

THE CHINA-RUSSIA RELATIONSHIP:
WHAT IT INVOLVES, WHERE IT IS HEADED, AND
HOW IT MATTERS FOR THE UNITED STATES

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A CENTURY FOUNDATION REPORT

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This report is one in a series commissioned by The Century Foundation to explore issues of interest to American policymakers regarding Russia, aimed at identifying a framework for U.S.-Russian relations and policy options for a new administration and Congress that could help right the two countries' troubled relationship at a crucial juncture. The reports in the series explore significant aspects of U.S.-Russian relations, outlining a broad range of reasons why Russia matters for American foreign policy and framing bilateral and multilateral approaches to Russia for U.S. consideration. A high-level working group, co-chaired by Gary Hart, former U.S. senator from Colorado, and Jack F. Matlock, Jr., former U.S. ambassador to the Soviet Union, has provided direction to the project and offered recommendations for action that the United States might take.

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THE PERILS OF PRESENTISM

To paraphrase famed English historian A. J. P Taylor's quip about the lessons of history, the only pattern discernable in the relationship between Russia and China over the past fifty-nine years is the absence of one. Most recently, since 1996 to be precise, Russia and China are united by what both call a "strategic partnership." As with prior phases in their history, there is a good deal of presentism (the infinite extrapolation from the present) detectable in Western analyses of this one. Yet a look back in time shows abundant variation in how the two countries have dealt with each other over the past six decades, and the current stage will more than likely give way to another, and it could surprise us, just as previous ones have.

For roughly a decade after the Chinese Communist Party (CCP) drove Jiang Jieshi's nationalist Kuomintang (KMT) onto Taiwan, enabling Mao Zedong to proclaim the birth of the People's Republic of China (PRC) in October 1949, China and Russia were united by a fealty to Marxism-Leninism. There was no lack of hardnosed calculations on both sides. The Soviet-run Comintern had given the CCP some spectacularly bad advice in the 1920s, advising it to ally with the Nationalists, who turned on it, quickly and mercilessly. Mao, then, was mindful that the Kremlin's rhetoric about revolution had not negated its realism. True to form, Stalin had hoped that the Chinese civil war would be won by the Nationalists so that a weak, KMT-run China would allow him to retain the concessions it had given the Soviet Union in Manchuria. While he kept the CCP in play, he did not cast his lot with it until the tide turned in its direction and he concluded that a KMT victory would redound to the benefit of the United States.

Still, the Chinese communists were exhilarated by their victory and eager to transform China, and places beyond. And Stalin, while more cautious both by instinct and temperament, regarded the establishment of the PRC, along

with the rise of communist regimes in East-Central Europe, as proof of socialism's forward march. While Mao did not plan to mimic the particulars of Stalin's "revolution from above," he did consider it a valuable example of how to force-march a backward country toward modernity; certainly his own Great Leap Forward had the same goals as Stalin's collectivization of agriculture and creation of a planned industrial economy.

Solidifying this period of doctrinally based kinship was China's sense of vulnerability to the United States, something it felt particularly after the Korean War, when America extended the doctrine of containment to Asia and deployed its military forces permanently in South Korea and, worse still in Mao's eyes, Japan. Even before that, though, in February 1950, China and the Soviet Union signed the "Sino-Soviet Treaty of Friendship, Cooperation, and Mutual Assistance" (which replaced the existing treaty between the Soviet Union and the KMT regime). Though the treaty was product of hard bargaining, it was an asymmetric accord that codified China's dependence on the Soviet Union for economic aid and protection.

Mao's reverence toward the Soviet Union proved fleeting and was mixed with irritation at having to play the role of disciple to Moscow, even while Stalin was alive. The catalyst for change was Nikita Khrushchev, whom the Chinese leader considered an inferior mind and an uncouth arriviste. Mao, after all, had led his own revolutionary movement and had not been placed in power by the Red Army.¹ The chemistry between the two leaders was never good, but the rift between the two allies had more to do with greater substantive issues. Khrushchev's 1956 speech (before the historic Communist Party's Twentieth Congress) condemning some of Stalin's policies and practices coincided with a battle in China between Mao, a proponent of radical policies aimed at establishing socialism forthwith, and pragmatists who urged a measured pace. That Khrushchev's speech had nothing to do with Mao per se was beside the point. What mattered to the chairman was that it threatened to shape the outcome of his battle with the opposition.

Khrushchev's conciliatory gestures toward the United States based on peaceful coexistence, though punctuated by brinkmanship in Berlin and Cuba and constant bombast about socialism's inevitable and imminent triumph, troubled Mao for other reasons. He considered Khrushchev's overtures to the United States an abdication of revolutionary responsibilities, particularly in the Third World. Khrushchev was trumpeting the economic and military strength of the Soviet Union, and Mao believed that it should exploit the advantage (like many in the West, Mao was taken in by the Soviet leader's hyperbole) and support global liberation movements. He also worried that the two great powers might reach an accommodation at China's expense. Then there was the Soviet leadership's failure to show the ideological fraternalism Mao expected, a case in point being Khrushchev's decision to end the assistance to China's nuclear weapons program. From the Kremlin's standpoint, however, the more rebellious Mao became, the greater the need to keep him tethered, and by 1959, Mao was attacking Soviet policies at home and abroad on a wide front.

Disillusioned and piqued by what they deemed Moscow's bullyboy behavior, the Chinese communists soon honed an ideological critique, accusing the Soviet Union of "revisionism" (read: betrayal of Marxism) and worse, of being imperialism's "running dog." The corollary of this indictment was that China embodied revolutionary purity and was the proper model for Marxist movements everywhere—a frontal challenge to the Kremlin's claim to be the leader of the socialist camp. Well before Khrushchev's ouster in 1964, the polemics, which by then resembled a religious schism, had reached a fever pitch, and the Soviets resolved to bring their errant disciple in line. Their recall of the thousands of technical experts sent to help modernize the Chinese economy was one attempt to show who was boss.

The changing of the guard in the Kremlin in 1964 did not end the rancor, as some on both sides had hoped; in fact a dangerous decade ensued. The Marxist polemics continued—both sides developed new and creative terms of ideological abuse—but Marx gave way to Machiavelli: the timeless issues

of power politics now came to the fore, supplanting doctrinal disputes. Even before Khrushchev was cashiered, in meeting with members of the Japanese Socialist Party in September 1964, Mao publicly charged Russia with having annexed Chinese territory. “About a hundred years ago,” the chairman said, “the areas east of Baikal became Russian territory, and since then Vladivostok, Khabarovsk, Kamchatka, and other areas have been Soviet territory. We have not yet presented our account for this list.”² It was quite a list, covering over one million square miles of land. (Painting the Soviet leaders as latter-day Tsars, Mao added that they had also grabbed the Kuriles from Japan—he supported Japan’s demand for their return, noting that Russia and Japan “should work together”—as well as parts of East Germany, Romania, and Finland.³) The standard Chinese position on the territorial dispute soon jelled: Imperial Russia had annexed Chinese territories along the Amur and Ussuri rivers and sought to legitimize its conquests through “unequal treaties” (Aigun in 1858, and Peking in 1860) signed with the declining Manchu government and at a time when China was being sliced and diced by the other Western powers. Beijing kept up a steady drumbeat, calling for the reversion of its lost lands and noting—in a dig at the Soviet Union’s revolutionary self-image—that socialist states could hardly remain true to their principles while retaining colonial spoils.⁴ China did not contest the much larger Russian annexations that are now part of the Soviet Far East, but the territorial problem, which the Chinese had taken care not to raise in the years of ideological comity with, and dependence on, Russia in the 1950s was out in the open.

The Soviets countered that the lands China claimed were a legal and integral part of Russia; there was, they averred, no dispute and nothing to talk about. But the temperature rose, particularly when the two sides, with Moscow taking the lead, began aggressive patrols along the Ussuri and Amur, the natural border demarcation points. In March 1969, the shows of force culminated in two shootouts on Damansky (Zhenbao to the Chinese) Island, near the Chinese shore of the Ussuri. Soviet troops got the worst of it. In the ensu-

ing years, the Soviet leaders mounted a massive, relentless military buildup along the frontier, and even hinted to the Nixon administration that they might attack China with nuclear weapons.⁵ Western experts made dire predictions that war between the two giants was in the offing, some marshalling various deterministic and reductionist explanations. Some invoked supposedly timeless historical hatreds and cultural incompatibilities (“the Mongol yoke,” “the Yellow Peril,” “the Middle Kingdom,” and so on) to explain why proletarian fraternalism had inevitably metamorphosed into rabid nationalism.

The Soviet buildup and threats were meant to intimidate the Chinese. Though Mao spurned Moscow’s offers of reconciliation (Alexei Kosygin and Yuri Andropov were treated to diatribes when they went to China in February 1965 in hopes of patching things up), the Chinese were shaken. Yet the Kremlin’s hopes that they would eventually make peace as a result were misplaced. In the event, the rising risk of war laid the groundwork for the next stage of the China-Russia relationship. Its hallmark was an alignment between China and the United States against Russia, a common foe that both feared was becoming stronger and more brazen and dangerous. Mao’s diatribes against capitalism and American leaders’ denunciations of “Red China” had become quaint.

