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The Rising Dragon and Wounded Bear: Analysis of
Modern Sino-Russian Political&Economic Relations

Grzegorz NIEMCZYK



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The Rising Dragon and Wounded Bear:

Analysis of Modern Sino-Russian Political and Economic Relations

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ABSTRACT

This thesis is both theoretical and empirical analysis of modern Sino-Russian Economic and Political Relations based on the past events and present data. This issue has been an important question for many scholars recently. Both countries became neighbors only in the 17th century but history of their mutual relations is much deeper. In a times when China is rising and its position in world's affair is getting stronger, analysis of its foreign policy towards its neighbor is extremely interesting. The other side of the fence, once world great power, is losing its importance in the world stage: its actions may be important for worldwide community. Theoretical part of this thesis covers review of the Theories of International Relations, its short history as well as those relevant for Sino-Russian Relations (Clash of Civilizations Theory, Theory of Dependency). It also explains the difference between Chinese and Russian Communism. The latter part presents short history of both nations interactions from the ancient times up to the collapse of the Soviet Union. Empirical analysis covers political relations, connections and ties in present times. It also explains some cultural obstacles in a hard way to achieve equilibrium in the relations. The part which covers economic relations tries to prove, that the trade imbalance is in China's favor and that common border issues are extremely important for both countries. Last but not least the importance of energy cooperation and the obstacles in building common pipeline are covered.

Key words: China, Russia, International Relations, American Factor, Soviet Union, Sino-Russian Relations, Oil pipeline, border issues, People's Republic of China, Energy Cooperation, Strategic Partnership, Putin, Medvedev, Eltsin, Mao Zedong, Russian Far East, Xinjiang, Military Relations, Global Politics, Asia, Europe, Beijing, Moscow, Huntington, Communism, Theory of Dependency, Theories of International Relations, Kosovo War, Terrorism, Russian Federation.

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Table of Contents

Chapter 1. Introduction to Sino-Russian Relations: Material and Methods	8
1.1. Research Problem and Its Background	8
1.2. Research Purpose and Hypotheses	9
1.3. Research Approach, Methods, Instruments and Sources of Information	10
1.4. Periodization, Translation and Transliteration	11
1.5. Research Limitations	12
1.6. Outline of the Thesis	13
1.7. Thesis Disposition	15
Chapter 2. Theoretical Framework for Sino-Russian International Relations	17
2.1. Overview of International Relations Theories	17
2.1.1. <i>Pivotal Concepts</i>	17
2.1.2. <i>Bite of a History: De Jure Belli ac Pacis</i>	19
2.2. Four Levels of International Relations Analysis	21
2.3. Sources of Russian Diplomacy and Their Impact on International Relations	24
2.4.1. Clash of Civilizations	27
2.4.2. <i>The Lines of Clash</i>	29
2.4.3. <i>The Case of China and the Core of Divided Russia</i>	30
2.5. Theory of Dependency and its Heir	33
2.6. Russian versus Chinese Communism	35
Chapter 3. Analysis of Historical Background of Sino-Russian Relations	39
3.1. China and Russia up to the Mongol Conquests	39
3.2. The Mongols, Ming Dynasty and Muscovy	44
3.3. Relations under Tsars (1547-1917)	46
3.4. Soviet Russia and Divided China (1917-1949)	51
3.5. Sino-Soviet Alliance, Chinese Cultural Revolution and Collapse of the Soviet Union	54

Chapter 4. Rising Dragon and Wounded Bear: Analysis of Modern Sino-Russian Political Relations	59
4.1. The Impact of the End of Cold War on Sino-Russian Relations	59
4.2. Sino-Russian Relations Under Boris Yeltsin	62
4.3. Sino-Russian Relations Under Vladimir Putin	64
4.4. The Impact of Both Chechen Wars, Kosovo Conflict and September 11 Attacks on the Relations	69
4.5. American Factor in Modern Sino-Russian Relations	73
4.6. The Challenges for the Relations under Dmitry Medvedev	75
Chapter 5. Diagnosis, Analysis and Evaluation of Modern Sino-Russian Economic Relations and Problems of Russian Far East and Common Border	80
5.1. Research on Nowadays Problems of the Russian Far East and Common Border	80
5.2. Modern Sino-Russian Trade (Im)Balance	86
5.2.1. <i>Sino-Russian Military Trade and Ties</i>	89
5.3. Energy Cooperation: The Importance of Oil and Gas	93
Chapter 6. Conclusions and Recommendations	100
6.1. References	103
6.1.1. <i>English Resources</i>	103
6.1.1.1. <i>Books</i>	103
6.1.1.2. <i>Articles and Fragments of Books</i>	105
6.1.1.3. <i>Internet Resources</i>	107
6.1.2. <i>Russian Resources</i>	107
6.1.2.1. <i>Books</i>	107
6.1.2.2. <i>Articles and Fragments of Books</i>	108
6.1.2.3. <i>Internet Resources</i>	108
6.1.3. <i>Chinese Resources</i>	109
6.1.3.1. <i>Books</i>	109
6.1.3.2. <i>Articles and Fragments of Books</i>	109
6.1.4. <i>Polish Resources</i>	109

<i>6.1.4.1. Books</i>	<i>109</i>
6.2. List of Tables	110
6.3. List of Figures	110
6.4. List of Translations	110
6.5. List of Attachments	111

好事多磨。
*

* (hǎo shì duō mó); meaning: good things need time.

Chapter 1. Introduction to Sino-Russian Relations: Material and Methods

1.1. Research Problem and Its Background

Sino-Russian relations both past and present seem to be an absorbing issue for many scholars.

China as we know it today began to shape as an individual civilisation in the third millennium B.C. in the valley of Yangzi River (actually chang jiang, 长江). History of Russia starts almost four thousands years later in Eastern Europe. These two factors are the main source of differences between both nations. Nevertheless, it is believed they have maintained bilateral trade relations almost since then. It is very rare that such different countries become neighbours. When it comes to China and Russia it happened only in the 17th century and now they share one of the longest mainland border in the world (it is equal to the distance between Oslo, Norway and Cairo, Egypt). With comparison to e.g. history of Polish-German frontier it is a very short period of time (Questa, 1984, p.11).

From that time connection became stronger and so did conflicts and problems, not only in the case of the border. The situation between two civilisations, two great powers was strained for centuries. Only now the relations became normalised and seem to be better than ever before.

Russia and China as two of the world's superpowers are very important agents in the world economy. Moreover their future relations seem crucial for the world politics and security.

Understanding the two worlds and cultures is a key to read decisions which have been made and which will be made by the representatives of these countries. **Only an analysis of the past events can explain and justify their modern foreign policy.**

China nowadays is a rising power whilst Russia seems to be declining its interaction with the rest of the world. After the collapse of the Soviet Union (SU, USSR, СССР, Советский союз) Russia tied relations with China, which caused unease in both Asia-Pacific region and the United States (US, the United States of North America, America). By looking at the history we can assume, that the close relationship is very difficult to obtain and as such will not last long. When looking at modern China foreign policy we have to take into consideration the historical context and the western engagements. The United States, China, Russia and recently even India (*Bhārat*

Gaṇarājya), are involved in a triangle of relations, and their decision-making policy depends on the related states.

With rapid growth of China's economy, the trade relationship between neighbours has gradually become imbalanced, which resulted in asymmetry of the trade balance. This situation deepened after September 11 2001, when China and United States became closer allies. Due to that fact and under such circumstances, Russia might arise unsolved conflicts and ideological issues and start military confrontation as the imbalance is still growing.

On the other hand, China depends on imported sources of energy, mainly oil, which reminds Chinese leaders of their own country economic vulnerability. Keeping balance of the bilateral energy trade relationship is the key issue for decision-making representatives of both countries.

1.2. Research Purpose and Hypotheses

The **main purpose** of this master thesis is an analysis of modern Sino-Russian political and economic relations based on the **historical background**. More **detailed purposes** of this thesis are as follows:

1. to show the difference between Russian and Chinese civilisations;
2. to analyse a historical background of Sino-Russian relations;
3. to analyse the impact of the United States on the Sino-Russian relations;
4. to diagnose the nowadays problems of the Sino-Russian border;
5. to diagnose problems in Sino-Russian economic relations;
6. to look at the relations from both countries perspective.

In order to achieve the main and detailed purposes, the **following research questions** were asked:

1. What made Sino-Russian relations we can observe today?
2. What causes the differences between these two nations?
3. Does history show the key to solve nowadays conflicts?
4. Is conflict on the border crucial for relation balance?
5. Is it possible that imbalance in trade relations can cause war?
6. What caused the cooperation between China and the United States?
7. Which relations are more important for the United States: these with Russia or these with China?

8. Which country keeps on keeping relationship normalised?
9. Will China become the most developed country in the world?

According to the purposes of the thesis as well as the research questions, specific **hypotheses** have been formulated. Hypothesis is defined in New English Oxford Dictionary as ‘a supposition or proposed explanation made on the basis of limited evidence as a starting point for further investigation’ (Soanes, 2011, definition of hypothesis). Hypothesis can also be **an explanation of the well known fact**, which have not yet been proved. Thus, the following **research hypotheses** of this thesis are as follows:

1. The cultural, religious and behavioural differences between Russia and China caused strained international relations.
2. Normalised Russian-Chinese connection will not last long taking into consideration the historical background and past events.
3. China will become the most important agent in the world economy and Russia will keep on declining its importance in the international relations which will cause bigger imbalance in their trade relations and can lead to military conflict.

These hypotheses are verified in the next chapters of this thesis.

1.3. Research Approach, Methods, Instruments and Sources of Information

With regards to the purposes, questions and hypotheses appropriate approaches and methods have been chosen. **Main method used to write this thesis is an analysis of the historical events and decisions which have been made.** Analysis of the past is a key to understand present issues, conflicts and problems which are core of this research. It is impossible to forecast the future without detailed analysis of the aims and purposes which can be read in present and past.

Approaches to major issues of the international relations are conditioned by cultural background of the decision-making nation. Thus, second method used in this thesis is **an analysis of the cultural differences of the nations.** Diagnosis of the nowadays conflicts of the border and evaluation of the modern trade relations helps predicting the future decisions.

Instrument used to evaluate modern Sino-Russian economic relations is an analysis of the trade balance and dependency on energy resources from both countries perspective.

Sources of Information for this thesis depend on the chapter and the period of time which they ought to cover. The frame of Chapter. 2 is mainly based on the works of three scholars: Holsti (Holsti, 1977, p.3-25), Petro (Petro, 1997, p.1-17) and Lo (Lo, 2003, p.72-96). During research author of this thesis have found their works most appropriate to the topic of this thesis and their theories most helpful in understanding foreign policy of that region. Huntington's theory Clash of Civilizations as well as Theory of Dependency are also employed in this chapter.

When it comes to analysis of the historical events, the main source of information are books written by Russian, Chinese and other scholars. From the 20th century the additional source of information are magazines, journals, articles from newspapers and speeches of the main representatives of both countries. Speeches seem to formulate the decision-making policy, especially during Soviet Times.

Diagnosis and evaluation of the present events is mainly based on articles from leading economic magazines as well as Asia-Pacific oriented economic journals. Modern Sino-Russian trade relations are analysed by using official trade balance data.

1.4. Periodization, Translation and Transliteration

This thesis is a subject of periodization. As it describes international relations between two countries, the periodization could be shaped by perspective of both of them.

The author chose Russia's perspective as he found it relatively closer for Europeans. History of Russia is well-known in Europe, whilst some events from Chinese history could be difficult to place in time. According to that, chapters and sections are named respectively. All dates and events are held accordingly to Gregorian calendar¹.

Sources of information for this thesis are not only in English: some of them are written in Russian, Polish or Mandarin Chinese. All the translations are the author's translations and the original text and source can be found in Chapter. 6, section 4 named 'List of Translations'.

¹ Calendar issue is quite significant in history of both China and Russia. Even though they implemented Gregorian Calendar in 20th century, it still does not have effect on every aspect of everyday life. For instance, Russian Orthodox Church (*Русская Православная Церковь*) still uses Julian Calendar (which was in official usage up to 1918) as well as Chinese holidays are still celebrated accordingly to Chinese Lunisolar Calendar. Republic of China (ROC, 中華民國) counts the days from the day of the establishment of the republic (2012 is year 101 in their calendar) and Russia in years 1923-1940 was using Eternal Calendar (five days weeks, five days of holidays in a year), which was followed by New Plan Calendar (which implemented six days weeks).

English references are listed in English alphabet order; Russian references are listed in Russian alphabet order; Chinese references are listed accordingly to the amount of strokes needed to write the first character.

All Chinese names and words used in this thesis are transliterated accordingly to Pinyin System, which is the official system of transliteration of Chinese names used in Mainland China. The original names (**in Simplified Chinese Characters**) are shown in brackets next to the transliterated form. The names of the people as well as geographical places related to Taiwan have Traditional Chinese Characters shown in brackets. All geographical names directly related to the subject of this research have not only English spelling, but also original one (shown in brackets). Mongols names are used in the form which derives from Russian transliteration.

All Russian names and words are transliterated accordingly to the method of Library of Congress which is the official method of transliterating Russian names. Original Russian names (**in Cyrillic Alphabet**) are shown in brackets.

1.5. Research Limitations

As any research project and thesis this one is also a subject of constraints of certain limitations, which derive from a nature of sources of information, methods and instruments used.

The core of the thesis relates to Sino-Russian relations and thus, **all of the works are somehow biased** and can be applied to either Chinese or Russian perspective. Main limitation of this thesis is language: majority of resources used are written or translated into English, what limits the objectivity of information as well as quantity of sources.

Each country writes its own version of history and it evaluates the same events in a specific way. The Chinese Cultural Revolution (文化大革命) described by Chinese author in Chinese and the same Revolution described by Russians in Russian or in English by Americans seems to be totally different event. It has also different meaning, purposes and consequences. So the **bias of history is consecutive limitation**.

20th century, which is also a subject of this thesis, brings another limitation for the researcher. Under the Rule of Soviets and Communist Party of China (CCP, 中國共產黨), all articles, books, magazines and journals were subject of censure. This instrument limits researches: only the specific kind of information can be found. All the events and ideas which did not match

government point of view were wiped out from the history. It happened in Russia and China respectively. When it comes to China some kind of censure is in use even nowadays.

Next limitation is **Chinese Culture which is so distant and different from European** that can often be misunderstood and the instruments and methods used for its analysis can be misleading. Chinese Culture was inaccessible for others for millenniums, which resulted in distinct ideas, philosophy and points of view.

Second and third hypotheses of this research are also subjects to limitation. Predicting future events is not anything certain. Even analysis of the past events and present are not sufficient enough as the future is unpredictable.

According to Holsti (Holsti, 1977, p.6-9) objective approach to the international relations need four levels of analysis: global analysis, interstate analysis, state analysis and analysis of the attitude of individual policy maker (Chapter. 2, section 2.2.). The analysis of different types of relations should also be employed. Cultural, Military, Trade, Political and Economy relations should be analysed in order to have a full image of the relations. Lack of sources of information for four degree analysis as well as for analysis of all types of connections is next major limitation for this research project.

