moscow puts on a good show of cooperation in the context of the SCO, whose most important purpose to date has been to harmonize China and Russia's interests. Indeed, there is considerable affinity of interests: both Beijing and Moscow fear regional instability;

both warily eye efforts to step up the U.S. presence, for instance by securing air base rights; both are interested in access to oil and gas deposits; and both put up with corruption and misrule in the region, as long as the above aims are met. Not to see these common interests, argued Aleksandr Sternik, a Russian diplomat whose portfolio includes Central Asia, is "not to see the forest from the trees."[24] But behind the façade of harmony, Russia and China are increasingly at odds in light of relentless Chinese economic penetration of the region, which Russia finds difficult to counter, both because it cannot afford to be openly critical of Beijing's involvement, as it has been of Washington's, and because its more meager means cannot compete in buying allegiance. Both pursue pipeline geopolitics, vying for control over deliveries from the region's vast oil and gas deposits, as in Turkmenistan, all the more so since the opening of the gas pipeline to China in December 2009. Until then, Turkmenistan relied mainly on Russia for gas exports (there are also two pipelines to Iran but this route has been very problematic). The Turkmens are in a better position to bargain for a better price with reluctant Gazprom, and – unthinkably! – compete with the Russians in pumping gas to China (the pipeline's capacity could bring up to 40 billion cbm of gas to China by 2014, rivaling Gazprom's offer). "This project," announced 'leader of the nation' Kurbanguly Berdymukhamedov, "has not only commercial or economic value. It is also political… China, through its wise and farsighted policy, has become one of the key guarantors of global security."[25] This, above all, means freedom of maneuver vis-à-vis Russia.

The same can be said of Kyrgyzstan, which has done quite well in mobilizing its meager resources to play great powers against one another. Successive administrations have manipulated the issue of the Manas airbase to extract concessions and promises from Russia and the United States. U.S. Ambassador in Moscow Michael McFaul lamented that his country was, in effect, outbid by the Russians when in 2009 President Kurmanbek Bakiyev promised to pull the plug on the U.S. base. "You offered big bribes to Mr. Bakiyev to throw us out of Kyrgyzia. We also offered a bribe approximately ten times less than what you offered but this did not work," he said, triggering angry protests by the Russian Foreign Ministry. But if Moscow can congratulate itself on fending off one competitor, China's silent penetration is a lot more difficult to oppose, as demonstrated a few months ago when Russia's relations went through a tense phase as Bishkek openly drummed up the prospect of China's takeover of infrastructure projects if the Russians did not show greater generosity.[26]

The key disagreements concerned Russia's continued rental of the Kant airbase, and the method for settling Kyrgyzstan's outstanding debts (half a billion dollars). In the end, Moscow agreed to pay for the base, and wrote off the debts in exchange for equity in the torpedo manufacturer Dastan, and in various hydropower projects. When Putin turned up in Kyrgyzstan to sign these agreements in September 2012, President Almazbek Atambayev showered praise on Russia as Bishkek's "main strategic partner," saying that he could not imagine a future for Kyrgyzstan without "Great Russia." Yet, no sooner did Russia settle comfortably into the position of Kyrgyzstan's best friend than Prime Minister Wen Jiabao came with promises of economic cooperation. One idea he peddled to a (seemingly) receptive Atambayev was the construction of a railway from Xinjiang to Uzbekistan (through Kyrgyzstan), which, Beijing hopes, will adopt China's gauge (rather than Russia's wide gauge currently in use in the republic). In the Russian foreign ministry this idea was once seen as a design by Russophobe minds from the European Commission aimed at speeding up disintegration of the post-Soviet space.[27] Now that China is driving the project forward, such hostile views are conspicuously absent from official commentary but such silence does not mean a lack of concern. Non-official media, in the meantime, are up in arms about this new geopolitical challenge that makes the Turkmen pipeline appear benign by comparison.

