NAVAL POSTGRADUATE SCHOOL

MONTEREY, CALIFORNIA

THESIS

SINO-RUSSIAN RELATIONS IN THE TWENTY-FIRST CENTURY: PROSPECTS AND ISSUES

by

Daniel W. Harkins

September 2010

Thesis Advisor:	Alice L. Miller
Second Reader:	Mark Chakwin

Approved for public release; distribution is unlimited

THIS PAGE INTENTIONALLY LEFT BLANK

REPORT DOCUMENTATION PAGE			Form Approved OMB No. 0704-0188
Public reporting burden for this collection of information is estimated to average 1 hour per response, including the time for reviewing instruction, searching existing data sources, gathering and maintaining the data needed, and completing and reviewing the collection of information. Send comments regarding this burden estimate or any other aspect of this collection of information, including suggestions for reducing this burden, to Washington headquarters Services, Directorate for Information Operations and Reports, 1215 Jefferson Davis Highway, Suite 1204, Arlington, VA 22202-4302, and to the Office of Management and Budget, Paperwork Reduction Project (0704-0188) Washington DC 20503.			
1. AGENCY USE ONLY ***(Leave blank)***	**2. REPORT DATE** September 2010	**3. REPORT TYPE AND DATES COVERED** Master's Thesis	
4. TITLE AND SUBTITLE: Sino-Russian Relations in the Twenty-First Century: Prospects and Issues		**5. FUNDING NUMBERS**	
6. AUTHOR(S) Daniel W. Harkins			
7. PERFORMING ORGANIZATION NAME(S) AND ADDRESS(ES) Naval Postgraduate School Monterey, CA 93943-5000		**8. PERFORMING ORGANIZATION REPORT NUMBER**	
9. SPONSORING /MONITORING AGENCY NAME(S) AND ADDRESS(ES) N/A		**10. SPONSORING/MONITORING AGENCY REPORT NUMBER**	
11. SUPPLEMENTARY NOTES The views expressed in this thesis are those of the author and do not reflect the official policy or position of the Department of Defense or the U.S. Government. IRB Protocol number _____.			
12a. DISTRIBUTION / AVAILABILITY STATEMENT Approve for public release; distribution is unlimited		**12b. DISTRIBUTION CODE**	

13. ABSTRACT (maximum 200 words)

This thesis analyzes major aspects of Sino-Russian relations during the first decade of the twenty-first century. It has two main objectives. First, it provides a more detailed understanding of Sino-Russian relations as they pertain to the dynamics affecting the relationship in the Russian Far East (RFE), the formation and evolution of the Shanghai Cooperation Organization (SCO), and Sino-Russian trends and dynamics regarding arms sales. This endeavor is accomplished by a detailed historical analysis of the background and developments over the past decade as they relate to each subject area.

In addition, relevant examples or cases have been provided to amplify the analytical value in each area. This historical analysis will assist with constructing the second, more important objective of this research: To identify the general themes and trends that permeate each aspect of Sino-Russian interactions analyzed in order to decipher the substance of the relationship, and how it is maintained, under the current state of affairs. Identifying these will allow for a more cogent projection of short- and long-term prospects for Sino-Russian relations as they move forward in the twenty-first century.

14. SUBJECT TERMS Russia, China, Strategic Partnership, Sino-Russian Relations, Arms Sales, Shanghai Cooperation Organization, Russian Far East, People's Liberation Army. Military-Technical Cooperation.			**15. NUMBER OF PAGES** 111
			16. PRICE CODE
17. SECURITY CLASSIFICATION OF REPORT Unclassified	**18. SECURITY CLASSIFICATION OF THIS PAGE** Unclassified	**19. SECURITY CLASSIFICATION OF ABSTRACT** Unclassified	**20. LIMITATION OF ABSTRACT** UU

NSN 7540-01-280-5500 Standard Form 298 (Rev. 2-89)
Prescribed by ANSI Std. 239-18

THIS PAGE INTENTIONALLY LEFT BLANK

Approved for public release; distribution is unlimited

SINO-RUSSIAN RELATIONS IN THE TWENTY FIRST CENTURY: PROSPECTS AND ISSUES

Daniel W. Harkins
Lieutenant, United States Navy
B.S., West Chester University, 2000

Submitted in partial fulfillment of the
requirements for the degree of

**MASTER OF ARTS IN SECURITY STUDIES
(FAR EAST, SOUTHEAST ASIA, PACIFIC)**

from the

**NAVAL POSTGRADUATE SCHOOL
September 2010**

Author: Daniel W. Harkins

Approved by: Alice L. Miller
Thesis Advisor

Mark Chakwin
Second Reader

Harold A. Trinkunas, PhD
Chairman, Department National Security Affairs

THIS PAGE INTENTIONALLY LEFT BLANK

ABSTRACT

This thesis analyzes major aspects of Sino-Russian relations during the first decade of the twenty-first century. It has two main objectives. First, it provides a more detailed understanding of Sino-Russian relations as they pertain to the dynamics affecting the relationship in the Russian Far East (RFE), the formation and evolution of the Shanghai Cooperation Organization (SCO), and Sino-Russian trends and dynamics regarding arms sales. This endeavor is accomplished by a detailed historical analysis of the background and developments over the past decade as they relate to each subject area.

In addition, relevant examples or cases have been provided to amplify the analytical value in each area. This historical analysis will assist with constructing the second, more important objective of this research: To identify the general themes and trends that permeate each aspect of Sino-Russian interactions analyzed in order to decipher the substance of the relationship, and how it is maintained, under the current state of affairs. Identifying these will allow for a more cogent projection of short- and long-term prospects for Sino-Russian relations as they move forward in the twenty-first century.

THIS PAGE INTENTIONALLY LEFT BLANK

TABLE OF CONTENTS

THIS PAGE INTENTIONALLY LEFT BLANK

LIST OF ABBREVIATIONS AND ACRONYMS

ASEAN	Association of Southeast Asian Nations
CCP	Chinese Communist Party
CIA	Central Intelligence Agency
CIS	Commonwealth of Independent States
CNPC	China National Petroleum Corporation
CPSU	Communist Party of the Soviet Union
CSTO	Collective Security Treaty Organization
ESPO	Eastern Siberia–Pacific Ocean oil pipeline
EU	European Union
GDP	Gross Domestic Product
GMD	Guomindang
GWOT	Global War on Terror
MOD	Ministry of Defense
MTC	Military-Technical Cooperation
MOU	Memorandum of Understanding
NATO	North Atlantic Treaty Organization
PLA	People's Liberation Army
PRC	People's Republic of China
RATS	Regional Anti-Terrorist Structure
RF	Russian Federation
RFE	Russian Far East
RFES	Russian Far East and Siberia
SAM	Surface-to-Air Missile
SCO	Shanghai Cooperation Organization
SRV	Socialist Republic of Vietnam
USSR	Union of Soviet Socialist Republics
VEB	Vnesheconomobank
WWII	World War Two

THIS PAGE INTENTIONALLY LEFT BLANK

ACKNOWLEDGMENTS

I would like to express my deepest gratitude to my advisor Professor Alice L. Miller for her commitment to my endeavor. I would also like to thank Colonel Mark Chakwin for his support. Additionally, I would like to thank my family for their infinite patience and encouragement throughout this process. This thesis and my educational experience at the Naval Postgraduate School would not have been possible without their encouragement and tolerance.

THIS PAGE INTENTIONALLY LEFT BLANK

I. INTRODUCTION

A. RECENT HISTORICAL BACKGROUND

The People's Republic of China (PRC) and the Russian Federation (RF) share a tumultuous history of relations over the second half of the twentieth century. The relationship that developed after 1949 between the People's Republic of China and the Union of Soviet Socialist Republics (USSR) was built on similar ideologies, shared security concerns, and congruent geopolitical views of the international landscape. Its gradual erosion during the 1950s was the result of ideological differences, diverging security concerns, economic problems, and a growing competition to influence other emerging Third World communist movements.[1] This eventual split led in the mid-1960s to the militarization of their shared borders and several clashes, especially in the Ussuri River region, that had the potential to culminate in a nuclear war.[2] The entrenchment of these discordant relational dynamics was hastened by the rapprochement in relations between the People's Republic of China and the United States in the early 1970s. It had the effect of shifting the balance of power in Asia, isolating the USSR further, and heightening Sino-Soviet tensions within the context of the Cold War.[3]

The inherent acrimony that defined Sino-Soviet relations during this period continued into the 1980s, but the foundations for a post-Cold War rapprochement were beginning to appear. Moscow and Beijing began a dialogue in 1982 with the intention of reducing the decades-long mistrust that permeated every facet of Sino-Soviet relations.[4] Their continued dialogue and the diligent diplomatic work by both states culminated in a May 1989 summit between Mikhail Gorbachev and Deng Xiaoping in Beijing, at which party-to-party ties between the Communist Party of the Soviet Union (CPSU) and the

---

[1] Library of Congress, Federal Research Division, *China: A* Country *Study*, June 1987 (accessed February 27, 2010); available from http://countrystudies.us/china/.

[2] James C. Moltz, "Regional Tensions in the Russo–Chinese Rapprochement," *Asian Survey* 35, no. 6 (1995): 514.

[3] Library of Congress, *China: A Country Study.*

[4] Sherman Garnett, "Challenges of the Sino–Russian Strategic Partnership," *The Washington Quarterly* 24, no. 4 (2001): 41.

Communist Party of China (CCP) were restored, which reestablished normal bilateral relations. In addition, it produced an agreement to commence talks centering on the demilitarization of the Sino-Soviet border.

The new foundation of the Sino-Soviet relationship was actually constructed around three Soviet concessions made in the years preceding the summit. The three concessions—called by Beijing the "three obstacles" to normal relations—were for the Red Army to begin withdrawing its forces from Afghanistan, to significantly reduce the Soviet military imprint in the Far East, and to stop providing assistance to the Socialist Republic of Vietnam (SRV) in Cambodia. The Chinese had held firm since the 1970s that any future improvement of bilateral relations would occur only if these three conditions were met.

The Soviets, under Gorbachev, began to enact these concessions and, before the withdrawal of their forces from Afghanistan by 1989, began to reduce their military imprint in Mongolia and the Russian Far East (RFE).[5] For example, they removed two of four Red Army divisions from Mongolia in early 1987, before the Geneva Accord on Afghanistan. In addition, Soviet pressure on Hanoi led to the 1988 Vietnamese agreement on withdrawing from Cambodia. Soviet actions demonstrated that it was serious about rapprochement with Beijing.

These events, combined with the end of the Cold War, demonstrated that the 1990s would continue to move Sino-Russian relations in new directions. Arms sales increased dramatically and a five-year defense cooperation agreement was signed in 1993. By 1996, an agreement from both sides that the Sino-Russian relationship was developing into a "strategic partnership" was publicly acknowledged for the first time.[6] Vladimir Putin's arrival in office on December 31, 1999, with his goal of reasserting

[5] Moltz, "Regional Tensions," 516.

[6] Library of Congress, Federal Research Division, *Russia: A Country Study*, May 1996 (accessed February 27, 2010); available from http://countrystudies.us/russia/.

central control over the state and its vast energy resources, would continue to push the Sino-Russian relationship into new directions as the twenty-first century unfolded.[7]

B. IMPORTANCE

The Sino-Russian relationship is complex and is replete with divergent views across the spectrum of Chinese, Russian, and Western academia and among the relevant actors within the relationship itself. Moscow and Beijing portray the relationship as a "strategic partnership" that is predicated on international cooperation.[8] Academics in Russia and in the West, however, portray it in a much different and often negative light. From a Western point of view, the Sino-Russian relationship is generally viewed in more unfavorable terms. It has been portrayed as a new "Axis of Authoritarianism" due to the recent Russian resurgence and a general neglect of the region by U.S. foreign policy in the recent past.[9] Others, such as Bobo Lo, the director of the China and Russia Programs Center at the Center for European Reform, has called it a "unbalanced triangle" in terms of trilateral Sino-Russian and Sino-U.S. relations and has also referred to it as an "Axis of Convenience" built on Sino-Russian rhetoric that centers on partnership and cooperation.[10]

Understanding the major geopolitical, economic, and security aspects of the Sino-Russian relationship as they have evolved over the past decade or so is pertinent to understanding a dynamic in East Asia that is often overlooked. The Russian Federation remains the world's largest country, has immense mineral wealth, and still maintains a vast nuclear arsenal.[11] It also has a strong desire to remain a major player in world

---

[7] Nicklas Norling, "China and Russia: Partners with Tensions," *Policy Perspectives* 4, no. 1 (2007): 36.

[8] Bobo Lo, *Axis of Convenience: Moscow, Beijing, and the New Geopolitics* (Baltimore: Brookings Institution Press, 2008), 1.

[9] Charles E. Ziegler, "Axis of Authoritarianism," *Asian Survey* 49, no. 1 (2009): 135.

[10] See Bobo Lo, *The Unbalanced Triangle* (accessed February 28, 2010); available from http://www.foreignaffairs.com/articles/65230/stephen-kotkin/the-unbalanced-triangle.

[11] *Russia* (accessed July 1, 2010); available from https://www.cia.gov/library/publications/the-world-factbook/geos/rs.html.

affairs.[12] Although Russia considers itself a European country in its character and in the preponderance of its current interests, geopolitical realities dictate that its Asian territories, most notably the Russian Far East, will play an increasingly vital role in determining whether its recent resurgence is a long-term reality or another twist and turn in its post-Cold War roller coaster ride. This tumultuous Russian experience has ranged from a 1990s "economic and military freefall" to a recent resurgence as a major power that began in 2000 under Vladimir Putin.[13]

China has the world's largest population, at close to one-and-a-half billion people, and has experienced thirty years of dramatic modernization and economic growth. It now has the world's second largest economy, remains a capable nuclear power, and continues to expand its regional and global presence economically, militarily, and culturally. A major question is: how will China's continued emergence into a regional and global power affect its evolving relationship with a resurgent Russia that still views itself as playing a major role in Asian and global affairs?[14] In spite of points of divergence, the People's Republic of China and the Russian Federation continue to publicly acknowledge the importance of their "strategic partnership" in regional and global affairs.

The birth of this "strategic partnership" has evoked substantial debate within the security arena—and other policy-related fields.[15] These debates center on the substance of the Sino-Russian relationship, the interests of both states in the maintenance of this relationship, and its implications for U.S. policy in Asia. This thesis focuses on the substance of this bilateral relationship and the dynamics involved in its maintenance during the first decade of the twenty-first century. Whatever perspective is adopted in analyzing Sino-Russian relations, one fact is easily agreed upon by everyone. The Sino-

---

[12] Eugene B. Rumer, "Mind the Gap: Russian Ambition vs. Russian Reality," in *Strategic Asia 2008–2009: Challenges and Choices*, ed. Ashley J. Tellis, Mercy Kuo, and Andrew Marble (Washington, DC: The National Bureau of Asian Research), 195–196.

[13] William C. Wohlforth, "Russia's Missing Asian Revisionism," in *The United States and Northeast Asia*, ed. G. John Ikenberry and Chung-in Moon (Lanham, Md: Rowman &Littlefield Publishers, inc., 2008), 100–109.

[14] Ibid.

[15] Gilbert Rozman, "Russian Foreign Policy in Northeast Asia," in *The International Relations of Northeast Asia*, ed. Samuel S. Kim (Lanham, MD: Rowman & Littlefield Publisher, inc., 2004), 206.

Russian relationship will have a substantial effect on the future geopolitical, economic and security landscape in East Asia. This reality makes understanding the short- and long-term prospects for its continued viability is crucial to understanding the relationship between two of Asia's largest powers.

Both countries continue to assert themselves in different ways. An analysis of the Sino-Russian relationship's foundations, its strengths, and its weaknesses will provide an important insight into the short- and long-term prospects for this relationship. It will also provide a frame of reference for the possible trajectories of the relationship as the twenty-first century moves forward. Due to the myriad of factors that define this relationship, this thesis focuses on analyzing three major aspects.

C. MAJOR ASPECTS OF ANALYSIS

The three major aspects of this relationship I analyze represent the greater part of the positive and negative bilateral contact points in the Sino-Russian relationship during the past decade. They include Sino-Russian interactions in the Russian Far East, interactions surrounding the formation and maintenance of the Shanghai Cooperation Organization (SCO), and dynamics regarding bilateral arms sales. With regard to these three aspects, this thesis provides a relatively standard framework of analysis for each section. First, a brief historical background pertinent to each major aspect provides the relevant context necessary to understand how each has evolved over the past decade. Second, an analysis of Chinese and Russian interests and interactions is provided in order to understand how each state views what is at stake in the context of the overall relationship. Finally, an analysis of the issues and trends within each of these major aspects is provided as the proper analytical foundation for ascertaining the overall short- and long-term prospects for Sino-Russian relations as the twenty-first century continues.

Among the three aspects this thesis focuses on, the first—bilateral contacts pertaining to the Russian Far East—and the third—Sino-Russian arms sales—require a more extensive historical perspective. The origins of Sino-Russian arms sales goes back well into the twentieth century. In the case of relations in the Russian Far East, the origins go back over 350 years. Choosing these aspects allows for a comprehensive

analysis of this relationship that incorporates political, economic, social, security, military, and geographical aspects that all have had an effect on the overall dynamics of Sino-Russian relations during the past decade and throughout their long history of relations.

Chapter II of this thesis analyzes issues and dynamics concerning the Russian Far East over the past decade. This region is economically underdeveloped, in need of reindustrialization, lacks adequate infrastructure, and has several other damaging legacies resulting from Soviet policy failures. These policy failures have continued under the Russian Federation and, taken together, inhibit the likely possibility of a quick turnaround under current circumstances.[16] This reality is due to a plethora of geopolitical, economic, social, and cultural problems that have combined to make the Russian Far East an underdeveloped region that suffers from what has been termed the "Siberian Curse."[17] Small-scale Sino-Russian cooperation has occurred in certain areas over the past decade, but no major developments have significantly changed the status quo in the region.

More generally, contestation over borders in this region has long been a problem, dating back several hundred years. During the Cold War, militarization of the border areas led to several clashes in 1969. In the 1990s, most of the eastern and western borders were demarcated. More recently, the final unresolved aspects of border demarcation were agreed upon by both parties. Regardless, even though most of the border disputes have been settled at the national level, the Russian Far East continues to have problems due to unresolved disputes over aspects concerning the Amur and Ussuri River channels at local levels.[18] These, combined with the other problems alluded to earlier, have had dramatic economic, social, and political effects on a region that needs Chinese economic investment, cooperation, and participation in order to survive in the long term. Understanding the interaction of these effects on the overall viability of Sino-Russian relations will provide another aspect of analysis that is critical. An analysis of

16 Gilbert Rozman, "Strategic Thinking about the Russian Far East," *Problems of Post-Communism* 55, no. 1 (2008): 47.

17 Ibid., 37.

18 Moltz, "Regional Tensions," 524.

the past decade of regional relations will also shed light on whether or not the status quo in the Russian Far East is gradually shifting. It also will demonstrate how Russian corruption and xenophobia have impeded progress in the region, and it will illustrate several other historical legacies that continue to plaque this region of the Russian Federation.

In Chapter III, this thesis addresses the Sino-Russian relationship as it pertains to the Shanghai Cooperation Organization in Central Asia. Central Asia is a region where the potential for Sino-Russian cooperation and contention exists simultaneously. It examines the pertinent aspects concerning the establishment of the SCO, its inception and evolution over the first decade of the twenty-first century, and how the Sino-Russian relationship has been shaped by this multilateral organization and its impact on the geopolitics of Central Asia. The chapter analyzes Chinese and Russian interests and interactions regarding the SCO and each state's decisions regarding its direction and utility as a regional organization. Analyzing these aspects provides insight into how each state views its relationship with the other and sees its position in the SCO. It also provides a glimpse into what the Sino-Russian relationship is actually predicated on.

Finally, Chapter IV assesses trends and interactions in arms sales between China and Russia over the past decade. Arms sales emerged as a significant part of the relationship by the late 1990s. Over the past ten years, however, it has seen a gradual shift in its dynamics. Arms sales remain one of the pillars responsible for the Sino-Russian strategic partnership but it has also been an area of contention at times. Congruent interests in the areas of defense cooperation and weapons sales have made them one of the most stable elements of the Sino-Russian relationship for both states. This thesis therefore analyzes Chinese and Russian interests, interactions, trends, and issues to determine what correlations or themes may exist and determine if they aid in predicting trends for this relationship in the future.

The overall purpose of the standardized analytical framework utilized in each of these chapters is to provide a consistent analysis of Sino-Russian relations as they continue into the second decade of the twenty-first century. Each one of these areas is an ever-changing and multifaceted situation that has the potential to spur either cooperation

or contention in Sino-Russian relations. It is important to look at each aspect through the same analytical lens in order to draw out the consistent themes or correlations that make predicting future trends in Sino-Russian relations valuable as a reference point.

II. THE RUSSIAN FAR EAST

A. BACKGROUND

The Russian Far East (RFE) has a long and chaotic history. It is known as a demographic melting pot with a wide variety of cultural and social influences that are the result of war, tribal migrations, a remote and harsh environment, and, more recently, tumultuous state-to-state relations. These factors make it one of the most interesting regions in the world but also one of the most contentious.[19] It is a region that, due to Sino-Russian geopolitics during the past 350 years, has "continuously expanded and contracted" along with the balance of power of these states.[20] The amorphous nature of the RFE during this time has made it a cause of continuous dispute between Russia and China as both have evolved in the international system. Despite multiple agreements on the demarcation of the borders and disputed territories in and around the region, the RFE continues to "encapsulate in the most direct sense the ambiguities of the Sino-Russian relationship."[21] This reality makes it an interesting and pertinent aspect to understand when analyzing the Sino-Russian relationship.

The RFE possesses the vast majority of strategic resources and economic potential that Russia may draw on as it strives for sustained resurgence in the twenty-first century international order. Gilbert Rozman states that "together with eastern and western Siberia, the Russian Far East is a vast treasure house of natural resources, especially energy that can supply the enormous populations and booming economies of East Asia."[22] The commercial viability of exploiting these resources in ways that will enable Russia to be competitive in global energy markets remains suspect at best

---

[19] John J. Stephan, *The Russian Far East: A History* (Stanford, CA: Stanford University Press, 1994), 2.

[20] Ibid., 7.

[21] Lo, *Axis of Convenience*, 56.

[24] Rozman, Strategic Thinking about the Russian Far East, 36.

though.[23] The region contains tremendous obstacles to the realization of these economic aspirations due to the realities of its geography, its environment, and its history of neglect by Russian central authorities. It continues to suffer from what many call the "Siberian Curse" under which "irrational development policies, mostly during the Soviet era, located people in cold, inhospitable areas with poor prospects under market conditions."[24] It is the Russian Federation's long-term hope that it can deviate from these past historical trends.

The RFE makes up roughly 40 percent of the Russian Federation with approximately 6.2 million square kilometers of landmass.[25] It encompasses several environments, but the common theme among them is harshness. Close to "seventy percent of its landmass is covered in permafrost, severely hindering development."[26] The harsh realities of the environment and climate are compounded by its remoteness from the European center of power in Russia. Susan Davis elucidates the stark reality of this remoteness by stating:

> The RFE is over 7,500 miles from Moscow and ten hours by plane. Much of the RFE is six to nine time zones away from European Russia. The remoteness from the federal center of the Russian Federation has certain costs and benefits for the region. Even under Soviet rule, there was a feeling of freedom that permeated the region due to its distance from Moscow.[27]

These geographical realities have combined with other factors that will be discussed later to make the RFE a region of high risk and high reward that has so far eluded the Russian Federation's attempts at beneficial long-term economic exploitation on its own terms.