1.6. Outline of the Thesis

This thesis is divided into six chapters covering both theoretical and empirical issues related to Sino-Russian Relations.

The first Chapter is an introduction: it consists of the research problem and its background, the main purposes and hypotheses formulated in this thesis. It also shows the main approaches and methods used as well as the sources of information. It also explains method of transliterating Chinese, Mongols and Russian names used and how the translations were made. Last part of this chapter is devoted to research limitations and outline of the thesis.

The second Chapter introduces main theories of international relations. In latter sections it describes key methods used for analysing Sino-Russian Relations. It highlights the importance of four levels of analysis on foreign policy which should be the main approach in any research made on international relations. It also shows the impact of sources of Russian Diplomacy on the relations. One of the main theories analysed in this chapter is Clash of Civilizations Theory, which somehow helps understanding the civilisational gap between states. Theory of Dependency as well

as the main differences between Russian and Chinese communism systems can also be found in this chapter.

The third Chapter is a historical background of the research. The first part briefly describes the history of China from the third millennium B.C. as well as Russian history up to the 12th century. The second section covers the period up to the 17th century which in Russia is the time of Muscovy (*Великое Княжество Московское*). China during that period was under rule of the Ming Dynasty (明朝). The consecutive section describes Sino-Russian relations under Russian tsars (*царь*). Section four and five are the most important for understanding present events. They explain the main conflicts and problems in the relations in the 20th century: first in Soviet Russia and divided China (1917-1943) and then in Communism Times. It describes Sino-Soviet alliance and main obstacles to normalisation of the relations in latter period. It focuses on main events from Chinese history which impacted on the relations: Chinese Cultural Revolution and Tiananmen Square protests (六四事件).

The fourth and fifth Chapters form the core of the thesis. First of them (Fourth Chapter) is an analysis of the modern Sino-Russian Political Relations. It evaluates the impact of the end of Cold War, Kosovo War, the EU, NATO and the September 11 on the relations. The third section is devoted to political relations under Yeltsin (*Борис Николаевич Ельцин*) rule and the consecutive one to relations under Putin (*Владимир Владимирович Путин*). The last part of this chapter explains the challenges for the relations under Medvedev (*Дмитрий Анатольевич Медведев*).

Second of the core chapters (Fifth Chapter) is a diagnosis, analysis and evaluation of modern Sino-Russian Economic Relations as well as a brief research on nowadays problems of the Sino-Russian border. It starts with research on the common border, which in the near future may become the main source of the problems in Sino Russian relations. Latter part evaluates the trade balance and proves that imbalance between Russia and China is growing in China's favour. Next part describes main nowadays problem of both nations: the importance of energy cooperation. China depends on Russia and Russia depends on China when it comes to main energy resources: oil and gas.

Chapter Six consists of conclusions and recommendations. It is a sum up of all the formulated hypotheses, asked questions and answers found during writing this research project. It contains also of a list of used translations, figures, attachments and tables.

1.7. Thesis Disposition

Introduction: materials and methods



First Theoretical Chapter: overview of the theories of international relations applicable for Sino-Russian relations



Second Theoretical Chapter: history of the Sino-Russian relations up to 1991



First Empirical Chapter: evaluation of the modern Sino-Russian political relations



Second Empirical Chapter: diagnosis of modern Sino-Russian economic relations and problems of the common border



Conclusions: references and recommendations

天下乌鸦一样黑

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*(tiān xià wū yā yí yàng hēi); meaning: some rules are unbendable, no matter how much one wants them to change.

Chapter 2. Theoretical Framework for Sino-Russian International Relations

Ideas are like rivers, arising in a swamp or moor region
rather than in a mountain spring, and often they
see the light of day only after they have
run for miles through subterranean caverns
(Vagts, 1948, p. 87)

2.1. Overview of International Relations Theories

As any abstract concept ‘theory’ does not necessarily tell true statements, it may be biased or misleading. So the main question rising in one’s head might be: ‘Why the theories keep on rising when they do not necessarily show true nature of the world?’. In author’s opinion, a logical answer could be ‘theories enlighten (...) Thus, one does not ask of a theory whether it is true or false; rather, one asks whether it is enlightening. (Knutsen, 1997, p.1).

Taking for granted Knutsen’s idea we can say that the History of International Relations consists of the theories which during specified period of time enlightened and paved the way for understanding relations between states.

2.1.1. Pivotal Concepts

‘International Relations have to deal with human behaviour in the largest of all social groups: **international society**.’ (Knutsen, 1997, p.3). There are two main features which distinguish international society from other social groups: first being ‘**mandatory membership**’² and second ‘**lack of international authority**’. When it comes to first of the features it seems to be quite

² ‘It is the peculiar nature of international society that membership in it is compulsory’ (Carr, 1964, p.95).

obvious: states cannot change their geographical location, they cannot stop participating in the International Relations. Overcoming the second feature of international society has been the issue of paramount importance for decades. Even though, yet there is no 'world legislature' which could 'make rules and laws that emphasise the cohesive and sociable side of human interaction' (Knutsen, 1997, p.3). There are, for instance, institutions of International Law but there exists no 'global executive power authorised to enforce these laws' (Knutsen, 1997, p.3).

In order to understand most of the Theories of International Relations, one needs to understand meaning of the crucial concepts used in these theories - the concept of Sovereignty, State, Culture and Identity.

Modern international relations have been dominated by the dichotomous issues: the presence or the absence of **Sovereignty**. This concept consists of a few meanings so there is no one answer to the question 'what is sovereignty?'. Usually it is understood as a 'merely legal conception'; sovereignty is 'the power of law-making unrestricted by any legal limit' (Dicey, 2000, p.27). There is also a concept of sovereign power which is 'enjoyed, legally, by the holder of a constitutional power to make law, so long as the constitution places no restrictions on the exercise of that power' (MacCormick, 2002, p.127). When concept of sovereignty is applied to relations between states it expresses the second feature of the international society: the lack of supreme authority over society.

'**State**' is the primary object of the discussions in international relations. Usually state is defined as 'territorial state: an independent political community' (Knutsen, 1997, p.2), 'which possesses a government and asserts sovereignty relation to a particular portion of the earth's surface and a particular segment of the human population' (Bull, 1977, p.8). This definition was generally used by majority of the western scholars in 20th century.

When it comes to more abstract concepts of **Culture and Identity** their definitions and ideas which build them are formulating even nowadays. Culture can be understood as the 'frame' in which people derive a sense of who they are, how they should act, and where they are going. This way of treating culture is extremely simplified but presents the idea of cultural behaviour. It also links Culture with the concept of Identity, which might be treated as 'fundamentally the problem solving tool for coping in particular environments; the action unit of culture.' (Fitzgerald, 1993, p.186). Although Identity and Culture are linked together, they are not isomorphic, which means that identity groups do not always constitute separate cultures (Fitzgerald, 1993, p.190).

Both concepts have many parallel redefinitions. According to George and Louise Spindler (Foreword to: Fitzgerald, 1993), there are two central motifs which occur in current thinking of

Culture and Identity: ‘**the perception of multiplicity**’ and ‘**pervasive theme of construction**’. These motifs let the abandoned approaches to raise again; their presence lit the way for old dimensions of Culture and Identity, such as:

1. their socially constructed (as opposed to primordially given) nature;
2. their optional (as opposed to deterministic) dimensions;
3. their diversifying (as opposed to integrating) implications;
4. their multidimensional (as opposed to static) features (Lapid, Kratochwil, 1997).

Now that the question of terminology is dealt with, we can turn to the question of substance.

2.1.2. Bite of a History: *De Jure Belli ac Pacis*³

It is hard to find the beginning of formulating the Theories of International Relations. The easiest and the most logical way is to start up from a point where the key concepts of International Relations (‘State’, ‘Sovereignty’) found their first definitions. It happened only in the Renaissance Epoch, in the time of coming back to denied cultures: Greek and Roman. Thus, first and most important scholars of international relations are Italian historians and civil servants: **Machiavelli and Guiciardini**. It is also times, when Dutch jurist Hugo Grotius presented his Theory of International Law consisting of ‘Just War’.

A second important period for the Theories of International Relations began in the violent stage of Religious Wars⁴ and lasted, roughly, until the end of 19th century. During this time the concepts formulated in Renaissance shaped differently and synthesised into larger ‘systems of thoughts’. Jean Bodin seems to be the first who defined ‘sovereignty’ accordingly to the two main features of international relations. He noticed that the characteristic feature of the ‘interaction between sovereign actors’ is that no supreme authority exists above participants and thus, no legal agent can intervene to arbitrate. In the same period, but couple of years later, other scholars (Gentili and Hobbes) came back to the Bodin’s concept. Hobbes is worth being mentioned also because he was the first to apply social contract in order to describe relations between representatives of the states. Some latter scholars (Spinoza, Pufendorf) agreed with his depiction of interstate relations.

³ The name of the section refers to the book ‘*De jure belli ac pacis*’ by Hugo Grotius (1625). It is one of the most important works in the history of International Law and the one that formulated future ways of looking at the Interstate Relations.

⁴ This term refers to series of European wars (1524-1648) connected with onset of Protestant Reformation.

Hitherto, all discussions about ‘International Relations’ applied only to representatives of the states: the sovereign princes. The theories of **relations between individuals** started to shape later. Émeric Crucé ‘optimistically depicted a harmonious condition marked by co-operation and harmony between men’ (Knutsen, 1997, p.5) and this idea was pursued by others: William Penn, Duc de Sully or Jeremy Bentham.

This basic ideas of Interstate Relations were visibly shaped in subsequent centuries. They have been colorised accordingly to the period and epoch in which they existed; each of the eras had their specific way of intellectual approach which was implemented into the theory of interstate interactions. 17th century is the period of ‘pure theory’: vision of that period was build on a mechanical view of human society. It was also the time of shaping the **Balance-of-power Theory**⁵. The 18th and 19th centuries brought new way of looking at interactions: they are ‘marked by a pervasive vision of the self-equilibrating properties of human interaction’ (Knutsen, 1997, p.5) and by the vision of ‘progress’ and ‘evolution’.

The 20th century brings the ‘wind of change’ and some fresh air to the theories and approaches to the international relations. Studying of international relations as an academic field started only after World War I and at the beginning was, still, dominated by the way of thinking shaped in 19th century. At first it was fulfilled with echoes of the periods of optimism and idealism, later (after World War II) this approach changed dramatically. The fifties and sixties of the 20th century were the times of realistic approach to international relations. Since 1970 this academic field has been torn among still increasing variety of theories, approaches and methods⁶. After the Cold War⁷ the diversification of the Theories of International Relation has fragmented more than ever before (Knutsen, 1997, p.5). Accordingly to internet resources, **currently there are 109** competing Theories of International Relations⁸.

⁵ This theory, again, has many definitions. One of them states: ‘The balance of power refers to an actual state of affairs in which power is distributed among several nations with approximate equality’. (Sheehan, 1996, p.3). The Balance-of-power Theory is widely described in Sheehan’s book (1996)

⁶ Profiles of all the scholars, philosophers and thinkers whose names occurred in this section can be found either in work of Knutsen or Thompson (1997; 1994).

⁷ Cold War is a name for instant military tension after the World War II between Capitalist States, with USA as a leader and Communist States with the Soviet Union as a leader. Collapse of the Soviet Union ended Cold War and changed bilateral balance of power into multilateral and more intricate relations.

⁸ There is an on-line project that aims to create a descriptive list and definitions of the Theories of International Relations. All described theories and approaches as well as the mission of the project can be easily found on: <http://www.irtheory.com/know.htm>, (accessed 31 January 2012).

With regards to facts mentioned before and to the space limitation of this thesis, consecutive sections of this chapter present and explain only the theories, which, in author's opinion, are pivotal or can be used in approach to Sino-Russian Relations.

2.2. Four Levels of International Relations Analysis

Problem of choosing major unit of analysis in international relations is undeniable. Should one focus upon the actions and behaviour of individuals, policy makers, states or, maybe, treat the world more globally?

As usual, there is not one answer to this question; each approach has its limitations, biases and, on the other hand, each of them makes contribution. The main thing to remember is, that when it comes to international relations, there are Four Levels of Analysis and every and each of them is different and make one's focus on varying issues.

Having treated the world globally the attention is turned to problems caused by a population (rather than individuals) and economic activity: destruction of the ozone layer, air and ocean pollution, the problems of distinct species. It also helps to understand global problems every nation has to deal with: quality of life, poverty or lack of natural resources.

At the level of the systems of states the most common analysis approach is the Balance-of-Power (Chapter. 2, section 1.2.). 'It proposes that states will form coalitions and counter coalitions to fend off drives for regional or global domination and that a 'balancer' will intervene on behalf of the weaker side in order to redress the balance or restore the old equilibrium'(Holsti, 1977, p.7). The behaviour of political units is usually explained in terms of systems of states relations: balanced/imbalanced and with the presence/absence of a balancer.

Looking at international relations from the individual states perspective need to be, somehow, more detailed. It should consist of the external environment of the state, but, what is crucial, it must take into consideration domestic issues and conditions which affect policy making within the state. This level of analysis is the most common one when it comes to **interstate relations**: the wars, alliances and diplomatic manoeuvres can be, usually, explained by the domestic political pressures and ideologies. The interstate conflicts are often only the result of domestic problems within states.

The fourth, in author's opinion most biased⁹, way of studying international relations is concentrating on the actions of the individuals (usually policy-makers). This approach is often used by diplomatic historians, who use the phrase 'state behaves' instead of 'the representative of the state behaves'. This level of analysis focuses on the motivations, ideologies, perceptions and values (Holsti, 1977, p.6-9).

Four levels of analysis are crucial especially when it comes to international security issues in international relations.

Table 1: Levels of analysis in terms of International Security

Levels of analysis	Principal actors	Scope of actor relations
Interstate	States and intergovernmental organizations (IGOs)	Bilateral and multilateral relations of states; United Nations, NATO
Systemic	States	The expectation of violence or coercive threats in resolving interstate differences
Transnational actors and their roles in international civil society: economic and socio-political dimensions	1.Economic: states; economic actors, including multinational corporations, IGOs and non-governmental organizations (NGOs) 2.Socio-Political-Cultural: States, IGOs, NGOs, individuals and groups	1.Globalizing markets and the diffusion of technology and innovation; actor exchanges are voluntary and non-coercive 2.Humanitarian programs; educational/cultural exchanges; terrorist attacks, etc.

⁹ Opinion derives from the common interest in dramatic, unusual and violent. Fourth level of analysis focuses on the decisions of the policy-makers, which are shown in newspapers, TV and internet resources. Treating whole international relations between two states accordingly to this would become a continuous series of violence, which, in fact, is not true.