China has wisely soft-pedaled its involvement in Central Asia, keeping Russia appeased in the SCO framework, while gradually building the infrastructure for challenging its regional influence. But the reality of the Sino-Russian "competition" is now taken for granted in the West, in China, and, to some extent, even in the Russian community of China-watchers. This could offer opportunities for Washington. This is not to say that the struggle for influence in Central Asia is necessarily a zero-sum game, although such perceptions are common in Russian policy circles. John Beyrle who, as U.S. Ambassador, helped to "reset" relations with Moscow, had urged the Obama Administration to take a more benign view of Russian activities in Central Asia and seek common ground in "countering common threats and maintaining regional stability," for instance, by "adjusting" views about cooperating with the SCO, which would help alleviate suspicions. But even Beyrle has not been immune from the view that China "acts as a potential counterweight against Russian influence in the region."[28] Similar ideas no doubt underpin Chinese diplomacy: Beijing has nothing to lose and much to gain from playing on Russian-U.S. antagonisms in Central Asia.

The Kremlin shows few signs of moving away from the "zero-sum" mentality vis-à-vis the United States. Many see it trying to undermine Moscow's influence in Central Asia while distracting opinion with "hostile propaganda" about China's supposed anti-Russian machinations in the region.[29] Continued U.S. involvement in Afghanistan takes a toll on the relationship with Moscow, partly for reasons of post-imperial nostalgia, and partly because there is concern that a pro-American Afghanistan could become a geopolitical liability, especially if Central Asian gas were rerouted toward the Indian Ocean. The Russians have also been highly suspicious of U.S. plans to maintain military bases in Afghanistan. To woo President Hamid Karzai from one-sided reliance on the United States, Afghanistan was given observer's status at the SCO in June 2012.

As long as Beijing relies primarily on economic instruments to build up influence in Central Asia, Sino-Russian disagreements will be papered over by mutual assurances of good faith, at least in the short term. Russia's best assurance of continued influence is that regional elites, for all their resentment of its meddling, remain deeply suspicious of China. They also share memories of having belonged to one socio-political space with Russia, which China cannot possibly match. Atambayev in his recent conversation with Putin said: "We were one country once upon a time! I don't know if one should be happy or sad about this… Because I always remember that your father was a war veteran, and mine – a war veteran: they fought for one country, the Soviet Union… On the one hand, yes, 20 years, anniversary of diplomatic relations but it is also a little sad. I think our fathers – your father and my father – did not think about this."[30] For as long as this shared identity remains in place, Russia's position in Central Asia will remain relatively secure.

It is easy, however, to exaggerate the importance of Russia's "soft power" in regional politics. One example of how difficult it has become to pull weight in what once appeared to be an indisputable sphere of influence is Russia's inability to defend its interests in Mongolia, where it worked hard to secure access to one of the world's largest undeveloped copper and gold deposits in South Gobi, the Oyu Tolgoi. Russia owns a 50 percent stake in the Mongolian railroad, a Soviet-era legacy that fed Moscow's expectations of seeing a piece of Oyu Tolgoi in return for building an extension connecting the site with the trans-Mongolian mainline. Yet, Russia's hopes were partly based on a misreading of the political situation. Putin had invested heavily in building a personal relationship with Nambaryn Enkhbayar, president in 2005-09, and his now fractured Mongolian People's Revolutionary Party. Enkhbayar, a fluent Russian speaker and a man of long-standing connections to Russia, came across as a man who would look after Moscow's interests, reassuring Putin as late as January 2009 that "we [the Mongols] cannot imagine these big mining projects without Russia's participation."[31] In May of that year Putin stopped in Mongolia to offer support to Enkhbayar's re-election bid, but this untimely appearance may have hurt Enkhbayar; in any case, he was ousted, replaced by a much more Western-oriented Tsakhia Elbegdorj. In October 2009 the Oyu Tolgoi contract was awarded to the Canadian Ivanhoe Mines (now a subsidiary of the giant multinational Rio Tinto). Russian railroad services were not required: the mining site is only 80 kilometers from the border with China, where all the copper will go when the mine begins operations in 2013.