In order to understand twenty-first century Sino-Russian relational dynamics in the RFE, it is helpful to provide a summary of the history of their interactions in the

---

[25] See Emma Chanlett-Avery, *Rising Energy Competition and Energy Security in Northeast Asia: Issues for U.S. Policy* (accessed March 13, 2010); available at http://assets.opencrs.com/rpts/RL32466_20080513.pdf.

[24] Rozman, Strategic Thinking about the Far East, 37.

[25] Sue Davis, *The Russian Far East: The Last Frontier?* (New York: Routledge, 2003), 1.

[26] Stephan, *The Russian Far East: A History*, 9.

[27] Davis, *The Russian Far East: The Last Frontier?* 3.

region during the past 350 years. This will provide the relevant context necessary to understanding the evolution of several issues that remain salient in understanding their relationship in the region today. This summary will begin in the seventeenth century and end with Vladimir Putin's ascendance to power on December 31, 1999, after Boris Yeltsin's resignation.

Sporadic contact between the Romanov Empire and the Qing Dynasty began in the seventeenth century.[28] This was the result of Russian expansion eastward and Chinese migrations north. These demographic expansions led to "several armed skirmishes and the development of extensive trade networks" in the Amur basin that eventually necessitated the signing of the Treaty of Nerchinsk on September 6, 1689.[29] This treaty represented the first Sino-Russian border agreement in the modern state system, and was negotiated on favorable terms by the Manchu Qing Empire. It gave control of the Amur valley and Primorye to the Qing and deterred Russian abilities to migrate to the Pacific.[30]

More regular contact began to occur in the nineteenth century during a period in Chinese history that saw the decline and eventual demise of the Qing Empire. During China's "century of humiliation," Russia was able to negotiate a series of "unequal treaties" within a backdrop of European imperial ambitions and coercive domestic interference that spanned from the first Opium War in 1842 to the founding of the People's Republic of China in 1949. The first of these negotiated territorial concessions occurred with the Treaty of Aigun in 1858. This treaty awarded all Qing territory to the left bank of the Amur River back to Russia. The second concession occurred with the Treaty of Peking in 1860. This treaty forced the Qing to give up the Primorye and its access to the Pacific Ocean. The 1864 Treaty of Tarbagatai specified prior agreements within the 1860 Treaty of Peking in more detail and solidified considerable Qing losses of territory to Imperial Russia at a time of extreme weakness.[31]

---

[28] Lo, *Axis of Convenience*, 20.

[29] Ibid.

[30] Davis, *The Russian Far East: The Last Frontier?* 9.

[31] Stephan, *The Russian Far East: A History*, 6–11.

Qing-Russian relations during this time were extremely "unbalanced" in favor of tsarist Russia, and have left a lasting historical legacy. This period left the Russians with a sense of superiority and strategic entitlement that still influences contemporary relations.[32] For the Chinese, this "unequal treaty" period left a legacy of ambiguity over the rightful ownership of the RFE that is still debated in certain Chinese circles today.[33] It continues to be referred to by many academics and nationalists within China as the "lost one-and-a-half million square kilometers."[34] It has also come to symbolize its "century of humiliation" at the hands of outside powers.[35]

These legacies were still evident in Sino-Soviet relations in the twentieth century. As the Sino-Soviet split deepened in the 1960s because of mistrust and ideological divergences, gradual militarization of the Sino-Soviet border occurred and was followed by border confrontations in 1969. Many of these were along the contested banks of the Amur and Ussuri Rivers in the RFE.[36] Both of these rivers contain hundreds of disputed islands that continued to incite dispute and conflict along the border well after the cessation of these border hostilities. The largest border clash occurred on Zhenbao Island on the Ussuri River on March 2, 1969. There were reports in Moscow of up to 31 dead Russian soldiers and it came to symbolize the historical ambiguity behind rightful ownership of the RFE and represent the mistrust and acrimony that has defined this relationship during different periods of history.[37]

As signs of rapprochement began to appear in the 1980s, with the resuming of bilateral foreign ministry talks in 1982, the issue of the contested borders along the RFE and China came into focus. In 1986, during a speech in Vladivostok, Gorbachev publicly proposed a new bilateral agreement moving the China-RFE border to the middle of the channel in the Amur River. This suggestion was the first proposed concession from a

---

[32] Wohlforth, Russia's Missing Asian Revisionism, 100–109.

[33] Lo, *Axis of Convenience*, 21.

[34] Ibid., 71.

[35] Ibid., 21.

[36] Garnett, Challenges of the Sino-Russian Strategic Partnership, 42.

[37] Lyle J. Goldstein, "Return to Zhenbao Island: Who Started Shooting and Why It Matters," *The China Quarterly*, no. 168 (December 2001): 986–990.

Russian leader dating back to the height of China's vulnerability to Russian imperialism in the nineteenth century.[38] This political gesture signified a new turn in Sino-Soviet relations and a desire for normalizing relations with China. This political olive branch eventually led to further positive bilateral developments during the 1990s and a series of bilateral border agreements that attempt to solve the contentious border issues of the past 350 years.[39]

Over this decade, the Chinese and the Soviet Union/Russian Federation concluded two agreements that signified an end to much of the contestation over their 4,300 km border, which remains the largest land border in the world. The first border agreement occurred in May 1991 and settled the majority of the disputes along the eastern border.[40] This agreement settled several areas of contention along the Ussuri and Amur Rivers with the exception of the islands of Tarabov (Yinlong) and Bolshoi Ussuriysky (Heixiazi). These were excluded from the agreement and left unresolved until the 2000s. It was ratified by both parties in 1992. The second agreement dealt with the much shorter western boundary and was easier to resolve. Negotiations concluded in 1994 and it was ratified in 1995. These agreements signified an end to over thirty years of Sino-Russian militarization over the question of borders.[41]

The history of Sino-Russian relations in the RFE has left both sides with several points of contention and a residue of ambiguity in the relationship as each state has continued to expand and strengthen the "strategic partnership" into the twenty-first century. From a Russian perspective, the RFE continues to be seen as an asset that will be utilized on Russian terms. From a Chinese perspective, it realizes the economic potential of these regions but is in no hurry to acquiesce to Russian demands for favorable terms or create a situation where it is dependent on these resources in the future. China also recognizes that the Russians are in a far weaker economic and political

---

[38] Lo, Axis of Convenience: Moscow, Beijing, and the New Geopolitics, 27.

[39] Vidya Nadkarni, *Strategic Partnerships in Asia: Balancing without Alliances* (New York: Routledge, 2010), 54.

[40] See Bi Lun, *Successful Demarcation Makes Strong Russia Ties* (accessed July 11, 2010); available from http://www.chinadaily.com.cn/english/doc/2004-10/15/content_382661.htm.

[41] Nadkarni, *Strategic Partnerships in Asia*, 64–65.

position than they seem to realize.[42] The following sections analyze the specific dynamics of Sino-Russian relations in the RFE as well as contemporary issues that have affected it during the first decade of the twenty-first century.

B. SINO-RUSSIAN INTERACTIONS

The first decade of the twenty-first century was a period of unfulfilled economic expectations and extensive bilateral restraint for the People's Republic of China in the RFE. "Russia's biggest problem at the beginning of the twenty-first century was the lack of a functioning model for regional development in East Siberia and the Russian Far East."[43] In spite of this reality, it was a period that began with hope for the Russian people and China as the country began to shift back under the central authority of the national government with the election of Vladimir Putin in 2000. Disappointingly, this hope quickly faded as the Russian Federation reverted to the status quo behavior that defined its conduct towards China and its own people in the RFE during the preceding decade. This was a Russian pattern of economic unreliability, constant stalling, and a general inability to execute a comprehensive national policy capable of realizing the RFE's economic potential.[44] This reality has shifted slightly during the latter stages of this decade due to the 2008 global economic crisis; current Russian president Dmitry Medvedev's acknowledgement that Moscow could "lose" the RFE if a coherent policy is not adopted; and the gradual, albeit slow, realization that Moscow needs China if it is going to overturn the region's history of economic depression and neglect.[45]

Several lingering issues, rooted in the history of Sino-Russian state-to-state relations, continued to hinder Chinese overtures during this period. These overtures were geared towards economic cooperation, interdependence, and, ironically, the possible

---

[42] Rozman, Strategic Thinking about the Russian Far East, 46.

[43] Dmitri Trenin, "Russia's Asia Policy under Vladimir Putin, 2005–2005," in *Russian Strategic Thought toward Asia*, ed. Gilbert Rozman, Kazuhiko Togo, and Joseph P. Ferguson (New York, NY: Palgrave Macmillan, 2006), 111.

[44] Stephen Blank, "The Russo–Chinese Energy Follies," *China Brief* 8, no. 23 (December 2008): 1.

[45] Stephen Blank writes that "Beijing has gained serious geopolitical advantages over Moscow in the RFE because of the global economic crisis. This is affecting Moscow's ability to control the RFE. Moscow now looks favorably on Chinese investments"; also see *Will Russia Lose its Far East?* (accessed July 1, 2010); available from http://topics.blogs.nytimes.com/2008/09/30/will-russia-lose-its-far-east/.

realization of Russian long-term economic goals for the region. "Many have noted that Russia has been an unreliable, suspicious, and difficult partner for China over the last twenty years."[46] This statement rings true at all levels of Sino-Russian relations in the RFE from 2000 to 2009. Even though the "volume of bilateral trade rose steadily during the 1990s and both countries stood to gain from increased cross-border commercial exchanges in the economically depressed regions of the Russian Far East," the Russian Federation remained loath to give its full economic cooperation or develop policies that would foster a more symmetrical and integrated growth of trade.[47] It continued to communicate strategically in joint statements and other diplomatic circles a message of bilateral economic cooperation and development in the RFE while acting in ways that sent a quite different one.

The Russian dichotomy between words and actions has been an enduring fact within Sino-Russian relations in the RFE both historically, since rapprochement, and during the first decade of the twenty-first century. In order to understand the dynamics in play that affect Russian decison making, it is pertinent to provide a list of relevant factors that will assist in explaining the behavior of the Russian Federation during its state-to-state interactions in the RFE and in several other areas of Sino-Russian relations during the past decade. This list includes: Russian xenophobia and fears of "quiet expansionism, pervasive corruption,[48] Russian demographic shifts,[49] the "besieged fortress" mentality, misgovernment at the local level, narrow and dysfunctional local economies,[50] a sense of cultural inferiority,[51] rampant criminality, and a lack of human capital and

---

46 Gilbert Rozman, *Chinese Strategic Thought toward Asia* (New York, NY: Palgrave Macmillan, 2010), 144.

47 Nadkami, *Strategic Partnerships in Asia*, 75.

48 Russian Xenophobia and fears of "quiet expansionism" are rooted in the memories of Chinese territorial claims to the region; Lo believes these stem from long-term Soviet and Russian neglect as well.

49 Demographic concerns stem from a larger demographic decline in the Russian population statewide. It is exacerbated by the social, cultural, and economic environment of the region.

50 The "besieged fortress" mentality stems from the feeling of nostalgia for the Russian Far East's past as an isolated and militarized region of the Soviet Union because it was safe from Chinese expansionism.

51 Many Russian's feel culturally inferior in comparison to the Chinese traits of diligence and entrepreneurship. This phenomenon spurs the Russian sense of xenophobia and fears of quiet expansionism in the region.

entrepreneurial spirit in the region.[52] This list of economic, cultural, and social factors, as well as Russia's sense of strategic entitlement, permeates the majority of Russian perspectives in the region and in many of its other foreign policy views during this period. These factors have severely hindered the realization of Chinese economic interests in the RFE and, as discussed later, continue to present problems to the present day. It also forced it to exploit other areas of potential cooperation until Russian decision makers, as they began to do in the later stages of the decade, desperately realized their prospects for a sustained resurgence as a major power were tied to economic cooperation with the Chinese.

The following two sections provide a sampling of relevant examples of significant Sino-Russian interactions in the RFE over the past decade. This will elucidate two themes that permeate Sino-Russian relations in the RFE during this period. First, from a Chinese perspective, it will illustrate a continued pattern of restraint in the face of irrational Russian fears centered on xenophobia, quiet expansionism, and a sense of cultural inferiority due to myriad social and cultural legacies. It will also demonstrate continued Chinese attempts to facilitate economic cooperation, even in the face of Russian actions to promote self-interests at the expense of bilateral interests or even in the face of bilateral agreements. This "bottom line" approach to economic negotiations, from the Russian perspective, will reappear as a general approach or theme--replete with periods of incessant stalling, unfulfilled promises, unreliability, and a general inability to unilaterally solve its social, cultural, and economic problems in the RFE.

1. 2000–2004

The recentralization campaign, launched in the Russian Federation as Vladimir Putin was elected into office in 2000, signaled a time of increased expectations for the Chinese government and the Russian people in terms of economic cooperation in the Russian Far East. His speech in Blagoveshchensk in July 2000, with his remarks "condemning Moscow's past neglect and calling for immediate action in the Russian Far

[52] Rozman, in *Chinese Strategic Thought toward Asia*, writes that "the Russian economy was too criminalized, the people in the Russian Far East lacked entrepreneurial and technical skills expected from the forerunner in socialism, and multiple interests were working at cross purposes in bilateral relations."

East," indicated that the region would be a focus of his administration.[53] The July 2001 *Treaty of Good Neighborliness and Friendly Cooperation* between the Russian Federation and the People's Republic of China furthered these expectations with an agreed upon framework to enhance commercial and technical cooperation.[54] From one perspective, "This 20-year strategic and economic cooperation treaty was to be the most far-reaching one ever entered into since the time of Mao and Stalin."[55] These significant events seemed to signal a new era and potential in Sino-Russian cooperation in the RFE. However, the reality of continued Russian dichotomy and opaque policymaking soon became apparent to China as it continued its attempts to spur economic cooperation in the region.[56]

As Putin continued to centralize his power, especially over the energy sector in Russia, the first evidence of this continued dichotomy between words and actions started to appear. In July 2001, a bilateral feasibility study and tentative agreement was signed concurrently with the Treaty of Good Neighborliness and Friendly Cooperation to explore the construction of the Angarsk-Daqing pipeline. This joint venture was touted as a "future energy bridge between the two Asian powers."[57] In May 2003, "an agreement between Russia and China, endorsed by presidents Putin and Hu, cleared the way for the pipeline to go from the city of Angarsk to Daqing" and would cost an estimated $1.7 billion.[58] In a September 2005 decision, Putin decided to include Japan, a major energy competitor, in a multi-route project that was more ambitious and had the potential for bigger Russian profits over the long term.[59] This sequence of events demonstrates the extent to which Russian self-interests could prevail and trump even agreed bilateral accords, particularly in Russian economic dealings. This is especially

---

53 Lo, *Axis of Convenience*, 58.

54 Nadkami, *Strategic Partnerships in Asia*, 59.

55 Norling, China and Russia: Partners with Tensions, 36.

56 Chanlett-Avery, *Rising Energy Competition*, 12–14.

57 Sergei Troush, "U.S.–China Relations," *China Brief* 4, no. 10 (May 2004): 2.

58 Chanlett-Avery, *Rising Energy Competition*, 12.

59 Leszek Buszynski, "Oil and Territory in Putin's Relations with China and Japan," *The Pacific Review* 19, no. 3 (September 2006): 288–290.

true in the energy sector and is a microcosm of the Russian Federation's overall pattern of unreliability and an inability to fulfill its economic promises to China in the greater Far East.

With Hu Jintao's succession as the leader of the People's Republic of China in 2003, China would continue its policy of restraint in its dealings with the Russian Federation. In his first joint statement with President Putin, he agreed to create a working group to deal with Russian fears concerning the illegal migration of Chinese nationals into the RFE.[60] This was viewed as a pervasive problem among local Russians and was persistently utilized as a political tool in the region at the expense of reality. Even so, in another attempt to foster an environment of cooperation, the Chinese agreed to participate in the working group. No progress was made in assuaging unsubstantiated Russian perceptions and fears of "quiet expansionism" though. This is another example of Chinese attempts to cooperate with Russian wishes in order to facilitate a paradigm shift toward an environment of widespread economic cooperation in the RFE.

In 2004, a supplementary agreement on the unresolved elements of the eastern border was signed in a joint communiqué.[61] It was ratified by the Chinese National People's Congress and the Russian State Duma in 2005, and went into effect at the end of 2008.[62] This agreement was a positive development and brought a complete resolution to the border situation for the first time in the history of Sino-Russian relations. It had substantial political meaning at the national level, but in reality, did little to change local Russian perceptions of the "yellow peril" or to solve the often-contentious border dynamics at the local level.

During the same year, "extremely reliable and exhaustive" research on the Chinese presence in the Russian Far East, performed by Mikhail Alexseev and Vilya Gelbras, concluded that the number of legal Chinese residents in the Russian Far East

---

[60] Lo, *Axis of Convenience,* 61–62.

[61] Lun, *Successful Demarcation,* 1.

[62] Russel Hsaio, "Heixiazi Island to Return to PRC by End of 2008," *China Brief* 8, no. 6 (March 2008): 2.

was "statistically insignificant."[63] It also determined that illegal immigration levels were "not big enough to cause a panic," let alone speak of a Chinese demographic expansion that was a potential problem."[64] In addition, based on an analysis of Chinese nationals working in Khabarovsk and Vladivostok, it discovered that most Chinese migrants viewed the RFE as a place to work, make money, and leave.[65] From a Russian perspective, the research indicated that Russian xenophobia was still a pervasive problem among local populations. It also indicated that the central government was continuing to ignore this problem and in some cases was complicit in perpetuating it to create a political advantage. In an earlier 2001 policy memo titled "*The Chinese are Coming: Public Opinion and Threat Perception in the Russian Far East*" Alexseev writes:

Ethnic stereotypes play a large part in perceptions of security. In my survey, the Russians in Primorye appear to view Chinese migrants as distant, socially undesirable, and fiercely protective of their cultural values. Asked about stereotypes contrasting Chinese migrants from Russians, twice as many respondents saw the Chinese are more hardworking, entrepreneurial, and greedy; three times as many respondents saw them as more sly; and almost 20 times more respondents saw them as less generous than ethnic Russians.[66]

This statement, as well as the 2004 research, demonstrated how detrimental this local environment was and to the prospects of Sino-Russian economic cooperation in the Russian Far East. It also demonstrated one of many levels of failure in the Russian Federation's attempts at enacting a coherent and comprehensive policy geared towards the successful socio-economic development of the RFE.

The first half of the decade did see a dramatic rise in small-scale economic cooperation in the RFE and a dramatic increase in trade. For example, "Heilongjiang's trade turnover with Russia, mainly Primorye, reached $3.83 billion in 2004, a more than

---

63 Lo, *Axis of Convenience*, 60–61.

64 Ibid.

65 Ibid., 61–62.

66 Mikhail Alexseev, "*The Chinese Are Coming: Public Opinion and Threat Perception in the Russian Far East*," Program on New Approaches to Russian Security: Policy Memo 184 (Washington D.C.: Council on Foreign Relations, January 2001).

fourfold increase since 1999.[67] In spite of this, the fact remains that the legacy of social, cultural, and economic factors listed earlier, the Russian Federation's sense of strategic entitlement, and an inability to formulate a successful socio-economic policy for the development of the RFE, continued to hinder the realization of its long-term strategic and economic goals in the region from 2000 to 2004. As will be discussed in the next section, these factors continue to permeate and effect Sino-Russian relations in the RFE and the greater Far East region during the second half of the decade and up until the present day.

2. 2005–2009

By 2005, Russian actions toward Chinese overtures of economic cooperation in the Russian Far East and the greater Far Eastern region continued to indicate that "Russia intended to tread a narrow path between engaging China and avoiding the position of emerging as a junior partner or a natural resource appendage."[68] This was the prevailing strategy in Moscow despite the long-term geopolitical necessity of Chinese investment and regional integration for the RFE. Dimitri Trenin, in a March 2005 *Financial Times* article, states "Moscow must find a way to perform the feat of integrating the Russian Far East and Siberia (RFES) with the rest of Russia and with their Northeast Asian neighbors before it is too late."[69] Although bilateral trade grew to approximately $30 billion in 2005, it remained insignificant compared to Chinese trade with United States. This metric was a disappointing indicator to both sides because of the enormous potential for bilateral economic developments in the RFE that was left unrealized.[70]

In 2006, ironically known as the year of China in Russia, another period of disappointment and unrealized expectations developed for the Chinese side in the RFE. Energy issues continued to be a focal point of relations due to Russian shortfalls in deliveries and continued stalling on several proposed projects. In March of 2006, during

---

67 Lo, *Axis of Convenience*, 67.

68 Ibid., 61–62.

69 Dimitri Trenin, "Putin Must Secure Russia's Far East," *Financial Times*, March 1, 2005, 17.

70 See "When Dragons Dance with Bears; Russia and China," *Economist*, December 2, 2006, 70.

President Putin's visit to Beijing, he agreed on a decision to "expand trade, economic relations, and to build to gas pipelines from Siberia to China soon."[71] He also agreed to "increase bilateral trade levels up to $60–80 billion a year by 2010."[72] Later in the same year, Russian delivery targets of close to fifteen million tons of crude oil fell short by approximately five million barrels. This was due to substantial technical difficulties and the necessity of delivery by rail due to a dearth of cross-border pipelines.[73]

In December of the same year, Kamil Iskhakov, the presidential envoy in the RFE, proposed the "creation of a state commission on the Far East directly under the supervision of the prime minister." Its intention would be to facilitate Vladivostok's preparation for the 2012 Association of Southeast Asian Nations (ASEAN) summit, and develop and manage a coherent and comprehensive policy on integration and socio-economic reform in the region.[74] As of this writing, the commission has not yet been formed.

The period during 2007 followed with more rhetoric on Russian Far Eastern development and the enhancement of Sino-Russian economic cooperation in the region. As with the previous eight years, Russian words did not match action. On July 13, during bilateral talks in Moscow, Sergei Lavrov, the Russian foreign minister, stated "there mutual interest in investment and energy cooperation, including the close coordination of plans to develop the Russian Far East and Siberia, as well as Northeastern China."[75] In a developing trend, inherent of the reality and not the rhetoric of bilateral energy relations, Russian promises for oil delivery to China fell by almost ten percent from January to

---

71 M. Nikolaev, "Eastern Dimension," *International Affairs* 52, no. 5 (2006): 140.

72 Sergei Blagov, "Arms, Energy and Commerce in Sino-Russian Relations," *China Brief* 7, no. 6 (August 2010): 1.

73 Charles Zeigler, "Putin Comes to Shove in Asia," *Far Eastern Economic Review* 171, no. 1 (January/February 2008): 22.

74 Rozman, Strategic Thinking about the Russian Far East, 37.

75 Sergei Blagov, Arms, Energy, and Commerce in Sino-Russian Relations, 3.

November. This was due to setbacks with the Eastern Siberia Pacific Ocean pipeline (ESPO) which was supposed to have been completed in 2006.[76]

This was also a year when the governor of Primorye Territory, Sergei Darkin, presented an "ambitious plan for the region called Pacific Russia to the Year 2020."[77] It was based on his new book, and projected an economic growth-rate of 750 percent during the proposed timeframe. The projected metrics and wished-for projects within this proposed venture suggested that Sergei Darkin was not in touch with the economic, cultural, and social realities in the RFE. It was also an indication of the much larger problem of national-local disconnect and general disinterest consistently displayed by the Russian central government.