The steps that produced the new Sino-American partnership of the 1970s are well known, and so only need to be summarized here. China began sending out feelers to the United States as early as 1969, Secretary of State Henry Kissinger made his clandestine trip to Beijing in July 1971, and President Nixon followed up with a state visit the following February. The rapprochement culminated with the Carter administration’s formal recognition of the PRC in 1979. The anti-communist solidarity that bound the United States to Taiwan proved no more powerful than the ideological kinship between the Soviet Union and China, though, to be sure, doctrinal purists within the Chinese Communist Party were unhappy about the embrace of the erstwhile capitalist arch enemy, while hardcore American supporters of Taiwan expressed outrage

at what they saw as the abandonment of a staunch and longtime anti-communist ally. Still, there was no denying that things had come full circle because of the iron logic of balance of power politics: two states that had deemed each other mortal enemies for two decades were now united by the timeless rule of Realpolitik—"the enemy of my enemy is my friend." The Soviet Union's forays into Angola and the Horn of Africa between 1975 and 1977, in partnership with Cuba; its invasion of Afghanistan in 1979; and the 1978 Soviet-backed Vietnamese invasion of China's client, Kampuchea (ruled by the murderous Khmer Rouge), solidified the Sino-American alignment.

As during the prior stages, much presentism colored assessments of Sino-Russian relations in the 1970s and 1980s. The narrative was roughly as follows: China and Russia, their embrace of socialism notwithstanding, were fated to be at daggers drawn and would remain so, indefinitely; they could not escape their troubled history; their momentary solidarity had been an aberration. Soviet dissident Andrei Amalrik predicted that the Soviet Union would not last beyond 1984 and that a war with China would be the death blow. American strategist Edward Luttwak likewise foresaw a showdown between the Soviet Union and China. In fact, the Soviets, realizing that they had committed the same error that Bismarck had warned the Kaiser against (aggressive policies that provoked encirclement), had already begun to extend olive branches to the Chinese as these doomsday prognoses were being penned, the first being President Leonid Brezhnev's March 1982 speech in Tashkent. Contrary to the orthodoxy that things would only get worse between Moscow and Beijing, they were starting to get better.

Even before it became clear that the Soviet Union would unravel (certainly by the August 1991 coup against Mikhail Gorbachev by an anti-reform coalition), then, the Sino-Soviet relationship had entered yet another stage. Clear evidence of this emerged once Mikhail Gorbachev took power in 1985. His determination to build a new, peaceful, and productive relationship with the West based on arms control, trade, and cooperation on shared problems

was encapsulated in what he called “new thinking.” But the new paradigm was also meant to apply to China in particular and East Asia more generally. At Vladivostok in July 1986, Gorbachev presented a raft of proposals designed to break new ground between Moscow and Beijing. The relationship with China was transformed thereafter—and with a speed few had imagined.⁶ There were high level visits (including by Gorbachev’s to China in 1989 for a summit with Deng Xiaoping), talks on resolving the border (much of the eastern sector was provisionally delimited by 1988), and increases in trade. The ideological potshots became passé, China itself by then long having moved from Mao to the market. The Soviet Union did indeed collapse, but China had nothing to do with the outcome; indeed, whereas they may once have breathed a sigh of relief, the Chinese leaders worried that the shock waves could shake the CCP’s hold on power.

This cursory survey offers some lessons worth keeping mind as we turn to the present. The China-Russia relationship has been marked by dramatic shifts. The direction was generally unexpected and indeed defied expectations. The explanations (whether China’s dependency on Russia, ideological bonds, or animosities rooted in history and race) adduced to predict its course proved invalid. The relationship was never as solid as it seemed, or as dangerous. The policies of third countries did influence its course at various points, but the prime movers were the principals themselves.

ORIGINS AND EVOLUTION OF THE “STRATEGIC PARTNERSHIP”

The Russia-China strategic partnership has received far more attention since Vladimir Putin became president of Russia in 2000 than during Boris Yeltsin’s tenure. This is not entirely unjustified, but it has fostered the erroneous view that the alignment amounts to a reaction against George W. Bush’s policies,

which have wrought a Sino-Russian alliance that has major ramifications for the Eurasian balance of power and for American interests in this region.⁷

It is true that the Sino-Russian strategic partnership has been accelerated by what is now widely (though hyperbolically) described as a new cold war between Moscow and Washington. Yet the foundation for the present phase of Russia-China relations was laid by Mikhail Gorbachev in the latter part of the 1980s and built upon by Yeltsin during the 1990s. The term “strategic partnership” itself originated with the signing of the “Treaty of Good Neighborliness, Cooperation, and Friendship” at the 1997 Moscow summit between Chinese president Jiang Zemin and Yeltsin, and the themes that mark the two countries’ description of their current relationship suffuse that document. Russia and China, then, had moved from enmity to entente during the Gorbachev and Yeltsin years, when, certainly by present standards, Moscow and Washington were getting along rather well.

The sine qua non for the strategic partnership was the resolution of some nettlesome issues, particularly the disputed Sino-Russian border and the military buildup along it. Progress on the former problem began under Gorbachev, who, in his Vladivostok speech, jettisoned the standard Soviet position that the Chinese shore was the legal riverine boundary and stated that it should be the thalweg (the deepest channel of a river) instead. Without this momentous shift, Yeltsin and Jiang could not have concluded the 1992 agreement delimitating the 4,200-kilometer eastern sector of the Russo-Chinese border, though compromises they reached on the ownership of islands in the Amur, Argun, and Ussuri rivers certainly helped seal the deal. That accord, in turn, enabled the delimitation agreement on the western border (a scant fifty-five kilometers)—another milestone in the road to the strategic partnership—during Yeltsin’s presidency.

While the Shanghai Cooperation Organization (SCO), which was formed in June 2001 and brings Russia and China and the five Central Asian states together as permanent members (and India, Iran, Mongolia, and Pakistan

as observers), gets considerable play in present discussions of the strategic partnership, its precursor was the 1996 Shanghai Agreement that officially demarcated—with Russia’s participation—China’s border with Central Asia and initiated various “confidence-building measures” (CBMs). As for arms control more generally, the serial rounds of talks between Russia and China aimed at cutting troop deployments and instituting CBMs also began under Gorbachev, and it was Gorbachev again who agreed to start withdrawing Soviet troops from Mongolia (a key Chinese demand), a process completed in 1992.

Russia’s economic collapse in the 1990s, following “shock therapy,” forced steep reductions in Russia’s eastern military deployments, and that too helped inaugurate the new phase in Sino-Russian relations. In 1996, Defense Minister General Pavel Grachev announced that 150,000 troops had been cut from the armed forces and that the Pacific Fleet had been slashed by 50 percent. The Chinese had already made massive cuts, starting in the 1980s. While their decision was driven by the desire to save money and to create a smaller, more modern force, it was also based on the assessment that Russian threat had begun to ease.

On the economic front, when Gorbachev came to power, Sino-Soviet trade, once substantial, had all but ceased, amounting to a pitiful \$370 million dollars. By 1991, however, it had surged to \$6 billion, meager by the standards of global commerce, politically significant nevertheless. By the time the Soviet Union imploded, China and Russia had reached agreements related to trade across the border and the easing of travel restrictions, and bridges had been built across the rivers on the frontier to accelerate the volume of exchanges. These developments were in place or under way by the time Yeltsin became president of the Russian Federation, and he and the Chinese leaders increased the momentum.

The most remarkable change in the Russia-China relationship was the resumption of arms sales, which occurred under Yeltsin. By the time he resigned, on the last day of 1999, Russia had become China’s prime arms supplier, and

the big ticket items sold by Russia to China that have attracted so much Western attention, and created not a little anxiety, were already part of the Chinese arsenal by then, among them Kilo-class submarines; *Sovremennyi*-class destroyers; T-72 and T-80 tanks; S-300 surface-to-air missiles; Su-27, Su-30, and Su-35 fighters; and IL-76 transport aircraft. Russia sold China some \$2 billion in arms between 1992 and 1994 alone, as America and Japan watched nervously. Putin picked up the pace, but Yeltsin started the process.

The Bush administration's actions, particularly the embrace of preventive war, the abrogation of the 1972 ABM Treaty, the invasion of Iraq, the further expansion of the North Atlantic Treaty Alliance (NATO), and the public criticisms of the erosion of democracy in Russia and of the lack of human rights in China have no doubt alienated Moscow and (though to a lesser extent) China. But the Sino-Russian strategic partnership has had its own momentum and rationales—seeing it as a reaction to “the new cold war” amounts to solipsism. Worse, the propensity to see it in this light has contributed to the erroneous belief that Russia and China have formed a de facto anti-American alliance. As I shall demonstrate, they have not, nor do they plan to, and both believe doing so would ill serve their interests.

POINTS OF CONVERGENCE

So what constitutes the strategic partnership between Russia and China? To begin with, it has become the standard, indeed expected, terminology that the two sides use when characterizing their relationship, during toasts at summits, and in the ethereal communiqués emanating from such meetings. In short, it is part of their diplomatic discourse—so much so that, were the term to fall into disuse, it would presage yet another stage in the Russia-China relationship.

Of course, the partnership could not survive, let alone thrive, were it mere verbiage. It is not. It also defines and highlights important issues that

the two sides see in similar and compatible, even identical ways, and so it is also an overarching concept that highlights points of convergence—ones that both sides expect to be long-lasting—on a host of substantive issues that they deem central to world politics as currently configured, hence the appellation “strategic.” Finally, it has produced an institutional structure: highly publicized summits and, even more important, quotidian working groups designed to define and promote new forms of cooperation and to expand existing ones on a range of political, economic, and security issues.