Similar problems have plagued hopes to obtain a stake in a massive Mongolian coal deposit, the Tavan Tolgoi, playing the railroad trump card. It failed when the Mongolian government announced (in July 2011) that it would not honor Enkhbayar's unclear promises of awarding the contract to Moscow (instead, it offered about a third of the contract to the Russians, while their competitors: the Chinese, and a consortium of Western companies, were also offered separate stakes). The head of the Russian Railways Vladimir Yakunin who had thought he already had the deal in his pocket, was sorely disappointed: "The Mongolian side continues to maneuver in terms of identifying the best ways to achieve their economic and political objectives, maneuvering between us, Americans, Chinese, Japanese and all the rest. Those options that are available so far do not cause us great enthusiasm."[32] From Mongolia's perspective, it makes perfect sense not to treat Russia preferentially compared to China, or vice versa. However, this basic point is often missed in Russian public discourse, based as it is on flawed assumptions about supposed loyalty to Russia. It is for this reason that the Russian media still fantasize about Moscow's imminent takeover of key economic assets in Mongolia, and the likes of Yakunin never fail to be surprised by Ulaanbaatar's maneuvers.

In Mongolia, as in Central Asia, Russia's loss is not necessarily China's gain. Here, anti-Chinese sentiments are even more rampant than in the "Stans," forestalling Beijing's efforts to court its former colony through what is called the "Third Neighbor policy" – an effort to cultivate relations with the West while playing Russia and China against each other. Fortunately for Moscow, such thinking has not yet made inroads into Central Asia, but there are fears that it may. In the meantime, continued in-fighting, for instance, over water resources, and competing pretensions to regional greatness by Kazakhstan and Uzbekistan, and, to a lesser extent, Turkmenistan, allow Moscow to play the role of the ultimate arbiter, especially since no one wants China in that role. Beijing's reluctance to antagonize Russia means that as long as Sino-Russian relations maintain a positive dynamic, China will not openly challenge Moscow's regional prerogatives. When in the 1960s China challenged Soviet influence in countries like Mongolia, this challenge followed, rather than preceded, the deterioration of bilateral relations.

Much in the same way, the Sino-Russian competition in Central Asia will not derail bilateral relations, if they are not derailed for other reasons.

Russia's Demographic Fears

According to the 2010 All-Russian census, Russia's population in the Siberian Federal District and the Far Eastern Federal District stood at 19.3 and 6.3 million inhabitants respectively, down from and 20.1 and 6.7 million in 2002.[33] Russia's relatively favorable economic climate of the 2000s failed to arrest the continued decline, especially in the "demographic desert" of Siberia and the Far East. For decades, successive Russian and Soviet governments advanced programs to entice, encourage, or force people to the East. These efforts continue but with disappointing effects. Poor climatic conditions, underdeveloped infrastructure, and high living costs frustrate plans to reverse the demographic crisis. Plagued by chronic labor and capital shortage, criminalization, and endemic corruption, Siberia and the Far East languish in economic backwardness, just across the border from the world's most dynamic economic region. These realities translate into popular fear that Russia's under-populated territories will become a target for China's "expansion." Xenophobia, racism, and apprehension of China – vehemently denied by the Kremlin but widely shared in the border regions – impede Russia's only realistic path towards regional integration.