Levels of analysis	Principal actors	Scope of actor relations
Domestic	States, individuals, groups, associations, corporations, and transnational actors	<ol style="list-style-type: none"> 1. The state as threat to civil liberties and human rights 2. The state as protector 3. Regimes and their impact on the security interests of other states 4. Regimes and international security 5. Actor exchanges are a mix of coercion and non-coercion

Source: (Kolodziej, 2005, p. 37).

When it comes to summarising problems and actors at each level of analysis in terms of **international security** it is important to signal mutual dependency of non-state as well as state actors on each other with respect to the crucial question of presence/absence of willingness to use force in order to achieve one's goals. It is a matter of paramount importance to keep these relations in mind when analysing relations during war and peace between states (see: Table 1).

In this thesis, accordingly to the problem and issue, all four levels are employed. The level of the analysis is chosen upon the kind of problem and available resources. When applicable, more than one level of analysis is used.

Speaking about international relations not only levels of analysis are important. The fields which analysis covers are also matter of substance. **A proper analysis should look at the relation between states from several standpoints.**

One may be interested only in **Economic Relations**, which show exports, imports and money transfers between specified areas. It is important to keep in mind that these relations can rarely 'stand alone'. Usually Economic Relations are strictly connected with **Political and Diplomatic Relations**, which maintained properly enable economic performance. Another field of relations crucial for good Economic Relations is **Military Relation** between states. When nations are under military conflict or their Military Relations are stressed it always affects economy. Last but not least are **Cultural Relations**. These are frequently forgotten, but in the opinion of the author, might be the most affective ones. These relations are often hard to maintain due to the cultural differences among nations which apply for basic ideas, concepts and opinions. Maintaining good Cultural Relations and understanding of differences is usually a key for good international

relations overall. According to the topic of this thesis, analysis covers mainly Economic and Political Relations between China and Russia.

2.3. Sources of Russian Diplomacy and Their Impact on International Relations

Sources of Russian Diplomacy can be found in history of the region, which forms Russia as we know it today. The foreign policy of this country is a combination of discrete determinants, such as: geopolitical issues, history, external threats, ideology or skills of the ruling elite. At any point in the history these determinants as a complex process formulated Russian Diplomacy and, in latter period, foreign policy. Besides them, more physical attributes also played important role. Russian climate, geographical location, population and natural resources were pivotal determinants, which influenced characteristic of this region. The abstract concepts, such as culture and belief system were also key figures in hitherto history.

History of Russia, as mentioned in the introduction, started around the 6th century A.D., when various tribes of Slavs (*Славяне*) settled in the region. These groups developed into the Russians, Ukrainian and Belorussian branches of **Slavic Culture**. As the area was rich in resources and had numerous rivers, it helped the tribes to develop by trade.

In the 9th century, leading city of the region was Kiev (*Київ*). It was Byzantium (*Византийская империя*), from where the Eastern Orthodox Branch of Christianity (*Православие*) was introduced into Russia. In the mid-13th century Mongols (*монголы*) invaded the region and for almost 150 years they were masters here. Only in 1380 they were defeated by the Prince of Moscow. **This event is worth mentioning, as it is a source of Russian pride and prestige even nowadays.** It somehow paved the way for imperialistic thinking in Russia and made Moscow (*Москва*) principal city of the region¹⁰.

Next couple of centuries were times, when Russia spread its territory: Monks settled islands of stability in the wildness and that, somehow, attracted more people to move to these regions. The church was working together with the Moscow's princes to build a unified Russian state. Times of Mongol invasion were stagnated: it isolated Russia from the West and helped the princes to gain more power from the Church.

Main breakthrough for Russian diplomacy was made in 1472, when Ivan III (*Иван III Васильевич*) assumed the title of Tsar and acquired a Byzantine legitimacy by marrying a niece of

¹⁰ More about sources of Russian pride and mentality can be found in Sergieeva's (2006) works.

the last Byzantine Emperor. He was also the first to formulate the idea of **Moscow as a 'Third Rome'**, which would be the last one at the same time. This political manifesto and theological discussion formulated nationalistic Russian way of thinking. It is also the source of Russia as a great power and echoes of this idea can be found in current decisions of Russian policy-makers¹¹.

As mentioned before, despite of some minor intermarriages, Russia grew distant from the Western World. Russia became an European superpower in the end of the 17th century, under the rule of **Peter the Great (Пётр Великий)**. He was the first to borrow technologies and ideas from the western cultures and the one who made the most important reforms for Russia. He not only moved the capital to Saint Petersburg (*Санкт-Петербург*), but also reformed Russian military, alphabet, language and economy. He founded a new capital and built it in a style of major European cities. The prosperity of Russia was rapidly increasing, and at the beginning of the 19th century it was one of the great powers of Europe. After defeating of the Napoleon, Russian foreign policy was shaped by imperialistic ambitions rather than security issues. They were interested in Balkans (*Балканский полуостров*) and controlled Chinese provinces of Xinjiang (新疆)¹² and Mongolia. They even precipitated war with Japan (日本). These behaviours of Russian Monarchs were the key reasons which led to the revolution of 1905 (*Революция 1905—1907 годов в России*): the one that transformed Russia into a constitutional monarchy, which finally collapsed in February 1917. This was the year of big changes in Russian culture, economy and history. The Russian Revolution (*Революция 1917 года в России*) destroyed tsarist autocracy and paved the way for the creation of the Soviet Union.

Many historians speculate that under the rule of Russian Monarchy, Russia was responding to industrialisation, and thus, if it had a chance to avoid complications of World War I it would still be a constitutional monarchy. On the other hand, features of the ruling regime in Russia, such as: 'concentration of power in the hands of a few or the regulation of society made by government bureaucracies and a weak judiciary - suggested a continuity of outlook across tsarist, communist and post-communist eras. Still, no nation is entirely defined by a single strand or political culture' (Petro, 1997, p.6). One can also trace Russian history and look for civil and religious

¹¹ Idea of Moscow as a Third Rome (after Rome and Constantinople (Byzantium)) is fundamental for Russian mentality and foreign policy, especially when it comes to Sino-Russian Relations. The clash of views of these two nations is even bigger when both of them claim to be most important agents in the world (Russia as a 'Third Rome', China as a 'Middle Kingdom'). More detailed information is presented in Chapter. 2, section 4.3. as well as in Chapter. 3.

¹² Until now the region of Xinjiang is controversial for Sino-Russian relations. Great work on history of Xinjiang was submitted in fulfilment of the requirements of the degree of Doctor of Philosophy by Michael Edmund Clark (2004).

opposition to absolutism, which persisted even in the Soviet Period and was one of the reasons of the collapse of the Soviet Union in December 1991.

When it comes to Russian diplomacy and way of ruling the country, there were usually few competing theories on how the country should be ruled. One of the main and most important for this thesis debates developed in the 19th century between two groups of scholars: Slavophiles and Westernizers (*славянофилы и западники*). They formed typical antagonist groups of thinkers: Slavophiles were conservatists and believed in superior nature and supreme historical mission of Orthodoxy and Russia¹³. They wanted to form a **Slav Union (Славянский союз)**, in which all representatives of this ethnicity would live happily ever after. In contrary, Westernizers believed, that Russia is a part of Europe and they pressed for liberalisation and economic development. Nevertheless, key foreign policy decisions were made on the basis of skills and ambitions of individual tsar rather than on any of the 'ideological' issues¹⁴.

In order to understand Soviet Regime's foreign policy it is good to step back to the tsarist period; a number of generalisations relevant for Soviet Union can be drawn from the experiences of these times. **The main issue is continuity of the rule of a few which was a domain in Europe and Russia for centuries.** Decision-maker ruled, wisely or not, unencumbered by morality or public opinion with the main purpose being to strengthen the empire. This policy was kept in Russia during Soviet Era and, according to many historians, is in use in current foreign policy of Russia. Second echo, which still could be heard during Soviet times was so called 'wisdom of expansion'. Russian political elite never questioned wisdom of territorial expansion of their country, even though, it caused insecurity and destabilised country economically and culturally.

'Despite economic collapse and pronounced isolationist sentiments among the Russian populace, the urge to acquire influence and play an important international role - hallmarks of any great power - will continue'(Petro, 1997, p.1-17).

¹³ Their thoughts were partially formulated as an echo of the idea of Moscow as a 'Third Rome'.

¹⁴ One of the most detailed and at the same time most sectional work on Russian History is paper of Bazylow and Wiczorkiewicz (2005).

2.4.1. Clash of Civilizations¹⁵

Oxford Dictionary of English states that word ‘clash’ used as a noun has primary meaning of ‘violent confrontation’. This sense perfectly explains the theory proposed by Huntington in the summer 1993.

The so called *The Clash of Civilizations?*¹⁶ article was first published in ‘Journal of Foreign Affairs’ and ever since it has been a subject of a debate. In his concept Huntington assumes that in the Post Cold-War Period it is of paramount importance to understand particular cultures and cultural subtleties (understanding of individual states struggles doesn’t seem to be important any more). ‘It is my hypothesis that the fundamental source of conflict in this new world will not be primarily ideological or primarily economic. The great divisions among humankind and the dominating source of conflict will be cultural. Nation states will remain the most powerful actors in world affairs, but the principal conflicts of global politics will occur between nations and groups of different civilizations. **The clash of civilizations will dominate global politics. The fault lines between civilizations will be the battle lines of the future.**’ (Huntington, 1993, p.22).

This article and latter book¹⁷ raised several questions and discussed important issues, such as: idea of civilisation, question of universal civilisation, connection between power and culture, global politics and shifting of civilisations. To the knowledge of current scholars there are two main ideas in Huntington’s theory. First being as follows: the shifting balance of civilisations as well as the military power and political influence are gradually shifting to East Asia. Second of the two main ideas is concept that in the Post-Cold War World conflicts will arise mainly because of cultural or civilisational rather than ideological principles.

For use of this paper the author focuses on the idea of civilisation and the differences between main civilisations rather than on problem of shifting balance of civilisations.

¹⁵ Here used American spelling, with regards to the name of the article in which theory was proposed: (Huntington, Summer 1993).

¹⁶ Although most famous, Huntington’s article is not precursory; First scholar who assumed that Post Cold-War period will be the end of history that humankind knew before and at the same time period of shifting in world civilisations was Fukuyama (2006). It is also worth to mention that phrase ‘clash of civilisations’ was first used by American historian Bernard Lewis (1990. p.47-60). In his essay *The roots of Muslim Rage* he highlighted main reasons for conflicts between the West and Islam: the differences between Christianity and the Islam and he named it ‘clash of civilisations’.

¹⁷ According to the ‘Foreign Affairs Journal’ editors Huntington’s article ‘stirred up more debate in three years than any other article they had published since 1940s’ (Huntington, 1996, preface) and thus, author wrote a book which was intended to provide a fuller and deeper explanation of the theory (Huntington, 1996).

To understand Huntington's ideas one has to take a closer look at his terminology and explain what 'civilisation' is. 'A civilisation is, thus the highest cultural grouping of people and the broadest level of cultural identity people have short of that which distinguishes humans from other species.' (Huntington, 1993, p.24). According to this definition, Huntington divided the world into 11 particular civilisations. He states that **differences between them are not only real** (this situation is spread widely when it comes to differences between states) **but also basic**: they arise from language, history, culture, tradition and religion. People who represent particular civilisations have different points of view on basic ideas: man and God relations, citizen and state cooperation or the behaviour of an individual in the group. One of the main dissimilarities between civilisations are also relations between husband and wife or children and their parents; these can be liberal or hierarchised, equal or authoritarian. All of these contracts are products of centuries or millenniums and are not a subject of change in the near future. These differences do not mean an inevitable conflict but, as Huntington states, 'over the centuries, however, differences among civilisations have generated the most prolonged and the most violent conflicts' (Huntington, 1993, p.25). When it comes to International Relations Theory, Huntington's concept fits in so-called primordialist school, which as a sociologist and anthropologist approach states, that ethnicity is a given thing and as such is not a subject of change or variance (Stack, 1986, p. 13-24).

As mentioned before, a work of Huntington has been a subject of much debate and thus has been criticised by some scholars. Among them Said seems to be the one whose critical point of view is the strongest¹⁸. He put a scorn on Huntington's concept of Civilisation Identity and he rejected the idea of fixed identities which are not interdependent and do not interact with each other. He believes that this 'imagined, artificial geography' allows certain political behaviour in certain areas and is a source of biased information about population. Nobel Prize winner, Amartya Sen also excoriates Huntington's theory, pointing to similar facts as Said: he states that treating the world as a mixture of fixed civilisations and understanding them by a contrast might be a great mistake¹⁹. Despite of these facts and critical reviews, Clash of the Civilizations Theory is still one of the most significant work of the International Relations Theory of the late 20th century and, in author of this thesis opinion, explains issues of substance of this research.

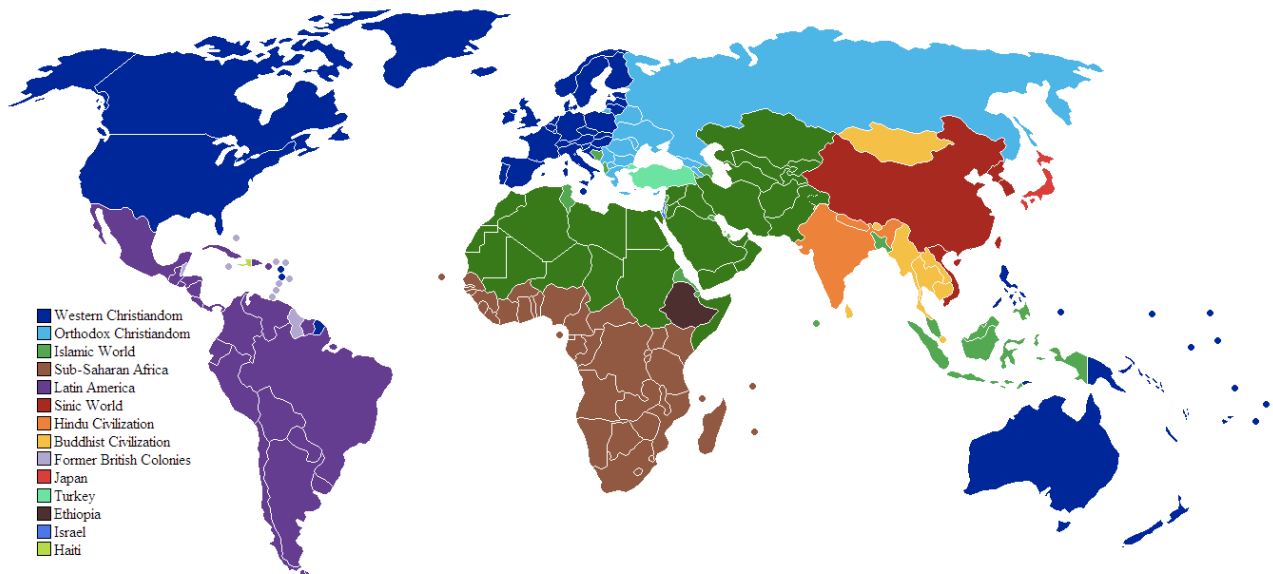
¹⁸ Edward Said (إدوارد وديع سعيد) is a Palestinian-American literary theorist and professor at the University of Columbia. His paper *The clash of Ignorance* (2001) is a direct response to Huntington's thesis.