By the beginning of 2008, the Sino-Russian trade imbalance began growing quicker than anticipated due to the global economic crisis and its effect on energy prices.[78] This reality forced the Russian Federation and new President Dimitri Medvedev to adjust the "bottom line" approach utilized under Putin for the past eight years. This is not to say that the Russian Federation was willing to completely acquiesce to Chinese economic interests for the first time this decade. On the contrary, strategic entitlement and the legacy of other factors listed earlier still played a role in Sino-Russian economic relations in the Far East. For example, contention still occurred over the negotiations to build the Daqing spur of the proposed ESPO pipeline as the Russians continued to deal from a position of perceived power and entitlement.[79] In October, Rosneft and Transneft, both Russian companies, were still in the process of negotiating for Chinese loans from China's National Petroleum Corporation (CNPC). This was a contentious process centering on Russian problems with oil pricing and the interest rates

---

[76] Gordon Feller, "Pipelines Linking Russia, China Not Only Element of Their Oil & Gas Relationship," *Pipeline and Gas Journal* 236, no. 1 (Jan 2009): 30; ESPO is a 2,900-mile multi-route pipeline system, began in 2006, that exports oil from Russia to Japan, China, and Korea.

[77] Rozman, *Strategic Thinking About the Russian Far East*, 39; Pacific Russia 2020 includes plans for a bridge to Russki Island, a nearby terminus to the oil pipeline near Nakhodka, the development of Primorskii Krai, a nuclear power station, a new Pacific Federal University and several other ambitious projects.

[78] Blank, The Russo–Chinese Energy Follies, 1.

[79] Blank, "At a Dead End: Russian Policy and the Russian Far East," *Demokratizatsiya* 17, no. 2 (Spring 2009): 124.

of Chinese loans. An agreement finally occurred in February 2009. In exchange for $25 billion in Chinese loans, the Russian Federation would provide crude oil supplies for twenty years beginning upon completion in 2011.[80]

As the global economic crisis continued to effect energy prices and Russia's extensive raw material exports from the RFE into 2009, Dmitry Medvedev "acknowledged that unless China invested in large-scale projects in the Russian Far East, Moscow's plans to develop the region could not materialize."[81] This tacit admission was an outgrowth of the dramatic decline in the Russian economy. It was finally forcing the Russian Federation to rethink its approach to Chinese economic interests in the RFE. These dynamics spurred a memorandum of understanding (MOU) on trade, energy cooperation, and investment cooperation that promised $700 million in loans from the Chinese Export-Import Bank to Vnesheconomobank (VEB). Subsequent financial deals with Lukkoil, Russia's largest oil company, gave the Chinese increased leverage in the energy sector of the Far East.[82] These occurrences are indicative of a shift in Russian policy in the Russian Far East born out of financial desperation and an inability to diversify and stimulate its economy in the region without significant help from the Chinese.

The second half of the decade, much like the first, saw a steady increase in trade. Again, this was mostly small-scale in nature and is indicative, as President Medvedev stated, of the need to develop large-scale projects in the Russian Far East in order to integrate and develop the region properly. Unfortunately for the Russian Federation, financial desperation and a continued policy failure towards the RFE, since its opening in 1992, forced its hand.

It forced Russia to adjust its "bottom line" approach to economic policy during the latter stages of the decade and acquiesce to some of China's economic interests in the region. Russian financial vulnerability also allowed the Chinese to gain leverage within

---

80 Nadkarni, *Strategic Partnerships in Asia*, 72–73.

81 Blank, "China's Russian Far East," *China Brief* 9, no. 16 (August 2009): 1.

82 Ibid., 2.

Russia's energy sector, as well as increase its overall economic influence in the RFE. The reality for Russia was becoming one in which its Russian Far East policy failures were gradually causing it to become a "junior partner" in bilateral regional economic relations and putting it at a decisive disadvantage. The irony remains that the Russian Federation's sense of strategic entitlement and the culminating legacy of the social, cultural, and economic factors listed earlier, all of which could be changed by the Russians themselves, were and remain one of the primary causes of this gradual slide in the balance of power in Sino-Russian relations.

C. TRENDS AND ISSUES

Sino-Russian relations in the RFE have followed a tumultuous and often uncertain path during the first decade of the twenty-first century. Even in the face of dramatic increases in small-scale trade, gradual steps towards greater energy cooperation through investment and large-scale joint ventures, and the expansion of cross-border ties, the legacy issues in the region continue to impinge on the relationship. Absent new or different approaches to change local perceptions and introduce viable initiatives to raise the RFE's position in Russia's development policies, these issues will continue to undermine any positive trends. They will also restrain potential expansion of larger-scale, mutually beneficial pillars of a successful long-term Sino-Russian relationship. Lo states that "while talk of crisis is premature, the present state of affairs in the RFE cannot continue indefinitely."[83] A myriad of issues, mentioned throughout the preceding analysis, have the potential to make the situation worse and continue to stunt the small-scale positive trends in this relationship as China and Russia enter the next decade of their strategic partnership.

First, a continued demographic decline of Russian inhabitants in an already sparsely populated region could continue to combine with the gradual increase of Chinese migrants moving across the border to create an unsustainable situation. This development is a plausible likelihood right now due to the local economic, social, and cultural realities combined with the policy failures of the Russian government. It has

83 Lo, *Axis of Convenience*, 70.

created a vicious circle where the prospects for employment opportunities that meet Russian standards continues to decline as population pressures in China make Chinese migrants only too happy to fill the void. This dynamic has the potential to exacerbate the Russian feelings of xenophobia and cultural inferiority that are already pervasive in the region.[84] It is a situation that, as with most of the others, will only recede under the auspices of a comprehensive Russian policy towards the RFE that integrates it with China, the rest of the Russian Federation, and Northeast Asia.

Second, as Chinese influence continues to grow in the RFE, two potential problems, one short-term and one long-term, have the potential to appear. In the short term, Chinese patience and persistence in dealing with Russian fears and perceptions and its sense of strategic entitlement during bilateral engagement over the RFE may recede. As the bilateral trade balance continues to shift in Beijing's favor, Chinese leverage within the Russian energy sector increases, its cross-border economic links continue to solidify, and its overall sphere of influence in Northeast Asia continues to increase, China may decide to deal with the Russian Federation in a more assertive manor over socio-economic issues in the RFE. In the long term, some authors even speculate that this process could manifest itself in a "nationalistic revival of Chinese claims to the RFE."[85] While such a development would be a significant shift from current conditions, history has shown only a few decades ago in Sino-Russian relations, that today's favorable environment for bilateral relations could be tomorrow's remilitarization of the Sino-Russian border and breakdown in relations.

Finally, and most importantly for the Russian Federation, a continued failure to implement a comprehensive and successful economic policy in the RFE could prove disastrous to Russia's short- and long-term prospects. On the other hand, the preceding discussion suggests that RFE policy could have a higher likelihood of success if it were to focus on regional and global integration and acknowledge in practice and implementation the need to include Chinese economic cooperation and interdependence. Absent a successful RFE policy, the Russian Federation may find itself in increasingly

84 Lo, *Axis of Convenience*, 70–71.

85 Ibid., 71.

desperate situations and vulnerable to Chinese interests—just as it did during the 2008 global economic crisis. Overall, a successful policy in the RFE would solve the myriad of other potential problems that continue to afflict the region. It is the key to solving the rest of the legacy issues as well. Put more directly: "As long as Russia's rulers refuse to face up seriously to the challenge of the region's long-term economic and social development, then notional risks could one day turn into concrete realties."[86] This remains a distinct possibility under the current circumstances.

[86] Lo, *Axis of Convenience*, 72.

III. THE SHANGHAI COOPERATION ORGANIZATION

A. BACKGROUND

Central Asia is a region where the potential for Sino-Russian cooperation and contention exist simultaneously. Historically, the region has experienced periods in which each state has been the hegemonic power. Russia enjoyed significant power and influence in the region over the past two hundred years.[87] During this period of Russian dominance, China and Russia came to an understanding that has served both states security interests. The dynamics of this understanding have changed during the early stages of the twenty-first century due to China's rise and geopolitics in Central Asia that have continued to transform since the end of the Cold War. Lo called this informal security arrangement a "tacit bargain." China would recognize the historical "status quo" in the region as long as Russia maintained stability and controlled separatist movements and extremist elements that had the potential to cause territorial problems in China.[88] This bargain helped to assuage Chinese security concerns in the western portion of its territory, especially in Xinjiang Province.[89]

As will be discussed in this section, geopolitical events during the past decade have eroded some of the foundations of this tacit bargain and have caused a shift in Chinese foreign policy in the region. The recent formation of the Shanghai Cooperation Organization (SCO) created an institutional forum to enact this new foreign policy. It also increased competition and cooperation in several areas by including the Central Asian Republics. Finally, it exacerbated the Sino-Russian "tug-of-war" that was beginning to emerge over the direction and collective identity of the region.

The vast resource potential of Central Asia remains the focal point for much of Sino-Russian competition. Both states have expended significant resources in the region

87 Lo, *Axis of Convenience*, 91.

88 Ibid., 92.

89 Rozman, Chinese Strategic Thought toward Asia, 146.

to maintain, develop, and utilize ties that will help to realize their interests. In the Chinese case, efforts have focused on the diversification of its energy portfolio in order to lessen its dependence on exports from the Russian Federation and the Middle East. In the Russian case, its efforts have centered on blocking any regional developments that will take away from Chinese purchases and dependence on Russian energy exports. Russia still has an advantage in this regard due to the Soviet legacy in the region; but the Chinese continue to display an ability to utilize soft power deftly in ways that are raising China's economic influence in the region.[90]

This competition in the energy sphere is part of an overall trend of economic "tug-of-war" between the Chinese and the Russians. The Chinese have continued to develop economic ties and have been proponents of interdependence while the Russians have continued to "prefer barriers to economic integration."[91] The Russian Federation has attempted to block the growth of Sino-Central Asian economic ties by perpetuating the notion within the Central Asian Republics that China is gaining too much influence and its long-term goals are suspect.[92] This bilateral economic tug-of-war has manifested itself within the SCO as one of several points of contention within the Sino-Russian relationship. It feeds into the overall Sino-Russian contention over the direction and purpose of the SCO as it develops from 2001–2009.

Overall, in light of the intense energy competition and several disagreements over the direction and regional identity of the SCO, it still remained in both states' interests to maintain "stable regimes in the region as partners in the struggle against Islamic forces" and to minimize the potential for U.S. influence.[93] China and Russia have both been cognizant of Islamic fundamentalism's potential in a post-9/11 world and have both experienced complications with it first-hand in Xinjiang and Chechnya. In terms of the

---

90 Lo, *Axis of Convenience*, 111.

91 Rozman, "Thinking on Asian Regionalism," in *Russian Strategic Thought toward Asia*, ed. Gilbert Rozman, Kazuhiko Togo, and Joseph P. Ferguson (New York, NY: Palgrave Macmillan, 2006), 245.

92 Lo, *Axis of Convenience*, 110–112.

93 K. R. Bolton, "Russia and China: An Approaching Conflict," *The Journal of Social, Political, and Economic Studies*, 34, no. 2 (Summer 2009), 169; and Garnett, *Challenges of the Sino-Russian Strategic Partnership*, 47–49.

potential for U.S. influence in Central Asia, both states have been apprehensive about this aspect for generally congruent reasons. Slight differences have arisen in how this apprehension manifested itself in Central Asia and in the SCO. Beyond this, as eluded to earlier, Moscow and Beijing's interests began to diverge. This makes the SCO an interesting regional forum for analyzing the Sino-Russian relationship during the past decade because it has "allowed China a real say on Central Asian questions without leaving it completely vulnerable to demands by Russia that traditionally held sway in this region."[94]

The organizers or founders of what came to be known first as the "Shanghai Five" and later as the "Shanghai Cooperation Organization," met for their first regional summit in the spring of 1996 in Shanghai "to delineate the geopolitical ambiguities surrounding their shared borders."[95] This regional summit created the groundwork for the emergence of the SCO as a regional organization in 2001.[96] It was intended to spur military cooperation, limit the size of regional military exercises to no more than 40,000 troops, and initiate confidence building measures along the heavily militarized 110-km-wide frontier zone between Russia, China, and the 7,000-km border area affecting all other parties involved.[97] The original states present at this summit included Russia, China, Kazakhstan, Kyrgyzstan, and Tajikistan.

The impetus for this multilateral meeting went beyond the uncertainties of shared borders. The gathering of these states was also a reaction to the growing regional problems in Central Asia resulting from the breakup of the Soviet Union. These problems included trans-regional drug smuggling, separatist movements, and acts of terrorism associated with Islamic fundamentalism. For the Russian Federation and China, these emerging trends represented a threat to stability and security in the region and also represented a shift away from the tacit bargain that defined the geopolitics of

---

94 Rozman, Chinese Strategic Thought Towards Asia, 220.

95 See *The Shanghai Cooperation Organization* (accessed March 19, 2010); available from http://www.cfr.org/publication/10883/.

96 Jefferson E. Turner, "What is Driving India's and Pakistan's Interest in Joining the Shanghai Cooperation Organization," *Strategic insights* 4, no. 8 (2005), 1.

97 Garnett, Challenges of the Sino-Russian Strategic Partnership, 43.

Sino-Russian relations in Central Asia up to that point. The ensuing meeting and negotiations culminated in the formation of a regional security alliance designed to deal with contemporary regional security and stability problems in a collective manner for the first time since the end of the Cold War.

The alliance was formalized on the April 26, 1996, with the "Agreement on Confidence Building in the Military Field in the Border Areas." It is important to note that this agreement was designed to deal with what would eventually be institutionally expressed as the "three evils" of terrorism, separatism, and extremism. These were all viewed by the signature states as internal matters or regional problems perpetuated by non-state actors. This was not an agreement for collective defense against external state actors. It was simply an agreement to facilitate cooperation on regional problems affecting regime and internal state security and to prevent aggression between Central Asian states in the execution of this cooperation. These sentiments were expressed in the following statement from Article One of the agreement. It stated "The military forces of the Parties deployed in the border area, as an integral part of the military forces of the Parties, shall not be used to attack another Party, conduct any military activity threatening the other Party and upsetting calm and stability in the border area."[98] The internal regional focus inherent in this landmark agreement was something that, as the SCO emerged and developed, became a point of constant Sino-Russian contention over identity and direction.

In Moscow a year later, a second summit produced another agreement on April 24, 1997. The "Agreement on Mutual reduction of Military Forces in the Border Areas" reduced troop numbers in the vicinity of the border areas and asserted that any remaining armed forces must remain defensive in nature.[99] Within this context, the Russians agreed "to reduce the size of its armed forces on the 100-km border zone by 15 percent and place

---

98 See *Agreement on Confidence Building in the Military Field in the Border Areas, Article 1* (accessed July, 23, 2010); available from http//www.stimson.org/cbm/china/crplus.htm.

99 Nadkarni, *Strategic Partnerships in Asia*, 196.

limits on a wide range of ground, air defense, and frontal aviation equipment and personnel" in order to meet the requirements.[100] The Chinese followed suit with equipment and troop reductions as well.

The next two meetings between these states occurred on July 3, 1998, in Almaty, Kazakhstan and on August 24, 1999, in Bishkek, Kyrgyzstan. During these meetings, multilateral talks began to expand beyond military, security, and border-related topics pertaining exclusively to the five participants. The 1998 multilateral forum publicly discussed issues surrounding Indian and Pakistani nuclear testing and its ramifications for regional stability. In 1999, the meeting in Bishkek began to delve into the economic sphere of regional relations.[101] The expanding subject matter of these meetings was evidence of the emerging institutional ties and consultative mechanisms among these states. Each state began to utilize these regional meetings as a forum for expanding regional dialogue and cooperation. This is a trend that would continue into the twenty-first century.[102]

The term "Shanghai Five" was finally coined in 2000 during the group's fifth meeting in Dushanbe, Tajikistan. In 2001, China proposed the formal transformation of the Shanghai Five into an official multilateral regional organization that would continue its original mandate of security cooperation along the borders and collaboration on regional issues.[103] On June 15, 2001, in tandem with the inclusion of Uzbekistan as a new member state, it officially became known as the Shanghai Cooperation Organization. Its official mandate, as declared on the SCO's official Web site is:

> Strengthening mutual confidence and good-neighbourly relations among the member countries; promoting effective cooperation in politics, trade and economy, science and technology, culture as well as education, energy, transportation, tourism, environmental protection and other fields; making joint efforts to maintain and ensure peace, security and stability in

---

100 Garnett, Challenges of the Sino-Russian Strategic Partnership, 43.

101 Turner, "What is Driving," 2.

102 See *Main Events within Framework of "Shanghai five," SCO* (accessed July 14, 2010); available from http://english.scosummit2006.org/en_bjzl/2006-04/19/content_62.htm.

103 Rozman, Russian Foreign Policy in Northeast Asia, 220.

> the region, moving towards the establishment of a new, democratic, just and rational political and economic international order.[104]

Member states envisioned this as a new type of multilateral organization designed to fight the "three evils" and confront any other emerging issues as the twenty-first century unfolded in Central Asia. For the Sino-Russian relationship, it symbolized the continuation of their tacit agreement and was a tangible manifestation of the continued development of their "strategic partnership." In terms of their individual interests, the formation of the SCO meant different things to each of them.

Russia envisioned utilizing the SCO as a geopolitical tool to maintain its regional influence at a time when regional and international systemic dynamics were continuing to change. It also envisioned the SCO as a regional organization that could be shaped to balance against potential U.S. interests, any further North Atlantic Treaty Organization (NATO) expansion towards its sphere of influence, and long-term Chinese economic interests.[105] This "geopolitically-centric" agenda, as Lo calls it, differed immensely from the Chinese desire to focus on economic aspects. It also went against the intra-regional "spirit" of the 1996 agreement and 2001 SCO mandate with the exception of its desires to balance against Chinese interests in the region.

In China, the formation of the SCO was seen as an economic opportunity in Central Asia and a chance to facilitate measures towards energy security. It also gave legitimacy to China's pursuit of regional political and economic influence in the wake of the breakup of the Soviet Union.[106] The SCO would allow the Chinese to institutionally express its regional interests and contend to influence regional outcomes. Most of its interests remained economic and political in nature, and were internally focused on Central Asia. On the other hand, the Chinese had no interest or desire to be a part of a multilateral organization that would ever be construed as openly anti-United States or

---

104 See *Brief Introduction to the Shanghai Cooperation Organization* (accessed March 20, 2010); available from http://www.sectsco.org/EN/brief.asp.

105 Rumer, "Mind the Gap," 187.

106 Ramakant Dwivedi, "China's Central Asian Policy in Recent Times," *China and Eurasia Forum Quarterly* 4, no. 4 (2006): 139.

anti-NATO.[107] This perception would affect a robust Sino-U.S. economic relationship that was viewed as more important to cultivate in the long term than any Russian relations centered on anti-U.S. or anti-NATO sentiments. It would also run counter to China's carefully managed international identity as a peaceful "status quo" power.[108]

Overall, the manifestation of the SCO as a regional identity represented a formal arena for competition and cooperation in the Sino-Russian relationship during the preceding decade. It not only represented converging interests on stability and the blocking of U.S. influence in the region, but also represented diverging interests on the direction and identity of the SCO as it developed and evolved. The Russian Federation favored a geopolitically centric organization with an external focus while the Chinese preferred an economically centric organization that did not overtly act as a counterweight to the United States and NATO. The following section will analyze the specific dynamics of Sino-Russian interactions in the SCO during the first decade of the twenty-first century. It will demonstrate the continuous Sino-Russian "tug-of-war" over the SCO's direction and identity as a regional organization.

B. SINO-RUSSIAN INTERACTIONS

An important starting point for understanding Sino-Russian cooperative and competitive dynamics in the SCO and Central Asia during the past decade is June 15, 2001. As stated earlier, this date marked the SCO's official beginning as a regional institution. Although annual summits had been occurring since 1996, the summer of 2001 marked the official starting point for an institution that was very much still a work in progress. Its original mandate encompassed many broad sweeping statements but the institution still needed to build the requisite institutional and legal framework necessary to be considered a viable regional organization with a purpose beyond rhetoric. A public announcement of the completion of this framework was not given until the fifth

[107] Rumer, "Mind the Gap," 187.

[108] For a comprehensive analysis of what defines China as a status quo power refer to: Alastair Iain Johnston, "Is China a Status Quo Power?" *International Security* 27, no. 4 (Spring 2003) 5–56.

anniversary summit in Shanghai in June 2006.[109] The **"**Declaration on the Fifth Anniversary of the Shanghai Cooperation Organization" proclaimed that "the SCO had completed the building of the institutions and the legal framework necessary to ensure its effective functioning."[110] As with most of the proclamations of the SCO to this point, it was not rich on details regarding these frameworks, nor how they were going to function.

The preceding highlights two continuous trends that persist throughout much of the past decade. First, the SCO's rhetoric outstripped its achievements and, second, it had yet to "develop a genuine collective identity."[111] These prevailing trends were an outgrowth of the contention inherent in several aspects of the Sino-Russian relationship in Central Asia during this period. As stated earlier, the Russians saw the SCO as a geopolitically centric organization and the Chinese envisioned it functioning as an economically centric institution. This reality slowed down the development of a coherent set of frameworks; it also hindered the development of a collective regional identity as the Sino-Russian tug-of-war over continued to leave its mark on the SCO.

On the plus side, the SCO was able to develop a few positive attributes during the previous decade that demonstrated its potential as a regional organization. First, it showed an ability to demonstrate solidarity on certain issues.[112] This fact was demonstrated during the 2005 summit in Astana. During the summit, the SCO issued a joint statement calling for a "final timeline for American forces to leave the region," and also agreed not to allow the United States to send observers to Peace Mission 2005 or 2007.[113] Second, it enhanced political coordination among SCO member states and enhanced security ties among all of its members.[114] An example of this can be seen in the increased military-to-military cooperation demonstrated during the "Peace Mission"

---

[109] Lo, Axis of Convenience: Moscow, Beijing, and the New Geopolitics, 105.

[110] See *Declaration on the Fifth Anniversary of the Shanghai Cooperation Organization* (accessed July 22, 2010); available from http://english.scosummit2006.org/en_zxbb/2006-06/15/content_755.htm.

[111] Lo, *Axis of Convenience,* 106–107.

[112] Ibid.

[113] Dmitri Trenin, "Russia's Asia Policy under Vladimir Putin, 2000–2005," in *Russian Strategic Thought toward Asia*, ed. Gilbert Rozman, Kazuhiko Togo, and Joseph P. Ferguson (New York, NY: Palgrave Macmillan, 2006), 115–116.

[114] Lo, *Axis of Convenience,* 107.

initiatives of 2007 and 2009.[115] Finally, while it still lacked a collective regional identity and had shortcomings in its institutional frameworks, the SCO still was able to develop into a functioning multilateral organization with some tangible achievements to its credit. It also enabled smaller member states in Central Asia to be heard in a regional forum for the first time, which was not necessarily the case prior to the SCO's existence. Smaller member states were able to pursue and "maximize" their interests by strategically managing different facets of their relations with China and Russia.[116]

The following two subsections provide a sampling of significant examples of Sino-Russian interactions in the SCO from 2001–2009. This will elucidate two themes that pervaded Sino-Russian relations in Central Asia during the period. First, it will demonstrate that the SCO was, and still is, mostly an institutional manifestation of Sino-Russian cooperation and competition in the region. The result has been a "tug-of-war" over strategic energy resources, economic development, organizational membership, and the direction and collective identity of the organization as it continues to develop. These relational dynamics have had negative consequences on the development of the SCO as a regional organization, but have not completely hindered any positive developments over the past decade. Finally, it will demonstrate that the United States' continued presence in Central Asia also has had a dramatic effect on Sino-Russian regional dynamics and relations within the SCO. It continues to give the Chinese and the Russians a regional focal point and point of convergence that goes beyond their disagreements and diverging interests in Central Asia.