Deputy Prime Minister Dmitrii Rogozin recently "joked" about Chinese supposedly crossing the border with Russia in "small compact groups of five million."[34] Such remarks appeal to wide segments of the population, especially in the Far East, reinforcing a siege mentality and perceptions of the so-called "Chinese threat." According to a recent poll, 56 percent of Russian respondents have a sharply negative view of permanent settlement of Chinese migrants in Russia; 35 percent believe that most Chinese visitors end up staying in Russia illegally; and 24 percent think that Beijing has a secret plan to populate the Russian Far East with Chinese migrants.[35] Xenophobia feeds on sensationalist accounts in the tabloid press, full of alarmist predictions of a silent Chinese "takeover" of Siberia and the Far East in the guise of traders and peasants. The former are lambasted for putting Russian entrepreneurs out of business; the latter are said to undermine agricultural prices with pesticide-filled vegetables. Lamenting this, Aleksandr Abalakov, who chairs a Duma subcommittee for the development of Siberia, predicted that "if we [the Russians] remain passive, we will quickly end up in the position of American Indians on a reservation. We will be fed free of charge and shown to children as representatives of endemic small nationalities, incapable of development…"[36]

Scholars such as A.G. Larin note that the extent of the Chinese immigration has been widely over-reported. More reliable estimates place the number of Chinese migrants in Russia at only 300,000-500,000 – more than the astonishingly misinformed figure of 35,000 cited by Russian Foreign Ministry officials, but only a fraction of the estimated 5-8 million foreign workers.[37] Russia is unattractive as an immigrant destination. As Gui Congyu of the Chinese Embassy in Moscow asked, "Who, among us Chinese, would want to live here?"[38] Russian visa restrictions bar long-term immigration from China. Migrants face discrimination, even violence (the Chinese Embassy advises students not to travel alone in public places), and arbitrary confiscation of property (as in the Cherkizovskii market closure in 2009 in Moscow).

The Putin-Medvedev duo repeatedly denied that China poses any sort of a "threat" to Russia, but employment of the xenophobe Rogozin as deputy prime minister highlights to what extent the Kremlin has bowed down to the populist sentiment. The imperative of boosting the population of Asian Russia has haunted many a policy maker. For instance, Sergei Dar'kin, until his recent ouster the governor of Russia's Primorskii krai, advertised plans to turn Vladivostok, which presently numbers 750,000 inhabitants, into a city of 2-3 million inhabitants.[39] Ultra-nationalist Vladimir Zhirinovskii even called for moving Russia's capital to Vladivostok to attract settlers and investors to the region. The Kremlin's approach to the population crisis has moved in circles between wishful thinking about the unrealizable demographic explosion and Soviet-era administrative policies, while de-population continues and, in the words of the leading Russian demographer Anatolii Vishnevskii, "no one knows what to do about it."[40] One possibility recently backed by former prime minister Evgenii Primakov entails opening borders with China or North Korea to encourage inward migration,[41] but even floating the prospect publicly in the Far East would cause a popular uproar.

One effort to go beyond this framework has been to develop cooperation between Northeast China and the Russian Far Eastern and East Siberian provinces. A program, covering 2009-2018, entails establishment of joint development projects on both sides of the border, primarily – as far as Russia is concerned – in the sphere of extraction of natural resources. However, there are also plans to develop the transport infrastructure and to create processing industries (to balance the trade structure). Moreover, the program makes vague references to boosting cultural and educational exchanges.[42] It was decried by Russian nationalists as a barely disguised attempt to "sell" Siberia and the Far East to China, but it is actually an important step forward in regional integration even if the three years that have passed since the announcement have shown little progress on most outstanding "joint projects." Viktor Ishaev, the presidential plenipotentiary in the Russian Far East, reported in September 2011 that only 12 (of 57) projects from the Russian part of the program have reached the stage of implementation – and these are predictably confined to the extraction of natural resources. The other projects have seemingly died a bureaucratic death. Reflecting on this, Ishaev warned of the danger of Russia becoming China's "resource appendage."[43]

