US Shadow over China-Russia Ties

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By M K Bhadrakumar

[In recent weeks Japan Focus has highlighted tensions in the US-China relationship, notably Richard Tanter's account of The New American-led Security Architecture in the Asia Pacific (japanfocus.org/products/details/2385) and Paul Rogers' The United States, China and Africa (japanfocus.org/products/details/2387). M K Bhadrakumar's geostrategic analysis approaches the issues from an alternative perspective which highlights the weakness of the China-Russia relationship, and a comprehensive deepening of US-China ties. Japan Focus.]

On March 22, even as Chinese President Hu Jintao was preparing to leave on a state visit to Russia, an unusual visitor arrived in Beijing. Marine General Peter Pace, chairman of the US Joint Chiefs of Staff, was embarking on a four-day official tour of China.

Chinese President Hu Jintao attends the welcoming ceremony hosted by US President Bush, April 2006.

Beijing lost no time signaling how pleased it was over the latest indication of the warming ties between the armed forces of the two countries. Receiving Pace within hours of his arrival, Guo Boxiong, vice chairman of the Central Military Commission (CMC), China's top military authority, said, "The current China-US military ties are not easy to come by, thus the two sides should treasure it." Guo ranks second to chairman Hu in the 11-member CMC.

But no less lacking in political symbolism was the immaculate timing of the announcement by US computer-chip giant Intel on Monday, even as Hu was arriving in Moscow, that it would build a US$2.5 billion semi-conductor plant in Dalian, China's northeastern port city.

China secured the bid in the teeth of competition from India and Israel. The Intel plant, expected to become operational in 2010, is expected to provide jobs, training, logistics and other services worth $15.4 billion to China's backward Liaoning province. It will use 90-nanometer technology, an advanced method of computer-chip-making, which will overnight catapult China on to the cutting edge of the global semiconductor-manufacturing industry.

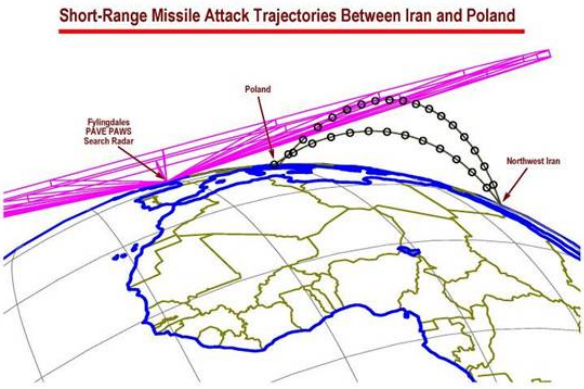
If timing has a place and meaning in diplomacy, the two developments in Beijing over the weekend provided an apt scene setter for Hu's state visit to Russia on March 26-28.

China's foreign-policy priorities are moving further away from the heyday of the Sino-Russian strategic partnership circa 2006. The triangular equations involving the United States, China and Russia are once again casting shadows on the Moscow-Beijing axis. To what degree Washington has engineered this shift in Beijing as a matter of its geostrategy for the New American Century it is hard to tell, but it coincides with the 35th anniversary of the late US president Richard Nixon's path-breaking visit to China.

In Beijing, at least, as the People's Daily commented recently, "Nixon's handshake of 35 years ago continues to be felt as China and the United States continue to explore new possibilities for their relationship in a vastly

different world."

Indeed, no sooner than Hu concluded the last leg of his visit to Russia, and emplaned for Beijing from the Tataristan capital Kazan, US President George W Bush put a telephone call through to the Kremlin. Bush conveyed to President Vladimir Putin that Washington is ready to discuss in detail US plans to deploy parts of its missile-defense system in Central Europe. Bush and Putin agreed that Washington and Moscow should hold regular dialogue on this contentious issue in US-Russian relations at all levels.
Bush would have noted that the exhaustive Russia-China joint statement issued in Moscow on Monday after Hu's talks with Putin at the Kremlin failed to refer to the single most critical issue affecting Russian foreign policy at the moment, namely the US plans regarding the deployment of its missile-defense system.