The speeches and documents produced by Sino-Russian summits held during Putin and Dmitry Medvedev’s presidencies reveal various concrete issues on which the minds of Beijing and Moscow meet:

- *Human Rights.* Both sides assert that it is up to sovereign states to decide what constitutes political freedom. While Russia and China do not reject universal human rights conventions and treaties (they have signed several), they do see Western governments’ concern with liberties in other countries as an intrusion at best, an ideological offensive at worst. Apart from what might be called the philosophical objection to universalism, both Moscow and Beijing worry that Western human rights campaigns, whether by design or default, might encourage opposition movements at home, or in nearby countries, and sow the seeds for instability in Russia and China, and in countries that matter to them. This explains why both have condemned criticisms of their human rights records and Western support for the “colored revolutions” in Georgia, Ukraine, and Kyrgyzstan, and why they have steadfastly opposed UN Security Council sanctions on egregious violators of human rights, most recently Zimbabwe’s president, Robert Mugabe. Naturally, both reject any efforts by the West to link cooperation with them in a particular field to their performance in human rights. The catchall phrase that sums up this position in the Russian case is “sovereign democracy,” a brainchild of Vladislav Surkov, first deputy chief of the Presidential Office under both Putin and

Medvedev.⁸ (The Chinese lack so catchy a concept, but they are in accord with its principles.) Given this shared outlook, neither side has shown the slightest inclination to place democracy on the agenda of their meetings, and each can count on the other's solidarity when faced with Western criticisms of its human rights record.

- *The Status of National Minorities.* The same logic applies to the treatment of ethnic groups, and if anything, it applies more strongly, given the higher stakes, which involve nothing less than territorial integrity. When Russia was criticized for killing and abusing civilians and creating a floodtide of refugees during the wars with Chechnya (begun by Yeltsin and resumed, after a brief hiatus, by Putin), China did not merely remain silent, it backed the Kremlin. The Russians returned the favor when China's use of force against Tibetans in the run-up to the 2008 Olympics provoked Western condemnation and even calls to boycott the games. Both countries are acutely sensitive about national unity and believe that the major threats to it are internal (revolts by minority nationalities) rather than external (attacks from other states). Neither has made a third government's treatment of national minorities an issue in their dealings with it, and both, as witness their identical position on Sudan for example, have opposed UN Security Council resolutions calling for stiff sanctions on states that abuse minorities or the deployment of robust peacekeeping forces with a mandate to use force.
- *Humanitarian Intervention.* Not surprisingly, neither Russia nor China supports making humanitarian intervention part of the United Nations' mission, but both insist that interventions in response to mass atrocities must be authorized by the United Nations (where they can nullify them by casting vetoes in the Security Council) and that campaigns mounted by NATO (such as in Kosovo in 1999) or by ad hoc coalitions (such as a League of Democracies, proposed by various neoconservatives and embraced by Senator John McCain during the 2008 presidential

campaign) are illegal and indeed dangerous, because they amount to the formation at will of self-appointed posses. China and Russia have even been suspicious of creative efforts to reconcile sovereignty with external intervention. Consider the latest version, the “Responsibility to Protect” doctrine (R2P, as it is widely known), which makes the state the guarantors of citizens’ safety in the first instance, and calls on the international community to act only when a state fails to discharge this obligation, and then too through graduated responses, with armed intervention being a last resort undertaken only following UN approval. Although Russia and China supported the General Assembly’s adoption of R2P at the UN “World Summit” in 2005, in the debates over the concept’s insertion into Security Council Resolution 1674 (April 28, 2006), they (and various developing countries) offered a sovereignty-based critique designed to circumscribe its application.⁹ One suspects that what clinched Russia and China’s decision to support even the weakened endorsement of R2P is the doctrine’s fundamental proposition that the United Nations is the sole legitimate vehicle for actions based on it. This allows them, as the debate over UN sanctions on Zimbabwe illustrated, to derail UN actions proposed in the name of R2P.

- *Nuclear Weapons.* China and Russia opposed the Bush administration’s 2002 withdrawal from the 1972 Anti-Ballistic Missile (ABM) Treaty because they regard ballistic missile defense (BMD) in all forms (regional or global) as destabilizing on the grounds that it in effect invites nuclear weapon states that do not (or cannot) deploy BMD to increase the number of their nuclear warheads so as to ensure that they can deter attacks by maintaining an “assured second strike capability.” There is oddity, though not necessarily a contradiction, in this logic. Both consider BMD as a gambit by the United States—and those of its allies that are willing to cooperate in developing such systems (Japan) or to allow them to be stationed on their soil (the Czech Republic and Poland)—to

erode their second strike capability and thus to increase their vulnerability. At the same time, the Kremlin proclaims that Russia can foil BMD through countermeasures (by using chaff, decoys, and the like) in a variety of inexpensive ways and that therefore it will not work. Be that as it may, both China and Russia are likeminded on the importance of the ABM Treaty and the perniciousness of BMD and in fact advocate a ban on the militarization of space. While neither favors unrestrained nuclear proliferation (although the Chinese certainly assisted Pakistan's nuclear weapons program), both have refused to go beyond certain limits when it comes to the application of multilateral sanctions on states developing a nuclear weapons capability, as witness their stand on Iran's nuclear program and, before that, on North Korea's. It is not surprising, therefore, that Russia and China have condemned statements from American leaders indicating, or even advocating, that the United States reserves the right to attack Iran's nuclear installations.

- *The Projection of Western Power.* China and Russia have joined forces—albeit without success—to oppose NATO's expansion, even though this is presently a more important challenge to Russia's security than to China's. Clearly, Beijing feared that some version of what Moscow is facing on its Western flank today could be faced by China tomorrow on some point of its own perimeter. And this is precisely what happened when the Bush administration deployed U.S. forces in Central Asia after the September 11 attacks by leasing bases in the region (in Uzbekistan and Kyrgyzstan) to house them. Although Central Asia adjoins China as well as Russia, the Kremlin initially supported the post-September 11 decision by the United States to gain a military foothold in the region. But the dissonance between Moscow and Beijing proved momentary. Both began to worry that American forces had ensconced themselves for good and, in 2005, they and the Central Asian states, using the SCO as their podium, demanded a short and specific timetable for the withdrawal of American forces.

COUNTERING UNIPOLARITY, ESCHEWING AN ALLIANCE

The common theme that ties these specific areas of agreement together is a shared antipathy to a unipolar world, that is, one that permits a particular state that has amassed unprecedented power (the United States, obviously) to ride roughshod over the objections and interests of others. The appropriate response to such a challenge in Moscow and Beijing's view is for other governments to organize a multipolar order, in which new centers of power counterbalance the lone superpower, or "hegemon." Given the U.S.-led NATO attacks on Bosnian Serb positions in 1995 and against Serbia 1999, the 2003 invasion of Iraq (which, likewise, involved an end-run around the United Nations), the continuing expansion of NATO, and the Bush administration's embrace of preventive war, it is not hard to understand why Moscow and Beijing would see the need for a countervailing force. (Again, it is worth keeping the Russian position on this issue in perspective, because of the tendency to attribute it to the emergence of a supposedly resurgent Russia under Putin. In 1995, Yeltsin condemned NATO strikes against Bosnian Serb positions, and demanded that they cease, on the ground that Bosnians Muslims were, in his view, not being punished for their infractions. And in 1999, this time with the Chinese weighing in more strongly than they had in 1995, he branded NATO's attacks on Serbia as "open aggression."¹⁰)

But creating a multipolar order is another matter, and Russia and China understand that they cannot do so, even in tandem. Despite China's breathtaking rate of economic growth since 1978 (just under 10 percent, on average), its technological advancement, and the sums it has invested to build a modern military, the PRC lags far behind the United States in all standard measures of power, save population. Despite the attention given in the West to the double-digit growth in China's military spending, it is less than one-tenth that of what the United States spends on defense, which, at \$711 billion (the projection for 2009), exceeds the military expenditures of the next thirty countries combined.

The most advanced weaponry fielded by the People's Liberation Army (PLA) consists of imports from Russia, and, despite the significant advances China has made in building its own armaments, much of the rest of China's "force structure" is made up of modernized version of decades-old Soviet aircraft, armor, and (conventional) missiles.¹¹ Russia's defense budget is even smaller (\$50 billion) than that of China, and its armed forces, while they have received more money under Putin after being starved by the financial crisis of the 1990s, remain plagued by an array of problems, as do Russia's society and economy.¹² Given the magnitude of American superiority, Russia has advocated creating a more weighty countervailing coalition that includes India. But New Delhi, embarked on its own alignment with the United States, has not been receptive, and, in any event, China and India see themselves as rivals and potentially as foes, despite recent diplomacy aimed at improving relations.

In pointing to these realities I do not mean to celebrate the "unipolar moment" or the blessings conferred on the world by a Pax Americana. It is understandable that American power makes other states not just envious, but apprehensive, especially if used capriciously. Nor do I think that U.S. withdrawal from the ABM Treaty or the expansion of NATO were wise decisions; to my mind, they were not, and they have had a baleful effect on our relationship with Russia in particular. I am also well aware that capability (raw power) does not readily translate into desired outcomes and that, no matter how massive the margin of American economic and military might, there are numerous problems that defy unilateral solutions, and a number (among them terrorism, climate change, the problems posed by Iran and North Korea's nuclear programs, and a political settlement in Afghanistan) that specifically require Chinese and Russian cooperation. I do, however, believe that the chest-beating about the drastic transformation that the Russia-China strategic partnership has wrought in the balance of power in Eurasia is unnecessary, unproductive, and, based on the facts, unwarranted.