1. 2001–2004

The September 2001 terrorist attacks in New York and Washington D.C. had a dramatic effect on Sino-Russian relations in Central Asia and within the newly formed SCO. Vladimir Putin's quick backing of an American and North Atlantic Treaty Organization (NATO) military presence in Afghanistan in support of the newly declared

---

[115] For more details on these exercises see: Roger M. McDermott, *The Rising Dragon: Peace Mission 2007*; available from www.jamestown.org; and Stephen Blank, "Peace-Mission 2009: A Military Scenario Beyond Central Asia," *China Brief* 9, no. 17 (August 2009).

[116] Lo, Axis of Convenience, 106–108.

Global War on Terrorism (GWOT) caught the Chinese, and even Putin's own military establishment, off-guard.[117] This decision had implications for both states and the SCO as the decade moved forward.

From a Russian perspective, Putin saw this as an opportunity to be seen as a vital regional ally by the United States in the fight against Islamic extremism and terrorism. He also knew that the Russian Federation was in no position to demand that the United States stay out of Central Asia but had a chance to gain economically and in other ways by publicly being seen as a regional proponent of the GWOT in Afghanistan.[118] It also had the added benefit of assisting Russia and the Central Asian states deal with one of the region's most pervasive regional problems. It was one of the primary reasons behind the SCO's establishment in the first place.[119] The member states had spent almost two years working on a convention "designed to fight terrorism, separatism, and extremism" that was signed in accordance with the founding of the organization almost three months before the terrorist attacks in the United States had occurred.[120] It made geopolitical sense to allow the Americans and NATO to solve a portion of this pervasive regional problem because, as Putin initially calculated, they would only be in Central Asia on a short-term basis.[121] This turned out to be a dramatic miscalculation that would have implications for Sino-Russian relations.

In China, the Russian Federation's change in policy, enacted without any prior bilateral consultation, was viewed with surprise and consternation. The effects of the Russian policy shift were exacerbated by Uzbekistan and Kyrgyzstan's "quick moves to follow Russia's lead and provide access to military bases outside the aegis of the

---

117 Peter Ferdinand, "Sunset, Sunrise: China and Russia construct a new relationship," *International Affairs* 83, no. 5 (2007): 844–854.

118 Willy Wo-Lap Lam, "Moscow Tilts West, Beijing Worries." *China Brief* 2, no. 12 (June 2002): 2.

119 Lo, *Axis of Convenience,* 93–94.

120 Stephen Aris, "The Shanghai Organization: 'Tackling the Three Evils': A Regional Response to Non-traditional Security Challenges or an Anti-Western Bloc," *Europe–Asia Studies* 61, no. 3 (May 2009): 467.

121 Lo, *Axis of Convenience,* 94.

SCO."[122] In an uncomfortable position, the Chinese spun it as Sino-Russian regional solidarity in support of the war on terror.[123] By October 2001, the Chinese were already making public pronouncements indicating their concern about the increased American and NATO military presence in Central Asia. They eventually called a meeting of foreign ministers from the SCO member states in December of the same year to discuss issues surrounding the war in Afghanistan.[124]

These developments highlighted three realities within the Sino-Russian Relationship in Central Asia. First, it demonstrated that the Russians were "untrustworthy and weak" and could not be counted on to confer with China before pursuing its interests.[125] Second, it was evidence that relations with the West, and the United State in particular, would always supplant the Sino-Russian "strategic partnership." Finally, it demonstrated that the Russians could no longer be counted on to maintain its end of the tacit bargain in Central Asia.[126]

Overall, this sequence of events affected Sino-Russian interactions significantly over the rest of the decade in two ways. First, it signaled to China that it would have to develop a Central Asian strategy that was more flexible and dynamic in terms of engagement with the other member states in the SCO and in the greater Central Asian region. In addition, it demonstrated the potential for the "re-emergence of a competitive strategic environment in Central Asia."[127] This possibility did not bode well for the growth of the SCO. It was still in the process of constructing the relevant institutional frameworks and developing a consistent regional identity. The prospects for long-term success in the SCO were significantly weakened by Sino-Russian contention centering on Russian decision making during the months following September Eleventh.

---

[122] Charles Hutzler, "China Is Seeking To Strengthen Antiterror Group," *Wall Street Journal*, January 8, 2002, A13.

[123] Erik Eckholm, "China's About-Face: Support for U.S. on Terror," *New York Times*, September 30, 2001, A6.

[124] See "A Nation Challenged: China Calls a Regional Meeting," *New York Times*, December 26, 2001, B2.

[125] Lo, Axis of Convenience, 95–97.

[126] Ibid.

[127] Ibid.,, 97.

During the following year, the Russian Federation began to realize that the U.S. and NATO presence in Central Asia was beginning to appear as if it would remain for a much longer period than initially anticipated. This realization, as well as several subsequent developments regarding the U.S. invasion of Iraq in 2003 and the Central Asian color revolutions in Georgia, Ukraine, and Kyrgyzstan, began to shift Russia's view of the utility of the American and NATO military presence in Afghanistan.[128] This caused the Russian Federation to push to publicly reaffirm its "strategic partnership" with China and its commitment to the SCO at a time when China was apprehensive about its regional relationship with Russia, its level of influence in Central Asia, and the future direction of its foreign policy. An initial manifestation of a Russian policy shift and reaffirmation of Sino-Russian regional solidarity against perceived Western encroachment and interference in regional affairs occurred during three proclamations. The first two proclamations occurred as part of the SCO summit in St. Petersburg on June 7, 2002. The final one came as part of the December 2002 joint statement.

At the St. Petersburg summit, Vladimir Putin "insisted that Moscow's increasingly close friendship with the West did not threaten its 'partnership' with China."[129] He also made several other public statements touting the strength and depth of the Sino-Russian relationship. The member states of the SCO also formalized the organization's Charter. Article one states that the main goals and tasks of the SCO are:

> to *strengthen* mutual trust, friendship and good neighborliness between the member States; to *consolidate* multidisciplinary cooperation in the maintenance and strengthening of peace, security and stability in the region and promotion of a new democratic, fair and rational political and economic international order; to *jointly counteract* terrorism, separatism and extremism in all their manifestations…to promote human rights and fundamental freedoms in accordance with the international obligations of the member States and their national legislation; to *maintain* and develop relations with other States and international organizations; to *cooperate* in

128 Lo, *Axis of Convenience,* 94.

129 See "Putin Reaffirms China Ties," *New York Times* June 6, 2002, A14.

> the prevention of international conflicts and in their peaceful settlement; to *jointly search* for solutions to the problems that would arise in the 21st century.[130]

Finally, the December 2002 joint statement focused on "coordination of positions in international affairs and in multilateral and regional organizations, and their joint efforts against terrorism."[131]

For China, these proclamations demonstrated that relations with Russia in Central Asia would always remain predicated on self-interest and would therefore continue to rapidly shift back and forth from East to West. It also reinforced the continued utilization of a flexible and active foreign policy in the region. For Russia, these developments were indicative of a change in Russian attitudes towards the United States and NATO and the beginning of a decline in state-to-state and state-to-organization relations between Russia and the West. It also demonstrated the Russian Federation's recognition that it needed to incorporate China and the Central Asian states into any strategy to oppose outside influence from the West in the region at a time when its influence was gradually receding.[132]

How would the Russian Federation effectively co-opt China and the Central Asian states into supporting its shift in regional policy and balance against Chinese interests in the region at the same time? The SCO was primarily a creation of the Chinese and, although many of its public statements contained veiled statements that were critical of U.S. and NATO actions in the region, it did not envision the SCO willingly adopting an overtly anti-Western stance. An "attempt to revamp Russia's marginalized position and to balance against both the Chinese and U.S. presence" spurred the creation of the Collective Security Treaty Organization (CSTO).[133]

---

130 See *The Charter of the Shanghai Cooperation Organization* (accessed July 22, 2010); available from http://www.sectsco.org/EN/show.asp?id=69.

131 Nadkarni, *Strategic Partnerships in Asia*, 61.

132 Lo, *Axis of Convenience*, 95.

133 Joseph P. Ferguson, "Russian Strategic Thinking toward Central, South, and Southeast Asia," in *Russian Strategic Thought toward Asia*, ed. Gilbert Rozman, Kazuhiko Togo, and Joseph P. Ferguson (New York, NY: Palgrave Macmillan, 2006), 115–116.

The CSTO served two purposes that supported Russian interests. It was utilized as a vehicle for undermining Chinese long-term interests in Central Asia, and it was also used to tout the Russian Federation as the primary geopolitical actor in any regional cooperation efforts between NATO, the United States, and Central Asia.[134] This organization would go on to overlap in many of the functions and roles of the SCO during the decade with on major exception. Without China as a member, it lacked the economic dynamism and potential that the Chinese brought to the SCO as a member-state. This severely reduced the CSTO's potential for long-term growth in the region as an organization on par with the SCO and reduced its utility within the region as a vehicle for solving the region's problems. Lo states that "they are competing as organizations that cover much of the same ground, but for different sides."[135] The development of the CSTO did not enhance the Russian Federation's regional standing in Central Asia and has not been effective at balancing against Chinese interests or perpetuating its desires for a more explicit anti-Western stance. Its creation does, however, increase the potential for contention to develop in Sino-Russian relations in the future.

In 2003, several significant developments occurred in the development of the SCO. During its May summit in Moscow, the SCO elected its first Executive Secretary, signed a declaration legally binding the member states to its Charter, and approved governing regulations for its agencies.[136] In August, the first SCO-sponsored multilateral joint military counterterrorism exercise known as "Cooperation 2003" occurred in two stages during the three-day period.[137] The first stage was conducted in eastern Kazakhstan. The second stage was conducted in western China and marked the first instance of a combined forces operation on Chinese soil.[138] In September, during a second summit in Beijing, the executive committee of the Regional Anti-Terrorist

---

134 See Bobo Lo, *Ten Things Everyone Should Know about the Sino-Russian Relationship* (accessed July 15, 2010); available from http://www.cer.org.uk/pdf/pb_china_bl_dec08.pdf.

135 Lo, *Axis of Convenience*, 113.

136 Xu Tao, "SCO: Example for the World," *Beijing Review* 46, no. 24 (June 2003): 26.

137 Kevin Shieves, "China Turns West: Beijing's Contemporary Strategy Towards Central Asia," *Pacific Affairs* 79, no. 2 (2006): 214.

138 See *Shanghai Cooperation Organization Takes Significant Step towards Viability* (accessed July 26, 2010); available from http://www.eurasianet.org/departments/insight/articleseav090503b.shtml.

Structure (RATS) was formed as a coordination mechanism within the SCO to combat the "three evils" within the region.[139] It would accomplish this task by fusing intelligence from the security services of SCO member states.[140]

This organ became operational in November 2003 and moved into its permanent headquarters in Tashkent, Uzbekistan in 2004. Since its inception, it has been viewed as a "qualified success" and has been able to act as a "relatively neutral body with unequalled information and expertise on issues of security of great importance to the member states."[141] The developments of 2003 represent positive growth within the SCO and concrete developments towards an emerging regional identity. It is important to note that these developments came at a time when Sino-Russian relations were focused outward on U.S. actions in Iraq and Afghanistan and not on the regular intra-regional points of contention that inhibited SCO growth at times during the previous few years.

January 15, 2004, saw the "establishment of a Permanent Secretariat in Beijing."[142] Even though this position has remained administrative in nature, it has provided the bureaucratic foundation for the policies and agreements that continue to be negotiated on during high-level meetings of the SCO.[143] This also became the year when the question of membership expansion and criterion began to emerge as a point of disagreement. With the inclusion of Mongolia as an observer in 2004, a point of contention began to resurface in the Sino-Russian relationship and within the SCO.[144] It centered on the direction and the identity of the SCO moving forward into the second half of the decade and would reinforce the divergence between the geopolitically centric agenda of Moscow and the economically centric interests of Beijing.

---

139 A. Lukin, "Shanghai Cooperation Organization: Problems and Prospects," *International Affairs* 50, no. 3 (June 2004): 36–37.

140 Nadkarni, *Strategic Partnerships in Asia,* 196.

141 Aris, "The Shanghai Organization," 47.

142 Lo, *Axis of Convenience,* 105.

143 Aris, "The Shanghai Organization," 474.

144 Lo, *Axis of Convenience,* 105.

The first half of the decade saw the official beginning of the SCO as a multilateral region organization in Central Asia in response to strengthening Sino-Russian relations, the resolution of regional border issues, and converging interests centering one stability and security in the region. The events of September Eleventh created a dramatic change in Sino-Russian relational dynamics, as well as in each state's policies towards the region and each other. For the Russians, it marked a shift towards the West in support of the GWOT and its own self-interest. The Russian Federation's gradual shift back to the East came as it became apparent that the United States would continue to have an active military presence in the region for much longer than anticipated. For the Chinese, the Russian policy shift to the West and back again in the span of a few years demonstrated a pattern of unreliability. It reinforced the need for a more flexible and active policy in Central Asia and in the SCO. It also became clear that China would have to be prepared for the possible re-emergence of a "new great game" in Central Asia.

As will be discussed in the next subsection, the realities of Sino-Russian relations in Central Asia as well as the residue of events since September Eleventh will continue to shape interactions in the SCO and the region. Issues surrounding membership expansion and norms, perceptions of U.S. regional encroachment and interference in domestic affairs, and Russian actions in The Republic of Georgia will also emerge as points of solidarity and friction in the Sino-Russian relationship. These issues, as well as the realities inherent in their bilateral relationship, will continue to demonstrate the "tug-of-war" between Russia and China in the SCO and in Central Asia.

2. 2005–2009

The year 2005 was a year of growth and development in the SCO, but it was also a year in which its potential expansion beyond the original six member states emerged as a topic of debate and contention, especially between China and Russia. Four developments signified the positive and negative potential inherent in the SCOs developmental path, as well as the substantial influence of Sino-Russian relations on the organizations direction and identity. First, India, Pakistan, and Iran were given observer status in the organization. Second, an eight-day joint military exercise termed "Peace

Mission 2005" started in Vladivostok and concluded in Weifang.[145] Third, although officially becoming operational only in 2003, RATS began to show tangible results within Central Asia. Finally, the U.S. condemnation of Uzbekistan's actions surrounding its military crackdown on protesters in Andijan spurred an SCO-supported call for a "final timeline" for the withdrawal of U.S. military forces from bases in Uzbekistan and Kyrgyzstan.[146]

The inclusion of India, Pakistan, and Iran as observers in the SCO was a concrete expression of the contention in Sino-Russian relations in Central Asia.[147] Each state's inclusion as an observer demonstrated the Sino-Russian tug-of-war over the SCOs long-term regional identity and direction. The inclusion of India indicated a desire by Russia to counter the growing Chinese influence in the region, especially in the economic sphere. The Indo-Russian relationship was "grounded in extensive military cooperation, buttressed by a shared vision of the contours of a desirable international order and a congruence of views on important issues related to regional and international security."[148] A full Indian membership in the SCO would offer a significant counterweight to Chinese interests in Central Asia. For China, the inclusion of Pakistan served the purpose of balancing against Indo-Russian interests in the SCO and in Central Asia more generally. The Chinese and the Pakistanis have enjoyed close to fifty years of strong relations and engagement in significant military and economic cooperation.[149]

The inclusion of Iran as an observer created the most controversy over membership and the SCO's identity. Although it would expand the "cooperative potential" of the resource and energy trade in the SCO, it would also send a statement to the West that the SCO was overtly anti-Western and inherently supported Iran's nuclear

---

[145] Martin Andrew, "Power Politics: China, Russia, and Peace Mission 2005," *China Brief* 5, no. 20 (September 2005): 1.

[146] Ferdinand, "China and Russia construct a new relationship," 854.

[147] Subodh Atal, "The New Great Game," *The National Interest* 81, no. 3 (fall 2005): 103.

[148] Nadkarni, *Strategic Partnerships in Asia*, 81.

[149] See *China and Pakistan: A Fraying Friendship?* (accessed July 24, 2010); available from http://www.time.com/time/world/article/0,8599,1880689,00.html.

development.[150] The economic potential and the political ramifications of Iran's membership in the SCO were not mutually exclusive. Its membership would serve Russia's geopolitical interests and hurt China's international identity as a peaceful "status quo" power at the same time. It was an issue that came to a head during the following year's SCO summit in Shanghai.

Peace Mission 2005 was touted as a joint counterterrorism exercise against the three evils. General Liang Guanglie, Chief of the General Staff of the Chinese People's Liberation Army, stated that "they were part of the fight against international terrorism, separatism and extremism."[151] Many analysts and observers believed the bilateral exercises, attended by observers from the four original member states and Iran, Pakistan, and India, were utilized as a geopolitical tool by both states to send different messages concerning East Asia.

For Russia, some analysts believed it wanted to send a message to "Japan, North Korea, and the Russian Far East that it was not abandoning the Far East and still had the capability to intervene in the area."[152] For China, other analysts believed these exercises sent a message to Japan about its increasing naval capabilities and its ability to intervene in any military disputes over the Kuril Islands. It was also believed to have been a way to send a message to the North Koreans that a continued absence for the Six-Party talks would not be tolerated.[153] Additionally, some circles believed that it demonstrated "Moscow's willingness to lend a mail-glove hand to China's efforts to warn the United States away from involvement in any future crisis over Taiwan."[154] Each of these conclusions may contain elements of truth, but—regardless of the specific objectives of China and Russia—the exercise clearly included or sent a greater regional geopolitical signal under the guise of an SCO mandate.

---

150 Matthew Brummer, "The Shanghai Cooperation Organization and Iran: A Power-Full Union," *Journal of International Affairs* 60, no. 2 (Spring 2007): 185.

151 See *China–Russia War Games Underway* (accessed July 28, 2010); available from http://news.bbc.co.uk/2/hi/asia-pacific/4162054.stm.

152 Andrew, "Power Politics," 2–3.

153 Ibid.

154 Fred Weir, "Russia and China meld muscle for war games; Shared concerns of regional unrest push aside differences," *Christian Science Monitor*, August 17, 2005, 1.

The tangible accomplishments of RATS in 2005 became a point of pride and one of the few symbols of tangible progress in member state cooperation against the three evils. It was also one of the few concrete institutional points of development that the SCO could point to in its short history thus far. By the beginning of the year, RATS was "operating a regional terrorist database, sponsoring joint counter-insurgency exercises and expert research, and providing Chinese security services with an institutional link to the Commonwealth of Independent States (CIS) Anti-Terrorist Centre in Bishkek."[155] Vyacheslov Kasymov, the former Executive Committee Director of RATS, stated that "over 250 terror attacks were pre-empted in the SCO's member states in 2005."[156] It also had the added benefit of reducing regional tensions and allowing states to focus on other positive initiatives.

Although RATS was viewed as a modest development from a Western perspective, it was a significant development for the SCO. The evolution of RATS into a viable SCO organ by 2005 occurred because of convergent Sino-Russian interests in battling the three evils. This created an institutional environment that facilitated unimpeded growth. The development of RATS was another example of the regional potential inherent within the SCO when Sino-Russian relations remained mutually supportive. It was also additional evidence of how dramatically cooperation and contention in Sino-Russian relations affected the growth and development of the SCO.

Repeated criticisms from the United States and the West concerning the events in May in Andijan, Uzbekistan came at time when the Central Asian Republics, as well as China and Russia, were growing wary of the U.S. military presence in the region. The member states of the SCO were becoming leery about the continued U.S. democratic rhetoric aimed at the semi-authoritarian and authoritarian regimes in the region. There were also suspicions among some of the member states concerning U.S. complicity in the

155 See "Central Asia: SCO summit marks new round of Great Game," *Oxford Analytica Daily Brief Service*, July 6, 2005, 1.

156 "The Shanghai Organization," 472.

color revolutions in Georgia, Ukraine, and Kyrgyzstan.[157] This growing anti-U.S. sentiment spurred the Astana declaration during the 2005 Heads of State summit in Kazakhstan.

During the summit, "the six-nation body issued a declaration that the coalition forces give 'a final timeline' for their use of bases in Uzbekistan and Kyrgyzstan."[158] It also called for "the establishment of true partnership with no pretence to monopoly and domination in international affairs."[159] This statement was a broader indictment of the United State's democratization agenda. Many analysts viewed this as a move initiated by Sino-Russian interests, but it was also rooted in Central Asian fears and resentment over the United State's perceived democratization agenda and the recent color revolutions that brought the possibility of regime change closer to home for many leaders. By October, U.S. troops had vacated the Uzbekistani base at Karshi-Khanabad but had come to an agreement with Kyrgyzstan to remain at the Manas airbase. The United States had managed to overturn Kyrgyzstan's original declaration as part of the Astana summit.[160] From a positive perspective, the Astana declaration was evidence of the substantial influence wielded by Russia and China within the SCO when their interests converge. It also illustrated the ability of the SCO to speak and act with one voice in certain situations. That said, at the conclusion of events, Kyrgyzstan's reversal-decision also signified the growing influence and power of the United States in Central Asia as well.

The SCO's fifth anniversary celebration and summit in Shanghai saw two significant developments. First, statements written into the official declaration during the summit continued the recent trend of veiled anti-U.S. and defensive rhetoric that was prevalent during the previous year. This rhetoric was reinforced by the public statements of several heads of state during the summit. Finally, the question of membership

---

157 C. J. Chivers, "Central Asians Call on U.S. to set Timetable for Closing Bases," *New York Times*, July 6, 2005, A3.

158 Shieves, "China Turns West," 218.

159 Lo, *Axis of Convenience*, 108.

160 Robin Wright, "Kyrgyzstan Agrees to continuing U.S. Military Presence at Key Air Base," *The Washington Post*, October 12, 2005, A10.

expansion and norms became a focal point in Shanghai with another debate over Iranian membership. This had implications for the SCO's long-term regional identity, as well as Sino-Russian relations.

There were two reasons why veiled anti-U.S. rhetoric continued as part of the SCO's strategic communication in 2006. First, regional leaders remained apprehensive about U.S. foreign policy objectives in Central Asia. Finally, for China and Russia, fears of strategic encirclement by the United States remained at the center of their convergent interests. Sino-Russian worries about strategic encirclement combined with feelings of apprehension among the leaders of the Central Asian Republics and fueled much of the veiled anti-U.S. SCO rhetoric during this period.[161] A pertinent example of this rhetoric could be seen in the first paragraph of Article III of the *Declaration on the Fifth Anniversary of the Shanghai Cooperation Organization* that states:

> Diversity of civilization and model of development must be respected and upheld. Differences in cultural traditions, political and social systems, values and model of development formed in the course of history should not be taken as pretexts to interfere in other countries' internal affairs. Model of social development should not be "exported." Differences in civilizations should be respected, and exchanges among civilizations should be conducted on an equal basis to draw on each other's strengths and enhance harmonious development.[162]

The reference to "exported" social development was a clear allusion to the United States' perceived interference in Central Asian domestic affairs and its democratization agenda.