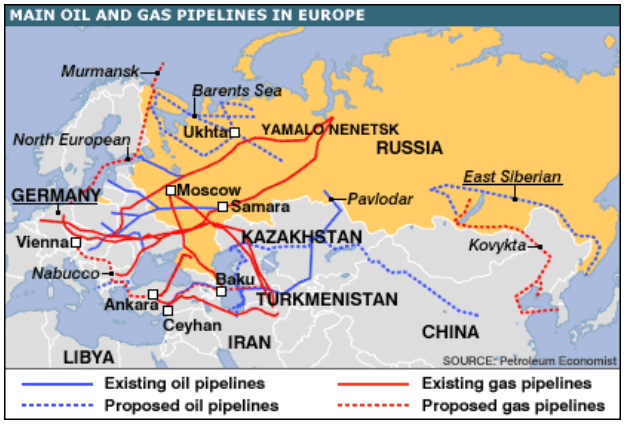
The Kremlin also seems to realize the limits to the Russia-China strategic partnership by choosing to release in Moscow its long-awaited "Russian Federation Foreign Policy Survey" on Tuesday when Hu was still on Russian soil. Moscow was all but suggesting that there is life beyond Chinese friendship for Russia's foreign policy.

On the missile-defense controversy, the Russian foreign-policy document says, "The appearance of a US missile-defense base in Europe would represent a reconfiguration of America's military presence in Europe and the formation of a strategic component that could negatively affect Russia's nuclear deterrent potential." Yet on such a crucial issue affecting Russian interests (and world peace), while major European countries have spoken out, China keeps mum.

Energy cooperation

Arguably, Hu's state visit to Russia should have taken place once the incipient transition of the contemporary stage of world development gained clarity. But then the visit was linked to the time-bound gala Moscow opening of the "Year of China in Russia" on March 28, and it had to be dutifully undertaken. Beijing did the next best thing under the circumstances by thrusting the economic content of Sino-Russian relations to the forefront of Hu's agenda in Moscow.

But even then there wasn't much to showcase. An energy deal for increased Russian supplies by 3 million tons of oil to China via the Naushki border checkpoint was billed as a key agreement to be signed during Hu's visit. The deal is important as Russia's performance in energy cooperation has been sagging. Russia contracted to supply 15 million tons of oil to China in 2006, but managed to supply only 10.3 million tons.



But for reasons unclear, the signing of the agreement was put off "indefinitely" at the last minute. Energy cooperation was thought to be a core sector of the Russia-China strategic partnership. Is it becoming a raw nerve? China is peeved that a Russian priority is for the Western market. Russia is stubbornly rebuffing China's bid to establish a significant presence in its oil industry and is also going slow in translating into practice the promise of building an East Siberian pipeline for transporting oil to Asia-Pacific

countries, including China.

China harbors worries about energy cooperation with Russia. Beijing closely watched the ramifications of the Russia-Belarus standoff in January. Chinese commentaries carefully studied how European consumer countries reacted to the standoff. It wasn't lost on China that the European Union suffered badly in the Russia-Belarus oil row. Russia's image and credibility certainly took a beating. Chinese commentators took note that dependence on foreign energy has its pitfalls, especially over-dependence on a single source. They assessed that energy security wasn't after all a purely economic issue. Most important, they saw how intrinsically tied Russian foreign policy is to its energy exports. (And Belarus was one of Russia's closest allies.)

A Chinese commentator noted, "From the perspective of energy security, European countries should diversify energy import channels and expand imports from the North Sea, Middle East and Central Asian countries to lessen their dependence on Russian energy." He could as well have been spelling out an energy-security strategy for China. Conceivably, China increasingly finds its interests converging with the energy policy of the European countries (and the US) as regards reducing dependence on Russia, diversifying energy supplies, exploring alternative energy resources, and seeking better energy conservation methods.