Quite apart from the realities of power, there is no evidence that Russia and China want to transform their strategic partnership into an alliance in the strict

sense of the term, and there is much to suggest that they do not. What Russia's leaders, and most Russians in general, want is to become part of the West, and for their country to be recognized as a great power that has legitimate interests and that should be consulted as policies that affect its security are hammered out. Russia's strategic partnership in no way prefigures an alignment with Asia born of disillusionment with the West. That would be out of keeping with Russia's past, for none of the alternatives that has existed in its intellectual and cultural history, be it Slavophilism or Eurasianism, has identified Russia with Asia, and the adjectival form of Asia, when used by Russians, is rarely complimentary. The Slavophiles favored a society based on a fusion of collectivism, authoritarianism, Orthodox Christianity, and a rejection of materialism and industrialism. The Eurasianists asserted that Russia was unique—neither Western nor Eastern, but rather a hybrid. The third choice has not been a rejection of the West but rather integration with it, albeit on Russia's terms.

The dominant aspiration in Russia today is to join the West, though not as a junior partner or on take-it-or-leave-it terms. The partnership with China does bring benefits—chiefly, leverage in Russia's dealings with the United States and revenues from the sale of arms and energy—but it is not based on any cultural identification, let alone a sense of where Russia's future lies. Moreover, the Kremlin's touting of the alignment with China involves some whistling past the graveyard. Russia's leaders are keenly aware of China's ascendancy and indeed admire it, but they are simultaneously apprehensive that what the twenty-first century holds in store is Chinese dominance in East Asia, and perhaps beyond, and at Russia's expense. In such circumstances, burning their bridges with the United States by forging an alliance with Beijing could, in their eyes, turn Russia into a junior partner of China, perhaps even a dependency. Russia certainly wants the United States to treat its national security concerns seriously, but it does not necessarily favor an American withdrawal from the North Pacific that leaves China dominant. More broadly, it seeks a balanced relationship with major centers of power: the United States, Russia,

Europe, Japan, and India. In some instances (Japan being an example), the barriers to a “normal” relationship are strong, and at any given time, there will necessarily be stronger ties with one of these power centers than with others, but, in Moscow’s assessment, Russia’s security is best served and bargaining power best conserved by courting each and being desired by all.

The Chinese for their part do not want an alliance with Russia either. Their view of the partnership is no less cold-eyed and pragmatic, and arguably more so. While the Russian connection confers tangible benefits (arms, oil, cooperation on terrorism and the drug trade in Central Asia, and a common front against separatism waged by national minorities), Beijing is under no illusion that it is a substitute for what China obtains from its multifarious, thick, and far more substantial transactions with the West. These gains include technical and managerial training for its new generation, billions of dollars (and yen and euros) from trade surpluses, technology, foreign investment, and the gratification of being treated as a rising power, one with whom good relations are a necessity. For all of the camaraderie they exude during summits, the Chinese leaders simply do not see Russia as a rising power; in fact, they regard it with a certain amount of condescension.

China’s ties to the West are much too valuable and have been built up with too much hard work to risk by forming an anti-Western alliance with Russia. This explains why China, while it has joined Russia in criticizing American unilateralism, has been careful not to allow the rancor to jeopardize the fundamentals of its relationship with Washington. Thus, while Putin’s frustration with American policies eventually produced a tirade against the Bush administration at the February 2007 Munich Conference on Security Policy, no Chinese leader has ever staged such a performance—nor is one likely to do so. And while talk of a Russian-American cold war is ubiquitous in Russia and the United States, there is no parallel categorization about the Beijing-Washington relationship, either in Beijing or Washington.

ARMS SALES: CASH VERSUS SECURITY

A look at Russian arms sales to China offers further evidence of the subterranean complexities and hedging of bets in what at first blush seems a straightforward, fulsome, and accelerating alliance.

Russia's arms sales to China certainly have been substantial and are widely seen in the West as the centerpiece of the strategic partnership. I have already enumerated the types of hardware Russia has sold to China, but the cash value is no less impressive: some \$8 billion between 1996 and 2000, and \$27 billion since 2000.¹³ This dimension of the alignment is particularly important because, apart from energy and raw materials, Russia has little else to sell besides arms, and China needs all three items and is ready to pay handsomely, given its foreign exchange bonanza. Chinese (and Indian and Iranian) purchases also have helped keep Russia's munitions factories alive. The factories were hit hard by the economic collapse of the 1990s, as demand from the cash-starved armed forces shrank, threatening the jobs of those who worked in the military industrial complex, and even Russia's future as a major arms manufacturer. Critics of Russian arms exports to China seem to overlook the fact that Moscow can hardly be expected to curtail these sales when the world's other arms peddlers, led by the United States, earn large sums and show no sign of closing shop, all the while bemoaning the perils posed by the freewheeling arms trade.

As for China, because the PLA remains reliant on older models of Soviet weaponry, modernized Chinese versions, or top-of-the shelf Russian systems bought since 1992, it is easier to train its troops to use and to maintain and repair these weapons. Familiarity also eases the complexities when it comes to the production of Russian armaments under licenses, something for which the Chinese have pushed hard (amidst Russian reticence, as I show below). Furthermore, China has few alternate suppliers. Israel has sold China some

important defense technologies, but it cannot supply the range and volume of arms that Russia can and that China needs, and Israel also faces American scrutiny (something that became evident as the Israelis made ready to sell China the *Phalcon* airborne early warning aircraft). This is why 90 percent of the value of China's military purchases comes from Russia.

Russian weapons have helped China modernize its military, and that is something that Beijing deems essential to reducing the massive margin of military superiority the United States enjoys in the North Pacific. While this gap remains substantial, the arms acquired from Russia have raised the risks for the United States should it come to Taiwan's aid in the event of a China-Taiwan war, even though American forces remain vastly superior to the PLA. This is no small matter to the Chinese leadership given the saliency of Taiwan in China's foreign policy domestic politics and the fact that the island's environs are the most likely venue for a clash with the United States.

This would seem to make for a harmonious arrangement for both sides. But my discussions with Russian strategists over the years make it clear that they are not of one mind when it comes to arming China. Some defend it as a pragmatic feature of the overall relationship with China and use discussions of the topic as an opportunity to criticize American policy toward Russia, the not-so-subtle implication being: "This is the sort of thing you should expect if you show a lack of regard for our interests." Others do not hide their concern that China eventually could become so powerful that it not only begins to see the strategic partnership as unnecessary but, worse, turns from ally into adversary. "What if our weapons come to face the wrong direction one day?" is the gist of their position, and their worry is that Russia, driven by the lure of cash, is allowing tactics to swallow strategy.

So far, at least, Russia's leaders appear not to share the apprehensions of the latter school of thought, perhaps calculating that, when it comes to military power, Russia will retain the upper hand over China for a long time. But they are not Pollyannas and have been noticeably less enthusiastic about providing

Beijing the design and manufacturing capabilities needed to make the most sophisticated Russian arms than China has been to secure these capabilities. From the Kremlin's standpoint, Russia's treasury and security are better served by keeping China dependent on off-the-shelf purchases. It might seem that China has the bargaining power, principally in the form of cash, to get what it wants, but Russia has other customers, notably India and Iran, and regularly is cultivating new ones, such as Venezuela. And though India and China generally have accounted for the overwhelming majority of Russia's sales (which rose sharply to \$7.4 billion in 2007), it has exported arms and related equipment to seventy-two countries.¹⁴ The Western ban on arms sales to China after the 1989 Tiananmen crackdown makes Russia the only game in town for China for the foreseeable future, when it comes to getting state-of-the-art weaponry. For Russia, by contrast, the financial gains from sales to China, while important, are not indispensable, accounting as they do for only one-tenth of its total export earnings in a typical year. If energy prices rebound and should Russia succeed in diversifying its economy, arms sales to China could become even less important.

There also has been a noticeable slowdown in Russian arms sales to China since 2005.¹⁵ The reasons are hard to pinpoint, but, apart from the oil boom, which has netted Russia mounds of money, and reported disputes over prices and Russia's cautious policy on transferring designs and manufacturing know-how, the Kremlin also may be calibrating sales to China so as to maintain its strong ties with states that can provide a counterbalance to China, should the strategic partnership start fraying. The most important of these is, of course, India, China's traditional adversary. There is tension between preserving the longstanding relationship with India and hewing to a sell-all-the-arms-you-can policy toward China. Moreover, over the past fifty years, Russia has had a far more predictable and amicable relationship with India than it has with China. These two considerations may explain why Moscow has been more forthcoming toward India on both licensing agreements that allow the production of

advanced Russian weapons and on the sale of such arms. In 2008, for example, the two countries agreed jointly to develop a “fifth generation fighter,” something that Russia has been unwilling to do with China. Similarly, Russia has sold India 180 of its most advanced fighter, the Su-30MK1, and also is ready to sell it the new MiG-35. It has not offered either aircraft to China.¹⁶

The slowdown in sales to China perhaps stems from other problems. China’s capacity to manufacture arms is increasing, and it wants to accelerate the momentum by shifting from outright purchases from Russia toward deals providing for joint production or licensed manufacture of Russian arms in China (an arrangement that already exists for Su-27 and Su-30 fighter aircraft), and the top-of-the-line armaments at that. Moscow fears that this not only would reduce Russia’s income, but also would reduce Beijing’s dependence on Russia in a critical area and eventually enable China’s emergence as an independent center of military power that poses a threat to Russia. China’s resort to the reverse engineering of Russian armaments evokes the same concerns, but also raises questions about Beijing’s respect for intellectual property rights. Pricing and the modalities of payments also have created problems: China bargains hard, while Russia has at times pushed for full payment up front on major deals, fearing that Beijing may terminate them midway. Despite the bumps in the road, both sides are planning more deals. China will receive Il-76 long-range transport aircraft and I-78 tankers, which will increase its capacity to project military power, and it is seeking Russian nuclear submarines, advanced interceptors (Mig-31), and the TU22 M3m medium-range bomber—Backfire-C in NATO’s designation—that is equipped with aerial refueling capability and intermediate-range supersonic anti-ship missiles.¹⁷ Just how many items on this wish list will reach China, and in what quantities and under what terms, will tell us what the balance is within the Kremlin between strategic caution and the quest for cash. The question for the future is how long China will be as dependent as it is now on Russia for major pieces of military hardware, given the strides China is making in designing and producing its own armaments.