There is fear in policy circles, stoked by the political imperative of appeasing popular xenophobia, about opening the border to more Chinese migrants. Past failures suggest that allowing more Chinese migrants to settle in Russia would meet vital labor needs; however, this would be deeply unpopular in Siberia and the Far East, and Putin, who treasures his nationalist credentials, cannot afford to do it. As nationalist politicians live the pipedream of multiplying the Russian population east of the Urals, immigration caps and administrative barriers impede migration across the border. In spite of increased cross-border tourism, Russia remains culturally aloof from East Asia. Assurances at the highest levels notwithstanding, China continues to be seen as an alien civilization by the European-minded Russians. In recent years, Moscow and Beijing have tried to deepen their "strategic partnership" through people-to-people exchanges, especially in education and tourism. In 2011, for instance, about 18,000 Chinese students studied in Russia (by comparison, nearly 160,000 studied in the U.S.). Only 8,000 Russian students chose China as their destination. American and British universities have rushed to set up exchange programs and campuses in China; Russia, though, has not been active. Instead, Putin, during his recent visit to Beijing, lent his authority to the harebrain scheme called the

SCO University – a quasi-alliance of sixty-five universities of the SCO member-states – which aims to promote closer integration in the educational sphere.[44] It is perhaps symptomatic of the broader structural problems in the Sino-Russian civilizational dialogue that the website of this university, ostensibly trilingual (Chinese, Russian and English) only carries updates in Russian. Chinese youth have very little interest in Russia, and the same disinterest applies to Russian youth looking at China.

Conclusion

A close reading of China-related studies produced by leading Russian think tanks reveals a view on Sino-Russian relations of remarkable internal consistency that is in marked contrast with the wide range of opinions that divide U.S. scholarship on China. There are many reasons for this. Centralization of Russia's China studies (all based in Moscow); the structural peculiarities of Russian academia, which mitigate against pluralism; and political imperatives, whereby scholars are expected to provide support to policy making – are all possible reasons. This relative homogeneity helps in summarizing the main points of this view: China and Russia have mutually complementary national interests, and no serious contradictions. Any obvious contradictions (for instance, competition over Central Asia) are dismissed as American propaganda, while deep, and probably, unresolvable structural problems of economic exchange are wished away as temporary phenomena. The bilateral relationship is characterized by equality, mutual respect, and non-interference in internal affairs; both want a "multipolar" and "democratic" world order, which, for Russian scholars and policy makers alike, has implicit or even explicit anti-Western (and, especially, anti-American connotations).

This "Russian view" also casts Moscow in the role of a leader of the new multipolar world. This may seem like a strange pretension, given Russia's economic weakness, but this leadership is not directly tied to any economic indicators. It is, instead, "moral leadership," which is similar, conceptually, to the role Britain briefly attempted to play in the post-WWII order in "leading" America. Russia's relationship with China seems to be equivalent to Britain's "special relationship" with the United States, Russia also hoping to gain extra weight on the international stage while watching jealously lest this friendly embrace undermine its traditional sphere of influence within its post-colonial domain (in Central Asia). Moscow has offered Beijing a "vision" for the future, and by claiming authorship, it has also claimed leadership in the post-Cold War world. Leading policy experts regularly talk about Russia being a "bridge" between the developing and developed world or an "intermediary" between East and West.[45] These ideas are of course nothing new – they go back to at least the nineteenth century, and the unresolved debate between the Westernizers and the Slavophiles, but there is no longer any real debate: the visionaries of Russian global leadership have occupied all the commanding heights within this mostly self-serving discourse.

Many points raised by Russian China hands are actually quite reasonable and serve as reference points in the evaluation of the alarmist Sinophobia of media pundits and nationalist politicians. However, some of this optimism for Sino-Russian relations (often peddled by the same people who, within living memory, demonized China's "great power chauvinism") is framed by ideological considerations that obscure serious problems in the relationship. Apart from various sources of tensions, noted above, the main problem with the vision is that it has yet to find any adherents outside Russia. In key respects it is similar to what Mikhail Gorbachev attempted to accomplish in the late 1980s with his pan-Asian outreach, and, before that, to Nikita Khrushchev's efforts to reconcile China and India. These efforts fell flat for lack of interest on the part of key Asian audiences. Few regional players wanted to be led anywhere by the Soviet Union, or, for this matter, by Putin's Russia. Another problem with this vision, as with earlier visions, is that it basically excludes Japan. Russia will run into difficulties in selling its grand vision to Asia, while prospects for the "special relationship" with China do not look good in the absence of a broader civilizational dialogue between China and Russia.