¹⁹ Amartya Sen (অমর্ত্য সেন) is an Indian economist and social welfare theorist. In his world famous book *Development as Freedom* (1999) he criticises Huntington's theory.

2.4.2. The Lines of Clash

The world, according to Huntington, is divided into major civilisations (see: Figure 1). Borders of these culturally different lands will be a subject of future conflicts in the globalised world. He differentiates civilisations as such: Western Civilisation (encompassing Western and Central Europe, North America, Australia and Oceania), Latin America Civilisation (this one covers lands of Central and South America but excludes the Guianas), The Orthodox Civilisation (which is, basically, the former Soviet Union World but Baltic States and some countries of Central Asia are excluded), The Sinic Civilisation (with area of China, Vietnam, Korea and Singapore), Hindu Civilisation of India, Bhutan and Nepal, The Buddhist one, which is spread in Laos, Cambodia,

Figure 1: World map divided into particular civilisations proposed by Samuel Huntington in 1993



Source: (Bernard, <http://blciblogs.baruch.cuny.edu/warlit/about>, (accessed 31 January 2012)).

Myanmar, Sri Lanka, Mongolia, and Thailand (according to Huntington this particular civilisation does not constitute a major one in the sense of International Relations); Japan as a country is also a civilisation itself; Muslim World (Middle East, West Africa, Indonesia, Malaysia, Pakistan and Maldives) and Sub-Saharan Africa Civilisation (encompassing regions of Southern and Middle Africa).

He also stated, that there are lands which instead of belonging to any of major civilisations constitute an individual formation. He finds Haiti and Ethiopia places which do not suit any of the differentiated civilisations and thus labeled them '**lone countries**'. Israel could also possibly form a particular formation but the one which is remarkably similar to the Western one.

The third and last part of this division are ‘**cleft countries**’ - lands which are stuck between two civilisations; with large groups of people falling under separate civilisations. There is few clear-cut examples of cleft countries: India (Hindu-Muslim), Benin, Chad, Nigeria, Tanzania (Islam-Sub-Saharan Africa), Guyana and Suriname (Hindu-Sub-Saharan African) or Taiwan (Sinic-Japanese) but the most interesting and most important for this thesis is case of China and Russia.

Both countries are perfect examples of cleft lands, countries stuck between civilisations and having borders of conflict not only on the edges of their lands but also within country. China is cleft between Sinic and Buddhist Civilisations (mainland China, Tibet) and Sinic and Western Civilisations (in case of Hong Kong and Macau) whilst Russia could be roughly divided into Western and Orthodox part. What’s more, there are 300 particular nations living in Russia and some of them fall under Sinic, Buddhist or Muslim civilisations²⁰.

These two countries for centuries have not only been torn ones, they have also been core states, which means they were base for other state of the same civilisation. This also means that both **Russia and China are the strongest representatives of their civilisations and thus willingness of being the most powerful among most pivotal in the world is extremely intense.**

For the countries so strongly divided and sharing one of the longest land borders in the world with extremely different civilisation future conflict seems to be inevitable.

2.4.3. The Case of China and the Core of Divided Russia

China historically formulated Sinic Zone of influence, which (besides Chinese territory) included: Korea (조선), Vietnam (*Cộng Hòa Xã Hội Chủ Nghĩa Việt Nam*), the Liu Chiu Islands (琉球) and other non-Chinese nations (Mongols, Turks, Tibetans) which had to be controlled for security reasons. There was also outer zone of ‘barbarians’ who had to pay tribute to China.

Contemporary Sinic (sometimes also called Confucian) Civilisation is structured in the same manner. There is a core framed by territories of Mainland China, then the outlying provinces, which possess their own autonomy but are still part of the country. There are also provinces heavily populated by representatives from other than Sinic civilisations, which are legally part of China: Tibet (西藏) and Xinjiang (新疆). There are also states increasingly Beijing (北京) oriented

²⁰ Studying individual nations and ethnic history of Russia have been major issue for many scholars. For country so big and variance differences between people living on the Eastern and Western borders are enormous, thus ethnical identity is pivotal for them. (Mastyugina, Perepelkin, 1996).

(Singapore (新加坡)) and lands which are likely to become part of China but on specified conditions (Hong Kong (香港), Taiwan (台灣)). Thailand, Vietnam and Malaysia have giant Chinese population and thus are also subject of Chinese influence²¹. Even though some of these regions belong to other than Sinic Civilisations, China as a core state attracts them and makes somehow dependent.

The source of Chinese Identity and its self-minded orientation has been implemented in its culture centuries ago. Chinese name of this country zhōngguó (中国) can be translated as a ‘Middle Kingdom’, where ‘middle’ means rather ‘central, most important’ than ‘in between’. This meaning derives from Chinese Calligraphy and is well-known in contemporary China²².

Nowadays the Chinese Government sees mainland China as the centre of the Chinese World, toward which ‘all Chinese communities should orient themselves’ (Huntington, 1996, p.169). This concept as well as Chinese Identity are heart of Chinese influence in the modern world.

Traditionally in China there was no strict distinction between domestic and foreign affairs. The outer world was seen as a prolonged internal world, with the same rules and responsibilities. As Chinese world view reflected Confucian vision, foreign monarchs were assumed to be tributaries of the Middle Kingdom. Chinese believed that as there is only one Sun in the sky, there can be only one Emperor, and all of the others must subordinate. Concept of hierarchy is still acceptable in China thus, ‘European-type hegemonic wars have been absent from East-Asian history. A functioning balance of power system that was typical of Europe historically was foreign to Asia’ (Huntington, 1996, p.234).

The level of Sinocentric international relations varies dependently on the share of Confucian Culture and historical correlation of the state with Mainland China, but nevertheless China tends to provoke this kind of relations with any state.

All of these features of Sinic Civilisation are of paramount importance especially when it comes to relations with other neighbouring civilisations.

Russia, as a state, is an example of a country that has been torn between major civilisations for centuries. It dates back to the time of Peter The Great, who, as mentioned before,

²¹ For instance, in early 1990 Chinese were roughly 10% of Thailand (ราชอาณาจักรไทย) population but owned 9 out of 10 biggest companies and were responsible for half of country’s GNP.

²² In Mandarin Chinese word ‘China’ consists of two characters: first standing for ‘middle’ and second for ‘country, state, kingdom’. Crucial character is first one: ‘中’ because original form of this character resembled a flag on a pole standing in the middle of a circle; the flag standing in the middle of the world. This meaning was used to establish a name of the country, which in the Western World is known as ‘China’. (Lo, 2010, p. 86).

was the first to westernise the country. As Russia is also a core state of its civilisation, choosing western culture instead of orthodox one would have serious results in the future; Orthodox Civilisation as such would vanish. Recently, especially after the collapse of the Soviet Union this issue has been a matter of a much debate. Nevertheless Russia still seems to be stuck between Orthodox and Western Cultures and as this situation does not change, some scholars do find this duality a part of Russian National Character.

Russia, as a core is closely linked with many of former Soviet Union States as well as the states which share Orthodox Civilisation with them. Countries such as Belarus (*Беларусь*), Armenia (*Армения*), Moldova (*Молдова*) or Kazakhstan (*Қазақстан*) (with 40% Russian population) are strongly related with the core. For instance, **Belarus or Armenia besides their individual, independent names do not have many on their owns**. All their economic, political and financial decisions are conditioned by Russians. Russia 'is creating a bloc with an Orthodox heartland under its leadership' (Huntington, 1996, p.164) and thus, expects the world to accept this situation. The relations between Russia and Ukraine, Belarus and Central Asia States have been tied up recently. In the 21st century Russia is trying to build even closer relationship with these states than during the Soviet Era. According to some, it acts as an **Negative External Actor** against newborn republics in order to increase its influence in the region. Russia wants to make them dependent both economically and politically²³. This behaviour has its source in **Russian Mentality** and in a long record of Russia being an empire and then a Soviet superpower. It is also behaviour inflicted upon China, which is increasing its crucial role in the world and would like to spread its influence in Non-Sinic world.

Russia, thanks to its geographical position, amount of land and remoteness from attacks of other nations and centuries of playing role of an autonomous great power in the global system still believes in its hegemonic destiny. Russia competes with China and United States and tries to play

²³ According to Jacob Tolstrup (2009), Russia has a long record of interfering directly in pre-election campaigns by supporting favorite candidate. Ukraine's parliamentary election in 2002 and its controversial presidential election in 2004 are examples of such support. In 2002 Russia intervened in the elections to back the incumbent President Kuchma's (*Леонід Данилович Кучма*) supporters. He was turning towards Russia and for Russia it seemed quite important to keep him in power. During that time Russian TV channels (watched widely in Ukraine) were openly discrediting all parties that were not favoured by Kremlin, and parties which supported Kuchma were propped up financially. In 2004 nor Kuchma neither his heir Yanukovich (*Віктор Федорович Янукович*) were doing good, so then president of Russia openly supported Yanukovich and Russian government spent around 300 million dollars on bribes, vote buying and campaign management. Then, after this rigged elections Russia keeps on intervening - elections were approved and legitimised by CIS Monitoring Organisation. This happened in 2002 and 2004 in Ukraine, in 2005 in Uzbekistan (*O'zbekiston*) and Tajikistan (*Тоҷикистон*) and in 2006 in Belarus. It also influences on these countries economically: since 2002 Russia has forced Armenia to either hand over strategic assets or repay its 94 million debt. Since Armenia completely depends on Russian gas and has no money to repay the debt it resulted in selling to Russia its atomic and hydroelectric power plants, all the country's electric grid and pipelines. There's also a long term agreement that Russia controls all the Armenian's railways.

an important role in the world economy. As China does not play in the 'balance-of-power' game and Russia also would prefer hierarchised world system, future is unstable. Both countries see themselves at the peak of the pyramid of subordinating countries. **Unfortunately, as Chinese say, there is no two Suns in the sky.**

Relations between countries, which are core states of different civilisations are always intense, because they are not only real, but also basic. When it comes to Russia and China their relation seems to be even tougher to maintain as they are neighbours so clash of these civilisations take place not only during official political talks but also in everyday life of their citizens. As both Russia and China want to increase their importance in the world economy, they have to cooperate and keep their relation balanced (Huntington, 1996).

2.5. Theory of Dependency and its Heir

The concept of interdependency between particular states gained its popularity in the second half of the 20th century as a result of (or maybe rather as a reaction to) Theory of Modernisation²⁴ which emerged as the aftermath of World War II.

Both theories are based on the conception of human progress and are relatively new. Theory of Dependency stands in opposition to the Theory of Modernisation which simply held that each and every state and society develop through the same stages and thus, helping underdeveloped areas will result in them taking the right path of development and closer integration into the world market.

Theory of Dependency in its core emphasises the role of dependency relation between two types of states: the centre/core/developed and peripheral/underdeveloped²⁵. Raúl

²⁴ Both Theory of Dependency and Theory of Modernisation are part of so called Development Theory which, still, as an International Relations Theory is developing. Good source of the direction of its nowadays development is book written by the professor Pieterse (2009).

²⁵ There is a crucial difference between the condition of 'undevelopment' and 'underdevelopment'. The former refers to a state when resources have not been used or simply are not developed. Underdevelopment refers to a condition when resources have been used but are not fully developed, which might indicate misusing of the resources (Soanes, 2011, definition of 'undevelopment' and 'underdevelopment').

Prebisch²⁶, who might be called the father of Theory of Dependency, noticed that economic growth among industrialised and developed countries not necessarily leads to progress in the poor countries, but usually works in opposite direction: causes serious economic problems. The explanation given by Prebisch was quite simple: poor countries were the ones to export primary commodities to developed countries, which manufactured secondary products and later exported them back to underdeveloped countries. As the secondary products were far more expensive than primary commodities, poor countries could never earn enough from their exports to repay for the imports. According to some scholars, this situation continues in modern Sino-Russian trade balance.

Theory of Dependency gave new explanation to the persistent poverty of some countries. As this theory had two separate traditions they were detecting both the solution and source of the situation as a consequence of different factors. Marxists would find it as a result of capitalist exploitation and would argue that development in peripheral states as such is impossible whilst Structuralists would search for the source of the situation within the poorer states and would claim that development of these countries is possible in the near future. Both groups stated that at the centre of the relations between centre and peripheral countries was inability of the latter to process a technological innovation which would lead to significant progress in economic growth. The main obstacle on the way to real development of the peripheral states is inability to borrow from global markets in their own currency (Vernengo, 2006).

Some of the assumptions of this theory, to the larger extent, are shared with **Marxist Theory of Imperialism**. Both conceptions state that all the political and economic powers are concentrated in the developed areas, and thus, governments of industrialised areas will protect economic interests of their countries. The main difference between two theories is what they really explain. Theory of Dependency explains underdevelopment, which is a consequence of imperialism, whilst Marxist Theory of Imperialism explains expansion, which is the reason why imperialism occurs (Ferraro, 2008, p. 58-64).

Evolution of these theories gave birth to **World-system Theory** which, as the globalisation grew, displaced bilateral relation between industrialised and peripheral states with more complex and less centralised multilateral relation. This theory divides the world into three areas of core, semi-peripheral and peripheral states and stresses the importance of international division of labour and goods. In the modern globalised world it is hard to distinguish local from global and decide which one infiltrate the other. During the times when China is rising and is becoming the most

²⁶ Raúl Prebisch was an Argentinian Economist, widely known for his contribution to the Theory of Dependency and so called Singer-Prebisch thesis.

powerful state in the global market it is of paramount importance to keep in mind that decisions made in Beijing may affect whole world-system and change local decisions in any other state.

2.6. Russian versus Chinese Communism²⁷

Both the Soviet Union and China are two major states in the world history that practiced (or still practice) a form of communism²⁸. Even though sources of this regime in these countries as well as their situation in the beginning of the 20th century were similar, the regimes differentiated from each other. These countries used a different way of understanding one's thoughts and dreams. What made Chinese way more durable and why this system collapsed in the Soviet Union?

The political situation in both China and Russia before revolutions were almost the same. Both countries suffered from weak rulers and disgruntled citizens. China had been a monarchy for millenniums, and dynasties had ruled it since ancient times. At the beginning of the 20th century the Chinese Emperor Guangxu (光绪帝) had died and the only male children in the family who was left behind was his three-year-old nephew Pu Yi (溥仪), who was supposed to rule the country with his grandfather, Prince Chun (醇贤亲王) as a regent. At this time China needed modernisation and a strong and self-confident monarch to overcome the country's crisis. Unfortunately Pu Yi couldn't deal with it.