COOPERATION AMIDST COMPETITION

The amalgam of cooperation and bet-hedging that characterizes Russian-Chinese arms sales also is evident in the approaches the countries take regarding two regions critical to both Moscow and Beijing: Central Asia and the Russian Far East.

CENTRAL ASIA

In Central Asia, on balance, Moscow and Beijing have worked well together, and the SCO is Exhibit A in analyses that make this point. While the occasional references to it as an “Eastern NATO” are overstatements, the organization has enabled Russia and China to work together in a place that is critical to both and unstable for a host of reasons. The region will witness transfers of power as its aging Soviet-era strongmen succumb to the iron logic of the actuarial process, and some of these changeovers could be acrimonious, even violent, especially in the pivotal states of Kazakhstan and Uzbekistan. Militant Islamist movements have taken root (despite the setbacks that followed the American ouster of the Taliban and the continual crackdowns carried out by local governments), feeding off the anomie of many in the young, post-Soviet generation who have lost the moorings of old and are dismayed by the pervasiveness of poverty, repression, and corruption. The proximity of tumultuous Afghanistan and Pakistan adds to the threat posed by religious extremism and terrorism, which are increasingly transnational phenomena. Aside from the threat they pose to local governments, terrorist groups could use their redoubts in the region to target cities in Russia and China, or to infiltrate Russia’s volatile North Caucasus and Xinjiang, where the anti-Han nationalism of the Turkic-Muslim Uighurs persists. In addition, the flourishing drug trade that fills terrorists’ coffers wends its way across Central Asia from Afghanistan, nourishing corruption and organized crime, and, in what amounts to a vicious circle, spreading fertile soil for extremism.

These challenges provide the basis for Sino-Russian cooperation, and while the SCO may have started as a talk-shop, it has succeeded gradually in translating words into deeds. Its summits provide a venue for planning and coordination at the highest levels; a secretariat has been established in Beijing; an antiterrorism center has been created in Tashkent, Uzbekistan; exchanges of intelligence and regular military-to-military contacts are in place, as are training programs meant to strengthen the intelligence and military capacities of Central Asian regimes.

There also have been joint military exercises under SCO auspices. "Peace Mission 2005," conducted by Russian and Chinese forces, lasted eight days and was initiated at Vladivostok, with all branches of their militaries participating and featuring bombers, submarines, and warships.¹⁸ Yet it is important not to take these maneuvers as evidence of a Sino-Russian alliance directed at the United States. For one thing, both Moscow and Beijing were careful to specify that the maneuvers were not aimed at a third party. While this may have been nothing more than standard diplomatic pabulum, there were other signs that China and Russia did not want to set off alarm bells. Only ten thousand troops were involved, the majority Chinese: they operated under separate commands, and while the Chinese wanted to hold the exercises off their east coast, the Russians demurred for fear that that would provoke the United States by suggesting the possibility of Sino-Russian action in the event of a conflict over Taiwan. Another SCO exercise, "Peace Mission 2007," was held near the Russian city of Chelyabinsk in the Urals region and involved closer cooperation between Russian and Chinese troops, who later were joined by Kazakh, Kyrgyz, and Tajik units. But again, the total number of troops, some seven thousand, was modest, and while the statement issued after the SCO summit in Bishkek (which preceded the exercise) noted that security in Central Asia should be safeguarded by "existing" organizations (a not-so-subtle reference to NATO and to U.S. bases in Central Asia), Chinese president Hu Jintao stated pointedly that the operations were meant to strengthen the SCO's

anti-terrorism capabilities, and Russia's deputy foreign minister insisted that they were not directed at the United States.¹⁹

Despite these substantive achievements, it remains to be seen whether the SCO will be held together by a common, coherent mission. Security is the organization's present reason for being, but China has begun to suggest that it should concentrate on expanding multilateral economic cooperation (which happens to be Beijing's strong suit) and India, though still only an observer, shares this view, chiefly because it does not want to join an anti-American coalition.²⁰ (India, incidentally, has been an unenthusiastic participant in the SCO, with its president absenting himself from the 2006 and 2007 summits.²¹)

Nor is it clear that the Central Asian states, particularly the two most powerful ones, Uzbekistan and Kazakhstan, want to be trapped in a security system run by their two giant neighbors. Central Asian states have learned how to counter Chinese and Russian influence by drawing other states into the region as counterbalances. None has done so more assiduously than Uzbekistan, which, because of its fears about Russian domination, pushed for an alignment with the United States after gaining independence in 1991. Uzbekistan's efforts succeeded after the United States sought to strengthen its position in Central Asia following the September 11 attacks and the subsequent military campaign that destroyed the Taliban regime in Afghanistan. In March 2002, the United States and Uzbekistan signed an accord on strategic partnership under which Uzbekistan received American aid (about \$340 million from 2002 to 2004) in exchange for agreeing to undertake political reforms. For its part, Uzbekistan gave the United States access to the air base at Karshi-Khanabad (K-2). U.S. aid was cut back in 2004 because of Washington's dissatisfaction with the depth and pace of the reform; matters came to a head when Uzbekistan president Islam Karimov evicted the United States from K-2 following American criticism of his 2005 crackdown following violent protests in the eastern city of Andijon. But the Uzbeks, in an evident effort to keep their options open and in response to strains in their relationship with Russia, began to explore the possibility of

reestablishing cooperation, and Karimov denied the existence of any friction between Uzbekistan and the West. For its part, the United States was no less willing to mend fences, a sentiment reflected in the January 2008 visit to Uzbekistan by Admiral William Fallon, then the head of Central Command.

Kazakhstan takes care to maintain close ties with Moscow: it has a long border with Russia, and roughly a third of its population consists of Russians. But it also has made it a point to continue its cooperation with NATO through its membership in the Euro-Atlantic Partnership Council and its participation in the Partnership for Peace, under which Kazakh troops have participated in exercises with NATO forces since 1997.²² Kazakhstan's "multi-vector" foreign policy recognizes the realities of Russia's proximity and power, yet, for that very reason, seeks to draw other states into Central Asia and to forge ties with them so as to balance Moscow and Beijing.

While Moscow regards the SCO as an embodiment of its overlapping interests with China in Central Asia, it also watches the deepening Chinese presence in this region with some unease—and with good reason. Sino-Central Asian trade has soared from \$500 million in 1992 to \$10 billion in 2006, helped by the opening of the border and by new rail and road links.²³ Chinese oil firms have made systematic and significant investments in the region's energy field companies, particularly in Kazakhstan, the local energy giant. In December 2005, China completed the construction of the three-thousand-kilometer Atasu-Alashankou pipeline that carries energy from western Kazakhstan to Xinjiang. Economic ventures such as these have increased the number of Chinese working in the region, giving Beijing yet another stake. The upshot is that, since the collapse of the Soviet Union, China has established itself in a region where Russia reigned supreme from the nineteenth century conquests until the Soviet Union disintegrated in 1991. The West also has entered this former Russian domain, which has not been to Moscow's liking. But geography makes for a difference. China borders Central Asia and is cultivating methodically what, in Russia's eyes, looks like a new sphere of influence; this propinquity makes for

permanence, and when coupled with China's rising power, gives it an advantage that Russia's other rivals lack.

China's rapid entrenchment in Central Asia raises important questions for Russia's influence in the region. If China's economic and military power continues to surge, will it remain a partner in Central Asia, one that is mindful of Russia's historic interests, or will it become a rival that gradually pursues predominance? Will the SCO, now an embodiment of Sino-Russian cooperation, turn into an arena for determining who rules the Central Asian roost? For now, the cooperative element predominates, and one important reason is that neither side wants a long-term American military presence. (It is unlikely that the United States will disengage any time soon, not least because the hazards—created by Taliban attacks—of transporting supplies for the war in Afghanistan via Pakistan are prompting American officials to consider Central Asia as a supplementary conduit.)

But Russia undoubtedly is aware that things could change, and so, while cooperating with China, it has sought simultaneously to check Beijing's influence in the region. It has welcomed India's engagement in Central Asia and has lobbied for India's membership in the SCO. Moscow also has backed a bid for membership with similar status for Iran, a state with which it has close ties and a record of cooperation in Central Asia. And it has drawn in Mongolia, another friendly state, and one chary of China. (China, for its part, favors Pakistan, its longstanding ward, which, like India and Iran, also has observer status.)