Obstacles in the strategic partnership

Russia, on its part, is uncomfortable with the idea that it is becoming a raw-material supplier for the Chinese economy while exports of its manufactured goods are steadily declining. China resents the fact that advanced military technology that Russia readily shares with India is held back from China. It is not uncommon for Russian media to discuss the perils of Chinese migration into Russia's vast, vacant spaces in Siberia and the Far East. The average Russian's perceptions of China leave a lot to be desired. They consider Russia's destiny to be linked to Europe.

Hu told the Russian media ahead of his visit to Moscow that Beijing sees 2007 as a "significant period" in China-Russia relations. He said that as the two countries enter their second decade of relations of partnership and strategic interaction, a qualitatively new stage is commencing. On Monday, during talks with Putin, Hu developed this theme.

Chinese media reported that Hu made "several proposals" in the direction of enhancing the two countries' strategic partnership. First, Hu told Putin, both countries should become "sincere political partners of mutual trust". Second, they must view their bilateral relationship as a "priority in each other's foreign policy". Third, they must "enhance support on issues concerning each other's core interests".

Fourth, mutual benefit and a long-term perspective must characterize their economic cooperation. Fifth, Hu stressed that the two countries should "help each other in security cooperation, strengthen strategic security cooperation ... push forward security cooperation within the framework of the Shanghai Cooperation Organization, maintain regional security and stability".

Finally, Hu proposed, China and Russia should "cooperate closely to promote a multipolar world, maintain strategic balance and stability in the world, cement consensus, eliminate disputes and conflicts, and contribute to world peace, stability and development". We do not have an account yet from Moscow as to how Putin responded to Hu's "proposals", but from what Hu said, the Achilles' heel in the Russia-China strategic partnership becomes self-evident - an overall trust deficit in relations and divergent foreign-policy priorities.

But Hu sidestepped the central issue that lies

right across the path of the China-Russia strategic partnership, which is that Moscow is watching with dismay as China shifts gear to a more mature, confident and predictable relationship with the United States at a juncture when Russia's own relations with the US have plunged to their lowest level in the post-Cold War era and are possibly in a state of deep chill.

Washington's differentiated policy

Without doubt, Washington has in recent months pursued a differentiated policy toward Russia and China. The aggressive manner in which it seeks the rolling back of Russian influence in the post-Soviet space is completely lacking when it comes to China's lengthening shadows in Asia (or Africa and Latin America). Washington could be calculating that the differentiated approach puts added pressure on Russia and holds the potential to "isolate" Moscow incrementally.

But there is a world of difference between the respective approaches of Moscow and Beijing in countering the US policy of containment toward them. China is also an engaging partner. Russia may be an energy superpower, while China has much more to offer. China has succeeded in developing levers at the bilateral level to influence US policy, whereas Russia lacks any such trump card in real terms.

Russia is still negotiating the terms of engagement with the US. A Chinese scholar recently likened the US-China relationship to a coin with cooperation on one side and competition on the other. He claimed, "It is up to Washington to decide which side of the coin it wants up." Also, unlike Russia, China has largely succeeded in creating a friendly external environment in its immediate neighborhood that preempts any US design to build an arc of containment.

Besides, the core issue with regard to Russia is the latter's integration with the Western world and the conditions under which that might be possible. An added complication is that the United States' own leadership of the Euro-Atlantic community happens to be in a state of transition. The European project itself faces an uncertain future. Naturally, China's "threat perceptions" of North Atlantic Treaty Organization expansion or US missile-defense deployments are nowhere near as acute as Russia's. For Beijing, they sound like distant drums, whereas for Moscow they are palpably near-term issues of concern directly impacting on its core concerns and vital interests.