Russia was also a country of absolute monarchy for centuries. Beginning of the 20th century was crucial for the country, at this time Nicholas II (*Николай II Александрович*) ruled Russia, but despite his good will and ruling skills he could not do much for the country. Discontented people, stirred up by his father Alexander III (*Александр III Александрович*) were about to burst. Their anxiety increased when Nicholas II conducted expansive wars and political involvement with religious leaders of the Church. Actually, these exhausting wars, which Russia could not really handle destroyed the trust which masses of workers and peasants have put in him and in the country

²⁷ Communism as such is not a Theory of International Relations, but Marxism from which it somehow derives is. In author's opinion, highlighting the difference between Chinese and Russian development of communism might help understand the way both countries 'behave' nowadays. Although this section might seem to be not perfectly fit in among other parts of Chapter. 2 it is reasonable to place it here.

²⁸ Communism is a political theory derived from Karl Marx, advocating class war and leading to a society in which all property is publicly owned and each person works and is paid according to their abilities and needs. (Soanes, 2011, definition of communism).

as a whole. Chinese history of that period is somehow similar. Country was in time of almost permanent war until 1949. These were both civil and international wars, e.g. against Japan.

When it comes to religious status of both countries situation was different. **Religion is one of the sources of differences between Russian and Chinese communisms.** China was under influence of Confucianism, which is based on the teachings of Confucius (孔夫子), who is considered as the first Chinese teacher²⁹. He taught people that they should live a life which could somehow help the society; the life society could benefit from (Dirlik, 1989). Russian state religion for almost a millennium has been the Greek Orthodox Church, which is the second largest Christian denomination. Believers should live their life closer to God and suffer their life to become better people themselves. This statement creates the main difference between Russian and Chinese religions: **Chinese believe that society should benefit from one's life and Russians need to live their life more for themselves.** That might be the social source of differentiated evolution of the communism in these countries.

Russian version of communism ignored basic human needs and desires. There was no private property as such, expressing of thoughts was somehow forbidden. The communism supposed to be the regime which was created to increase the satisfaction of the citizens, but it did not work in Russia. Having no private property did not stimulate people to work efficiently. When everything one does is for the sake of country and everyone, despite skills or education earns similar salary, people have no incentive to achieve their goals. They feel stagnated and so is the country: stimulation for the economy comes from the people. During Soviet Times, Russia was technologically underdeveloped, which was a result of stagnation of the nation as such. Only Gorbachev (*Михаил Сергеевич Горбачёв*) recognised that USSR needs some serious transformation and reforms in order to catch up with the rest of the world and to survive in the modern world. Unfortunately it was already too late. It is also believed that dissolution of the Soviet Union was somehow related with religion, culture and upbringing of the Soviet masses. Riots and general dissatisfaction with government or authorities were common in Russian lands for centuries. The opposite Chinese site is different: here children even nowadays are taught to love their country, to bless their parents and to accept everything as it is, which derives from both Confucianism and Buddhism.

²⁹ In Chinese tradition Confucius is not only great philosopher but also first and greatest teacher. The celebration of Chinese Teacher's day takes place on 28th September, the birth day of Confucius.

Chinese were learning from Russian experience. The communism in the Middle Kingdom is much different from the Russian one. Lenin (*Владимир Ильич Ульянов*) believed that revolution should come from the proletariats, who as a social stratum are connected with the cities. Mao Zedong (Mao Ze Dong, 毛泽东) relied almost only upon the support from peasantry, which was the revolutionary class in China and base for newborn society. He thought, unlike Soviets, that changes should come from the least developed layers of the society and only then they should spread among citizens of the cities. As the most of Chinese citizens lived in rural areas³⁰ this idea worked perfectly for the country. Peasantry, which was actually wiped out in Russia increased production in China.

A second major difference between Russian and Chinese Communism is freedom. With Mao Zedong's Cultural Revolution China was able to adopt its tradition and crucial values into the new system. Mao Zedong's successor, Deng Xiao Ping (邓小平) introduced free-market policy. It helped China to stay communism and at the same time it fought the poverty within the country. Thanks to these economic reforms, industrial ones were also far more successful than in Russia. Free-market policy led to a huge increase in quality and quantity of goods sold in China. Creating special economic zones³¹ also strengthened the country's economic development.

As modern China is rising, the communism it provides seems to be successful and actual even nowadays (Treadgold, 1967).

³⁰ This situation remains actual even nowadays.

³¹ Special economic zones (经济特区) are lands within China with special economic policies. Within its borders some kinds of businesses, which are illegal in other part of China, can operate. Currently there are almost 100 different special economic zones within Chinese borders.

冰凍三尺，非一日之寒
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*(bīng dòng sān chǐ fēi yī rì zhī hán); meaning: great things cannot be accomplished in a short time.

Chapter 3. Analysis of Historical Background of Sino-Russian Relations

These are the broad themes: enigmas, dreams,
mythologies, the tyranny of absence,
the shortcomings of language,
deciduous memories,
endings as beginnings.
(Syjuco, 2010, p.47)

3.1. China and Russia up to the Mongol Conquests

Although the main concern in this thesis is with the **Modern Sino-Russian Relations** it must start with a consideration of both Russia's and China's earlier history, for these events exercised a significant influence on nowadays relations. 'Events long past influence subsequent generations through shared recollections of those events and beliefs about their meaning. Frequently such shared memories and beliefs assume mythic proportions: mythic not in the sense that they have no grounding in fact, but in the sense that the shared belief itself is in many ways more important than what actually happened in the past' (Garver, 1993, p.2). **Shared memories shape international relations of all states** but for both Russia and China history is often more important than present events. This chapter is a brief report of history of China, Russia and their relations up to modern times. As the history of these countries covers several thousands of years only key events and major actions are mentioned. In order to make this giant piece of history more clear the detailed timeline file of Chinese, Russian and their Relation History up to the dissolution of the Soviet Union is attached (see: Attachment 1).

China and former Soviet Union used to share the biggest frontier in world history but have not been neighbours up to the 17th century. Where should one seek for the start of China and Russia?

China as an individual civilisation started its history far earlier than Russia. The archeological excavation shows that in the third millennium B.C. in the valley of Yellow River (黄

河), a small nation called Xia (夏) emerged. Even though there is no fully satisfactory evidence of their existence, Xia is implemented and established into Chinese history and historical tradition and thus, Xia Dynasty (夏朝) is considered to be the first to rule China. Although antiquity of the Mesopotamia or Near East civilisations is older, it is believed, that Chinese civilisation is a ‘product of its own indigenous efforts’ (Questaed, 1984, p.11). European (including Russian) civilisations were largely influenced and might have learned from other major cultures. **It is considered that China created the most isolated civilisation** among all great ‘riverine cultures of antiquity’ (Questaed, 1984, p.11).

Xia Dynasty did not last long and was succeeded by the Shang Dynasty (商朝) which developed China. Under their rule China already possessed a sophisticated ideographic system of writing and widely spread its territory. Chinese alphabet of Shang Dynasty times consisted of more than three thousand characters³² and as all ideographic alphabets had great unifying power³³ among nations and individual tribes.

In the 11th century B.C. Zhou Dynasty (周朝) conquered the previous one and implemented feudal system, familiar with the one of Middle Ages Europe. It is also the time when China expanded its territory to the South but as a result broke up into small warring states.

During the era of warring states the greatest Chinese philosopher Confucius was born. He **set the system of Chinese ethics for both the family and the state**; his influence is widely implemented into the culture today and is moulding Chinese attitude up to now.

At that time Chinese ‘technology’ soared and was far more advanced than the one known in Europe; thus was providing inspirations for European growth. It is possible that Chinese different way of thinking and great development was produced by specific ideographic alphabet. This theory is not well investigated by scholars but some linguists believe that using characters instead of alphabet influenced the development of philosophers’ thought in China. They were concerned on more ‘practical’ things than their European counterparts; main interest was in cases such as looking for the right way of living or seeking for the harmony in the world. It may be so that through the specific alphabet, philosophy and isolation the great development of China was possible in the 1st century A.D.

³² Modern Mandarin Chinese consist of almost one hundred fifty thousand characters, but newspapers and books employ only about four thousand of them. Some scholars and sinologists may know up to eight to ten thousand of characters, the others are not in real use.

³³ It is so, because ideographic alphabet shows ‘ideas’ which are shared despite of different languages and dialects. Thus, Chinese influence spreads among nowadays cultures of Vietnam, Korea and Japan.

Fragmented China was unified again in 221 B.C. when Qin Shi Huang (秦始皇) took the title of **First Emperor** and started wide unification of the country: under his rule first rules of written language were set, measure units were standardised and whole system centralised under the one emperor. **‘Since that time China has been always, with relatively short interruptions, a great unified state’** (Questa, 1984, p.14). Later on, under the Han Rule (汉朝), Chinese feudal system was restored and became more similar to centralised system with ‘feudal social and economic survivals’ (Questa, 1984, p14).

Confucianism, which promoted the obedience and harmony was one of the key that cemented unified China. With its strict writing system and centralised government **Chinese Empire is considered to be more advanced than coeval Roman Empire**. Second century A.D. was the time when traditional Chinese view on the world was set. A country of such great isolation, with its neighbours far less developed and Emperor who could do possibly anything must have had strong attitudes. According to historians, the then habitants of this land believed they were the one and only civilisation and thus, that **any ruler of any other country cannot have relations with China on other terms than as its vassal**. In practice, Chinese were quite flexible and ‘in case of need occasionally did treat with other rulers as if they were equal’ (Questa, 1984, p.15).

The collapse of Han Dynasty started the so called ‘Dark Ages’ in Chinese history, the time when decline in economy and social life was so big, that the Chinese Empire was about to break up. Fortunately enough it was re-unified in the 6th century by Sui Dynasty (隋朝) and the ensuing Tang Dynasty (唐朝) led China to reach its highest glory. China widely expanded its territory and covered almost all of its present territory (see: Figure 2).

Figure 2: Map of Asia during the Rule of Tang Dynasty, 700 A.D.



Source: (*Nations Online*, http://www.nationsonline.org/oneworld/map/Chinese_dynasties/Tang_Dynasty_Map (accessed 12 March 2012)).

The Tang Dynasty China eclipsed in both wealth and inventiveness and was more developed than European Byzantine Culture of that time³⁴. Chinese intellectual activity also had its big time; old Chinese traditions gave birth to amalgam of both Buddhist and Confucian thought: Neo-Confucianism.

After the rise there is always a set, and this also happened to China, which economical and cultural burst stopped. This situation let the Mongols conquer China in the 13th century. As they also have attacked Russia in the same period of time it is a perfect moment to trace the history of Russia up to the 13th century.

The greatest disparity between China and Russia of that times is that Russia was not an individual civilisation; it was rather a ‘branch’ of other European civilisations, an eastern, civilised by Byzantine Empire, part. It was always different from the rest of Europe but, on the other hand, all other European states have their own unique features.

The begin of Russia as we know it today dates back to the 9th century, when the country was unified under the rule of Rurik (*Рюрик*), who founded the Rurik Dynasty (*Рюриковичи*), which ruled Russia up to the 17th century. In some features this **First Russian State** was familiar with

³⁴ The most famous and widely known in contemporary world Chinese porcelain craft works had its big time then.

Chinese Xia nation. Unified tribes slowly lost their own identity and built a new common one Russian Nationality. As the rulers of that time were mostly warriors and men spent most of their time in fighting it is believed that this state was not able to build the civilisation of their own: it **‘achieved rapid progress by borrowing from neighboring civilized centers of Southern Europe’** (Quested, 1984, p.17).

Kiev, the city settled on the Dnieper river (*Днепр*) was first capital of the state. As it laid on the major South-North and West-East trade routes it rapidly grew and developed.

Bureaucratically, it had more in common with other European states than with China. The system of ruling was quite complicated and semi-feudal. The royal family divided territory of the country among themselves accordingly to the hierarchy of age. This system did not help the country unify more; on the contrary, it was the cause of main conflicts within the state.

In the 10th century Russia accepted Christianity from Greek missionaries. Certainly it might have been an act of acceptance of ‘higher religion’ but it is rather believed that when in 988 A.D. Grand Prince Vladimir (*Владимир Святославич*) was converted and, at the same time, whole country assumed new religion, the main reason for that was more down-to-earth. Accepting Christianity opened the door for still ‘barbarian’ Russia to civilised European, Christian World³⁵ and Byzantine Culture. The new religion brought new laws, service and acts of worship.

The Orthodox Church is rich with traditions and its way of worshipping is full of music and dignity. This may sometimes cover the main ‘message’ of the Church and the service might be too difficult to follow for some, especially illiterate people. Despite of this drawbacks, the Orthodox Church was widely accepted in the whole country. This situation is on the contrary with Chinese one: Confucius taught people and wanted them to understand what should they do to live a better life, whilst in Russia understanding of religion or philosophy was not that important. **This difference might have had a crucial influence on latter development of these countries.**

In the 11th century Kiev had its big time: with eight different markets and over forty Churches it was one of the most developed cities in whole Europe. As was mentioned before, men in Kiev State were mainly absorbed by ceaseless fighting, the country was divided into the system of semi-feudal parts and there was no central government. All of these caused the decline in economy and loosing power of Kiev. In the 12th century the population and wealth started to move upward, along Volga (*Волга*) river. **It caused isolation of Russia and was the start of its individual and different line of development from the other European states.** The break

³⁵ At this time the Christian Church was officially still not divided into Roman and Byzantine parts. It happened only in 1054 A.D.

between Western and Eastern Christian Church and decline of Byzantine Empire were main causes of the abandonment of Russia by Europe. In 13th century it was invaded by Mongols and this was the time when, according to some historians, Sino-Russian relations of any kind began (Quisted, 1984).

3.2. The Mongols, Ming Dynasty and Muscovy

The Mongol Empire also known as Pax Mongolica began when Genghiz Khan (*Чингис хаан*)³⁶, the most famous Mongol leader of all times, came to power. The Empire was expanding its territory throughout the 12th century and after the death of the leader became the largest contiguous empire in history and second, after British Empire, ever³⁷.

At the beginning Mongols were attacking Northern Chinese Nomad-ruled States but later they changed its expanding direction towards Russia which they defeated in 1223. China was conquered around ten years later and according to some scholars ‘living’ in one empire **gave birth to first rather neither official, nor diplomatic relations**³⁸. Some of the Russian princes were forced to travel to Mongolia to pay homage; there were also Russian prisoner-warriors in Mongolian army. ‘Portuguese traveller Mendez Pinto claimed to have met Russian prisoners or servants of the Mongols in (...) China’ (Quisted, 1984, p.22). **There is no more historical records of Sino-Russian contacts or relations of any kind during Mongol Yoke.**

Mongol rule caused more harm than good to both countries. Economy and general development of both nations were declined.

Fortunately Mongol rule did not last long and in 1368 Ming Dynasty came to the throne in China. A century of foreign rule over China changed its policy towards foreigners for the next 300

³⁶ His name in old Mongol language means ‘precious warrior’.