Russia also has made it a point not to rely on multilateralism as its sole, or even main, means of influence in Central Asia, realizing that that would work to the advantage of China, whose role in the region has gained an institutional, legal, and permanent form, thanks to the SCO. Accordingly, Moscow has forged security treaties with the Central Asian states, gained access to bases in Kyrgyzstan and Tajikistan, continued to station troops along the Tajik-Afghan border, maintained its preeminent position as the prime supplier and trainer of the region's military forces, and drawn the Central Asian states into the

Collective Security Treaty Organization (CSTO), which is led by Russia but excludes China. Moscow also has voiced its opposition to all foreign military bases in Central Asia (though not to its own in Kyrgyzstan and Tajikistan). This obviously is directed at the United States, but Russia has not been keen on India's military installation in Farkhor/Ayni, Tajikistan, and its comprehensive declaration covers China, which it no doubt realizes eventually may seek bases in the region.²⁴

In addition, Russia, mindful of China's increasing presence in Central Asia's energy sector, has moved to expand its own well-established role. Russian companies—now effectively arms of the state—have invested heavily in Central Asian energy, and Moscow has sought to increase the volume of oil and gas moving from Central Asia northward to Russia, using its political influence, the network of Soviet-era pipelines, and long-term agreements for the purchase of the region's oil and gas. While these moves are not directed at China alone (a number of international companies, private and state-owned, are vying for Central Asia's hydrocarbon resources), Russia has not been reluctant to take on China, which it considers a particularly formidable competitor. Thus, in 2005, Russian oil giant LuKoil sought to prevent the Chinese National Petroleum Company's (CNPC) purchase of the Canada-based firm PetroKazakhstan, challenging the \$4.32 billion deal in court and offering to match CNPC's price. The Russian company failed, but left no doubt about its determination to stop the Chinese firm from usurping its position as PetroKazakhstan's principal partner.²⁵

Russia also is leery of the pipeline projects-in-progress between China and Central Asian states. In 2007, following much speculation in the press, China and Turkmenistan signed a framework agreement to transport thirty billion cubic meters (bcm) a year over thirty years, starting in 2009, through a seven-thousand-kilometer dual pipeline system running from Turkmenistan's Bagtyarlik fields through Uzbekistan and Kazakhstan

to western China.²⁶ CNPC was given a lease to explore and extract gas in the Bagtyarlik area, and the deal provided that, in addition to funding and building the pipeline, the Chinese company would provide technical assistance for constructing and maintaining the pumping stations and compression systems. Quite apart from being another example of China's increasing economic presence in Central Asia, the pipeline is a boon for Turkmenistan. Totally reliant on Gazprom's pipelines for exporting its gas, it so far essentially has been limited to Russia's market, giving the Russian company the upper hand in price negotiations. The Turkmen have pushed Russia for terms that reflect global prices, and having China as an alternative market increases their leverage, though it hardly removes Gazprom from the picture. Even if Turkmenistan's output grows substantially, providing additional amounts for export, Gazprom's production is falling, and the company's plans to meet domestic demand and to increase exports rest on larger purchases from Turkmenistan. But now China is in the picture, has plenty of cash on hand, and is in search of energy. But the Turkmen-China deal has a significance for the Kremlin that goes beyond energy and Turkmenistan: the Chinese have arrived in Central Asia, intend to stay, and, evidently, to occupy increasing amounts of space. The net result is that the days of Russian dominance are over.

A recent episode is telling in this respect. After the August 2008 Russia-Georgia war, Moscow lobbied for the SCO's endorsement of Russia's recognition of the breakaway Georgian republics of Abkhazia and South Ossetia, but China, increasingly concerned about its restive Tibetans and Uighurs, was in no mood to bless separatism, and demurred. Moreover, from China's standpoint, Russia had made its point by defeating Georgia, and Beijing had no intention of allowing itself to be implicated in a move that would needlessly create tensions between China and the West. China's refusal to oblige Russia provided cover for SCO's Central Asian members to say no to Moscow, and this was no doubt noticed in the Kremlin.

THE RUSSIAN FAR EAST

Another area where beneath-the-surface tensions are evident in the relationship between Russia and China is the Russian Far East. On the one hand, during Putin's presidency, Russia and China took major steps to increase peace and stability along the border, building on the progress made under Gorbachev and Yeltsin. Moreover, the momentum has been maintained since Medvedev succeeded Putin as president in May 2008. In July 2008, Russia and China signed a treaty formally settling the border dispute. Russia made the larger concessions, agreeing that the *thalweg* principle would apply along the entire length of the Amur and Ussuri, thus undoing a cunning Russian modification of the 1860 Peking Treaty that had resulted in Russia's incorporation of the Heixiazhi (Bolshoi Ussuriyskiy) and Yinglong (Tarabarov) islands off Khabarovsk. Though China agreed to a demarcation line that permitted Russia to retain the Russian populated parts of the former island, China regained the rest of it, as well as all of Yinlong/Tarabarov, 170 square kilometers in all.²⁷ Making these concessions was no small matter for Moscow. In the Yeltsin years, the governors of the Far Eastern regions of Primorskii (Evgenii Nazdratenko) and Khabarovsk (Viktor Ishaev), past masters at whipping up Sinophobia, charged that Moscow was preparing to hand over sacred Russian soil to a rapacious China. This made it harder for Yeltsin to resolve an already vexing problem.²⁸ Putin's imposition of central control over wayward provinces and freewheeling governors (he decreed in 2004 that they would be no longer elected but appointed by the center), eased the way for the 2008 border treaty.

On the other hand, Russians, especially those living in the Far East, remain suspicious of China.²⁹ Longstanding fears—often fed by racial stereotypes—about illegal Chinese immigration into the Russia Far East linger. Trade unions and local officials complain that Russian pipeline and energy companies (Transneft and Surgutneftgaz) are hiring Chinese laborers for projects to supply oil to China even though many Russians need work and that even the Russian

Federal Migration Service plans to set up shop in China to recruit workers.³⁰ A more dramatic concern involves the danger of a demographic invasion, and it is stoked by reports that as many as two million Chinese have settled in the Russian Far East. Such figures are wild exaggerations—the number, including traders and workers, is between 10,000 and 100,000—but precision counts for less than perception when it comes to identity and territory (and not just in Russia).

Fears of Chinese encroachment persist in the region, notwithstanding the 2008 agreement on the border dispute. In part this is because the balance of power seems to be moving inexorably in China's favor, and there are worries that China might one day reopen the territorial question. But the imaginations of the Far East's denizens also are empowered by the facts of geography and demography. The Russia Far East spans over six million square kilometers, a third of Russia's territory; but it contains fewer than seven million people, less than 5 percent of the Russian Federation's population, and the most productive residents started leaving in droves once the Soviet Union fell apart. By contrast, there are 110 million people just in the three adjacent Chinese provinces. And Russia's Far East is in driving distance of China's northeastern centers of power, but it is five thousand kilometers and ten time zones from Moscow.³¹ Starkly stated, China is too close and too big, and that raises the question of whether the Russian Far East will be drawn into its orbit while still remaining legally part of Russia. Putin himself raised this concern, noting on one occasion that, unless the region's economic devastation could be reversed, its inhabitants would be speaking Chinese one day. Yet despite repeated assurances from the central government that the equivalent of hundreds of billions of dollars would be invested to develop and repopulate the Far East, it remains a bleak outpost that trails the rest of the country in essential services. Its economy remains tied to the production and sale of raw materials, and, as the Khabarovsk region's governor Viktor Ishayev noted, a mere 4 percent of its exports go to other parts of Russia.³²

While scenarios involving millions of Chinese streaming across the border are fanciful (not least because China's aging population will confront it with a labor shortage before long), it is not hard to see why people in the Russian Far East feel isolated from the centers of Russian power and exposed to an increasingly powerful China. The men in the Kremlin may not share their angst, but they are mindful of history and recognize the realities imposed by demography and geography and understand that forming an anti-Western alliance with Beijing would leave the Far East even more exposed. Given the apparent trajectory of China's power, that is a risk they do not wish to take.

ENERGY, COMMERCE, STRATEGY

In Russia's trade with China, energy, which accounts for half of all Russia's exports to the PRC, is king. While Russia may be only China's fifth largest oil supplier, the money it has earned from a China hungry for energy and flush with cash (Chinese foreign exchange reserves totaled \$1.4 trillion in 2008) has soared—according to President Medvedev, from \$500 million in 2001 to a high of \$6.7 billion in 2007.³³ Those figures reflect of course the upswing in oil prices during this period rather than increased volume alone; indeed, the latter figure has actually declined, by 9 percent during the rest of 2007, because of disagreements over price and reduced Russian production. While there are grand plans to pump additional Russian oil and gas to China despite the current global economic slump, the ballooning debt of Russian energy companies, and declines in Russian energy output created by insufficient investment and shopworn infrastructure, could create a wide gap between aspirations and achievements, and not for the first time.