Viktor Ishaev, speaking about Russia's preparations for the forthcoming APEC summit in Vladivostok, claimed that "in 10-20 years the Far East will become the center of economic life of Russia. The countries of the Asia Pacific are currently undergoing a major economic boost, and the Russian Far East, in view of its geographic position, is involved in the process of cooperation with the countries of this region."[46] There is nothing new in this. For the better part of thirty years Soviet, and then Russian, policy makers, cognizant of the economic potential of the Asia Pacific, have devised plans to tap into the region's remarkable growth.

The plans failed for several reasons. First, Moscow consistently overestimated the willingness of its Asian neighbors to invest in Siberia and the Far East, especially in the absence of a solid institutional and legal framework to accommodate foreign investments, and in view of militarization (in Soviet times) and criminalization (in more recent times). Second, efforts to encourage migration to the region failed to provide enough incentives to fill the labor shortage, while regional migration (especially from China) remains politically unacceptable. Finally, not enough is being done to promote closer integration with Asia (even China) in social and cultural terms. An effective strategy has been replaced by general statements about the need to have exchange with China – something that could have perhaps worked in the 1950s in the context of the Sino-Soviet friendship societies but not now when much deeper contacts are required. Visa barriers are slowly being removed, but mainly for government bureaucrats travelling on official business. More Russians than ever are learning Chinese and other Asian languages, but opportunities for doing so in secondary education are still extremely limited. Xi Jinping's praise during his March 2013 visit for Russian Sinologists as the best in the world does little to conceal the dilapidated, underfinanced state of China studies in Moscow, to say nothing of the provinces. Even as political relations prosper, the basis for deep, long-lasting Sino-Russian engagement is patently absent.

If this is to change, China must take a more proactive role in encouraging a change of attitudes in Russia. China should exercise leadership and vision, and commit much greater resources, to developing a cultural dialogue with its northern neighbor, for instance, by removing visa restrictions, encouraging permanent settlement of Russians in China (at the moment, administrative barriers that impede such settlement are astounding), offering many more scholarships to Russian students, and helping to create cross-border communities. China has become the "elder brother" of Asia, and it has to live up to this role. This includes greater care in economic dealings with Russia, avoiding the impression of "cheating" the Russians out of their fair share through unduly zealous price negotiations or geopolitical games in Central Asia, which leave Moscow in a state of growing insecurity.

The Sino-Soviet alliance failed because it was intrinsically unequal. China, under the leadership of Mao Zedong, was unwilling to remain in the role of "younger brother," and Moscow, in turn, was unwilling to recognize China as an equal partner.[47] In their eyes, China was a junior partner: backward, technologically unsophisticated, a far cry from the superpower that the Soviet Union was. Today (despite the mutual assurances of equality), it is Russia that is the junior partner, increasingly backward and unsophisticated, especially when it comes to the vast expanse of Siberia and the Far East. Although China has been careful to defer to Russia on occasion (for instance, in the UN Security Council), Moscow is ambivalent about its powerful neighbor. The Sino-Russian relationship today is not an alliance, but, as a partnership, it has become increasingly unequal. Greater efforts are required to redress the imbalance lest this partnership suffers the fate of the defunct Sino-Soviet alliance.

Endnotes

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ASIA'S UNCERTAIN FUTURE: KOREA, CHINA'S AGGRESSIVENESS, AND NEW LEADERSHIP

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