³⁷ As Pax Mongolica was increasing in size and changing its territory extremely fast, ‘regular’ map would not be able to show the real size and impact of its expansion. Google Earth file can help see and understand all of the actions of Mongols in 13th century (see: Attachment 2).

³⁸ When it comes to finding roots of Sino-Russian Relations, the result may be quite surprising. Russian scholars state that first contact between nations was made in 14th century, but official envoy was sent to China only in 1654 and this event made official contact possible (Скачков, 1977, p.14). Chinese scholars, including Tian Fang Cheng (程天放), (1957, p.15-31), (former Minister of Education of The Republic of China, Taiwan), believe that first real contacts began only in 1689 by The Treaty of Nerchinsk (*Нерчинский договор*, 尼布楚條約). Whereas English scholars do find first important Sino-Russian contacts under Mongol Rule (Quisted, 1984, p. 21-30). As the root of the contacts might be found in names of these countries (both designations ‘China’ in Russian (*Китай*) and ‘Russia’ in Mandarin Chinese (俄国) are directly translated from Mongolian language, which took place during Mongols occupation) author of this thesis decided to take into account possible contacts during 13th century and latter known expeditions.

years and made it more xenophobic than ever before. **This specific inward-looking policy somehow changed the way Chinese looked at the world.** They traded only with nearby South-East Asian countries and all the information about Russia they gained under the Mongol rule most probably was lost. This kind of economy was possible only because of the size of China and variety of domestic market. Accordingly to their name³⁹, Ming Dynasty was bright time in Chinese history. Maybe not as great as couple of centuries before, but taking into consideration over one hundred year of foreign rule, the country did extremely well: significant incline in literature, culture, art and agriculture are only examples of development among all others .

Russia, as a country far less developed and with significantly lesser population, was much more affected by Mongol rule than China. **It was able to cast off the yoke over hundred years later than China, only in 1478.** Mongol rule changed line of Russian development and caused its total removal from European way of growth. Russia raised as a Muscovy, with Moscow as a capital. **From this time on, the history of Russia is a history of continuos expansion.** Second half of 14th century, after collapse of Byzantine Empire was the time when today's Russian world view was laid down. After long Mongol rule country was finally in strong, steady hands and belief that **'Moscow was the Third Rome, with a might imperial and religious destiny'** (Quested, 1984, p.23) began to be common among Russians. Under the rule of Ivan the Terrible (*Иван Грозный*) Muscovy widely expanded its territory and at the end of the 16th century became a great Eurasian power, what even deepened the theory of Russians seeing themselves as a 'chosen nation'.

Even though Russia was doing well it still could not compete with China: the real cultural development was minor and illiteracy was still common. As was mentioned before, European line of development passed Russia by, and so did Renaissance, European economic reforms or capitalism.

As the Rurik Dynasty extinguished at the end of the 16th century, the country became lost in chaos. The Time of Troubles (*Смутное время*) were extremely hard days for Russia. Fortunately enough, its cultural and economic development was reset up under the rule of forthcoming Romanov Dynasty (*Романовы*), which was the second and last monarch dynasty to rule Russia. First part of the 17th century gave Russia opportunity to become a more international country: it was trading with England, Central Asian States and even Nomads. **Unlike China, Russia professed European way of international relations and international trade**, which was based on equality

³⁹ Ming (明) in Mandarin Chinese consists of two parts. First (日) meaning 'Sun' and second (月) meaning 'Moon'. As these two objects are brightest among all others in the sky, word 'ming' means 'bright, enlightened, brilliant'.

of the trading states. It was also the time of great eastern expansion, especially towards Siberia (*Сибирь*), which played an important role in future Sino-Russian relations.

It is hard to state when Russia re-learned about the existence of China. It is possible that this knowledge has never been lost. Under the rule of Ivan the Terrible there were plans to open a trade route to China, but it remained only an imaginary idea, even though 'Lithuanian and Polish merchants were allowed free transit of goods to China' (Quested, 1984, p.26).

It was a time when China became more popular among European nations. British representatives were trying to get the permission to open a trade route to China through Russian territory, but they failed as Russia preferred to leave this route only for its citizens. This situation was the main reason of Anglo-Russian rivalry which brought Russians to an even bigger Asian expansion.

In 1616⁴⁰ some of the Muscovy representatives were sent to China. Even though they 'failed to meet any of Chinese, they reached their destination and reported back that China was a powerful, wealthy land, rich in satin, velvets, silks, gold, silver and grains' (Quested, 1984, p.27). This information made Russians investigate China more. **From this time, the history of the 17th century Russo-Chinese relations was the history of Russian request and Chinese respond.**

3.3. Relations under Tsars (1547-1917)

First official Russian expedition was sent to China only in 1618 and this time it reached Peking⁴¹, but unfortunately could have stayed there only for four days. The reason for that was quite fair-minded: when Chinese Emperor figured out that this Russian embassy did not come in order to pay a tribute and become vassal of China it made them leave the country. Although short, this visit let Russians gain some fresh information about its future neighbour. The most hilarious part of the expedition was the letter from the Chinese Emperor to Russian Tsar, which laid unread for around 56 years (sic!). **Clearly, Russians were not that interested in what Chinese were about to say⁴².**

The first half of 17th century made Russians interested in something, what seemed to be more profitable: Siberia. In around 50 years they were able to conquer all of the no man's land,

⁴⁰ According to R.K.I.Quested.

⁴¹ 'Peking' is a former English name of the city of Beijing. The old name is a result of first romanization whilst latter is just phonetical record of Mandarin Chinese pronunciation.

⁴² This and latter letters from Chinese Emperor were an invitation to pay a homage to the emperor and become Chinese vassal.

settle cities of Yeniseysk (*Енисейск*), Krasnoyarsk (*Красноярск*) and Yakutsk (*Якутск*), and reinforce their position in the region. Conquering Siberia made them closer to China than ever before.

One may say that strings with China became too tight; especially when Russian expedition reached Amur River (*Амур*, 黑龙江) and was trying to go even further in its expansion. Russian expeditions to Far East have not been different from western colonizations of that times. Russians were invading the lands and made the native tribes and nations pay the tribute in furs, grains or silver. The only problem they did not realise about, was that some of the lands they were about to conquer were already paying homage and tribute to the Chinese Emperor. As they did not will to pay double or to betray their emperor they reported about this situation, which led to the first Russo-Chinese battle in 1652⁴³. This time Russians won, but it did not help the situation, and relations between nations were extremely tensioned. As Russians, under the rule of Tsar Alexis of Russia (*Алексей Михайлович*), wanted to attain regular trade relations with China they had to act somehow. In the next 30 years several Russian expeditions were sent to Peking in order to allow free trade between countries (see: Attachment 1)⁴⁴. Even though the Russo-Chinese trade existed it was Russians who needed Chinese more. As the expeditions were not well prepared culturally, most of them failed⁴⁵. The general motivation of Russians was not to explain the situation on the Amur but through trade earn as much money as possible. In order to achieve that, they were also trying to tie other relations and thus, in 1880 some Chinese experts were sent over to Moscow to build modern, Chinese-style bridges. Nevertheless at the end of the day, the situation on Amur had to be somehow solved.

It happened only on 27th August 1689, the day of two big events for Russia. First was coming to power of Peter the Great, and second the first Russo-Chinese Treaty, **the Treaty of Nerchinsk, which released main tension between countries for the next 170 years.**

⁴³ As the Ming Dynasty was overthrown by Qing Dynasty(清朝) in 1634 the battle may be called Russo-Chinese even though, some historians call it Manju-Russian battle. Qing Dynasty was Manju Dynasty and under its rule China expanded its territory far North. From this time Manju (满洲) nation and Han (Chinese) nation formed one, Chinese country. Name Manjuria (满洲) refers to North part of China, the land which is the home of Manju people.

⁴⁴ It is worth to notice that at this time Qing Dynasty did not link Russians coming from Moscow in an official expedition with the ones they had to fight in Manjuria (Amur Area). The linkage was made only before the Treaty of Nerchinsk.

⁴⁵ It is believed that some of the Moscow representatives were banished in China as a result of their barbarian behaviour or not proper behaviour in front of the Emperor.

According to the treaty Russia gave up Amur lands as far as the Stanovoy Mountains (*Становой хребет*). In Chinese point of view, signing a treaty which was not a vassal one was somehow departure from tradition, but they believed they have beaten up Russians. The other side was happy to exchange a piece of unneeded land for an access to a lucrative Chinese market.

Despite of the fact that for the first 34 years of Peter the Great regime Russia was in time of instant wars on its western or southern borders, Sino-Russian trade grew dynamically. Directly after Treaty of Nerchinsk numerous trade caravans were send over to Peking, some of them even succeed in seeing the Emperor and exchanging gifts. Maintaining steady relations resulted in founding **Russian Language School in Peking**, which was a step forward of Chinese in order to more clearly understand its neighbours. Unfortunately, most probably by the lack of teachers, there was no Chinese school settled in Moscow. There was also first Russian consul permanently settled in Peking⁴⁶, but no Chinese consul in Moscow.

The base of the trade was Russian fur and Chinese cloth, which was highly demanded in Petrine Russia. As tsar was fighting with some Russian traditions and was forcing people to change their way of living into more European, the new clothes and items were needed. Luxury Chinese goods, such as gemstones, spices or tea were easily sold within Russian borders.

Reforms of Peter the Great put Russia back on the European track of development and opened it for other European states. During this time Russia reformed almost everything from its alphabet, through behaviour up to military. Tsar was trying to deal with common illiteracy and brought 'new age' to Russian culture. As a consummation of his actions he built the new capital of Russia, Saint Petersburg, which strongly reminds other western European cities⁴⁷. 18th century in China was on the contrary: the Kangxi Emperor (康熙帝) also reformed his country but this reforms were extremely conservative. They aimed in strengthening China 'in its existing mould with its existing technology, and taking no account of the inevitable military weakening of China'(Questa, 1984, p.49). **Unfortunately being closed country was not a solution anymore.**

Both countries wanted to attain a steady relations: Russia in order to allow free trade and China as a guarantee of firm northern borderline. In 1728 they signed **Treaty of Kyakhta** (*Кяхтинский договор, 布連斯奇條約*), which by some scholars is seen as a final incorporation of Russia into Chinese foreign affairs. This treaty was a significant international act; it not only

⁴⁶ Settling permanent Russian consul in Peking was a prestige. Even most loyal states of Korea and Japan could not have permanent consuls within capital borders.

⁴⁷ Petrine times are extremely interesting not only in Russian but also in Sino-Russian history. Gaston Cahen in 1914 wrote great book about relations between countries under Peter the Great, which is even more interesting nowadays according to its specific linguistic relish. (Cahen, 1914).

covered trade and borderline issues but also the conduct of diplomatic correspondence between countries and some other minor cases⁴⁸. Signing this treaty allowed balanced relations for the rest of the 18th century.

In the first part of the 18th century monolateral Russian expeditions at last became bilateral, as the Peking exploration took place⁴⁹. Later on, the bilateral trade continued, but according to grand thefts and fraud made by Russian side it was declined and banned in the second half of the 18th century. As this situation was uneasy for both and caused giant annual losses for Russia, they must compromise. It resulted in an 'edict of Qianlong (乾隆帝) in 1792 ordering the resumption of trade on the terms of seven years previously, with a new proviso, that debts between merchants should be settled annually (an immemorial custom amongst Chinese)' (Quesled, 1984, p.59). This would not be such a big compromise for Russia if we did not highlight the fact that **this edict was first** (and until now, last) Sino-Chinese formal agreement, where wording may indicate that **Russia is recognised by Chinese as their vassal.**

It seems that actions speak louder than words, at least for Russia, which decided to sign it in order to save its trade connections. It could not also really focus on Chinese issues as Russia was suffering from problems with other states.

Next several dozen of years were kept in low intensity of relations, but still, starting with Qianlong edict, Russia was the country with much stronger position. It was still westernising its citizens, expanding its territory, absorbing new traditions and gaining new citizens. As these were the main issues for the country, relations with China must have become peripheral. **This was also in the interest of China, which during the 18th century was quite stagnate.** It remained isolated from the rest of the world, with no industrial revolution to come and rescue it, with 300 million citizens and growing poverty in several provinces. It was also expanding its territory and became more multinational than ever before, which was also an important case for a country so not used to other nations. China was also underdeveloped military, unlike Russia which was always⁵⁰ taking care of its military forces.

In late 1720's situation in Russian foreign affairs became steady enough so the government could put some of its interest in Asia again. **The Asiatic Museum was opened** in Saint Petersburg,

⁴⁸ For instance, Russo-Manjurian marriages were forbidden.

⁴⁹ Unfortunately archival documents about this expedition are not available for non-Chinese scholars.

⁵⁰ This situation remains up-to-date even today.

there were some articles about China in Russian journals, and on the whole, wider attention was paid to Chinese issues, especially when it comes to knowledge, science and language⁵¹.

Russians, again, were trying to re-establish vivid trade connections with China, and made several diplomatic approaches to Peking in order to change the law in their favour. They succeed in 1851, when Treaty of Kuldja (*Кульджинский договор*, 伊宁⁵²) was signed. It allowed ‘Russian merchants to trade and Russian consul to reside (...) for eight and half months each year’ (Questaed, 1984, p.69), which actually was what Russians were fighting for.

Later on, Russians were trying not only to improve their trade but also to bite off a piece of Chinese land. This situation had its peak in the years 1854-1860, when Russian expeditions and military forces were send down to Amur River. Russians claimed that they were only protecting these land from British or French invaders, but the truth was, they wanted to keep this area for themselves. In the end, they signed the **Convection of Peking** (*Пекинский трактат*, 北京条约⁵³) between British, French, Russian and Chinese, which annexed Amur Area as well as the Maritime Province to Russia. This Treaty was unequal one and as the borders appointed then were not strict, it was the source of future trouble and conflicts for both Russia and China.

Following thirty years changed nothing in the relations. Russia was still gaining its power, especially military and industrially. Later on, by 1914 it became **one of the four biggest heavy-industrial powers in the world**. China was still immersed in its solitude, but at the end of 19th century it changed its policy and opened a little to the world. From this time Chinese students were allowed to study abroad, and dozens of them were sent each year to numerous universities in the world. Another important step of Chinese were to allow Han People settle in Manjuria, which helped balance population and moods amongst citizens. ‘To the surprise of the outside world, Chinese generals rapidly reconquered Xinjiang in 1877’ (Questaed, 1984, p.81), which until now is a problematic area for China.

Despite of all these movements, the most significant and most notable connection between states was not, for the first time in history, neither made in the field of diplomacy, nor trade, but infrastructure. By 1894 Russians started to construct **Trans-Siberian Railway** (*Транссибирская магистраль*), which until today remains the longest railway in the world. As the plan was to build

⁵¹ The history of Russian Sinology has its roots in the 17th century. This problem is widely described in Skachkov’s (1997) works.

⁵² As the treaty had no official Chinese version, there’s no one proper name of it in Mandarin Chinese.