The issue of Iranian membership into the SCO came at a time when anti-U.S. sentiment among the member states within the SCO was at its apex. Iran's membership would send a strong political signal to the United States and the West and would make the SCO an openly anti-Western organization. In the months preceding the SCO summit in Shanghai, "Iran was considered by many a lock for promotion from and observer state

---

161 Blank, "China and the Shanghai Cooperation Organization at Five," *China Brief* 6, no. 13 (June 2006): 1.

162 See Article III of the Declaration on the Fifth Anniversary of the Shanghai Cooperation Organization (accessed July 27, 2010); available from http://www.sectsco.org/EN/show.asp?id=94.

to a full member state."[163] To the West's relief and to President Mahmoud Ahmadinejad's chagrin, Iran was not granted full membership status at the summit and remained in its observer status. Although much of the SCO rhetoric over the previous year centered on non-interference from the West, the SCO did not want to imply its tacit support of Iran's nuclear program as part of any future non-interference rhetoric. This would most likely occur with Iran as a member state.[164] Overall, the prospect of Iranian membership in the SCO caused immense unease in China and a level of uncertainty in Russia. This was enough to block Iran's bid for membership. It would have sealed the SCO's regional identity as overtly and decidedly anti-Western organization and would have put the Chinese at odds with its cultivated international identity as a "status quo" power.

"Peace Mission 2007" and the signing of the "Treaty on Long-Term Good-Neighborliness, Friendship and Cooperation between the Member States of the Shanghai Cooperation Organization" during the summit in Bishkek defined developments in 2007. The SCO-sponsored Peace Mission exercises continued to display a trend of Sino-Russian domination with only "token" contributions for the other member states.[165] Limited interoperability and differences in doctrine and capabilities remained as recurring problems inherent with the evolution of the Peace Mission initiatives.[166] Significantly, it represented the first time entire PLA units operated outside of China. This exercise was a good test of its modernization efforts, its power projection capabilities, and its ability to provide adequate logistics support over long distances.[167] The signing of the new friendship treaty represented the provision of a legal framework within the SCO. It was designed to ensure continued cooperation among member states." [168] Overall, 2007 demonstrated some of the positive and negative aspects of development within the SCO.

---

163 Brummer, "The Shanghai Corporation," 185.

164 Ibid., 185–186.

165 Lo, *Axis of Convenience*, 109.

166 Ibid.

167 McDermott, *The Rising Dragon,* 4.

168 Nadkarni, *Strategic Partnerships in Asia,* 196.

From a positive perspective, the friendship treaty was another milestone in the institutional development of the SCO. Negatively, Peace Mission 2007 continued to be Sino-Russian centric and demonstrated the inability of the two nations to work effectively in a combined forces environment.

Two events in 2008 signified the limits of Russia's ability to influence the direction and identity of the SCO. First, during the early stages of the year, U.S. military forces began to return to Uzbekistan. Although Karimov's decision appeared to be "motivated by the deterioration of the situation in neighboring Afghanistan," it was another signal to the Russians demonstrating the new trilateral dynamics of regional power sharing in Central Asia.[169] Finally, Moscow's intervention in the Republic of Georgia in support of Abkhaz and South Ossetian separatist's caused contention within the SCO and friction with Kazakhstan.[170] The other SCO member states refused to endorse Russian military action in Georgia and "China kept a low profile, refusing to endorse this at the SCO meeting that month [August] in Dushanbe."[171] Overall, Russian limitations regarding its influence became apparent as a result of the developments of 2008. The SCO was not co-opted into giving any type of international legitimacy to Russian actions in Georgia and avoided another possible stigmatization as an overtly anti-Western regional entity.

As the SCO entered 2009, the regional effects of the global economic crisis, the Russian Federation's continued and emerging tensions with multiple member states, and the formation of a cooperative mechanism with NATO defined Central Asian regional dynamics during that year. The significant decline in energy prices had a drastic impact on the economies of all the member states of the SCO with the exception of China. Moreover, residual tensions with Kazakhstan over Russian actions in Georgia and emerging tensions with Uzbekistan over "CSTO-related issues and the establishment of a Russian military base in Kyrgyzstan" also combined to diminish Russian influence in the

169 Mark N. Katz, "Russia and the Shanghai Cooperation Organization: Moscow's Lonely Road from Bishkek to Dushanbe," *Asian Perspective* 32, no. 3 (2008): 185.

170 Ibid., 186.

171 Rozman, Chinese Strategic Thought Towards Asia, 145.

SCO.[172] In addition to these developments, an international conference on Afghanistan held in Moscow raised the possibility of SCO-NATO cooperation in order to "strengthen stability" in Afghanistan.[173] It formed a cooperative mechanism between the SCO and NATO on Afghanistan and signaled to West that the SCO was a regional organization based on cooperation, security, and stability and not on overt anti-Western rhetoric and behavior. The developments of 2009 demonstrated yet another twist and turn in the Sino-Russian tug-of-war in Central Asia and over the direction and identity of the SCO.

Overall, the second half of the decade saw a continuation of the Sino-Russian "tug-of-war" over the SCO's long-term direction and identity. The SCO continued to shift back and forth from east-to-west as a consequence of Sino-Russian relational dynamics but was stopped short of being branded an anti-Western institution on multiple occasions. Issues surrounding membership expansion and norms, perceived Western encroachment and interference in domestic affairs, the global economic crisis, and Russian aggression in Georgia continued to demonstrate the potential for solidarity and friction in the Sino-Russian relationship in the SCO and in Central Asia.

In light of these developments, the SCO was able to continue its maturation process during the second half of the decade. It made progress in its mandate to fight the "three evils" with the development of RATS and in its development of a legal framework to hold its member states accountable. It also identified itself as a possible partner for NATO in working towards a solution in Afghanistan. The SCO displayed its potential as a regional organization on multiple occasions from 2005-2009. It is notable that this only occurred during times of convergent Sino-Russian interest in the region, or when they were distracted by issues in Iraq and Afghanistan.

---

[172] See "Central Asia: Uzbek–Russian tensions undermine CSTO," *Oxford Analytica Daily Brief Service*, September 3, 2009, 1.

[173] See Interfax, "Military: SCO-NATO Cooperation Stabilizes Situation in Afghanistan –Kyrgyz Government," *Central Asian and Caucasus Business Weekly*, April 7, 2009, 1.

C. TRENDS AND ISSUES

Sino-Russian relations in Central Asia and in the SCO have veered between cooperation and competition since the turn of the century. The presence of the United States and NATO in Central Asia since 2001 has given each state a focal point of convergence that has alleviated some of the strategic pressure for increased Sino-Russian competition in the near-term. It will be interesting to see how the eventual removal of Western military forces from Central Asia will affect the Sino-Russian "strategic partnership" in the future. Based on their history in the SCO up to this point, it will likely create a more contentious period of Sino-Russian geopolitics as both states become more assertive in the pursuit of their regional interests.[174] For now though, Russian and Chinese interests still converge on minimizing U.S. influence and maintaining a stable and secure regional environment. This will remain as the status quo in Central Asia as long as the United States and NATO remain, just as the "three evils" remain a cause for concern among all of the member states of the SCO.

Within this relatively stable regional construct, Sino-Russian competition will continue to occur in two significant areas. First, competition over energy and Chinese access to markets will continue to define the bulk of Sino-Russian economic competition in the region. Russia has failed to stop the Chinese economic "charm offensive" in Central Asia so far. China has become an indispensible economic partner to the states of Central Asia. "Beijing is on track to surpass Moscow in its trade flows with Central Asia: In 2008, trade between China and Central Asia exceeded $25 billion, while trade between Russia and Central Asia was $27 billion."[175] Second, Intra-organizational competition will continue to occur as part of the larger contestation over the direction and identity of the SCO. The Russian Federation remains "lukewarm" toward the SCO due to significant Chinese economic dynamism and influence.[176] Russia will continue to tout

[174] Lo, Axis of Convenience, 114.

[175] Sebastien Peyrouse, "Military Cooperation between China and Central Asia: Breakthrough, Limits, and Prospects," *China Brief* 10, no. 5 (March 2010): 1.

[176] Lo, *Axis of Convenience*, 112.

other organizations, such as the CSTO, as viable alternatives to the growth and development of the SCO as the leading regional manifestation of cooperation and collective security in Central Asia.

IV. SINO-RUSSIAN ARMS SALES

A. BACKGROUND

The history of Russian military cooperation and assistance to China has its roots in the Chinese civil war period leading up to the establishment of the People's Republic of China (PRC) in 1949. As early as the 1920s, limited Soviet assistance, in the form of advisors and equipment, was given to the Guomindang (GMD) and the Chinese Communist Party (CCP).[177] The Soviets also provided military assistance to Chiang Kai-shek and his forces from 1937–1940 in order to fight the imperial aggression of the Japanese in Manchuria. At the conclusion of World War II (WWII), Soviet assistance "in the form of Japanese weapons, communications equipment, and money to equip the CCP" was given on a limited basis to continue the civil war against the GMD.[178] In 1948, as it was becoming apparent that the CCP was successfully eroding the power of the GMD, Soviet backing remained limited but grew to include "radio communications assistance, transports to assist with troop movements, and air defense support."[179] Soviet assistance proved vital to CCP efforts to consolidate power in China. It was also a contributing factor in the fleeing of the GMD to Taiwan and the CCP establishment of the PRC.

Within a year, the onset of the Korean War provided the first Chinese impetus to begin modernization efforts for the People's Liberation Army (PLA). The PLA had retained significant vestiges of military equipment from the GMD during the civil war but subsequent operations during the initial stages of the Korean War demonstrated that its forces were severely hindered by "deficiencies in logistics and ordnance."[180] The Soviets were the likely choice to assist with Chinese modernization efforts due to

---

177 Odd A. Westad, ed., *Brothers in Arms: The Rise and Fall of the Sino-Soviet Alliance, 1945–1963* (Port Chest, NY: Stanford University Press, 1998), 5.

178 Ibid., 8.

179 Ibid., 9.

180 John Gittings, *The Role of the Chinese Army* (London: Oxford University Press, 1967), 133.

geographical proximity, similar ideologies, and the availability of modern weapons, equipment, and training. To illustrate this point, John Gittings, in *The Role of the Chinese Army*, states:

> No serious attempt was made to start the modernization of the PLA before the Korean War, in spite of rumors of a secret Sino-Soviet military agreement which could include substantial retraining and re-equipment. In celebrations for Army Day in August 1950 modernization was hardly mentioned at all. The key to modernization was in the hands of the Soviet Union, and it was China's intervention in Korea which opened the flood gates of Soviet Aid.[181]

Although initial Soviet military assistance and the provision of weapons and equipment did not meet Chinese expectations during the first year of the conflict, Sino-Soviet military links still began to emerge.[182] The relationship strengthened in 1952 as military and technical cooperation with the Soviets became more substantial. It was part of an overall trend of positive developments in Sino-Soviet relations during the first half of the 1950s.[183]

By the time of the truce on the Korean peninsula in 1953, the Sino-Soviet Alliance continued to strengthen on the foundation of shared ideologies and mutual suspicion of the West. Tremendous Chinese enthusiasm for even more extensive military cooperative efforts was fueled by the United States' policy of containment in the region and its relationship with Taiwan.[184] Against this backdrop, military cooperation reached new heights in 1954. For the Chinese, continuing financial flexibility from the Soviets as well as robust maintenance and technical assistance allowed the Chinese to procure and eventually operate modern military aircraft like the Mig-17 and some short-range missile systems.[185] There were also initiatives for the licensing of production rights for Soviet military equipment in China. These initiatives centered on developing a modern Chinese

---

[181] Gittings, *Role of the Chinese Army*, 119.

[182] Westad, *Brothers in Arms*, 12.

[183] Gittings, *Role of the Chinese Army*, 121.

[184] Westad, *Brothers in Arms*, 3.

[185] Ibid., 16.

defense industry similar to the Soviet model of production. By 1956, the Chinese were producing MiG-17s in Manchurian factories with Soviet technical assistance.[186]

Nuclear cooperation also became a component of military cooperation as the alliance reached the mid-point of the 1950s. The Soviets began to train Chinese scientists to enable the start of indigenous nuclear research programs that had the potential for weapons applications. The Soviets initially agreed to also provide the Chinese with a "prototype" for a nuclear weapon. However, this initiative was later withdrawn as the relationship began to sour.[187] Overall, considerable Soviet technical and scientific assistance was one of the contributing factors to the Chinese emergence as a nuclear power in October 1964.

The seeds of acrimony in the Sino-Soviet alliance began to appear in the relationship around the middle of the decade over the Soviet declaration of a policy of "peaceful coexistence" with the West and problems in post-Stalin bloc relations. In terms of military cooperation, tensions started in the latter part of the decade. In 1958, Soviet proposals to the PRC began to transform bilateral tensions into a growing sense of paranoia about Soviet intentions regarding the PRC.[188] For example, Soviet proposals to build a series of military facilities on Chinese soil were met with suspicion by Mao and his supporters. These proposals included a long-wave radio station designed for early-warning and long-range communications and a joint flotilla of nuclear-powered submarines based in China and designated "for a common defense in the Far East."[189] These joint ventures would be Soviet-financed and built and would be operated by military personnel from both states. Mao and his supporters looked at these overtures as an attempt to control the regime and impede the sovereignty of the PRC. Overall, suspicions concerning military cooperation and the provision of equipment and training

186 Gittings, *Role of the Chinese Army*, 140.

187 Westad, *Brothers in Arms*, 17–19.

188 Ibid., 21.

189 Shu Guang Zhang, "Sino-Soviet Economic Cooperation," in *Brothers in Arms: The Rise and Fall of the Sino-Soviet Alliance*, 207.

were one of a myriad of issues that led to the Sino-Soviet split and the subsequent thirty year period of cold and acrimonious relations that was about to unfold.

Although the 1960 withdrawal of most Soviet aid and technical support signaled the first tangible manifestation of the Sino-Soviet split, limited military cooperation occurred in some instances until 1963.[190] A late as "January of 1963, some cooperation in the form of training and assistance in the production of the MiG-21 continued" until tensions built to an untenable level for any bilateral military cooperation to proceed further. With the Soviet withdrawal complete and the militarization of the Sino-Soviet border, bilateral military cooperation in any form would not begin again until 1990.

It was clear that the massive pullout of Soviet technical and military advisors had a dramatic effect on the indigenous development of the Chinese defense-industrial complex. The Soviets had played a significant role in the PLA's modernization drive, the building of its nuclear program, and in providing the foundation for the development of its defense industry.[191] Unfortunately for the Chinese, substantial Soviet assistance was one of the major reasons "for the backwardness of the Chinese armed forces in the 1960s and 1970s."[192] The Chinese defense industry became disjointed without heavy Soviet involvement and was only able to develop successful indigenous weapons programs in a few areas.[193] Its backwards nature was exacerbated by tumultuous domestic events that unfolded almost non-stop until the death of Mao in 1976.

Overall, as the 1950s progressed, and especially after Stalin's death, the Chinese had demonstrated an "ability to win military, political, and economic concessions from Moscow" concerning weapons procurement and the provision of military technology.[194]

---

190 Gittings, *Role of the Chinese Army*, 140.

191 Robert H. Donaldson and John A. Donaldson, "The Arms Trade in Russian–Chinese Relations: Identity, domestic Politics, and Geopolitical Positioning," *International Studies Quarterly* 47, no. 4 (December 2003): 712.

192 Ellis Joffe, *The Chinese Army after Mao* (Cambridge, MA: Harvard University Press, 1987), 67.

193 Ibid.

194 Gitting, *Role of the Chinese Army*, 127.

This highlighted an important trend that emerged in Sino-Russian military cooperation in the 1950s, which would permeate bilateral dealings again during the 1990s and emerge as a major point of contention by the mid-2000s.

Sino-Russian military cooperation began anew during the final days of the Soviet Union.[195] In "April 1990, the first Chinese military delegation in thirty years visited Moscow."[196] By June, both sides had an agreed upon framework for the purchase of four Su-27s.[197] In addition, 1990 saw the Chinese order twenty-four Mi-17 helicopters.[198] With the establishment of the Russian Federation (RF) in 1991, Sino-Russian military cooperation became known as "military-technical cooperation (MTC)." Wilson defines this as "the Russian sale of weaponry and its related technologies to China."[199] This is the context the term will be used in throughout the discussion. In December 1992, due to convergent interests and the rapid evolution of military cooperative endeavors, a "Memorandum on Principles of Military-Technical Cooperation" was signed during Yeltsin's visit to Beijing. It included the purchase of Su-27s, S-300 air defense systems, and spare parts for old Soviet military equipment still in use by the PLA. The agreement also allowed for Russian military and technical advisors to enter the PRC again as well as Chinese military personnel to attend Russian military schools.[200] Overall, it provided an agreed upon framework for Sino-Russian arms sales and technical cooperation as the relationship move forward.

For the Chinese, the agreement on MTC came at a crucial time. The Tiananmen Square massacre in 1989 severely restricted the ability of the PLA to purchase military

---

195 Jyotsna Bakshi, "Russia–China Military–Technical cooperation: Implications for India," *Strategic Analysis* 24, no. 4 (2000): 633.

196 Jeanne L. Wilson, *Strategic Partners: Russian–Chinese Relations in the post-Soviet Era* (Armonk, NY: M.E. Sharpe, 2004), 93.

197 Ibid., 93–94.

198 Bakshi, "Russia–China Military–Technical Cooperation," 634; and David L. Shambaugh, *Modernizing China's military* (Berkeley, CA: University of California Press, 2004), 99.

199 Wilson, *Strategic Partners*, 93–94.

200 Ibid., 95.

hardware as a result of the Western arms embargoes that ensured.[201] The United States' performance during the Gulf War also had implications because it "refocused Chinese attention on the need for military power" as a supporting component of its economic aspirations.[202] These factors made the Sino-Russian MTC agreement in 1992 a perfect solution to a complex international situation. It provided the Chinese with several benefits that would allow it to support a multi-faceted military modernization strategy. This strategy would allow the PRC to take advantage of the RF's desperate situation and support its doctrinal evolution towards fighting a "short-duration, high-intensity regional conflict" under modern conditions.[203]

The Chinese multi-faceted approach contained short-and long-term goals. In the short-term, the Chinese hoped to "expand procurement of Russian weapon systems and technical assistance."[204] In the long term, it "aspired to become self sufficient through the acquisition of key foreign dual-use technologies and knowledge."[205] The Russian defense-industrial complex would serve both of these purposes. It filled the void left by Western arms restrictions and provided access to advanced technology, military equipment, and licensing for the indigenous production of military products that would support doctrinal change. Russian military-technical assistance would also facilitate Chinese defense industrial transformation from "a sea of mediocrity, backwardness, and redundancy" into a self sufficient and competent domestic and international entity.[206] In addition, it would significantly reduce the research and development (R&D) costs for China and allow it to focus its efforts on reverse engineering and the exploitation of dual-use technology.[207]

---

201 See Blank, "*The Dynamics of Russian Weapon Sales To China*," U.S. Army War College, Strategic Studies Institute, 1997 (accessed July 14, 2010); available from http://www.fas.org/nuke/guide/china/doctrine/ruswep.pdf .

202 Rozman, Chinese Strategic Thought Towards Asia, 72.

203 See *The Annual Report on the Military Power of the People's Republic of China 2002* (accessed on July 28, 2010); available from http://www.defense.gov/pubs/china.html.

204 Ibid., 39.

205 Ibid., 35.

206 Shambaugh, *Modernizing China's Military*, 230.

207 Blank, "*The Dynamics,"* 19.

From the Russian perspective, the MTC agreement in 1992 was also vital for its future. The collapse of the Soviet Union and the "decline of Russian worldwide arms sales as a result of the defeat of the former Soviet client Iraq in the 1991 Gulf War" combined to put the RF's defense sector in a state of desperation and near-collapse.[208] Russian fears were compounded by the sheer size of the post-Soviet defense-industrial complex. It "comprised 1,600 defense enterprises that had a staff of nearly two million people."[209] There was no possibility of its survival strictly based on domestic procurement. The Russian defense-industrial complex needed to build a robust export market to have any hope of avoiding the calamitous effects of a widespread collapse.[210] For example, "from 1992–1999 the RF produced two ships for domestic procurement and 11 for export, 31 tanks for domestic purposes and 433 for export, and seven aircraft for domestic procurement and 278 for export."[211] Overall, these factors combined to make the 1992 MTC with China vital to the Russian military-industrial complex's survival and to the sustainment of an economy that was in "systemic depression" and would lose half of its Gross Domestic Product (GDP) during the 1990s.[212]

In addition to defense-industrial and economic survival, the MTC with China had other positive effects. First, it provided money for R&D efforts to continue within the defense-industrial sector. This allowed for the development of next-generation weapons for the Russian armed forces and modest domestic procurement while it continued to sell Soviet-era weapons systems to the Chinese.[213] Second, it provided the necessary capital to sustain some semblance of a professional military. It was already apparent that the RF could not financially support the post-Soviet force structure as it stood. Capital from weapons sales allowed the Russian Ministry of Defense (MOD) to support a reduced

---

208 Lowell Dittmer, "The Emerging Northeast Asian Regional Order," in *The International Relations of Northeast Asia*, ed. Samuel S. Kim (Lanham, MD: Rowman & Littlefield, 2004), 338.

209 Bakshi, "Russia–China Military–Technical Cooperation," 635.

210 Blank, "*The Dynamics,"* 1.

211 Wilson, *Strategic Partners,* 105.

212 Dittmer, "Emerging Northeast Asian Regional Order," 337; and Kazuhiko Togo, "Russian Strategic Thinking toward Asia, 1996–1999, in *Russian Strategic Thought toward Asia,* ed. Gilbert Rozman, Kazuhiko Togo, and Joseph Ferguson (New York, NY: Palgrave Macmillan, 2006), 88–89.

213 Blank, "*The Dynamics,"* 2.

force structure and some force modernization as the 1990s moved forward.[214] Finally, sustained MTC ensured, at least in the short-term, a friendly China that would "avert threats across its Asian frontiers where its military power was eroding daily."[215] This final point is important because it is one that threatens all facets of Sino-Russian relations due to Russian insecurities, xenophobia, and its historical sense of strategic entitlement.

The onset of Sino-Russian MTC in 1992 and its evolution throughout the 1990s demonstrated a number of trends that continued into the twenty-first century. It also gave rise to several points of contention that remained as well. Each of these aspects provides an insight into the evolution and of Sino-Russian MTC during the first decade of the twenty-first century. They also provide indications for the future of Sino-Russian MTC and the overall relationship moving forward.

There were two significant trends in Sino-Russian MTC during the 1990s. First,

> Beijing reportedly purchased, on average, some $1.2 billion worth of Russian weapons each year during the 1990s, accounting for the dominant percentage of total Russian arms exports."[216]

> Overall, Russia "supplied over 85 percent of all of China's arms since the 1990s.[217]

Within this context, Russian arms sales to China increased significantly starting in the mid-1990s. Vidya Nadkarni provides data that supports this trend:

> China's military spending rose commensurately during the late 1990s to finance its arms imports. Even though military expenditures hovered between 1.6 and 2.1 percent of annual GDP after the mid-1990s, China's double-digit rate of GDP growth fueled a robust military buildup. Moreover, official defense budget figures, according to a US Defense Department report, do not include several large categories of expenditure.[218]

---

214 Blank, "*The Dynamics,*" 3–4.

215 Ibid., 11.

216 See *FY04 Report To Congress on PRC Military Power* (accessed July 28, 2010); available from http://www.defense.gov/pubs/china.html.

217 See The Military Power of the People's Republic of China 2005 for additional information.

218 Nadkarni, *Strategic Partnerships in Asia,* 66.

This trend would continue into the 2000s. Second, a gradual shift in Beijing's procurement focus occurred during the late 1990s. "Beijing continued to ratchet up pressure on Russian firms to sell it design technology instead of military hardware." [219] Increased Chinese desires for later generation technology was commensurate with its desire to field modern armed forces on par with the West and the development of a self sufficient and globally competitive defense industry.