Moreover, China and Russia have haggled hard over the terms of their energy deals—above all the price—and China has been miffed both by the delays and mystified by the labyrinthine processes that mark Russian decisions

on energy projects and by Russia's reluctance to allow China to make downstream energy investments in Russia. Furthermore, despite the importance of China's energy market, the Kremlin is leery of long-term, exclusive deals with Beijing. The tangled history of the East Siberia Pacific Ocean Pipeline (ESPO) makes this evident.³⁴ Initially, the project envisaged a 2,300-kilometer pipeline—with an estimate price tag of \$1.7 billion and an initial capacity of 400,000 barrels per day—from Siberia's oilfields in Angarsk (in Irkutsk oblast) to Skovorodino, seventy kilometers from the border with China, that would then be linked to China's pipeline network at Daiqing. Negotiations on this project began between the Russian oil company Yukos and CNPC 2002, but even then amidst a debate in Russia about the risks of relying solely on China's market and territory.³⁵ Things became still more complicated when, in 2004, the Japanese, keen for additional sources of energy to reduce their reliance on Persian Gulf sources and perhaps nervous about the prospect of China locking up eastbound Russian oil exports, weighed in with an offer to finance a 4,130-kilometer pipeline that would run entirely through Russian territory, from Tayshet (located north of Lake Baikal in Irkutsk oblast), via Skovorodino, to the oil terminal at Kozmino Bay near the Pacific port of Nakhodka (across the water from Japan, a detail not missed in Tokyo). This larger project also had the advantage of enabling Russia to tap a market encompassing Japan, South Korea, and other customers in the Asia-Pacific (including China). The economic and strategic logic for diversification appeared to win out when Putin announced in January 2006 that the construction of the Tayshet-Nakhodka pipeline would get under way later that year.³⁶

Beijing was not amused. Japan's intervention left China with a far more modest, and derivative, enterprise—a branch line from Skovorodino to Daiqing. But the ground moved again. Once China and Kazakhstan signed an agreement in 2004 to build the Atasu-Alashankou pipeline and China began to sign energy deals with Saudi Arabia starting in 2006 (Chinese president Hu Jintao visited Saudi Arabia that year and again in 2009), the advantage

shifted to China, especially as the fall in world oil prices that began in 2008 increased the indebtedness of Russian oil companies and uncertainties about Japanese funding and about the availability of sufficient volumes of oil cast doubt on the future of the pipeline to Kozmino Bay (the second leg of the ESPO project). In October 2008, after summits featuring Putin (as president and then as prime minister), Medvedev (as president), and Chinese prime minister Wen Jiabao, a framework agreement was concluded between Russia and China for a pipeline from Tayshet to Daiqing via Skovorodino, with the Tayshet-Skovorodino leg to be built by Transneft, the state-owned Russian pipeline company. The deal was formalized during an April 2009 visit to Beijing by Igor Sechin, Russian deputy prime minister and chairman of state-owned Rosneft, which, perhaps not coincidentally, occurred hard on the heels of Hu Jintao's trip to Saudi Arabia in February. It provides for initial Russian exports to China of 300,000 barrels a day, roughly 4 percent of China's consumption, and a \$25 billion loan from the China Development Bank, with \$15 billion going to Rosneft and the rest to Transneft.³⁷ Another energy project, this one advanced by Putin in 2004, is the Altai pipeline. Putin pledged \$10 billion to build the project, which is supposed to carry 30 to 40 bcm of natural gas from the Tyumen fields in Siberia to China and to attain a capacity of 68 bcm by 2020. While the concept could become reality—a memorandum of understanding was signed in 2006—several barriers remain, and others could emerge. The global financial crisis has depleted Russia's foreign exchange reserves because of capital flight and drawdowns (\$169 billion in the last three months of 2008 alone) in a frenetic attempt to defend the ruble; oil prices plummeted from \$145 per barrel to below \$40 during 2008, a setback that will make it much harder to increase investments in Russia's energy sector (or in other sectors of its economy for that matter); and a slowdown in China's economy (which is expected to move from the 8 percent average growth it has maintained since 1978 to 6 percent) could reduce its natural gas needs in the short term.

ESPO is not the only example of the ambivalence that accompanies the Kremlin's efforts to balance the lure of wealth and the imperatives of security when it comes to energy deals with China. Consider the case of the energy deposits around Sakhalin Island, whose offshore fields are estimated to hold seven billion barrels in oil and eighty trillion cubic feet in gas.³⁸ Either Gazprom or Rosneft were, or have made themselves, the dominant partners in the Sakhalin I, II, and III ventures (three others are at an early stage of development), in keeping with the policy of expanding state control over energy and limiting foreign investors' equity that has marked the Putin years. A gaggle of international companies (from America, Europe, and Asia) has been included in the Production-Sharing Agreements (PSAs). The lone Chinese firm is Sinopec, which is a partner in the Sakhalin III PSA, with an equity share of 25.1 percent, but is not involved in the other ventures. While there are plans to export gas (as liquid natural gas or via pipelines) from the Sakhalin fields to the United States, Japan, and South Korea, among other markets, so far there are no plans for sales to China. ExxonMobil did favor a pipeline to China, but Gazprom has reduced the American company's share in the Sakhalin I consortium and is now the dominant voice, ensuring that financial choices will be made with an eye on their geopolitical implications. Furthermore, gas exports from Sakhalin II to Japan are slated to start in 2009, and Gazprom foresees a Sakhalin-Japan pipeline.³⁹ What this survey of the energy deals between Russia and China shows is that the strategic partnership is not, certainly from the Kremlin's standpoint, a privileged one.

While energy dominates Sino-Russian economic transactions, it is complemented by others. Trade, which by the time the Soviet Union had all but fallen from the heights of the 1950s, has increased steeply. By the end of 2007, bilateral trade had reached \$35 billion, a 17 percent increase over the previous year and five times the figure for 1990; and trade across a border that had essentially been closed for twenty-five years reached nearly \$6 billion at the end of 2006, a significant proportion of total trade. China

is Russia's fourth largest trade partner, and Russia occupies eighth place in the volume of Chinese trade. Investment, which also all but dried up after the mid-1960s, now amounts to \$2.4 billion, with half the amount coming from each side.⁴⁰

But, as usual, statistics tell only part of the story. The trade figures are modest by global standards: China's trade with the world totaled \$1.7 trillion in 2006, of which \$342 billion was conducted with the United States, \$207 billion with Japan, \$166 billion with Hong Kong, and \$134 billion with South Korea. Sino-Russian trade was smaller in value than China's trade with Singapore and about the same as its trade with Malaysia and the Netherlands. Russia accounts for 2 percent of China's overall trade, and China for 6 percent of Russia's.⁴¹ While China sells Russia an array of products, many of them manufactured items, the categories of arms, energy, and raw materials account for just about all of Russia's exports, a pattern that has created worries about a colonial trade pattern that could assume structural form. In an evident effort to prevent this, recent agreements provide for Russian-built nuclear power plants and cooperation on ventures ranging from nanotechnology to nonmilitary helicopters, but they have yet to change the picture, and notwithstanding the intent, the outlook is not promising, given that China turns to the West and Japan for the technology and machinery it needs.

Japan, the United States, Europe, and East Asia's most dynamic economies will remain the most important markets for China, and the leading sources for the non-energy imports it needs to realize its supervening goal of becoming a top-tier industrial and technological power during the twenty-first century. Russia has little to offer when it comes to this objective (and the reverse is true, though to a lesser degree). Russia will continue to matter to China in selected areas: it has provided 90 percent of Chinese arms purchases since 1991, and is an important source of energy and timber; but beyond such niches, it is hard to see new ones emerging that ramp up the value of trade substantially or that change its composition, and plans to raise the volume to \$60 billion by 2012 seem unrealistic.⁴² And what is true of trade is true of foreign direct investment (FDI): China accounted for only 5 percent of total

FDI in Russia, and an even smaller proportion of China's worldwide FDI went to Russia, even though it was the eighth largest destination.⁴³ Here again, the ambitious plans to raise China's FDI in Russia to \$20 billion are unlikely to be achieved.⁴⁴

A NET ASSESSMENT

Imagine that the most well-informed experts on the relationship between China and Russia were put in a time machine and taken back to the early 1980s. Not one would have foreseen anything resembling the strategic partnership that now joins the two countries, or even the rapid rapprochement that began as early as in the latter part of that decade. As with other phases in the history between Russia and China, this one caught us by surprise. The odds are that there will be more surprises down the line. So beware the pitfalls of presentism.

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 see 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 relationship with Washington. It has, in other words, a logic and dynamic of its own. The road to the partnership was paved by Gorbachev and was made longer and wider by Yeltsin. The traffic increased, and Putin and Medvedev, by all accounts, plan to continue the trend. American policies (in particular the Iraq war, the withdrawal from the ABM Treaty, projects related to democracy promotion, and the expansion of NATO) have played a role in this, but only at the margins. Let us keep this in mind amidst the heavy breathing about a supposedly malevolent anti-American Sino-Russian alliance.

Not that there have not been substantial missteps in American foreign policy of late; there have, the mismanagement of our relationship with Russia being one. It has produced a tide of anti-Americanism in Russia, which, in turn, has created barriers to cooperation, even in areas that are self-evidently of interest to both countries, particularly terrorism, failing states (notably Afghanistan and Pakistan), and nuclear proliferation. It is all too easy, and hardly uncommon, to blame the sorry state of U.S.-Russian relations on Putin's obduracy and machinations. But anyone who has spent time in Russia in recent years and talked to ordinary Russians knows that his appraisals of America's policies are widely shared and deeply rooted in Russian society and that, contrary to what many in the United States glibly assume, the post-Soviet generation, including those within it who are well educated and well traveled in the United States, is no exception.