⁵³ China was then in the middle of II Opium War (*Вторая Опиумная война*, 第二次鸦片战争) and thus, emperor was forced by invaders to sign the treaty.

the railway also through Chinese territory of Manjuria, countries had to cooperate somehow. In 1896 they signed the treaty, under which China let Russia build the railway on its territory, and Russia, in return, undertook to defend China against Japan.

The issue was of a highest importance and thus, a new Russo-Chinese Bank was established, and both countries invested huge amounts of money in the construction.

Regular passengers traffic on newly built **Chinese Eastern Railway (CER, *Китайско-Восточная железная дорога, 东清铁路*)** started in 1903, two years before the revolution in Russia. This joint venture of Russia and China was a big success in the history of Sino-Russian bilateral relations.

The time was passing by and times changed. Revolution in both countries changed the regimes and both Russia and China needed to find a new way to communicate which, as the history shows, was not so easy.

3.4. Soviet Russia and Divided China (1917-1949)

The end of 19th century made China not only theoretical but also a real political problem for Russia. On one hand the cooperation, which succeeded in building CER was lucrative for Russia, but on the other hand Chinese were a serious ethnic threat for Russian Far East (RFE, *Дальний Восток России*). On one hand Russia settled cities within Chinese borders and had port naval base in Port-Arthur (now known as: Lüshunkou, *旅順口区, Порт-Артур*) but on the other, various circles of Russian higher society were afraid of sinification of Russian territories, which in time being was not unfounded as one third of inhabitants of Russian Far East were of Chinese origin⁵⁴. In order to change that, Russian citizens were forced to settle in this region, which in tandem with some special laws against Chinese immigration, significantly changed the composition of population in the area.

All in all, 20th century brought tightened Sino-Russian relations and bigger then ever before changes in world system. **It started with a Russian Revolution of 1905, followed by Xinhai Revolution (辛亥革命) in China in 1911.** Both revolutions overthrown the monarchies, and led to establishment of communism in 20th century Russia and China.

⁵⁴ It is believed that nowadays people of Chinese origin constitute one fifth population of the Russian South Far East.

As in the first years after the revolution countries had to focus on their own domestic issues and establishment of the government and new system, there was not much space for interest in foreign affairs.

At the beginning, countries chose a different path of development, different economic system, which somehow, in thirty years, brought them to the same point. Xinhai Revolution divided China into parts: the most powerful of them, already in 1911 established Republic of China (ROC, 中華民國), which with its leader Sun Yat Sen (actually: Sun Zhong Shan, 孫中山)⁵⁵ chose democratic path⁵⁶. Beijing became the capital of ROC, but even this could not help in total unification of the state. In 1921 **Chinese Communist Party** was established and in following years gained thousands of its followers. Democratic state was ruled by internationally recognised but powerless party called Guo Ming Tang (中國國民黨), which had to face civil war against Communism. Under the rule of Chiang Kai Shek (actually: Jiang Zhong Zheng, 蔣中正)⁵⁷ ROC was able to reunify the country, but only for the short term. As the Communists were rising, and Second Sino-Japanese War (中国抗日战争) caused death of more than 20 million of Chinese civil, and was followed by another Chinese Civil War in 1947 the Republic of China had to leave mainland China. It settled in formerly Japanese Taiwan which up to now is under the rule of ROC. After the war of 1947, and victory of Communists, former **First Secretary of the CCP Mao Zedong** on 1 October 1949 established People's Republic of China (中国) we know today (Curtis, 2001, p.115-143).

Revolution of 1905 in Russia did not immediately change the regime of the country. Only second revolution, or rather the second wave of the revolution did, and started the seventy-four-years-period of Communism. Between late winter and early fall of 1917 Russian Revolution

⁵⁵ Sun Yat Sen, as a controversial person in Chinese history had many names. Names changing helped him stay alive in transitory China. Sun Zhong Shan became popular only after establishment of ROC and is nowadays one of the most recognizable in Chinese culture name of Sun Yat Sen. Other his names are as follows: metrical name Sun De Ming (孫德明), school name Sun Wen (孫文), so-called 'milk name' (the name given by the family to the offspring which was not officially registered) Sun Di Xiang (孫帝象), Baptist name Sun Ri Xin (孫日新), courtesy name Zai Zhi (載之), Japanese name Nakayama Sho (中山樵). In modern Taiwan he was also given two honorary names: Guo Fa (國父), which can be translated into English as a 'father of the nation' and Xian Sheng (先生), which simply means 'mister, husband, master'.

⁵⁶ Republic of China widely known as Taiwan in its own specific calendar counts the years from the day of the establishment of republic (10 October 1911), even though Taiwan became its territory only in 1947.

⁵⁷ Chiang Kai Shek was first president of ROC based in Taiwan and first president of National Chengchi University at which author of thesis had a chance to study.

overthrown the tsarist autocracy and led to creation of the **Soviet Union**. Only after that, when the base for new state formation was settled, Russians could have look around and not only expand territory of their new country, but also take care of the foreign affairs. Under the leadership of Lenin ‘the Bolsheviks (*большевики*)⁵⁸ with a small force of soldiers and workers toppled the Provisional Government (*Временное правительство России*) and proclaimed the **world’s first ‘worker and peasant state’**’ (Quested, 1984, p.90). Changing regime into socialist made Russia more Eurasian state. **All attempts of westernisation made through the last two hundred and fifty years were lost.** Ideologically and politically Russia was isolated from capitalist Europe. Russia, like China also suffered from the Civil War. Bolsheviks were attacked by the followers of old regime supported by USA, Japan and Great Britain. Unfortunately even international support could not help and Bolsheviks led to victory in 1920. These events isolated Russia even more from the western world, so seeking friendship in Asian China was totally justified.

Not only was Russia seeking partnership in China. Sun Yat Sen in early twenties felt unsecured and was asking Russia for military help, which he received. The first of many Treaty of Friendship (*Договор о дружбе*) was signed in 1924 but unluckily enough, Russia was also helping the other side of the fence, Chinese CCP⁵⁹, which was one of the major causes of establishment of the Communist State in China. The first event which really united the countries in 19th century, was the reason of first serious conflict in 20th century. In 1929 ROC seized the CER for itself. Soviets did not have to wait long and put much effort to it as they easily forced Chinese to restore the administration of the railway. In the military conflict a couple of thousands of both Russian and Chinese civil died, and it reminded China, that the Soviet Union was an extremely powerful military.

Death of Lenin brought to power a new, even more powerful and ruthless **Joseph Stalin** (*Иосиф Виссарионович Сталин*) who made the Soviet Union stronger. The first policy of Stalin was to subordinate every other state and therefore make Russia the dominant, strongest one. As the revolution in China was rising, Stalin changed Russian policy towards it and accepted China as an individual communist state to be. On the other hand, all of the major and most significant members

⁵⁸ The word ‘Bolshevik’ derives from Russian ‘*большинство*’, and means ‘majority’. Bolsheviks were the faction of Russian Social Democratic Labour Party (*Российская социал-демократическая рабочая партия*).

⁵⁹ This behaviour was not precedent. During building of CER Russia was negotiating at the same time with China and Japan, and did not care about earlier arrangements and contracts, being interested only in better offer. It is of paramount importance to keep this situation in mind, as the history repeats itself in 21st century when Russia and China try to cooperate and build a pipeline (Chapter. 5, section 3).

of CCP were trained in Moscow and thus, Stalin might have somehow controlled revolution in China⁶⁰. Soviets wanted not only to control revolution, but also to support other Soviet states and to show China how powerful they were at that time. The region of Xinjiang was always problematic for China and in 1934 it became a major problem of its domestic affairs. As a part of Chinese Civil War, Xinjiang under the rule of Sheng Shi Cai (盛世才) was trying to gain its full independence. As Sheng was pro-Soviet leader, the Soviet Union helped him achieve his goals. In 1934 Russian troops invaded Xinjiang and in the battles of 1934 and of latter war of 1937 **Xinjiang became republic under strong influence of Soviet Union**. Chinese were dismissed from the region and up to 1950 Xinjiang reminded an independent state⁶¹. Ironically, during the war of Xinjiang, Soviets signed with China the Sino-Soviet Non-Aggression Pact (*Советско-Китайский пакт о ненападении*, 中苏互不侵犯条约), which actually changed nothing in their relations. During the Second Sino-Japanese War Soviets were still helping not only Xinjiang rebellions but also Chinese against Japan. They mobilised massive 1.5 million soldiers in the invasion of Manchuria, where last Japanese troops were settled. As the World War II and Sino-Japanese war (which was a part of it) ended in 1945, Soviets and China had the biggest losses in citizens among all other countries and China was about to become a communist state, their future relationship was painted in a gloomy picture.

3.5. Sino-Soviet Alliance, Chinese Cultural Revolution and Collapse of the Soviet Union

When Mao Zedong established People's Republic of China⁶² the leadership was concerned mainly in ensuring its national security, gaining power of the country and developing the economy.

⁶⁰ Especially for training leaders to be of the subordinating states and China, two schools were settled in Moscow: The Communist University for the Toilers of the East (*Коммунистический университет трудящихся Востока*) and Sun Yat Sen University for the Toilers of China (*Коммунистический университет трудящихся Китая имени Сунь Ятсена*). Both schools did not last long, but happened to train most significant communist leaders of 20th century, such as Vietnamese Ho Chi Minh, the paramount leader of the People's Republic of China Deng Xiaoping and the son of Chiang Kai Shek, the former President of ROC, Jiang Jing Guo (蔣經國).

⁶¹ Today Region of Xinjiang is an autonomous region of People's Republic of China, but Russia still claims it should be under Russian influence.

⁶² From that time, term 'Sino-Russian' or 'Sino-Soviet' relations allies with the contacts between Soviet Union and/or Russian Federation (*Российская Федерация*) and People's Republic of China. ROC, as not recognised as a country by most of the world, is excluded. Unless stated otherwise, this thesis follows this rule.

At the beginning international affairs as such were not in the focus of attention, but as Chinese still remembered the Sino-Japanese War and knew about ally between Japan and the United States of America, they also knew that the only way to secure their national interest is to form a united front with other socialist states, especially with the Soviet Union. Although some of the Chinese leaders believed that balancing Sino-Soviet close relationship with some ties with Washington was possible, **Mao Zedong knew that China has no choice, but to tight up its relations with Soviet Union as close as possible.** In 1950, Mao Zedong negotiated with Stalin the Sino-Soviet Treaty of Friendship, Alliance and Mutual Assistance (*Советско-китайский Договор о дружбе, союзе и взаимной помощи*, 中苏友好同盟互助条约). Under this agreement Russia could have remained its naval bases in China in return for military, economic and technological aid and assistance. It also meant that China accepted Soviet Union as the ‘model for development’. After China participated in Korean War (朝鲜战争) and was placed an embargo by the United Nations, the Sino-Soviet alliance was more real than ever before or ever after in the world history. Such close cooperation did not last long; it melted in growing questions of ideology, national security and development of the states. After Stalin’s death, when Nikita Khrushchev (*Никита Сергеевич Хрущёв*) became First Secretary of The Party Soviet Union was trying to maintain peaceful coexistence with Western World, which China did not really understand. However launching Russian Earth satellite in 1957 confirmed Mao in belief, that the world’s balance of power was in Communists favour⁶³.

Not only ideological issues were purpose of dissatisfaction for Beijing government. They also believed that **the Soviet Union does not support People’s Republic in their attempts to recover Taiwan** and were trying to force a joint naval agreement which would made China subordinate. In addition to that, China did not get any nuclear weapon technology from the Soviet Union. All of that made China change its foreign policy and implement already in 1958 the Great Leap Forward (大跃进), which resulted in dismissing all Soviet advisers from China. For Mao, rooted need of independence and self-reliance outweighed benefits of being junior partner of Moscow.

The 1960s resulted in deeper ideological dispute and Sino-Soviet Split (*Ухудшение советско-китайских отношений*, 中苏交恶) which lasted almost until the Collapse of the Soviet Union. In 1963 China raised the issue of its lost territory through unequal Treaty of Peking.

⁶³ ‘The East wind prevails over the West wind (东风压倒西风)’ is one the most famous Mao’s citation extracted from his remarks to Chinese students in Moscow on 17 November, 1957.

As ‘border consultations’ resulted in no compromise the clash was inevitable. The Soviet military buildup on the border continued even during 1970s. Chinese demands were only pretext to raise the battle. The main reason was somehow deeper: it was the time when real competition between Moscow and Beijing started; **competition over the influence in the Third World and International Communist Movement**⁶⁴. Chinese were accusing the Soviet Union of colluding with imperial United States and as the Soviet Union did not really care about maintaining good relations with China at that time, People’s Republic of China broke up ties with the Soviet Union in 1966 for more than twenty years.

Fact that Soviet Union was no longer a proper socialist state in the eyes of Chinese even worsen the Sino-Soviet relationship and so did Chinese Cultural Revolution, which aimed to enforce socialism within the country. As the result of Cultural Revolution, Chinese besieged Soviet embassy in Beijing and persecuted Soviet diplomats. The problem reached its zenith when serious clashes began at Zhenbao Island (*Даманский Остров*, 珍宝島) on the Chinese border. Some scholars believe that the situation in the late 1960s was so strained, that might have led to **Third World War**. Fortunately enough, the problem was solved after negotiations.

As the Soviet Union was no longer China’s ally, it must have looked for a counterweight to Soviet’s threat somewhere else. In 1970s Washington seemed to be a perfect partner for that. This decision made the Soviet Union try to re-establish ties with China, but without result. Even issuing conciliatory messages after the death of great Mao Zedong in 1976 did not help the situation. As the Soviet Union was increasing its military buildup in Asia, had its troops in Vietnam and Afghanistan (افغانستان) and was still occupying the Sino-Soviet border, China decided that removal of those is sine qua non to establish Sino-Soviet political relationship. Unfortunately the Soviet Union did not fulfil the condition and bilateral negotiations fell through.

1980s brought one more linked with opening up the Chinese economy to the world shift in Chinese foreign policy. China understood that threat from the Soviet Union is rather permanent than short term, and maintaining good relations with the enemy is somehow safer. China re-raised ‘three obstacles’ questions and was trying to negotiate with the Soviet Union. Only second half of 1980s brought ‘wind of change’⁶⁵. Mikhail Gorbachev, last Secretary of the Party was a strong

⁶⁴ It was the time, when the Soviet Union was rising, and China remained in its shadow. As Russians still remember the time of ‘Great Soviet Union’ it is extremely hard for them to accept nowadays world order.

⁶⁵ ‘Wind of change’ is a title of one the most famous song written by ‘The Scorpions’ rock band, which actually reads about Gorbachev’s Russia.

personality and he understood that maintaining good relationship with China is in favour of the Soviet Union. Even before Gorbachev was appointed to a post, Chinese delegations attended funerals of his predecessors, which made Sino-Soviet relations improved in many areas. The delegations were exchanged regularly and technological, students and economic exchanges were resumed.