As the Chinese economy continued to grow and its indigenous defense became more sophisticated, Chinese desires for licensing and joint-venture projects continued to increase as well. During the late 1990s, it began to develop into a serious competitor for Russia in the developing world arms market.[220] These developments were indicative of the Chinese long-term desire to minimize dependence on Soviet-era Russian arms and technical assistance and build its own robust arms export market in the process. Overall, these factors combined over time to put pressure on Russian defense industries and have been exacerbated by fears of the European Union (EU) lifting the embargoes from 1989.[221] This complex dynamic continued into the twenty-first century and evolved into the main point of contention within Sino-Russian MTC interactions.

Two points of contention developed in the 1990s with respect to Sino-Russian MTC. First, and most importantly, "China continued to remain piqued at Russia's refusal to sell weapons systems that Moscow had been willing to sell to India."[222] In addition, Chinese interests began to shift toward the procurement of more advanced weapons systems with a greater potential for offensive power projection.[223] As Chinese desires

---

219 Lo, *Axis of Convenience,* 80.

220 See Richard Weitz, *China–Russia Security Relations: Strategic Parallelism Without Partnership of Passion?* (accessed July 29, 2010); available from http://www.StrategicStudiesInstitute.army.mil; Lo, *Axis of Convenience: Moscow, Beijing, and the New Geopolitics*, 80; and Richard Weitz, "The Sino-Russian Arms Dilemma," *China Brief* 6, no. 22 (November 2006): 3–4.

221 See The Military Power of the People's Republic of China 2005 for additional information.

222 Nadkarni, *Strategic Partnerships in Asia*, 68.

223 Dmitri Trenin, "Russia's Asia Policy under Putin, 2000–5," in *Russian Strategic Thought towards Asia*, ed. Gilbert Rozman, Kazuhiko Togo, and Joseph Ferguson (New York, NY: Palgrave Macmillan, 2006), 117.

shifted to the appropriation of technology in the mid to late-1990s, the RF, due to commercial and military concerns in several areas, began to resist PRC proposals.

Commercial concerns pertained to suspect behavior with regards to intellectual property and the emerging competition for the developing world's arms export markets became issues that would eventually put the states at loggerheads in the late-2000s. Militarily, apprehension over a developing "China threat," with Russian military assistance, remained as a fear in some Russian circles as well. It was not a widely held fear in Russian military and policy circles during the 1990s or beyond but began to receive more unofficial attention in the Kremlin as the 2000s moved forward.[224] Overall, these issues would combine to outweigh financial considerations in more and more situations as the 2000s progressed and all stem from Russian unwillingness to provide the most advanced technology available and the Chinese desire to move past the acquisition of Soviet-era military products.

Russian refusals to supply the Chinese defense industry with the latest military technology also raised two larger questions. The first concerned the limits of Chinese influence in getting what it needed from its Russian counterparts to support its long-term goal of self-reliance. This would have implications for its need to start looking at other avenues for procurement as the 2000s progressed. The second centered on how much longer MTC would remain as one of the foundations of the Sino-Russian strategic partnership and how much longer it would work under the 1992 framework. Each of these considerations continued to play a role in Sino-Russian MTC during the next decade and have implications for the relationship moving forward.

Finally, the second point of contention surrounding Sino-Russian MTC involved the use of bartering. Initially, in the early 1990s, the PRC was able to procure relatively advanced weapons systems on favorable terms. China's initial procurement deals for the Su-27 and the Kilo-class submarine illustrate this dynamic. "China paid for two-thirds of the total cost of the first contract for the Su-27 Flanker aircraft and half of the total cost

[224] Lo, *Axis of Convenience*, 80.

of the first Kilo-class submarines through the use of barter."[225] This arrangement allowed the Chinese to send cheap consumer goods and foodstuffs as payment for advanced weaponry. As part of the Su-27 and Kilo-class submarine procurement deals mentioned earlier, "24,000 tons of canned meat was delivered to the Sukhoi aircraft plant in Komsomolsk-na-Amur in the RFE and several pallets of plastic lighters were sent to the Admiraltieskie Wharf shipyards in St. Petersburg."[226] It was an advantageous arrangement for the Chinese.

Between 1993 and 1994, as the issue became more contentious, the RF began to demand payments for weapons sales in cash. By the late 1990s, MTC issues concerning "hard currency payments" were alleviated as a major point of contention.[227] This issue remains important though because it surfaced again in the energy sector as the Russian economy began to feel the effects of the global financial crisis. In a wider economic context, it is also important to note that deals of this nature created a sense of hostility among the Russian population. They exacerbated feelings of xenophobia and strategic entitlement because many Russians felt exploited by the Chinese at a time of Russian insecurity. It is an issue that has implications for MTC and the overall dynamics of the Sino-Russian partnership moving forward.

Overall, the 1990s was a defining moment in the emergence of Sino-Russian MTC. It strengthened the Sino-Russian "strategic partnership" at a time when both states were experiencing international difficulties and were coming to terms with their future positions in the fact-approaching twenty-first century international system. As will be discussed in the next section, the trends and points of friction highlighted earlier will begin to play a larger role in MTC interactions during the first decade of the twenty-first century. The broader questions alluded to earlier will also begin to come to the forefront of MTC interactions and will have implications as well.

---

225 Nadkarni, *Strategic Partnerships in Asia*, 69.

226 Wilson, *Strategic Partners*, 104.

227 Ibid.

B. SINO-RUSSIAN INTERACTIONS

Sino-Russian MTC trends saw a dramatic rise in interactions during the first half of the decade.[228] This five-year period marks the apex of Sino-Russian MTC to date. It was a continuation of an already significant increase in arms sales that began to occur during the second half of the 1990s. After 2006, a gradual decrease began to occur for several reasons that were alluded to in the previous section. These trends and points of contention will be focused on in more detail in the forthcoming subsections. Overall, the decline becomes quite dramatic in the latter part of the decade. For example, Nadkarni states:

> Thus, whereas 70 percent of Russia's arms exports were destined for China in the late 1990s, China's share fell to 45 percent of Russia's total arms exports in 2007. While the 2007 figure is still significant, no new major arms deals are being negotiated or planned. Beijing has invested strongly in the development and production of indigenous weapons systems in order to decrease reliance on foreign suppliers.[229]

This is an indication that Sino-Russian MTC is approaching a crossroads or is already at it depending on how the situation is perceived. Providing a detailed chronology of the previous decade will shed additional light on the previously discussed evolutionary patterns as well as the points of contention that have continued to remain pertinent to the present day. The following subsection will focus on Sino-Russian MTC trends and issues from 2000-2004.

1. 2000–2004

The first year of the twenty-first century was extremely productive in terms of Sino-Russian MTC. In Russia, with Vladimir Putin's election, the domestic political environment grew more conducive to long-term growth for MTC with several initiatives. For example, in January, Moscow "reportedly signed a 15-year Military Cooperation Plan with Beijing that envisaged increased arms sales, license transfers, and joint research

---

[228] Nadkarni, *Strategic Partnerships in Asia*, 66.

[229] Ibid., 69.

and development."[230] In May, Putin overturned an earlier decision by Yeltsin to "limit Russian military assistance to other countries."[231] Putin seemed to be cultivating a domestic political environment that would allow Sino-Russian MTC to move to new levels and increase Russia growing profit margins in the process. From a domestic standpoint, he made a July announcement to raise the RF's government budget for domestic procurement by 50 percent.[232] It was designed to stimulate domestic demand again as the Russian military attempted to recover from the dramatic erosion of equipment and capabilities that occurred in the 1990s. The budget increase was also designed to slow down a growing imbalance between the domestic and export arms markets that had the potential to cause negative long-term effects.

Additionally, Putin worked to merge a myriad of arms export agencies as part of his burgeoning domestic policy of recentralization. His intention was to minimize the effects of continued Soviet-era inefficiency and battle the rampant corruption that plagued significant sectors of Russia's defense-industrial complex. Putin attempted to ensure these changes would occur by making an institutional change to the "Supervisory Commission on Military-Technical Cooperation with Foreign States."[233] He mandated that the "president and not the prime minister would sit as its chair" in all future sessions.[234] Overall, Vladimir Putin and the RF seemed poised to take advantage of the continued surge in arms sales to the Chinese.

In China, several positive developments transpired. According to the Stockholm International Peace Research Institute (SIPRI), China became the world's largest importer of weapons with over $2 billion in total arms imports in 2001.[235] Of this total,

---

230 Paradorn Rangsimaporn, "Debate on Military–Technical Cooperation with China: From Yeltsin to Putin," *Asian Survey* 46, no. 2 (May/June 2006): 478–479.

231 Joseph D. Douglass, "Focus: Russian Arms Sales to China," *The Officer* 76, no. 11 (December 2000): 29.

232 Guy Chazan, "Russia's Defense Industry Launches Bid to Boost Sales—Its Captive Markets Gone, Moscow Seeks Buyers For Vast Arms Arsenal," *Wall Street Journal*, July 14, 2000, A10.

233 Donaldson and Donaldson, "The Arms Trade," 714.

234 Ibid.

235 See *TIV of arms import to China by category* (accessed July 14, 2010); available from http://www.sipri.org/contents/armstrad/output_types_TIV.html.

$1.7 billion or 85 percent of total Chinese expenditures were for Russian military products.[236] This signaled a strong and robust trend in the growth of Sino-Russian MTC during the early twenty-first century.

In addition to the substantial import numbers, "as many as 2,000 Russian technicians were employed by Chinese research institutes working on laser technology, the miniaturization of nuclear weapons, cruise missiles, space-based weaponry, and nuclear submarines."[237] It is hard to ascertain how many of these were part of MTC efforts and how many were just working for the Chinese due to the economic desperation in Russia's defense-industrial sector during the 1990s. Nonetheless, it still represents a significant integration of Chinese defense industries and Russian workers at a time when MTC interactions were still filled with long-term promise.

The year 2001 continued the positive trends of the previous year. China remained the world's largest importer of arms and Russia remained its largest supplier. Growth was tremendous during this period as well. Procurements by China grew by more than 50 percent from the previous year. In addition, projections for 2002 were looking just as positive.[238] Overall, MTC expenditures rose to over $3 billion.[239] PRC arms procurement agreements included 38 Su-30MKK fighters, four battalions of S-300PMU1 (SA-10A) surface-to-air (SAM) systems, and 35 Mi-17V5 helicopters.[240] The Russian defense-industrial complex was benefitting strongly from increased demand for Russian military equipment and technology.

In 2002, a major weapons deal, totaling over $4 billion, was announced between the Chinese and the Russians. The deal included "two more Sovremenny-class destroyers priced at a total of $1.4 billion, eight Kilo-class submarines for $1.5 billion,

---

236 See SIPRI TIV of arms imports to China, 2000–2001 for additional information.

237 John Pomfret, "Russians Help China Modernize Its Arsenal; New Military Ties Raise U.S. Concerns," *The Washington Post*, February 10, 2000, A17.

238 Alexander Nemets, "War Does Not Curtail the Growing Russia–China Alliance" *China Brief* 2, no. 1 (January 2002): 2.

239 See *SIPRI TIV of arms imports to China*, 2001–2002 for additional information.

240 See *PRC Arms Acquisitions from Russia (pre-2005)* (accessed July 7, 2010); available from http://www.sinodefence.com/special/arms-trade/import-russia-pre2005.asp.

and up to 40 more Su-30 fighter-bombers valued at about $1.8 billion."[241] It was the largest bilateral procurement deal ever signed by the two states.

In another significant development, the "2002 Annual Report to Congress on the Military Power of the People's Republic of China" stated that:

> In March 2002, Chinese finance minister Xiang Huaicheng announced that China was increasing military spending in 2002 by 17.6 percent, or $3 billion, bringing the publicly reported total to $20 billion. The publicly disclosed figure does not include major spending for weapons research and for the purchase of foreign weapons like two Russian-built destroyers China bought last year. Actual military spending, including the large but difficult-to-assess off budget financing portion, could total $65 billion, making China the second largest defense spender in the world after the United States and the largest defense spender in Asia.[242]

Estimates like this, at a time when billions of dollars were being spent annually on weapons procurement in China, began to stimulate unofficial worry among some government officials in the Kremlin. Long-term fears of an emerging "China threat," long relegated to academic debate and the nationalistic fringe elements of politics, began to receive unofficial attention among mainstream government officials in the Kremlin.[243] In 2002, *Izvestiya* reported the following from government sources:

> An awareness of the "China problem" has reached all government departments even including supporters of a multipolar world. This is not publicly spoken of, but high-ranking Russian officials admit unofficially that in seven to ten years' time China will become a key problem for Russia. "Just imagine one and a half billion armed Chinese along our border!" Both military men and diplomats say with a shudder.[244]

The long-term implications for Sino-Russian MTC were in the back of everyone's minds but remained there due to the substantial positive financial aspects associated with these interactions at this point in the decade.

---

241 David Lague and Susan V. Lawrence, "China's Russian-Arms Spree—An Eye on Taiwan, Beijing Sustains Ex-Soviet Defense Industry," *Wall Street Journal*, December 10, 2002, A15.

242 See The Military Power of the People's Republic of China 2005 for more information.

243 Paradrom Ransiamporn, "Debate on Military," 485.

244 See Svetlana Babayeva and Dimitri Safonov, "We Do Not Want to Arm the Chinese," *Izvestiya*, May 31, 2002 (accessed August 8, 2010); available from http://www.izvestia.ru/.

Additionally, According to the "United Nations Register on Conventional Weapons," the RF shipped more "individual weapons" to its customers than any other state in 2002.[245] SIPRI reinforced this metric with its designation of the RF as the world's largest exporter of arms at over $5 billion, which accounted for almost 36 percent of arms exports worldwide.[246] Business was good for the Russian defense industrial complex. Overall, these emerging dynamics would have domestic and international implications for Sino-Russian MTC and the perceptions of both states regionally and globally as the relationship progressed through the rest of the decade.

As Russian coffers continued to swell from Chinese, as well as Indian procurement deals, debate within Russia in 2003 began to center on concerns that the Russian defense industrial complex was becoming complacent due to its resurgence over the past decade. Former Defense Minister Vitaly Shlyikov stated "Russia's defense industry has been living off the accumulated Soviet fat for the past decade, and now the banquet is ending. Going by current trends, Russia will have no military industry within 10 years."[247] Recent trends make his prediction not as remote as it seemed at the time.

In many ways, the Russian defense-industrial sector depended on a narrow scope of big ticket items to entice China. The majority of small but essential components of a functioning military were already produced indigenously by the PLA or outsourced to cheaper import markets than Russia. These included items like ammunition and small arms. Russian defense industries remained a niche market for China. Their utility hinged on the ability to produce high technology military arms and equipment that was still beyond the PRC's defense-industrial capabilities to produce comprehensively.

Unfortunately, it was a dynamic that was beginning to change. To illustrate this point, Richard Fisher, from the Center for Security Policy states:

---

[245] *Reporting country: Russian Federation* (accessed August 3, 2010); available from http://disarmament.un.org/un_register.nsf.

[246] See SIPRI TIV of arms exports from the top 10 largest exporters, 2002–2003 for additional information.

[247] Fred Weir, "Russia's Arms Makers Operating on Borrowed Time; An Unexpected Slowdown in Sales to China and India will Slice into Russian exports," *Christian Science Monitor*, June 27, 2003, 7.

> For Russia, the strategic gamble it is taking is that it can develop the next generation of military technology before China can master the current generation, and thus, remain dependent on Russia for cutting edge technologies. To an increasing degree Russia is also taking this gamble with India. Many Russian are confident they can remain well ahead of China and India. But some Russian sources at Moscow Aerospace Salon (MAKS) indicate that china in some cases may be able to master new technologies faster than previously expected, and thus, pose a commercial in addition to a possible military threat. But for now Russia is getting funding and making new systems which in many cases its own military forces cannot afford to use.[248]

In light of these prospects, the RF remained hesitant to share its latest military technologies with the PRC. The Chinese, as indicative of the emerging trend in the late 1990s, were becoming increasingly adamant about the acquisition of military technology through licensing and joint ventures. Russian arms procurements were continuing to meet some niche needs but the acquisition of advanced Russian technology in order to develop a self sufficient and globally competitive defense industry were part of its long-term goals. Consequently, the Chinese were reaching a saturation point with acquisition of Soviet-era military technology and the short-term utility of Sino-Russian MTC under the current model. As Kislov and Frolov state, "At the present stage it [PRC] remains ready to buy, but this is not going to last forever."[249]

In 2004, Russia moved to second place, behind the United States, in global arms exports at over $6 billion. China remained the largest importer of arms spending over $3 billion on arms procurement initiatives.[250] Overall, Sino-Russian MTC accounted for $2.83 billion and close to 50 percent of total Russian exports globally during this year.[251] From all outward appearances, the Sino-Russian MTC remained strong.

---

248 See Richard D. Fisher, "*New Developments in Russia–China Military Relations: A Report on the August 19–23 2003 Moscow Aerospace Salon (MAKS),*" prepared for the U.S–China Economic and Security and Review Commission (accessed July 14, 2010); available from http://www.uscc.gov/researchpapers/2000_2003/reports/mair1.htm.

249 A. Kislov and A. Frolov, "Russia in the World Arms Market," *International Affairs* 49, no. 4 (August 2003): 147.

250 See SIPRI Arms Transfer database and Military Expenditure database 2004–2005 for additional information.

251 See SIPRI TIV of Arms Exports from Russia 2004–2005 for additional information.

In spite of the strong financial aspects for Russia and the continued fulfillment of certain niche needs for China, points of contention over the transfer of more advance technology continued to plaque the relationship. It becomes more of an issue during the second half of the decade as delays in deliveries and questions over quality begin to cause discord as well. These points of contention were exacerbated by Russian complaints over intellectual property rights and charges of wide-spread Chinese cloning of Russian weapons systems. The RF believed these practices were giving the Chinese a more competitive foothold as an attractive state for arms purchases in the developing world. The next subsection will detail these trends and the implications of these issues within MTC from 2005-2009.

2. 2005–2009

In 2005, China remained Russia's largest military customer. Purchases during the year included 100 AL-31FN turbofan engines for China's J-10 fighter program, 30 IL-76MD transport aircraft, and four IL-78 tankers.[252] According to the 2005 Congressional "Report on the Military Power of the People's Republic of China," the PRC was "negotiating the purchase of additional surface-to-air missiles, combat aircraft, aircraft engines, and assault and transport helicopters."[253] Russian imports levels to China remained strong and ended the year at over $3 billion.[254]

The 2005 Pentagon report also stated that "according to intelligence community estimates, China's defense industries were still inefficient and dependent on foreign suppliers for key technologies."[255] This was an interesting assessment and came at a time when the EU came close to rescinding its arms embargo against the PRC. Human rights concerns among a few European nations and U.S. pressure derailed the consensus

252 See Sinodefence: PRC Arms Acquisitions from Russia (post-2005) for additional information.

253 See The Military Power of the People's Republic of China 2005 for additional information.

254 See SIPRI TIV of arms exports from Russia, 2005 for additional information.

255 See The Military Power of the People's Republic of China 2005 for additional information.

needed to overturn the decision.[256] Although nothing changed, it raised Russian fears of the emergence of a competing Western arms market in the near future. It had the potential to cost the Russian defense-industrial sector several billion dollars based on MTC trends over the previous decade. In light of this development, the RF still refused to acquiesce to Chinese demands for advanced military technology. Russian refusals, however, finally began to spur tangible changes in Sino-Russian MTC beginning in 2006.

Although Russian arms exports to China reached their highest historical levels at $3.5 billion, Chinese procurement orders began to slow down in 2006.[257] According to the Web site *Sinodefence*, China only finalized one procurement order for eight battalions of S-300PMU2 SAMs totaling around $1 billion in 2006.[258] This was the start of a disturbing trend for the Russian defense-industrial sector as the decade moved forward and was the result of two main factors. First, according to some analysts, "China was saturated with Russian arms, not only numerically, but also qualitatively."[259] This situation combined with the second factor, Russian refusals to meet certain technological needs of the PRC, to motivate it to look at other markets, most notably Israel, for future needs.

In 2007, China's published defense budget increased by close to 20 percent over the previous year.[260] It was an indication that military modernization was still a focal point of the PRC. Conversely, Chinese procurement orders to Russia continued to dwindle during this same period. The Chinese only finalized one procurement order with the RF totaling about $240 million in 2007.[261] Russian exports to China also dropped by

256 CRS Report to Congress, *European Union's Arms Embargo on China: Implications and Options for U.S. Policy* (accessed August 10, 2010); available from http://italy.usembassy.gov/pdf/other/RL32870.pdf.

257 See SIPRI TIV of arms exports from Russia, 2006 for additional information.

258 See Sinodefence: PRC Arms Acquisitions from Russia (post-2005) for additional information.

259 Daniel R. DeBree, "Bear Hug for the Dragon" Russia–China Military Cooperation," *The ISCIP Analyst* 13, no. 4 (November 2006): 6.

260 See The Military Power of the People's Republic of China 2008 for additional information.

261 See Sinodefence: PRC Arms Acquisitions from Russia (post-2005) for additional information.

over $2 billion from the previous year, and finished at $1.2 billion.[262] That is a monetary decrease of over 60 percent. In an article from *Rianovosti*, a Russian news source, states:

> Beijing says it no longer needs relatively ineffective Russian weapons without the relevant production licenses, and that Moscow should start selling more advanced, hard-hitting and hi-tech weaponry and military equipment. Most importantly, China wants to launch more joint production efforts to receive state-of-the-art defense technologies, inventions and composite materials.[263]

It became evident that, while the PRC would continue focus a tremendous amount of fiscal resources on its modernization strategy, it would also begin to search for other options to fulfill its long-term needs due to the unwillingness of the RF to provide advance military technology. Although the RF was still the largest provider of arms to the PRC in 2007, the percentage of Russian exports to China decreased from 40 percent of total exports in 2006 to 20 percent in 2007.[264] It is important to remember that the number was over 70 percent during the late 1990s. Chinese desires for more advanced technology were finally at a point where the agreed upon framework of the 1992 Sino-Russian MTC agreement was no longer viable for meeting the PRC's needs moving forward. The military technology the RF was willing to sell was no longer adequate to meet Chinese demands.

Issues surrounding three developments in 2007 exacerbated Sino-Soviet tensions regarding MTC. First, delays in the scheduled delivery of 30 IL-76 and eight IL-78 aircraft due to myriad problems caused the Chinese to delay meetings on defense cooperation. Second, service-life issues concerning electronic equipment on previously delivered Su-27SK fighters caused the Chinese to raise public concerns over Russian arms reliability. Finally, the Russians began to complain more vocally about issues surrounding the Chinese cloning of weapons systems and its negative implications for

---

[262] See SIPRI TIV of arms exports from Russia, 2007 for additional information.

[263] See Rianovosti, *Problems in Russian–Chinese Military–Technical Cooperation* (accessed August 7, 2010); available from http://en.rian.ru/analysis/20070925/80780903.html.

[264] See The Military Power of the People's Republic of China 2008 for more information; and Marcin Kaczmarski, "Wen Jiabao's Visit To Moscow Fails to Resolve Problems In Russian–Chinese Economic Relations," CACI Analyst (accessed August 12, 2010);available from http://www.cacianalyst.org/?q=node/4734/print.

possible arms deals to Iran and Pakistan.[265] The issue surrounding Pakistan was exacerbated further by Chinese requests to deliver "150 FC-1 Fierce Dragon fighter planes, equipped with Russian RD-93 engines, to Pakistan."[266] Due to the financial ramifications concerning earlier deals with China, Vladimir Putin personally gave the Chinese permission to go ahead with the deal in April.[267] Overall, negative trends in Sino-Russian MTC were beginning to exacerbate tensions in the relationship that had been present since the mid-1990s in some form. During the next year, the situation would remain the same.

