



RUSSIA/CHINA: Continuing ambivalence

Event: Vladimir Putin hosted Chinese president Hu Jintao for a three-day summit on 26-28 May.

Significance: The purpose of the summit was chiefly symbolic – to reaffirm the closeness of Russia-China relations. International political issues dominated the agenda, although the conclusion of a USD 150 billion oil agreement signalled a commitment to invest the ‘strategic partnership’ with greater economic substance.

Analysis: Hu Jintao’s visit to Russia was his first overseas trip since taking over from Jiang Zemin as Chinese president. Both leaders seized on this as proof that the two countries enjoyed ‘relations of partnership and strategic interaction’. As Hu put it, he and Putin were ‘taking up the baton’ in developing ties to a new level, building on the Treaty of Good Neighbourliness, Friendship and Cooperation signed in July 2001.

Even by the standards of past summits, the latest meeting was large on rhetorical flourish with comparatively little policy substance. Unusually, no major intergovernmental agreements were signed. International political issues featured prominently in the joint statement and the presidents’ press conference, in particular the theme of the UN’s primacy in international conflict resolution. There were references to a multipolar world and the ‘democratization’ of international relations, while much was made of the two countries’ likemindedness on a broad range of issues: the menace of international terrorism; post-conflict settlement in Iraq; stability in Central Asia; security on the Korean peninsula; and the importance of state sovereignty and territorial integrity.

The most significant policy development during the visit occurred at its margins. On 29 May Russia’s largest oil company, Yukos, signed a USD 150 billion deal with the China National Petroleum Corporation (CNPC). Under the agreement Yukos will export around 700 million tonnes of oil during 2005-2030 through a pipeline that will run from the Angarsk oil field in eastern Siberia to the northern Chinese port of Daqing. According to Yukos CEO Mikhail Khodorkovsky, the contract will supply around 10 per cent of China’s oil requirements. The agreement followed through on the commitment in the Putin-Hu declaration to expand bilateral trade (estimated by Putin at around USD 22 billion), focusing especially on the energy sector.

Symbolism over substance: For Russia the Hu visit served several purposes:

- (i) to provide a platform for the Kremlin to make its point about the primacy of the UN (i.e., the Security Council) in international affairs. With recent talk centring on reconciliation with the United States, Putin was anxious not to give the impression that Moscow had simply folded to American force majeure over the UN’s role in Iraq and beyond;
- (ii) to reassure China that Moscow remains committed to a ‘multi-vector’ foreign policy, despite recent statements that Russia is part of European and Western civilization. The Hu visit was timed to dilute the overwhelmingly Western flavour of the 300th anniversary celebrations of St Petersburg and other key summits

- taking place at this time (with the EU and the United States, and the G-8 gathering at Evian). In a more strategic sense, it was important for Putin to convey the message that the post-11 September rapprochement with Washington did not imply any diminution in the priority of close ties with Beijing;
- (iii) to demonstrate to a Western audience that Moscow is not exclusively bound by its interests with the United States and the major European powers. The Hu visit offered an occasion to highlight Moscow's globalist (and 'independent') perspective; Russia may no longer be a superpower, but neither is it a bit-player content to fulfil the circumscribed roles that the West is wont to assign it;
 - (iv) to 'correct' the impression that Russia-China relations are largely pomp and circumstance. Expanding bilateral economic cooperation is not only important for its own sake, but also to give fresh impetus to the overall relationship. It was time to move on from the old mantras about likemindedness on international politics and translate commercial promise into tangible achievement;
 - (v) to take advantage of the first overseas trip of China's new president, a man of a similar businesslike disposition to Putin, in order to 'open a new page' in relations. Although Hu is some years older than Putin, both leaders nevertheless symbolize a generational and attitudinal shift in their respective countries.

The outlook: Despite the best efforts of the two leaders to talk up the relationship, the summit was ultimately an exercise in papering over cracks, real and potential. The repeated reaffirmation of close ties appeared somewhat forced, while the heavily politicized nature of the joint presidential statement suggests that the importance of this 'strategic partnership' remains more instrumental than intrinsic. Although Putin has attempted to invest the relationship with greater substance, the Iraq war has revived the bad old habits of the Yeltsin years when the Kremlin viewed China principally as a makeweight in its dealings with the West.

Worryingly for both sides, there is considerable potential for widening differences. A broad spectrum of the Moscow establishment views China as the major long-term threat to Russia. For the time being, this unease is alleviated by a convergence of specific security perceptions – in relation to American 'hegemonism', secessionist tendencies in Chechnya and Xinjiang, international terrorism, 'strategic stability' and opposition to American missile defence plans. But for many in the Putin administration the 'China threat' remains real, whether in the form of 'illegal migration' into the Russian Far East, strategic competition in Central Asia, a modernized and assertive People's Liberation Army, or in the concern that Chinese economic growth (and potential) considerably exceeds Russia's.

Such fears and prejudices are likely to be increasingly aired as Russia moves to mend relations with the United States following the end of the Iraq war. Although Putin has striven to be 'good friends with all', the crisis exposed the limitations of his positive-sum approach to international relations. A renewed phase of Russia-US rapprochement could therefore have major implications for Moscow's ties with Beijing. It is interesting in this connection that there was no mention of China (or Asia) in Putin's state of the nation address of 16 May – the key statement of Russian domestic and foreign policy.

Some of the specifics of the economic relationship are also problematic. On the plus side, there is room for growth. Beijing is looking to diversify its energy sources, while Moscow needs to export oil and gas for commercial reasons and to integrate itself into the Asia-Pacific region. The Yukos-CNPC deal exemplified this complementary interest. There are also opportunities in areas such as commercial space ventures and interregional cooperation. But a number of dangers threaten. As Putin and Hu admitted in their joint statement, the expansion of commercial ties depends on

continued economic growth in Russia and China – an uncertain prospect given the impact of SARS and Moscow's reliance on high oil prices. Another source of vulnerability is the extent to which the economic relationship is shaped by political factors. Since Chinese investors are only marginally interested in the Russian market, the intergovernmental relationship is crucial to maximizing the potential of long-term energy and infrastructural projects, not to mention such traditional spheres as arms sales.

None of this is to suggest that the Russia-China relationship is under early threat. Putin recognizes that it is an essential component of a functional Russian foreign policy, especially in the area of national security. The emergence of Hu Jintao in place of the Soviet-educated Jiang Zemin could also facilitate the transformation of the old-style 'friendship' into one that is more practical in focus, driven by powerful economic interest instead of abstract and often insincere notions of 'strategic partnership'. But for this to occur will require a revolution in attitudes in which both sides move beyond identifying common interests to eliminating long-held strategic and cultural stereotypes about one another.

Conclusion: The Putin-Hu summit was principally important as a demonstration of Russian-Chinese solidarity in the aftermath of the Iraq war. Although important business was transacted, symbolism outweighed substance. The future of the relationship is unclear: important reciprocal interests and committed leadership in Moscow and Beijing may not be enough in the face of enduring historical suspicions and the competing allure of the West.