

# The Russia-China Relationship and the Russian Far East

Written by Richard Rousseau, Contributor | 20 February 2013



Historically, Russia-China relations have been characterized by long periods of mistrust, interspersed with bouts of anger, fear, resentment, and at times even open hostilities. During the Soviet period, Moscow and Beijing were, for the most part, able to present a superficial front of friendship based on a common communist ideology. Yet, despite their past differences—at times irreconcilable—the two countries are now cooperating and could even become ‘bedfellows’ again, a development that would be perceived as rather alarming by many Western analysts.

The two countries mostly cooperate in areas where both countries have competitive advantages, including trade in energy resources, sales of weapons, and technology transfer. While China is making great strides in achieving superpower status, Russia continues to struggle to regain the old Soviet Union’s importance, both on a regional and an international level. Both countries try to make the most of their now multi-faceted cooperation, with the ultimate goal of threatening the global hegemony the U.S. has enjoyed, relatively unchallenged, for the last fifteen years.

But the relationship is encumbered by constraints and clashing geopolitical interests. The Russian Far East is making its own independent economic strides and has thus achieved considerable autonomy of action. This has caused some teeth-grinding on both sides, and not only due to the border issues between the two countries. Four deep-seated questions must be asked about the Russia-China Relationship and the Russian Far East development.

First, what effect, if any, will a strong relationship between Russia and China have on global politics?

It would be an overstatement to claim that Russia and China have developed a “strong” relationship. Many potential frictions exist between Moscow and Beijing. Nonetheless, both countries could benefit immensely from wider and deeper economic cooperation. China offers Russia economic opportunities in the energy and raw material sectors. Russia’s steady and impressive growth over the last 10 or 15 years has been driven by substantial raw material exports to China, and Beijing is constantly searching for reliable partners to supply it with a wide range of natural resources in support of its business sector. Such partnerships are vital for China’s current and continued

economic growth, and Russia is considered almost the perfect partner to fulfil this objective. In that context, old and new suspicions and disputes are sidetracked and virtually forgotten. However, they could quickly reappear, and some have effectively surfaced in recent Russia-China relations.

It is unlikely that the Russia-China partnership will have a sustained influence on global politics. Many reasons can be cited to come to this conclusion: Their respective cultures differ greatly; their interests in Central Asia will sooner or later clash; East Siberia is potentially a flash point; and China's military build-up is frightening Moscow. Hence, these two countries cannot, in the long run, define and share a common view in terms of their foreign policy objectives. It is likely impossible for them to find common ground on the issue of legitimacy of foreign military intervention on the territory of sovereign states, as both have ethnic groups which want to break away from Chinese and Russian territories, ostensibly under the cover of self-determination.

As to energy and mineral resources, again Russia and China have not been successful in their joint negotiations. This is mostly because Moscow's asking prices are too high, given that Beijing has the possibility to obtain what it needs from other energy producers on highly competitive and secure terms.

Meanwhile, China is in a position to formulate strategies which can downsize the level and continuity of its Russian fuel imports; all the while the Kremlin is increasingly fearful of losing many potential energy contracts with China. The latter has been investing vast amounts of money in the Kazakhstani energy sector, thus increasing its political and economic influence in Central Asia's energy market. These investments are part of China's larger strategy of investing abroad, especially in oil, mining, and other natural resources. For instance, in September 2009 an energy partnership between Venezuelan President Hugo Chavez and China, worth \$16 billion, was announced.

China is already looking for new partners on the horizon in its constant quest for energy and other extractive resources from reliable and trusted partners.

Second, in what way is the relationship between China and Russia more significant than an ordinary trade relationship?

The ongoing political relationship evokes different and often contrasting viewpoints. The development of the Russia-China relationship was driven primarily by their similar objective of countering the United States' growing influence in Central and East Asia. The reinvigoration of China-Russia relations resulted from a strong desire to balance decision-making in a multipolar world. In some quarters, however, it is believed that Russia is trying to emulate the so-called Chinese political model. Many pundits and political leaders, for good reasons, disagree with that contention, as the differences between the two countries greatly outnumber the similarities. In China, the Chinese Communist Party (CCP) tasks itself with the preservation of China's national interests. In Russia, United Russia (Edinstvo), Putin's political party, is above all a vehicle for the preservation of the business interests of the post-Yeltsin oligarchy.

Another difference is noted in the attitude towards the media. In China, a strict censorship is imposed over all media types, most notably the internet. In comparative terms, the Russian government is more "liberal" in its approach to freedom of speech. As in the Soviet period there are still taboo subjects, but Russians are allowed, even under Putin, to discuss and debate social and political issues from all points on the political spectrum.