In 2008, Russian arms exports to China remained at the previous year's level of $1.2 billion.[268] It was also the first year since 1993 that the PRC did not place any procurement orders with the RF.[269] For Russia, almost a decade of defense reforms produced little in the way of progress. The Russian defense-industrial complex remained backward, inefficient, and focused on producing items for export that contradicted domestic attempts at defense reform policy. It also constrained the development of Russian military strategies around military equipment produced for sale on the international market. This exacerbated the procurement imbalance that still existed between domestic and international purchases.[270] In China, its defense-industrial sector was now able to produce a portion of its own defense needs under license or through reverse engineering. It still remained deficient in several areas that Russian advanced technology could assist with if made available for purchase. Overall, Russian fears still negated this possibility and Russian exports levels continued to drop in 2009.

---

265 See *Russia–China Military Cooperation in Trouble?* (accessed August 10, 2010); available from http://www.domain-b.com/industry/defence/20070827_military.htm.

266 See *Russia Chooses between $1.5 Billion and $2 Billion* (accessed August 10, 2010); available from http://www.kommersant.com/p717480/Russia_China_India_military/; and Arkady Ostrovsky, "China Confident Russia Will Allow Jet Sale," *Financial Times*, November 9, 2006, 2.

267 Weitz, China–Russia Security Relations: Strategic Parallelism without Partnership of Passion, 32–33.

268 See SIPRI TIV of arms exports from Russia, 2008 for additional information.

269 See Sinodefence: PRC Arms Acquisitions from Russia (post-2005) for additional information.

270 Zoltar Barany, "Resurgent Russia? A Still-Faltering Military," *Policy Review* 147 (February/March 2008): 39–41.

Russian exports to China dropped by over 60 percent again in 2009. They finished at around $400 million.[271] This was a significant trend because Russian arms sales had averaged "between $1 billion to $1.5 billion per year on average over the previous decade."[272] Richard Weitz writes, "The drop in Chinese weapons purchases of complete weapons systems was particularly acute during the last three years."[273] This fact indicates a Chinese shift to the acquisition of advanced military technologies from other sources in order to meet its needs. It was also significant because public Chinese military expenditures continued to increase to support its modernization drive.

In addition, the Chinese only negotiated one procurement deal with the RF to supply 122 new AL-31FN turbofan engines for its J-10 fighter program in 2009. It was worth approximately $500 million. With the IL-76 and 78 procurement deals unfulfilled and in an indeterminate state, one new procurement deal set for the future, and only a few S-300 SAM batteries left to deliver, Sino-Russian MTC had reached a significantly low level as the end of the decade approached.

Overall, the second half of the decade saw a continuation of the high levels of Sino-Russian arms sales during the first two years. The seeds of discord that had been planted in the 1990s began to surface in 2006 with the first negative trend in the relationship occurring in 2007. As the end of the decade approached, Sino-Russian MTC dropped off significantly. By the close of 2009, it had become obvious that the 1992 Sino-Russian framework for MTC had run its course.

C. TRENDS AND ISSUES

Sino-Russian military cooperation has existed in some form dating back to the early twentieth century. Like most other aspects of this historical relationship, is has been characterized by ups and downs just as relations have vacillated between honeymoon periods and times of near-war. The most recent manifestation of Sino-

[271] See SIPRI TIV of arms exports from Russia, 2008 for additional information.

[272] Christina Young and Nebojsa Bjelakovic, "The Sino-Russian Strategic partnership: Views from Beijing and Moscow," *The Journal of Slavic Military Studies* 23, no.2 (2010): 258.

[273] Richard Weitz, "Why China Snubs Russian Arms," *The Diplomat*, April 5, 2010, 2.

Russian military cooperation has served both states needs for more than fifteen years. MTC proved a lucrative enterprise for the Russians for a long time and helped it to survive its post-Cold War economic woes during the 1990s. In China, MTC allowed the PRC to pursue modernization policies that were domestically and economically advantageous as well as conducive to the long-term goals for its armed forces and its defense-industrial sector. However, neither of these cases is true anymore and MTC, as formulated in its 1992 framework, has run its course. It now has become unable to provide either side with the structure necessary to foster sustainment during the next five to ten years. As regards military sales and exchanges, both China and Russia will need to adjust to the new realities of their domestic and international situations in order to find a solution. It is clear that they will need a new framework if military cooperation in sales and technology is going to occur in the future; and this will involve hard choices on both sides.

For Russia, three major decisions lay ahead. First, it has to realize that China has made rapid advancements within its defense-industrial sector. They are now able to produce several types of advanced weapons systems. This relatively new dynamic has significantly reduced Chinese demand for late-era Soviet, or limited high-end military technology. In response to this, Russian policymakers need to decide which foreign policy consideration is the most important in deciding a new MTC strategy. It is a choice among long-term regional balance of power considerations, prospects of raising Western concerns in the international community, and the prospect of revamping a bilateral arms trade framework to be once again financially lucrative and domestically vital to the RF.[274]

The precarious state of Russia's defense-industrial sector will weigh heavily into the RF's MTC-related foreign policy considerations. Without Chinese arms purchases, it will be left with India as its only major client-state. This will leave the Russian defense-industrial sector increasingly vulnerable to Indian demands. For example, "If India imports fewer weapons, and if the anticipated compensatory growth of new markets for

[274] Weitz, "Why China Snubs Russian Arms," 2.

Russian military exports fails to occur," the Russian defense-industrial complex could approach the near-collapse state of the 1990s or worse.[275] Overall, a coherent foreign policy decision concerning the adoption of a viable MTC strategy is the linchpin that overrides all other Russian concerns.

Second, Russia needs to decide whether to overcome its fears concerning the provision of advanced military technology to the Chinese. The PRC already has become a global competitor in the developing world arms market and will continue to be regardless of whether the RF provides advanced military technology or not in the future. China has become adept at reverse engineering, cloning, and now has the economic means to produce arms at cheaper prices. The majority of Russian apprehensions about technology proliferation might be alleviated through the implementation of a more robust and comprehensive joint partnership policy within a new MTC framework. China would gain access to advanced technology, and China sales would no longer lock the Russian defense-industrial sector inside of its export-centric production dilemma. This may also allow for more Russian oversight than would be possible with the utilization of licensing procedures alone. In order to make such a decision, Russian policy makers would need to realize that China is here to stay as an arms competitor with a vibrant economic environment and dramatic growth in the sophistication and proficiency of its own (Chinese) defense industries. RF defense industries may actually gain in the long term from more integration and cooperation in this manner.

The third major decision involves the realization for Russian policy makers that defense-industrial reform is essential if the RF wishes to remain viable as a global weapons supplier to China, or anyone else over the long term. Tiananmen Square occurred at time when Russia's defense sector was near a point of collapse. Since then, it has reaped the benefits of this unfortunate event by offering an alternative for China due to its inability to purchase advanced military technology from the West. As the 2005 near-decision to lift the arms embargo indicated in the EU, change is coming sooner rather than later.

---

[275] Weitz, "Why China Snubs Russian Arms," 2.

It is uncertain how long the RF will be able to continue to operate under current international conditions, but it is clear that defense reform needs to occur on a broad scale at some point or Russia's defense industry will not be able to react to or compete in a changing market. If the RF wants to ensure the long-term survival of its defense-industrial sector, it needs to eradicate the immense inefficiencies, rampant corruption, and myriad structural problems that continue to plaque its reform efforts. These issues have remained unchanged due to years of lucrative arms sales to India and China. Those sales provided billions of dollars in revenue that have allowed the Russian defense-industrial sector to "live off the fat" of past successes. However, those days are waning. Once these reform issues are finally rectified, the RF will still need to foster a commercial environment that promotes innovation.[276]

Overall, any decision to implement reform measures such as these will be a challenging process. Nonetheless, the RF will have to adopt reform measures in some form or another if it wants to be prepared for the eventual return of Western competition and have the ability to confront the reality of the PRC as a global arms competitor from now on.

In China, two dynamics affect its desire to facilitate a new MTC framework. First, as long as Western arms embargoes or restrictions remain in place, the PRC remains limited in its ability to acquire the most sophisticated military technologies from anywhere but the RF. For example, in 2009, it imported arms and military equipment from France, Germany, Switzerland, the United Kingdom, and the Ukraine totaling over $1.9 billion.[277] All of these purchases fulfilled niche needs, and were of better quality than the Soviet-era equivalent, but they did not provide the PRC with advanced military technology of any significant value.

Second, but related to the first dynamic, the Chinese defense-industrial complex will remain deficient in several critical areas, as long as Western arms restrictions remain in place, and as long as the RF refuses to sell the PRC the advanced technologies that

[276] Antonio-Sanchez-Andres, "Arms Exports and Restructuring in the Russian Defense Industry," *Europe–Asia Studies* 56, no. 5 (July 2004): 701–703.

[277] See SIPRI TIV of arms import to China, 2009 for additional information.

could make up for these shortfalls. Some of these areas include low radar cross-section and stealth development, the development of integrated maritime air defense and anti-submarine warfare systems on par with the Western systems. Others include the ability to "overcome the technological obstacles necessary to build a nuclear-powered aircraft carrier" or any other type of carrier with the ability for sustained power projection.[278] Absent foreign assistance, the development of critical technologies such as these takes decades of research and trial and error. It also takes years of operational development to build up effective doctrine and the procedures necessary to integrate these systems into the force effectively. Without the ability to make generational shifts through the foreign procurement of the technology that it desires, Chinese military modernization initiatives will be slowed in many ways.

In the end, Russia and China both need each other for different reasons under current international conditions. In the RF's case, those conditions are subject to change on short notice. Either way, however, it is safe to say that China will fare much better than Russia when that time comes.

278 Nan Li and Christopher Weuve, "China's Aircraft Carrier Ambitions," *Naval War College Review* 63, no. 1 (Winter 2010): 28.

V. CONCLUSION

A. SUMMARY

China and Russia's relations share a complex history. They have traversed the full spectrum of relations since the formation of the modern state system. Early in the Cold War, China and the Soviet Union shared a period of solidarity that culminated in alliance, but morphed into hostility by the 1960s with the risk of war and decades of tense coexistence. In the 1980s, leading up to the end of the Cold War, Beijing and Moscow began to plant the seeds of rapprochement and relations eventually grew into the strategic partnership that is touted today by both sides.

Several analysts contend that the Sino-Russian relationship is stronger than it has been at any other point in history.[279] While this may be true in most regards, the historical analysis presented in this thesis has demonstrated that several points of contention, rooted in history, remain salient in today's relationship. Each of the three aspects analyzed in this thesis has its own historical narrative. Each helps to explain two pertinent aspects in the Sino-Russian relationship. First, the historical narratives assist in deciphering how the Sino-Russian relationship has evolved into its contemporary state. Second, these narratives demonstrate that the points of convergence and divergence elucidated in each chapter have a role or an effect in shaping the long-term prospects for the Sino-Russian strategic partnership.

In the RFE, historical divergences over the region's rightful owner have given both sides a reason for apprehension due to the current demographic and economic imbalances. These anxieties, as well as pervasive feelings of Sino-phobia among much of the local population, have been exacerbated on the Russian side by Moscow's indifference or inaction, combined with its inability to develop the RFE region to even a fraction of its potential. For China, RFE legacy tensions are another tangible reminder of

279 Rumer, "Mind the Gap," 71.

its “century of humiliation” and have the potential, in the extreme, to fuel vociferous Chinese nationalist outcries that could destabilize regional development with significant and negative effects.

The formation and development of the SCO has begun to redefine geopolitical and economic relationships in Central Asia that had been historically favorable to Russia. The current state of SCO competition, mixed with cooperation, is an admission by both China and Russia that the “tacit agreement” that defined their historical relationship in the region is changing. For Russia, its receding power in the region is another reminder of its forced retrenchment in the post-Cold War era and of the growing asymmetry in its Central Asian and international status vis-à-vis China. For China, it is a region where its influence is growing and another indicator of its growth as a major power beyond East Asia.

Sino-Russian MTC, so lucrative for both sides until the mid-2000s, has reached the culmination point as well. Its framework needs to change if China and Russia wish it to continue in any meaningful fashion. Moscow will have to agree to the Beijing’s procurement of more advance post-Soviet era technology, and somehow leverage this development to modernize its (Russia’s) outdated defense-industrial base. One thing is for sure, the Russian defense-industrial base needs Chinese business if it is going to circumvent future crises or the outright collapse of its entire defense industry. For its part, Beijing must be willing to respect Russian intellectual property rights, diverge from its current model for military technological procurement from the Russians, and provide more transparency as it regards implementation of this technology into its armed forces. Without the continued procurement of Russian military technology, the PRC, under the current international conditions, will be challenged to sustain its military modernization programs at the current pace.

Overall, these issues present three significant areas among several that will have a hand in shaping the prospects for the Sino-Russian strategic partnership in the short, medium, and long term.

B. SHORT- AND MEDIUM-TERM PROSPECTS

Over the next five to ten years, Sino-Russian relations will continue to remain relatively positive despite the underlying tensions inherent in their association.[280] The relationship will also remain centered on tangible benefits and pragmatism. As Rajan Menon states:

> The current strategic partnership is rather different than the comity of the 1950s. The latter was based on a high degree of ideological kinship. But no matter how similarly the two countries wee the world today, doctrine is not the glue that binds them; it is pragmatism pure and simple. While the partnership is partly attributable to a common opposition to Pax Americana and the attendant unipolar international system, it represents an accretion of achievements that resulted from the determination of Chinese and Russian leaders to put an end to decades of enmity, quite independent of the state of their relationships with Washington. It has, in other words, a logic and dynamic all its own.[281]

This is an important distinction because the Sino-Soviet split is often looked upon as a reference point for determining the future potential of the Sino-Russian relationship in its current form. However, each of these relationships was predicated on a different foundation, which makes the determinants for its future inherently different. History, in this case, merely shows how quickly erosion in a bilateral alliance can facilitate acrimonious consequences.

Unfortunately, these factors are true for all state-to-state relations. The nature of the Sino-Russian relationship, as Lo assesses it, is "surprisingly normal" and will be open to the same domestic and international forces inherent to all bilateral relationships over the next five to ten years.[282] In the meantime, both states will continue to perceive more benefits than problems in maintaining the relationship in its current iteration during this timeframe.

---

[280] Rumer, "Mind the Gap," 8; and Herman Pirchner, "The Uncertain Future: Sino-Russian Relations in the Twenty-first Century," *Demokratizatsiya: The Journal of Post-Soviet Democratization* 16, no. 4 (Fall 2008): 319–320.

[281] See Rajan Menon, *The China–Russia Relationship: What it Involves, Where it is Headed, and How it Matters for the United States* (accessed July 28, 2010); available from http://www.tcf.org/publications/internationalaffairs/Menon.pdf.

[282] Lo, *Axis of Convenience*, 175.

For China, the current benefits of its strategic relationship with Russia include access to arms, strategic energy resources, and cooperation on the issues defined in the "three evils."[283] The PRC will continue to exercise restraint in dealing with Russian perceptions of its place in the international system and its effects on relations with China and the West. Beijing will strive to keep its disagreements with Russia private, as long as it continues to get most of what it desires from the relationship as it exists today.

For Moscow, the strategic partnership gives it the means to support its obsolete and inefficient defense-industrial base, sustain several portions of the RFEs population through legal and illicit trade, and it gives it a partner who shares apprehensions about the United States' intentions in the greater Asian region. In addition, it provides Moscow with the ability to "enhance its leverage with the U.S. and Europe due to its propensity to lean to the West."[284] These facets of the partnership will entice Russia to maintain the relationship under its current auspices.

Overall, the benefits of the relationship still provide a significant foundation of interests for both states. In the short- and medium-term, they outweigh the potential for the points of contention discussed earlier to derail Sino-Russian relations. The relationship is likely to continue its status quo existence and its utility for both sides. The aspects, as considered earlier in this thesis, do not suggest the Sino-Russian relationship will develop into a military alliance or devolve into a 1950s-era split with the potential for war in the short-and medium-term. In both cases, the current foundation of contemporary relations makes either of these developments highly unlikely.

C. LONG-TERM PROSPECTS

Dealing with long-term considerations for the Sino-Russian relationship in the context of this topic might best be regarded as what Nadkarni terms "scholarly speculation."[285] It is stimulating and entertaining, but analytical rigor is hampered by a

283 Menon, *The China–Russia Relationship,* 20.

284 Andrew Kutchins, "Russian Perspective on China: Strategic Ambivalence," in *The Future of China–Russia Relations*, ed. James Bellacqua (Lexington: KY: The University of Kentucky Press, 2010), 49.

285 Nadkarni, *Strategic Partnerships in Asia,* 73.

lack of clarity in pertinent variables and factors yet unknown. However, the issues may be analyzed with some contemporary factors that suggest trends in the direction of the future relationship, at least in the context of this thesis. This section will outline each facet and consider its potential effect on the long-term future of Sino-Russian relations.

There is no doubt that China is becoming the "dominant force" in many aspects of the bilateral relationship.[286] Several factors on the Russian side have continued to exacerbate this growing gap in power. Eugene Rumer states that "there is an economic, military, and demographic gap between today's Russia and the other major actors in Eurasian geopolitics."[287] For now, Moscow seems to ignore these mounting gaps and appears guided by seemingly incoherent policies replete with ambitions that do not match its capabilities.[288] The legacy of the Soviet Union has left the RF with a sense of strategic entitlement, xenophobia to most non-Russian ethnicities, and anti-globalist views on conducting foreign policy in the twenty-first century.[289] In addition, much of the infrastructure in the RFE, as well as in many other regions, is decrepit and the industrial base of much, if not most, of the economy is obsolete. These factors, combined with the detrimental effects of rampant corruption throughout every Russian private and government entity, severely hamper the long-term prospects for Russia as a partner with China as well as with the region.[290]

Economically, the RF is in danger of developing into a "client-patron" relationship with the PRC. This is a distinct possibility if Moscow continues to ignore the implications of detrimental Soviet legacies and its current perception gap over the

---

286 Rozman, "The Sino-Russian Strategic Partnership: How Close? Where To?" in *The Future of China–Russia Relations*, ed. James Bellacqua (Lexington: KY: The University of Kentucky Press, 2010), 28–29.

287 Rumer, "Mind the Gap," 171.

288 Ibid., 168.

289 See Derek Mitchell, *China and Russia*, in *The China Balance Sheet 2007 and Beyond* (accessed August 7, 2010); available from http://csis.org/programs/freeman-chair-china-studies/china-balance-sheet/papers.

290 Rumer, "Mind the Gap," 177–178.

next ten years and beyond.[291] This would be a dramatic setback for a country that has such economic potential. For example, the CIA World Fact Book state that:

> In 2009 Russia was the world's largest exporter of natural gas, the second largest exporter of oil, and the third largest exporter of steel and primary aluminum - and other less competitive heavy industries that remain dependent on the Russian domestic market. This reliance on commodity exports makes Russia vulnerable to boom and bust cycles that follow the highly volatile swings in global commodity prices.[292]

In addition to commodity prices, this reliance also makes Russia vulnerable to China and its long-term interests. Russia needs to develop domestic support industries that complement and enhance its ability to compete in world markets. If not, Russia is in great danger of becoming a state that is cursed by resources and locked into a role in the future international economy that is not commensurate with its current perceptions.

In 2008, Lo stated that "Russia would become less important to China as time goes on." Russian world views, all shaped by the factors mentioned earlier, have already facilitated the gradual development of this trend. Russia has time over the next five to ten years to change its current economic and anti-globalist policies and attempt to facilitate more robust cooperation with China in the areas that will aid in a sustained resurgence built for the long term. Beyond that, it is likely that the RF will become a marginally important client state of the PRC with some continued value as a raw material exporter and a provider of military niche technology. The latter aspect may become irrelevant by this point in time if the international environment becomes more conducive to Chinese imports of Western military technology.

Militarily, the RF will always remain relevant as a military power due to its vast nuclear arsenal. In conventional terms, the Russian armed forces are still trying to recover from episodes of near-collapse in the 1990s and the dramatic shortfalls in forces demonstrated by the war in the Republic of Georgia in 2008. In response to these issues,

---

[291] James Bellacqua, "Introduction. Contemporary Sino-Russian Relations: 13 Years of Strategic Partnership," in *The Future of China–Russia Relations*, ed. James Bellacqua (Lexington: KY: The University of Kentucky Press, 2010), 7–8.

[292] *Russia* (accessed August 13, 2010); available from https://www.cia.gov/library/publications/the-world-factbook/geos/rs.html.

the RF initiated radical and wide-spread reforms for its conventional forces.[293] The RF's intent with these reforms is to re-establish professionalization and introduce a more flexible force structure along western lines during the next decade. At the same time, Chinese military modernization continues to make the PLA a more credible and formidable force that is likely to be on par with, or even exceed the Russian armed forces power projection capabilities in ten years. In addition, the Chinese currently enjoy a decisive financial advantage in the pursuit of their modernization goals.

Over the long term, Russia will have to overcome myriad problems in its armed forces and its defense-industrial sector if it has any hope of implementing any long-term reform that is successful. These factors, as well as the unpredictable international situation regarding Chinese military technological procurement, make long-term predictions about Chinese armed forces vis-à-vis the Russian Federation extremely difficult. One thing is certain under the current circumstances: Chinese long-term prospects are much more positive than the Russian outlook.

As discussed in the section on the RFE, Russia's demographic decline regionally may have a dramatic effect on the long-term prospects for the Sino-Russian relationship. The Central Intelligence Agency (CIA), in a 2001 report on global demographic trends states that "for Russia, an unhealthy declining population—especially among working-age males—could impact economic growth and domestic stability, vulnerabilities that internal political groups or other states, near and far, could seek to exploit."[294] Due to China's immense land border with Russia and the history of contention over territories in the RFE, it is possible that the factors listed above could have a significant negative impact on Sino-Russian relations over the long term.

In addition, James Bellacqua observes, "China is the world's most populous nation and is still growing, while Russia's population is shrinking at an alarming rate of

---

293 See John Chipman, *The Military Balance 2009 Press Statement* (accessed August 16, 2010); available from http://www.iiss.org/publications/military-balance/the-military-balance-2009/military-balance-2009-press-statement/.

294 See *Long-term Global Demographic Trends: Reshaping the Geopolitical Landscape* (accessed August 12, 2010); available from https://www.cia.gov/library/reports/general-reports-1/Demo_Trends_For_Web.pdf.

700,000 people a year."[295] Demographic shifts in population are already shaping the local population's perceptions about long-term Chinese intentions in the RFE and the overall economic prospects for the region. China will continue to be viewed as a long-term threat in the RFE. It is plausible that this perception could combine with history to become a self-fulfilling prophecy beyond the next ten years, if Russia does not begin to adopt a coherent policy of development to fix the problem and assuage the fears of the local population.

All of these issues have the long-term potential to create an imbalance in relations that could eventually lead to significant strategic tension.[296] Russia's perception gap and its decreasing relevance to China in its calculations have the potential to facilitate the emergence of this state of relations over the long term. In Russia, it will continue to aspire for a place in the twenty-first century international system that is not in keeping with its overall power under current conditions. For China, its continued rise into a global power is not a question of if but when. Eventually, because of these realities for both states, tension will emerge that will put both countries at odds over the direction of global affairs beyond ten years. It is one of many possible outcomes, but entirely plausible under the current circumstances.