There has been a (bipartisan) tendency in the United States to assume that Russia could not possibly view what the United States does as hostile; our intentions are pure, and so Russians must see them that way, the logic appears to run. The problems produced by this solipsism are compounded by the ease with which the relationship with Russia can be damaged because of the lack of influential constituencies within America that have a strong stake in shoring it up, let alone expanding it. The pro-China business lobby in America has no pro-Russian counterpart, and while there are university professors and op-ed writers who argue strenuously that the relationship with Russia is important and should be strengthened, who has lost money betting on their lack of influence?

There is blame to be borne by the Russian side as well, a point that is missed in simplistic accounts of the "Russia good, America bad" variety (which, together with the "Russia bad, America good" rendition, has hardly made for reasoned debate about what is required, from both sides, to begin a productive and predictable relationship). The Kremlin and the Russian foreign policy specialists that have its ear have been far better at presenting a list of

grievances and publicly venting their unhappiness at American policies than at presenting an imaginative agenda for cooperation; and I say this based on some direct experience in dealing with the latter group in recent years.

Note, once again, the contrast with the U.S.-China relationship. Even at the worst of times, steady and substantial transactions (especially in trade and investment) and close cooperation on such matters as the North Korean nuclear program have contained the damage produced by disagreements between Beijing and Washington. Even when bruised, the relationship heals because China and the United States understand that they have much to lose by engaging in bruising battles and vitriolic exchanges. Moreover, while Beijing does value its strategic partnership with Russia, particularly as a means for obtaining arms and energy, it has no illusions that Russia and China can create an effective counterweight to the United States and still sees the United States as the world's premier power, even as it finds some of Washington's actions objectionable. Likewise, Americans, on the left and the right, regard China as a rising power; neither denies that China matters, although they have dramatically different ideas about how to deal with it. By contrast, the left in America has been ineffectual in making the case for a more enlightened approach toward Russia, while the right believes that what is wrong with our approach is its lack of toughness (consider the one-sided and shrill calls to punish Russia even before the evidence on who did what to whom and when during the August 2008 Russia-Georgia war was clear). The result has been that Russia seems to matter only when it is judged to be making trouble.

The United States should expect the Sino-Russian strategic partnership to endure and even to expand, but we should not conflate it with an alliance and react with panic; neither Moscow nor Beijing see, or envisage, a relationship along these lines. Their partnership does enable them to stand together against American policies that they believe harm their interests, to cooperate in the UN Security Council and in the SCO, and to exploit opportunities for instrumental cooperation. But neither side wants the partnership to damage its

relationship with the United States, and there is no exclusivity about it, nor any binding commitments that reduce either side's freedom of choice. For China, the losses that would follow from an alliance with Russia would far outweigh the gains; for Russia, any astute alignment with China requires that there be other options so that, as the weaker party, it retains leverage and not is taken for granted by Beijing.

The United States should take the Russia-China strategic relationship seriously: not only is it not a transitory phenomenon resting on rhetoric, there are ways in which it does reduce America's leeway, the flow of advanced Russian arms to China being one example, for reasons I have discussed. At the same time, stability and peace between Russia and China is in America's interest; it makes the world in general and East Asia in particular a safer place. We must certainly repair our frayed relationship with Russia and get started by identifying concrete issues on which we can work cooperatively so that the benefits become visible to both sides and the relationship acquires ballast; and we should continue to manage the relationship with China in ways that ensure that the quarrels that inevitably will arise do not mutate into unmanageable crises. But these policies should be pursued for their own sake, not as a reaction to the Sino-Russian strategic partnership.

NOTES

1. Tellingly, all of the communist leaders who eventually bucked Soviet tutelage—Mao Zedong, Josip Broz Tito of Yugoslavia, and Enver Hoxha of Albania—had led independent communist movements.

2. “Interview of Mao Tse-Tung with Japanese Socialists,” interview with Radio Free Europe, September 4, 1964. The text of the interview is available online at the Open Society Archives, <http://www.osaarchivum.org/files/holdings/300/8/3/text/11-1-113.shtml>.

3. Oddly, he omitted mention of Poland.

4. This was perhaps a mischievous reference to the 1919 declaration that Lenin’s government made, and then failed to implement, that the territories would be handed back.

5. Vladislav Zubok, *A Failed Empire: The Soviet Union in the Cold War from Stalin to Gorbachev* (Chapel Hill, N.C.: University of North Carolina Press, 2007), p. 210. Interestingly, the Kennedy administration had probed Khrushchev with a similar idea. Zubok, *A Failed Empire*, p. 152.

6. For details, see Rajan Menon, “New Thinking and Northeast Asian Security,” *Problems of Communism* 38, nos. 2–3 (March–June 1989): 1–16.

7. See, for example, Ariel Cohen, “The Russia-China Friendship and Cooperation Treaty: A Strategic Shift in Eurasia?” Heritage Foundation, Backgrounder no. 1459, July 18, 2001, available online at <http://heritage.org/research/bg/1459.cfm>. A particularly hyperbolic assessment of the partnership was provided by the economic historian Niall Ferguson, who, in September 2008, likened it to the Ribbentrop-Molotov pact of 1939, adding for good measure that it was a greater threat to the West than the financial crisis that is unfolding. See “Leading Historian Issues Warning of New Cold War,” *Sunday Herald*, September 6, 2008, available online at http://www.sundayherald.com/news/heraldnews/display.var.2442300.0.leading_historian_issues_warning_of_a_new_cold_war.php.

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9. See “Statement by H.E. Ambassador Liu Zhenmin, Deputy Permanent Representative of China to the UN, at the Sixth Committee of the 63rd Session of the UN General Assembly,” New York, November 3, 2008, available online at http://www.china-un.org/eng/ldhy/63rd_unga/t520980.htm; and “Russian Ambassador Challenges R2P Principle,” iR2P, July 18, 2008, available online at <http://www.ir2p.org/2008/07/18/russian-ambassador-challenges-r2p-principle/>.

10. On Yeltsin’s condemnation of NATO’s attacks on Serbia during the 1999 war over Kosovo, see, for example, Francis X. Clines, “Conflict in the Balkans: The Overview; NATO Opens Broad Barrage against Serbs as Clinton Denounces Yugoslav

President,” *New York Times*, March 25, 1999, available online at <http://www.nytimes.com/1999/03/25/world/conflict-balkans-overview-nato-opens-broad-barrage-against-serbs-clinton.html>.

11. For a thorough analysis, see Anthony S. Cordesman and Martin Kleiber, *Chinese Military Modernization and Strategic Capabilities* (Washington, D.C.: Center for Strategic and International Studies, 2007).

12. For details, see Rajan Menon and Alexander Motyl, “The Myth of Russian Resurgence,” *American Interest* 2, no. 4 (March-April 2007): 96–101.

13. See David Lague and Susan V. Lawrence, “In Guns We Trust,” *Far Eastern Economic Review*, December 12, 2002; Cohen, “The Russia-China Friendship”; Peter Brookes, “The Alarming Alliance: Sino-Russian Ties Tightening,” Heritage Foundation, August 15, 2005, available online at <http://www.heritage.org/press/commentary/ed081505a.cfm>; and Rajan Menon, “Strategic Partnership,” *Survival* 38, no. 2 (Summer 1997): 109–15.

14. “Russia Sets New Record with Arms Exports in 2008,” Pravda.ru, October 22, 2008, available online at http://english.pravda.ru/russia/economics/22-10-2008/106603-arms_export-0.

15. David Lague, “Russia and China Rethink Arms Sales,” *International Herald Tribune*, March 2, 2008.

16. Ibid.

17. Details from Stephen J. Blank, “Recent Trends in Russo-Chinese Military Relations,” *China Brief* 9, no. 2 (January 2009). For the specifications on the Backfire-C, see Carlo Kopp, “Tupolev TU22M3 Bomber—Missile Carrier Backfire C,” *Air Power Australia*, July 2007, available online at <http://www.ausairpower.net/APA-Backfire.html>.

18. Claire Bigg, “Russia: Joint Military Exercises with China a Result of New Strategic Partnership,” Radio Free Europe/Radio Liberty, August 18, 2005, available online at <http://www.rferl.org/content/article/1060767.html>.

19. Ibid.; “Russia, China Hold Military Exercise,” *International Herald Tribune*, August 17, 2007.

20. Stephen Blank, “Moscow’s Strategic Triangle in a Time of Transition,” *East Asian Affairs* (Seoul) 22, no. 1 (Spring/Summer 2008): 109, 131–32.

21. Ibid., p. 109.

22. “NATO and Kazakhstan Hold Peacekeeping Exercise,” North Atlantic Treaty Organization, updated October 1, 2008, available online at <http://www.nato.int/docu/update/2008/09-september/e0915e.html>.

23. See Sébastien Peyrouse, “Economic Aspects of the China-Central Asia Rapprochement,” Central Asia-Caucasus Institute Silk Road Studies Program, Johns Hopkins University, September 2007, p. 12; Pan Guang, “China and Central Asia: Charting a New Course for Regional Cooperation,” lecture at the Jamestown Foundation, Washington, D.C., February 5, 2007, report available online at http://www.jamestown.org/media/events/single/?tx_ttnews%5Btt_news%5D=129&tx_ttnews%5BbackPid%5D=19&cHash=18df8c9f70.

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