Russians were disappointed at the failure of the West to stabilize the Russian financial system in the 1990s during the flurry of corruption scandals. Consequently, Russia does not now seek help or “interference” from the West in its own affairs, whether in terms of economic reform or democratic development. Russians are now very cynical about attempts to promote democracy in their country using foreign templates. Any such effort is often perceived as opportunistic, and in many ways, simply hypocritical and counterproductive.

Russians consider that the best way to promote positive development in Russia is to integrate Russian society into the broader European system. Moreover, there are many telltale signs—such as the tens of thousands of Russians now visiting, or studying in, Europe—that an embrace of European values is now in full swing. If Russian society continues to follow this path, new development opportunities will be opened which could lead to greater integration and relative equality with the West. There is obviously no guarantee that we will see more democracy in Russia any time soon. However, the present situation is better than the alternative—a return to a Soviet-style political system or the large scale “asianization” of Russia.

Third, will China’s geographic proximity to the Russian Far East cause an increasing regional divide in Russian politics?

China’s geographic proximity to the Russian Far East is definitely causing a regional divide in the Russian political landscape.

Moscow wants to regulate the “bottom-up regionalization” that has developed throughout the 1990s and 2000s, especially in the Russian Far East. Russia’s policy consists of delineating the territories under the regular jurisdiction of the Russian Federation in order to limit the economic impact of neighboring countries, especially China.

The policy is not about restricting the foreign presence, but rather to prevent bordering states from establishing market monopolies in the Russian Far East. Thus, good neighborly relations have not prevented Moscow from pursuing a “sovereignization” policy along the eastern margins of the Russian Federation. Moscow simply wants to regain control over these transborder areas, and to reverse the apparent “regionalization.” Regional business leaders have effectively been able to take into their hands much of what Moscow wants to control. It is only natural that the central government, in reaction, seeks to establish its sovereignty in order to maintain its supremacy and oversight along the Russian borders.

This effort is apparent in the introduction of protectionist measures which are intended to favor domestic production over imported products. In 2006 and 2007, the Federal Customs, for instance, limited cross-border entries from China and imposed new weight limitations and import restrictions on Chinese products.

The ramifications of the so-called “sovereignization” of the region, however, are that new security dynamics have developed within the economic sector on the Russian side of the border. This is made clear by the fact that the Federal authorities seek to regulate the activities of internal economic actors who are involved in cross-border trade. The new security measures were introduced by the Russian Federal Security Service (FSB) not only as a matter of trade policy but also of national security. For example, some border areas have been demarcated in Russia’s border regions, so that a transit pass is now required to travel and transit in these areas. In Primorsky Krai, throughout the

2000s, the regional government expressed its disapproval of such a policy, claiming that it was likely to harm regional economic development, including the tourism sector.

Moscow also tries to put the brakes on the development of Russian-Chinese economic zones in the Blagoveshchensk region, which is located near the Amur region and Pogranichny (Primorsky Krai). On the Russian side, these small territories are still in an embryonic stage in terms of economic development. But on the Chinese side of the border, another policy is being pursued. Beijing is steadily encouraging regional economic development and greater integration with Russian markets to enhance two-way trade, not only in terms of the import of raw materials but the sale of Chinese value-added goods to Russia as well.

Fourth, and finally, what impact will China's growing wealth and influence have on demographics of the Russian Far East?

Current demographic trends in the Far East are worrying for Russian power projection capability. In 1991 the Far East was inhabited by 14 million Russians. In 2011, twenty years later, there were approximately 6.5 million Russians living in this vast region. Controls on population movement were lifted after the break-up of the Soviet Union, which resulted in the better-educated Russians leaving the region.

This trend is even more dramatic for Russia because those leaving the region are from the younger generation, meaning that among the remaining residents very few are of childbearing age. Meanwhile, the Russian government claims that each year over 100,000 foreign migrants move into the Russian Far East, 90 percent of these being Chinese. Since 2010, about 300 Chinese have crossed the border each day looking for work.

If these trends continue, the demography of the region will gradually resemble that of the nineteenth century, when ethnic Russians were in the minority. The lack of adequate infrastructure perpetuates poverty and affects community well-being. Only one railway line connects the Far East to western Russia and the power generation throughout the Far East region is minimal.

Chinese direct investment in Eastern Russia will not encourage Russians to migrate back to the eastern oblasts in great number. Russians have more inclination towards European culture than Chinese or Asian culture. They want to live the good life and will not find it in the Far East.

The low-level of development in the Russian Far East, which increases its vulnerability, compels the Kremlin to cooperate with China in that region and on the world stage.

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