295 Bellacqua, *The Future of China–Russia Relations*, 2.

296 Lo espouses this view and provides three other possible scenarios in chapter nine of the "*Axis of Convenience*."

BIBLIOGRAPHY

Agreement on Confidence Building in the Military Field in the Border Areas, Article 1. Accessed July 23, 2010. Available from http//www.stimson.org/cbm/china/crplus.htm.

"A Nation Challenged: China Calls a Regional Meeting." *New York Times*, December 26, 2001. Accessed July 14, 2010. Available from ProQuest.

Andrew, Martin. "Power Politics: China, Russia, and Peace Mission 2005." *China Brief* 5, no. 20 (September 2005): 1.

Annual Report on the Military Power of the People's Republic of China 2002. Accessed July 28, 2010. Available from http://www.defense.gov/pubs/china.html.

Aris, Stephen. "The Shanghai Organization: 'Tackling the Three Evils': A Regional Response to Non-traditional Security Challenges or an Anti-Western Bloc." *Europe-Asia Studies* 61, no. 3 (May 2009): 467.

Article III of the Declaration on the Fifth Anniversary of the Shanghai Cooperation Organization. Accessed July 27, 2010. Available from http://www.sectsco.org/EN/show.asp?id=94.

Atal, Subodh. "The New Great Game." *The National Interest* 81, no. 3 (Fall 2005): 103.

Bakshi, Jyotsna. "Russia-China Military-Technical cooperation: Implications for India." *Strategic Analysis* 24, no. 4 (2000): 633.

Barany, Zoltar. "Resurgent Russia? A Still-Faltering Military." *Policy Review* 147 February/March 2008): 39–41.

Bellacqua, James. "*Introduction. Contemporary Sino-Russian Relations: 13 years of Strategic Partnership*." In *The Future of China-Russia Relations*, ed. James Bellacqua, 1–12. Lexington: KY: The University of Kentucky Press, 2010.

Blagov, Sergei. "Arms, Energy and Commerce in Sino-Russian Relations." *China Brief* 7, no. 6 (August 2010): 1.

Blank, Stephen. "At a Dead End: Russian Policy and the Russian Far East." *Demokratizatsiya* 17, no. 2 (Spring 2009): 124.

———. "China's Russian Far East." *China Brief* 9, no. 16 (August 2009): 1.

———. "Peace-Mission 2009: A Military Scenario Beyond Central Asia." *China Brief* 9, no. 17 (August 2009).

———. “China and the Shanghai Cooperation Organization at Five.” *China Brief* 6, no. 13 (June 2006): 1.

———. “The Russo-Chinese Energy Follies.” *China Brief* 8, no. 23 (December 2008): 1.

Bolton, K. R. “Russia and China: An Approaching Conflict.” *The Journal of Social, Political, and Economic Studies*, 34, no. 2 (Summer 2009), 169.

Brief Introduction to the Shanghai Cooperation Organization. Accessed March 20, 2010. Available from http://www.sectsco.org/EN/brief.asp.

Brummer, Matthew. “The Shanghai Cooperation Organization and Iran: A Power-Full Union.” *Journal of International Affairs* 60, no. 2 (Spring 2007): 185.

Buszynski, Leszek. “Oil and Territory in Putin’s Relations with China and Japan.” *The Pacific Review* 19, no. 3 (September 2006): 288–290.

“Central Asia: SCO summit marks new round of Great Game.” *Oxford Analytica Daily Brief Service*, July 6, 2005. Accessed July 17, 2010. Available from ProQuest.

“Central Asia: Uzbek-Russian tensions undermine CSTO.” *Oxford Analytica Daily Brief Service*, September 3, 2009. Accessed July 23, 2010. Available from ProQuest.

The Charter of the Shanghai Cooperation Organization. Accessed July 22, 2010. Available from http://www.sectsco.org/EN/show.asp?id=69.

Chazan, Guy. “Russia’s Defense Industry Launches Bid to Boost Sales—Its Captive Markets Gone, Moscow Seeks Buyers For Vast Arms Arsenal.” *Wall Street Journal*, July 14, 2001. Accessed August 7, 2010. Available from ProQuest.

China and Pakistan: A Fraying Friendship? Accessed July 24, 2010. Available from http://www.time.com/time/world/article/0,8599,1880689,00.html.

China and Russia, in *The China Balance Sheet 2007 and Beyond*. Accessed August 7, 2010. Available from http://csis.org/programs/freeman-chair-china-studies/china-balance-sheet/papers.

China-Russia Security Relations: Strategic Parallelism Without Partnership of Passion? Accessed July 29, 2010. Available from http://www.StrategicStudiesInstitute.army.mil.

The China-Russia Relationship: What it Involves, Where it is Headed, and How it Matters for the United States. Accessed July 28, 2010. Available from http://www.tcf.org/publications/internationalaffairs/Menon.pdf.

China-Russia War Games Underway. Accessed July 28, 2010. Available from http://news.bbc.co.uk/2/hi/asia-pacific/4162054.stm

The Chinese Are Coming: Public Opinion and Threat Perception in the Russian Far *East,* Program on New Approaches to Russian Security. January 2001. Accessed July 11, 2010. Available from http://csis.org/files/media/csis/pubs/pm_0184.pdf.

Chivers, C. J. "Central Asians Call on U.S. to set Timetable for Closing Bases." *New York Times*, July 6, 2005. Accessed July 17, 2010. Available from ProQuest.

CRS Report to Congress. *European Union's Arms Embargo on China: Implications and Options for U.S. Policy*. Accessed August 10, 2010. Available from http://italy.usembassy.gov/pdf/other/RL32870.pdf.

Davis, Sue. *The Russian Far East: The Last Frontier?* New York: Routledge, 2003.

DeBree, Daniel R. "Bear Hug for the Dragon" Russia-China Military Cooperation." *The ISCIPAnalyst* 13, no. 4 (November 2006): 6.

Declaration on the Fifth Anniversary of the Shanghai Cooperation Organization. Accessed July 22, 2010. Available from http://english.scosummit2006.org/en_zxbb/200606/15/content_755.htm.

Dittmer, Lowell. "The Emerging Northeast Asian Regional Order." In *The International Relations of Northeast Asia,* ed. Samuel S. Kim, 331-362. Lanham, MD: Rowman & Littlefield, 2004.

Donaldson, Robert H. and John A. Donaldson. "The Arms Trade in Russian-Chinese Relations: Identity, domestic Politics, and Geopolitical Positioning." *International Studies Quarterly* 47, no. 4 (December 2003): 712.

Douglass, Joseph D. "Focus: Russian Arms Sales to China." *The Officer* 76, no. 11 (December 2000): 29.

Dwivedi, Ramakant. "China's Central Asian Policy in Recent Times." *China and Eurasia* Forum *Quarterly* 4, no. 4 (2006): 139.

The Dynamics of Russian Weapon Sales To China, U.S. Army War College, Strategic Studies Institute, 1997. Accessed July 14, 2010. Available from http://www.fas.org/nukeguide/china/doctrine/ruswep.pdf .

Eckholm, Erik. "China's About-Face: Support for U.S. on Terror." *New York Times*, September 30, 2001. Accessed July 14, 2010. Available from ProQuest.

Feller, Gordon. "Pipelines Linking Russia, China Not Only Element of Their Oil & Gas Relationship." *Pipeline and Gas Journal* 236, no. 1 (Jauary 2009): 30.

Ferdinand, Peter. "Sunset, Sunrise: China and Russia construct a new relationship." *International Affairs* 83, no. 5 (2007): 844-854.

Ferguson, Joseph P. "Russian Strategic Thinking toward Central, South, and Southeast Asia." In *Russian Strategic Thought toward Asia*, ed. Gilbert Rozman, Kazuhiko Togo, and Joseph P. Ferguson, 205-228. New York, NY: Palgrave Macmillan, 2006.

FY04 Report To Congress on PRC Military Power. Accessed July 28, 2010. Available from http://www.defense.gov/pubs/china.html.

Garnett, Sherman. "Challenges of the Sino-Russian Strategic Partnership." *The Washington Quarterly* 24, no. 4 (2001): 41.

Gittings, John. *The Role of the Chinese Army*. London: Oxford University Press, 1967.

Goldstein, Lyle J. "Return to Zhenbao Island: Who Started Shooting and Why It Matters." *The China Quarterly*, no. 168 (December 2001): 986-990.

Hsaio, Russel. "Heixiazi Island to Return to PRC by End of 2008." *China Brief* 8, no. 6 (March 2008): 2.

Hutzler, Charles. "China Is Seeking To Strengthen Antiterror Group." *Wall Street Journal*, January 8, 2002. Accessed July 14, 2010. Available from ProQuest.

Interfax. "Military: SCO-NATO Cooperation Stabilizes Situation in Afghanistan – Kyrgyz Government." *Central Asian and Caucasus Business Weekly*, April 7, 2009. Accessed July 23, 2010. Available from ProQuest.

Johnston, Alastair I. "Is China a Status Quo Power?" *International Security* 27, no. 4 (Spring 2003) 5–56.

Joffe, Ellis. *The Chinese Army after Mao*. Cambridge, MA: Harvard University Press, 1987.

Katz, Mark N. "Russia and the Shanghai Cooperation Organization: Moscow's Lonely Road from Bishkek to Dushanbe." *Asian Perspective* 32, no. 3 (2008): 185.

Kislov, A. and A. Frolov. "Russia in the World Arms Market." *International Affairs* 49, no. 4 (August 2003): 147.

Kutchins, Andrew. "Russian Perspective on China: Strategic Ambivalence." In *The Future of China-Russia Relations*, ed. James Bellacqua, 33–55. Lexington: KY: The University of Kentucky Press, 2010).

Lague, David and Susan V. Lawrence. "China's Russian-Arms Spree—An Eye on Taiwan, Beijing Sustains Ex-Soviet Defense Industry." *Wall Street Journal*, December 10, 2002. Accessed August 8, 2010. Available from ProQuest.

Lam, Willy Wo-Lap. “Moscow Tilts West, Beijing Worries.” *China Brief* 2, no. 12 (June 2002): 2.

Li, Nan and Weuve, Christopher. “China’s Aircraft Carrier Ambitions.” *Naval War College Review* 63, no. 1(Winter 2010): 28.

Library of Congress, Federal Research Division. *China: A Country Study*. June 1987. Accessed February 27, 2010. Available from http://countrystudies.us/china/.

———. *Russia: A Country Study*. May 1996. Accessed February 27, 2010. Available from http://countrystudies.us/russia/.

Lo, Bobo. Axis of Convenience: Moscow, Beijing, and the New Geopolitics. Baltimore: Brookings Institution Press, 2008.

Long-Term Global Demographic Trends: Reshaping the Geopolitical Landscape. Accessed August 12, 2010. Available from https://www.cia.gov/library/reports/general-reports-1/Demo Trends ForWeb.pdf.

Lukin, A. “Shanghai Cooperation Organization: Problems and Prospects,” *International Affairs* 50, no. 3 (June 2004): 36–37.

Main Events within Framework of "Shanghai five," SCO. Accessed July 14, 2010. Available from http://english.scosummit2006.org/en_bjzl/2006-04/19/content_62.htm.

The Military Balance 2009 Press Statement. Accessed August 16, 2010. Available from http://www.iiss.org/publications/military-balance/the-military-balance-2009/military-balance-2009-press-statement/.

The Military Power of the People’s Republic of China 2005. Accessed July 28, 2010. Available from http://www.defense.gov/pubs/china.html.

The Military Power of the People’s Republic of China 2008. Accessed July 28, 2010. Available from http://www.defense.gov/pubs/china.html.

Moltz, James C. “Regional Tensions in the Russo-Chinese Rapprochement.” *Asian* Survey 35, no. 6 (1995): 514.

Nadkarni, Vidya. *Strategic Partnerships in Asia: Balancing without Alliances*. New York: Routledge, 2010.

Nemets, Alexander. “War Does Not Curtail the Growing Russia-China Alliance.” *China Brief* 2, no. 1 (January 2002): 2.

New Developments in Russia-China Military Relations: A Report on the August 19–23 2003 Moscow Aerospace Salon (MAKS), prepared for the U.S-China Economic and Security and Review Commission. Accessed July 14, 2010. Available from http://www.uscc.gov/researchpapers/2000_2003/reports/mair1.htm.

Nikolaev, M. "Eastern Dimension." *International Affairs* 52, no. 5 (2006): 140.

Norling, Nicklas. "China and Russia: Partners with Tensions." *Policy Perspectives* 4, no. 1 (2007): 36.

Ostrovsky, Arkady. "China Confident Russia Will Allow Jet Sale." *Financial Times,* November 9, 2006. Accessed August 10, 2010. Available from ProQuest.

Peyrouse, Sebastien. "Military Cooperation between China and Central Asia: Breakthrough, Limits, and Prospects." *China Brief* 10, no. 5 (March 2010): 1.

Pirchner, Herman. "The Uncertain Future: Sino-Russian Relations in the Twenty-first Century." *Demokratizatsiya: The Journal of Post-Soviet Democratization* 16, no. 4 (Fall 2008): 319–320.

Pomfret, John. "Russians Help China Modernize Its Arsenal; New Military Ties Raise U.S. Concerns." *The Washington Post*, February 10, 2000. Accessed August 7, 2010. Available from ProQuest.

PRC Arms Acquisitions from Russia (pre-2005). Accessed Jul 7, 2010. Available from http://www.sinodefence.com/special/arms-trade/import-russia-pre2005.asp.

Problems in Russian-Chinese Military-Technical Cooperation. Accessed August 7, 2010. Available from http://en.rian.ru/analysis/20070925/80780903.html.

"Putin Reaffirms China Ties." *New York Times*, June 6, 2002. Accessed July 14, 2010. Available from ProQuest.

Rangsimaporn, Paradorn. "Debate on Military-Technical Cooperation with China: From Yeltsin to Putin." *Asian Survey* 46, no. 2 (May/June 2006): 478–479.

Reporting Country: Russian Federation. Accessed August 3, 2010. Available from http://disarmament.un.org/un_register.nsf.

The Rising Dragon: Peace Mission 2007. Accessed July 14, 2010. Available from http://www.jamestown.org/uploads/media/Jamestown-McDermottRisingDragon.pdf.

Rising Energy Competition and Energy Security in Northeast Asia: Issues for U.S. Policy. Accessed March 13, 2010. Available at http://assets.opencrs.com/rpts/RL32466 20080513.pdf.

Rozman, Gilbert. *Chinese Strategic Thought toward Asia*. New York, NY: Palgrave Macmillan, 2010.

Rozman, Gilbert. "Russian Foreign Policy in Northeast Asia." In *The International Relations of Northeast Asia,* ed. Samuel S. Kim, 201-224. Lanham, MD: Rowman & Littlefield Publisher, Inc., 2004.

———. "Strategic Thinking about the Russian Far East." *Problems of Post-Communism* 55, no. 1 (2008): 47.

———. "Russian Strategic Thinking on Asian Regionalism." In *Russian Strategic Thought toward Asia*, ed. Gilbert Rozman, Kazuhiko Togo, and Joseph P. Ferguson, 229-254. New York, NY: Palgrave Macmillan, 2006.

———. "The Sino-Russian Strategic partnership: How Close? Where To*?*" In *The Future of China-Russia Relations*, ed. James Bellacqua, 13–32. Lexington: KY: The University of Kentucky Press, 2010.

Rumer, Eugene B. "Mind the Gap: Russian Ambition vs. Russian Reality." In *Strategic* Asia *2008–2009: Challenges and Choices*, ed. Ashley J. Tellis, Mercy Kuo, and Andrew Marble, 167–199. Washington, DC: The National Bureau of Asian Research, 2009.

Russia. Accessed August 13, 2010. Available from https://www.cia.gov/library/publications/the-world-factbook/geos/rs.html.

Russia-China Military Cooperation in Trouble? Accessed August 10, 2010. Available from http://www.domain-b.com/industry/defence/20070827_military.htm.

Russia Chooses between $1.5 Billion and $2 Billion. Accessed August 10, 2010. Available from http://www.kommersant.com/p717480/Russia_China_India_military/.

Sanchez-Andres, Antonio. "Arms Exports and Restructuring in the Russian Defense Industry." *Europe–Asia Studies* 56, no. 5 (July 2004): 701–703.

Shambaugh, David L. *Modernizing China's Military*. Berkeley, CA: University of California Press, 2004.

Shanghai Cooperation Organization. Accessed March 19, 2010. Available from http://www.cfr.org/publication/10883/.

"Shanghai Cooperation Organization Takes Significant Step towards Viability." Accessed July 26, 2010. Available from http://www.eurasianet.org/departments/insight/articleseav090503b.Shtml.

Shieves, Kevin. “China Turns West: Beijing’s Contemporary Strategy Towards Central Asia.” *Pacific Affairs* 79, no. 2 (2006): 214.

Sinodefence: PRC Arms Acquisitions from Russia (post-2005). Accessed August 7, 2010. Available from http://www.sinodefence.com/special/arms-trade/import-russia-post2005.asp.

SIPRI TIV of arms imports to China, 2000–2001. Accessed August 5, 2010. Available from http://armstrade.sipri.org/armstrade/html/export_values.php.

SIPRI TIV of arms imports to China, 2001–2002. Accessed August 5, 2010. Available from http://armstrade.sipri.org/armstrade/html/export_values.php.

SIPRI TIV of arms exports from the top 10 largest exporters, 2002–2003. Accessed August 6, 2010. Available from http://armstrade.sipri.org/armstrade/html/export_toplist.php.

SIPRI Arms Transfer database and Military Expenditure database 2004–2005. Accessed August 7, 2010. Available from http://armstrade.sipri.org/armstrade/html/export_values.php.

SIPRI TIV of Arms Exports from Russia 2004-2005. Accessed August 7, 2010. Available from http://armstrade.sipri.org/armstrade/html/export_values.php.

SIPRI TIV of Arms Exports from Russia, 2005. Accessed August 7, 2010. Available from http://armstrade.sipri.org/armstrade/html/export_values.php.

SIPRI TIV of Arms Exports from Russia, 2006. Accessed August 9, 2010. Available from http://armstrade.sipri.org/armstrade/html/export_values.php.

SIPRI TIV of arms exports from Russia, 2007. Accessed August 8, 2010. Available from http://armstrade.sipri.org/armstrade/html/export_values.php

SIPRI TIV of arms exports from Russia, 2008. Accessed August 10, 2010. Available from http://armstrade.sipri.org/armstrade/html/export_values.php.

SIPRI TIV of arms import to China, 2009. Accessed August 12, 2010. Available from http://armstrade.sipri.org/armstrade/html/export_values.php.

Stephan, John J. *The Russian Far East: A History*. Stanford, CA: Stanford University Press, 1994.

Successful Demarcation Makes Strong Russia Ties. Accessed July 11, 2010. Available from http://www.chinadaily.com.cn/english/doc/2004-10/15/content_382661.htm.

Tao, Xu. “SCO: Example for the World.” *Beijing Review* 46, no. 24 (June 2003): 26.

Ten Things Everyone Should Know about the Sino-Russian Relationship. Accessed July 15, 2010. Available from http://www.cer.org.uk/pdf/pb_china_bl_dec08.pdf.

TIV of arms import to China by category. Accessed July 14, 2010. Available from http://www.sipri.org/contents/armstrad/output_types_TIV.html.

Togo, Kazuhiko. "Russian Strategic Thinking toward Asia, 1996–1999." In *Russian Strategic thought toward Asia*, ed. Gilbert Rozman, Kazuhiko Togo, and Joseph Ferguson, 75–110. New York, NY: Palgrave Macmillan, 2006.

Trenin, Dimitri. "Putin Must Secure Russia's Far East." *Financial Times*, March 1, 2005. Accessed June 24, 2010. Available from ProQuest.

———. "Russia's Asia Policy under Vladimir Putin, 2000-2005." In *Russian* Strategic *Thought toward Asia*, ed. Gilbert Rozman, Kazuhiko Togo, and Joseph P. Ferguson, 111–138. New York, NY: Palgrave Macmillan, 2006.

Troush, Sergei. "U.S.–China Relations." *China Brief* 4, no. 10 (May 2004): 2.

Turner, Jefferson E. "What is Driving India's and Pakistan's Interest in Joining the Shanghai Cooperation Organization." *Strategic insights* 4, no. 8 (2005), 1.

The Unbalanced Triangle. Accessed February 28, 2010. Available from http://www.foreignaffairs.com/articles/65230/stephen-kotkin/the-unbalanced-triangle.

We Do Not Want to Arm the Chinese, in *Izvestiya*. Accessed August 8, 2010. Available from http://www.izvestia.ru/.

Weir, Fred. "Russia and China Meld Muscle for War Games; Shared concerns of Regional Unrest push aside differences." *Christian Science Monitor*, August 17, 2005. Accessed July 17, 2010. Available from ProQuest.

———. "Russia's Arms Makers Operating on Borrowed Time; An Unexpected Slowdown in Sales to China and India will Slice into Russian exports." *Christian Science Monitor*, June 27, 2003. Accessed August 8, 2010. Available from ProQuest.

Weitz, Richard. "The Sino-Russian Arms Dilemma." *China Brief* 6, no. 22 (November 2006): 3–4.

———. "Why China Snubs Russian Arms." *The Diplomat*, April 5, 2010. Accessed August 12, 2010. Available from ProQuest.

Wen Jiabao's Visit To Moscow Fails to Resolve Problems In Russian-Chinese Economic Relations," in CACI Analyst. Accessed August 12, 2010. Available from http://www.cacianalyst.org//q=node/4734/print.

Westad, Odd A. "Introduction." In Brothers in Arms: The Rise and Fall of the Sino-*Soviet Alliance, 1945–1963*, ed. Odd A. Westad, 1–46, Port Chester, NY: Stanford University Press, 1998.

"When Dragons Dance with Bears; Russia and China." *Economist*, December 2, 2006. Accessed June 24, 2010. Available from ProQuest.

Will Russia Lose its Far East? Accessed July 1, 2010. Available from http://topics.blogs.nytimes.com/2008/09/30/will-russia-lose-its-far-east/.

Wilson, Jeanne L. *Strategic Partners: Russian-Chinese Relations in the post-Soviet Era*. Armonk, NY: M.E. Sharpe, 2004.

Wohlforth, William C. "Russia's Missing Asian Revisionism." In *The United States and Northeast Asia*, ed. G. John Ikenberry and Chung-in Moon, 99–122. Lanham, MD: Rowman & Littlefield Publishers, 2008.

Wright, Robin. "Kyrgyzstan Agrees to Continuing U.S. Military Presence at Key Air Base." *The Washington Post*, October 12, 2005. Accessed July 17, 2010. Available from ProQuest.

Young, Christina and Nebojsa Bjelakovic. "The Sino-Russian Strategic Partnership: Views from Beijing and Moscow." *The Journal of Slavic Military Studies* 23, no. 2 (2010): 258.

Zhang, Shu Guang. "Sino-Soviet Economic Cooperation." In *Brothers in Arms: The Rise* and *Fall of the Sino-Soviet Alliance, 1945–1963*, ed. Odd Arne Westad, 189–225. Port Chester, NY: Stanford University Press, 1998.

Ziegler, Charles E. "Putin Comes to Shove in Asia." *Far Eastern Economic Review* 171, no. 1 (January/February 2008): 22.

———. "Axis of Authoritarianism." *Asian Survey* 49, no. 1 (2009): 135.

INITIAL DISTRIBUTION LIST

1. Dudley Knox Library
   Naval Postgraduate School
   Monterey, California

2. Defense Technical Information Center
   Ft. Belvoir, Virginia

3. Professor Alice L. Miller
   Naval Postgraduate School
   Monterey, California

4. Professor Mark Chakwin
   Naval Postgraduate School
   Monterey, California