On balance, China draws satisfaction that the "shock-absorbing capacity" of Sino-US relations has steadily increased, and is very substantial already. China is intensely conscious that it holds more than $200 billion worth of US Treasury bonds. As a top researcher in the China Institute of Contemporary International Relations recently put it, "China helps balance the United States' budget deficit in an astronomical way. A conclusion can, therefore, be drawn that the United States very much needs China economically."

The researcher audaciously went on to speculate on the efficacy of a Group of Two to replace the largely ineffectual Group of Eight. "Indeed, the Chinese and US economies, as the twin engines powering the world economy, are supposed to shoulder more responsibilities for setting the 'roadmap' and 'traffic rules' for the development of the global economy and trade," he argued.

US-China relations forge ahead

Commenting on the first session of the Sino-US strategic economic dialogue in Beijing last December, Yuan Peng, a leading Chinese scholar specializing in US-China relations, wrote that Bush's dispatch of a dozen or so officials of cabinet rank to the summit implied that "Sino-US relations have stabilized and have moved forward", and that the two countries have equally become "responsible stakeholders" in the

relationship.

Again, a senior researcher with the Institute of American Studies at the Chinese Academy of Sciences captured the new mood in Beijing when he wrote in early January, "The Sino-US relationship is moving beyond the bilateral scope to cover regional and global security and economic matters. Exchanges at various levels and between diverse sectors, trade and economic cooperation in particular, are going ahead in a big way. By all accounts, the two countries share more interests and are becoming increasingly dependent on one another strategically and economically."

Beijing and Washington are on the same page over the North Korea nuclear issue, in pressuring Iran to give up its uranium-enrichment program, on the imperative need of stabilizing Iraq, and in shoring up the stability of the pro-Western Arab regimes in the Middle East. Ironically, even as Putin was berating the US for its hegemonistic ambitions in global politics at the Munich security conference in February, Chinese commentators were discerning "subtle changes" in US foreign policy moving away from the doctrine of neo-conservatism, and were welcoming the "pragmatism [that is] beginning to prevail in the White House".

Interestingly, a senior Chinese diplomat, Wang Yusheng, writing in the official China Daily, adopted a patronizing attitude toward Putin's speech. Wang noted that US officials shrugged off Putin's "stinging broadside ... indicating that the US had no Cold War intentions and neither should Russia".

Wang commented with icy objectivity that "it is very hard to reconcile the two countries' [US and Russia] core interests and orientation" but all the same they need to cooperate on international security issues. To be sure, China would like to keep a safe distance from what the China Daily recently called "unpredictable US-Russia relations, manic and illusive". Hu's visit to Moscow exposed that the Sino-Russian strategic partnership has a Teflon coating. And the best they can do is to seek a positive interaction or a new type of relationship characterized by mutual benefit, which allows each side to secure its national interests while respecting those of the other.

A recent article in the China Daily dwelt at length on the nature of big-power politics in the post-Cold War era. It said bilateral ties are "healthy" when no third country is targeted and when the "imperative" is kept in view that a country primarily secures its own national interests while respecting those of others. Thus, "There will be competition alongside cooperation and conflicts alongside compromises. Cooperation must be based on sincerity and trust while compromise should be appropriate and disputes should never be allowed to grow into confrontation." From this perspective, the newspaper described China-Russia relations as "a harmonious relationship with unique characteristics".

"The two countries [China and Russia] are close without having to rely on each other. They protect their own dignity with no intention to subvert the other; they manage to resolve conflicts of interest through negotiations on an equal footing ... and they are both keen on developing bilateral ties with the US, the only superpower in the world today, while opposing unilateralism," it added.

The wrangling that lies ahead in Russia-China relations can be kept to a minimum if the two countries get used to their divergent foreign-policy priorities. Fortunately for them, as the China Daily assessed recently, their relationship has "more positive than negative factors".

M K Bhadrakumar served as a career diplomat in the Indian Foreign Service for more than 29 years, with postings including ambassador to Uzbekistan (1995-98) and to Turkey (1998-2001).

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