Only in 1986, at Gorbachev's famous speech in Vladivostok (*Владивосток*), **Soviet Union decided to fully re-establish ties with People's Republic of China**. Gorbachev officially announced partial removal of 'three obstacles' in Sino-Soviet relations and proposed agreement on a border railroad, joint hydropower development of both countries and even cooperation in space penetrating. What was also of paramount importance, he highlighted the fact that further discussions and negotiations with China might be hold at any time and any level. This speech was a major breakthrough in Sino-Soviet split made in early 1960s. It resulted with renewed relations between China and East European Communist Parties as well as the giant leap in Sino-Soviet relations. As the Soviet Union collapsed several years later in 1991, China and Russia once again had to look for a new way to relate.

树
倒
猕
猴
散

*

*(shù dǎo hóu sūn sǎn); meaning: when tree falls, monkeys scatter.

Chapter 4. Rising Dragon and Wounded Bear: Analysis of Modern Sino-Russian Political Relations

The pure and simple truth
is rarely pure and never simple.
Modern life would be very
tedious if it were either...
(Wild, 1894, p.18)

4.1. The Impact of the End of Cold War on Sino-Russian Relations

Warming in Sino-Russian relations **was not a result or an aftermath of the collapse of Soviet Union**. Rather, changes improved gradually and were initiated by Gorbachev's speech at Vladivostok. Already in 1989 the last of the famous '**three obstacles**' was removed, which resulted in total normalisation of the relations during Gorbachev's summit with former Paramount Leader (党和国家最高领导人)⁶⁶ of People's China Republic Deng Xiao Ping in Beijing. Fortunately enough, both states reached agreement on more than 98 percent of their 7500 km long common border (Moltz, 1995, p.517). Several months after the summit, the Soviet Union collapsed, which delayed negotiations on the remained, now split among four new countries, 150 km of the borderline. Even though, delegation of representatives of Russian Federation, Kazakhstan, Kyrgyzstan (*Кыргызстан*) and Tajikistan, which now had a common border with China's People Republic reached Beijing in order to negotiate border problems in October 1992, **the complete demarcation of Chinese borders** with new states finished only in 1997 and for outer world some details of the agreement still remain unclear⁶⁷.

⁶⁶ Paramount Leader in modern Chinese political science refers to the person, who despite of not being head of the state or General Secretary of the Communist Party in China plays the most important role in the country and unofficially wields power. Deng Xiao Ping was Paramount Leader of China's People Republic for almost 15 years (1978-1992).

⁶⁷ Negotiations on Chinese borders with former Soviet Union States are extremely interesting. Yakov Zinberg (1996) provides quite detailed record of them. Sino-Russian border was fully demarcated only in 2008.

Dissolution of the Soviet Union resulted not only in forming new, independent countries and changes in borderline of China; reshape was much deeper and more significant. The end of the Soviet Union meant also the end of former world order and it raised new security and world stability questions. As fall of USSSR ended period of Cold War, the previous bilateral relations in the world became more complex. Moreover, there was no more one of the most significant superpowers of second half of the 20th century and its successor seemed to decline its influence in the modern world. From now on, there was no Sino-Soviet Communist Ally against capitalist United States of North America; it was the time, when triangular relations between these three great powers started to shape. As the world became more diverse, both China and Russia had to face not only one triangular relations, but three: India rise in Asia⁶⁸ forced them to maintain proper relations with it as well as with newborn Central Asian Republics. These totally new situations made China and Russia reshape their foreign policy, which in the time of transition was not an easy issue.

As was mentioned before, end of **Cold War raised new security and stability questions**. Since then, Sino-Russian relations changed radically, and unlike during Soviet Times, Russia (as state declining its power and influence in the world) started to be more set on maintaining better relations with China. Even though this started in late 1980s, after collapse of the Soviet Union it still remained new and odd for Chinese, which were used to being the ones to ‘push’ the relations. Russian interests in China were stronger than before but still, as Russia was only in the process of building its own policy, **issues related to Europe and western borders were far more significant for the country**.

New world order and formation of new independent republics forced China to change its foreign policy. Since then, only four main consideration provided the base of China’s foreign policy toward two legs of one of the triangles: **Russian Federation and New Central Asian Republics:**

1. its desire for stability on its frontier and border provinces;
2. its desire to enhance the economic development of specific inland regions;
3. its growing energy needs;
4. its concerns over its relative position in the post-Cold War strategic environment.’ (Burles, 1999, p.15).

However **China’s foremost security priorities is to reduce border tensions** with its neighbors, the other side of the fence does not seem to help. Russian Federation also needed to rebuild its foreign policy toward China and shape new policy towards newborn republics (Near

⁶⁸ Due to space limitations Sino-Russo-Indio triangular relations factor is not covered in this thesis, but they are widely described in Boquerat and Grare work (2004).

Abroad, *ближнее зарубежье*)⁶⁹. ‘National interests’ (*национальные интересы*) and policy which corresponds with the status of federation as a ‘great power’ (*великая держава*), became basis for still unstable and quite schizophrenic Russian foreign policy after the dissolution of the Soviet Union. The newborn country had to find not only **its new Identity** but, after loosing its sphere of influence in Eastern Europe, also a way to exist in modern world. Like in China, early 1990s were years of forming new foreign policy in Russia: new policy towards Near Abroad as well as China. This period of transition was extremely tough for the newborn country as it had to find the answers for fundamental questions, such as:

1. Should Soviet Union be restored in any form?
2. Should new borders be recognised?
3. Should Russia become more Western-like or rather more Eurasiatic state?
4. Should there be a major Russian influence in former Soviet Republics?
5. Should Russia let China influence Near Abroad region?

Finding answers to these questions helped New Russia build its foreign policy and, unfortunately, results collided with Chinese interests.

In time of transition **Russia’s foremost aim was to remain its influence in Newborn Central Asian States** as well as to keep stability and security in the region. However, as was mentioned before, foreign policy of Russia was quite binary and sometimes issues on European border seemed to be more significant for country development. Even though, keeping stability in Central Asian Republics seemed to harmonise with Chinese aim, the way to achieve it was totally opposite. China was looking for peacekeeping solutions and negotiations with Near Abroad, whilst **Russia chose rather military way of discussing issues**. With regard for gas and oil dependency of newborn states, Russia achieved its goal of keeping its massive influence in the region and, at the same time, winning the rivalry with China or rather keeping triangular relation in its favour.

Cold War caused new state and power order not only in Central Asia, but also more globally. There was not any united power anymore, which could counterbalance the United States pressure in the world politics. **This significant shift made triangular Sino-Russian-American relations more close and vivid**. It also changed the conception of Sino-Russian relations: countries were no longer Soviet allies, they for the first time in history became **Strategic Partners** and rivals in more capitalist way, with trade balance bigger then ever before in history.

⁶⁹ Near Abroad relates to Central Asian Republics formed after dissolution of the Soviet Union. Russia applies different foreign policy towards these former Soviet States than towards any other states. It is also, still leading and widely affecting these states country. For economy impact of Russia on Near Abroad see footnote 131.

4.2. Sino-Russian Relations Under Boris Yeltsin

It is of paramount importance to visualise, that dissolution of the Soviet Union did not magically changed everything what was happening. Russian Federation, to some extent, is successor of the Soviet Union, and so were the ideas, which were implemented in domestic and foreign policy making during first years of building the new democratic state. So was the case of Russian Far East and Sino-Russian common border, policy towards which actually derived from **Gorbachev's speech in Vladivostok in 1986** (Chapter. 3, section 5) and latter at Krasnoyarsk. This policy was based on quite common in the last years of the existence of the Soviet Union idea of freedom of choice, which as a new approach to international relations was not based on ideology or ideological stereotypes but rather on keeping balanced relations between states. **This approach helped Russia maintain better relations with still communistic China.**

Boris Yeltsin as a first leader of democratic Russian Federation had a hard time. Creation of 15 independent states greatly declined position of Russia in the Asia-Pacific region. The country was also pushed back from the Baltic and Black seas regions (*Балтийское и Черное моря*), coasts which took centuries to reach. What was more, some of the nationalists in newly formed republics claimed Russia as an enemy, which was a serious security threat for the country.

As noted before, dissolution of the Soviet Union changed world order; **Asia-Pacific region was no longer seen at the axe of West-East confrontation.** What is more, Russia had to face unsolved conflicts with Japan over Kuriles (*Курильские острова*)⁷⁰ as well as conflicts over fishery zones in maritime Chinese regions and some nuclear conflicts on the Korean Peninsula (*조선반도, 한반도*). These conflicts along with decline of influence in Asia-Pacific region by Russia resulted not only in security problems. **Russia quite soon calculated that this situation affects its economy on a large scale.** New Russian government decided to change this situation by creating special joint economic zones in the Russian Far East Region as well as in Chinese and Korean lands⁷¹. Unfortunately, like all of developing programs of Russian Far East, this one as for 2012

⁷⁰ Kuril Island Dispute (*Спор о принадлежности Курильских островов*) which started between Russia and Japan in 19th century is actual even nowadays.

⁷¹ The project was called an United Nations Development Program for the Tumen River Region and included both North and South Korea, China, Russia and Japan. More detailed information can be found on: <http://www.tumenprogramme.org>, (accessed 6 April 2012).

failed⁷². Russian Far East is a region extremely rich with natural resources but with regard to its underdevelopment they are not cultivated. As it borders with China it is a key region for Sino-Russian relations as well as tensions. Under Yeltsin rule main problems in the area were related rather with too intense Russian military force than natural resources. In 1993 Russia removed most of its troops from this region, even though this move was more symbolic than practical as **Russia was no longer seen as a real threat for China.**

Yeltsin has seen himself rather as an opponent of communist regime, which was one of the reasons of not willingness to cooperate with China's People Republic, especially in the still vivid scents of Tiananmen Massacre⁷³. He also, like a majority of specialists, believed that **China's People Republic is about to collapse in short term**, and that Russia needs to find its place among European countries. Fortunately enough, his close associates had different point of view on the relations with actually still developing China and were doing all they could to tie relations with the Dragon. This diverse point of view made Yeltsin (as the one who did not really will to maintain good relations with China) cancel his diplomatic trip to Beijing.

Even though, first Yeltsin trip happened in 1992 only the second one, made in 1996 was significant. It was time when both the world and Russian leader truly understood, that **China is rising and its future as a leading superpower is inevitable**. Sino-Russian Summit on April 24 1996 was the start of a new era for the relations, as both countries proclaimed Strategic Partnership between them.

Strategic Partnership was not only a political issue but also, or mainly military. In 1990s military ties between Russia and China were tightened like never before with security contacts prospering from 1993. That year Russia sold China weapons worth USD 5 billions as well as tanks, submarines and helicopters (Wang, 1998, p. 273). There was also a significant military technology transfer between partners. Chinese sent over 400 of their specialists to work for space exploring industry. On the other hand more than 1000 of Russian defence scientists went to China to work for its defence system⁷⁴. **These close military ties became an irritant in Russia's relations with the**

⁷² Although President Boris Yeltsin in 1992 initiated 'Far East Development Program' (*Программа развития Дальнего востока России*) there is no significant domestic or foreign direct investment in the region's energy industry. In reality assumptions of this plan were never fulfilled. In 1996, real financing reached only one third of what was planned and projects were financed at the level of 13 percent. Following years brought further reduces in financing. (Umbach, January 2004).

⁷³ Tiananmen Massacre refers to a series of demonstrations in the Chinese Capital, brutally suppressed with a use of military force.

⁷⁴ More detailed report on military exchange can be found in Far Eastern Economic Review. (Cheung, 8 July 1993, p. 24-25).

United States, Japan and all other countries, which were afraid of changes in the balance of the strategic South China Sea (南海) region⁷⁵.

As noted before, Central Asian States which took part in triangular relations with Russia and China were key issue for Sino-Russian connections under Yeltsin. Even though, at the end of the day they stayed under Moscow's great influence, Central Asian States showed how important it was for them to maintain good relations with China. Already in 1993 they signed 'so-called Taiwan clause, which stipulated that no signatory would maintain any official contacts with the Taiwanese government or recognise the country as anything but an integral part of China' (Wang, 1998, p.286). Even though Russian influence in the region might seem to be not profitable for China, the reality is quite opposite. When Chechnya (Чечня) claimed its independence in 1991 neither Russia, nor China recognised it. First Chechen War (*Первая чеченская кампания, Восстановление конституционного порядка в Чеченской Республике*)⁷⁶ aimed to establish Russian rule in the republic. Even though Russians had overwhelming military forces, **they could not establish effective control over the country**. It happened only during Second Chechen War (*контртеррористическая операция*), when Russians were successful to place a pro-Moscow regime in Chechnya⁷⁷. Russian behaviour in Chechnya is of paramount importance for Sino-Russian relations as it helps China maintain steady and peaceful attitudes in Xinjiang region, which is ethnically quite similar to Chechnya. If Russia let Chechnya remain independent it would start a chain reaction and result in riots in strategically important for China region of Xinjiang⁷⁸.

When it comes to evaluating Sino-Russian ties under Yeltsin it is important to note that **trade and economic contacts between countries were extremely strong and steady**, military relations profitable and strategic partnership between countries signed. All of that forecasted bright future for destined development of relations.

4.3. Sino-Russian Relations Under Vladimir Putin

⁷⁵ China is the largest weapon importer in the world with total value of USD 17.8 billions in the period 1995-2002.

⁷⁶ Even though world names this situation the Chechen War, Russians prefer to call it 're-establishment of the constitution's rules in Chechnya Republic'.

⁷⁷ Both Chechen Wars were widely described in then media (Gilligan, 2010).

⁷⁸ The importance of both Chechnya and Xinjiang region are wider described in latter sections of this chapter as well as in Chapter. 5.

At the beginning Yeltsin's resignation from the presidency at the end of 1999 and his successor by Vladimir Putin had no significant influence on the Sino-Russian relations. These stayed as before, stronger and more tied to each year. Putin decided to become an acting president, with an idea of continuing the results of Yeltsin but with little different view on the concept of a President of Russian Federation as a Person. This so-called **Putin's phenomenon** includes initiated already in the first year of his presidency specific personal cult, thanks to which not only personal decisions of Putin, but also his foreign and domestic policy is usually evaluated better than it appeared and numerous biased opinions shaped image of Putin's almost decade long presidency⁷⁹.

Even though, from the time perspective **Putin's foreign policy is seen as a more Europe and America centred, he did not forget about importance of China**. Already a couple of days after he became an acting president he met Chinese defence minister Chi Hao Tian (迟浩田) and confirmed that the solid base for the 21st century relations between countries has been laid. He even teased China by announcing that his first trip as a president would be to China⁸⁰. However, it did not really calm Chinese which were afraid of **Putin's Europeanises outlook**. Only the Putin's highlighting the importance of following Chinese way of dealing with economy and naming it a model state in case of attracting foreign investment did confirm China in Putin's interests in building bilateral relations. Russia's Chechnya War and Chinese problems with Xinjiang region, over which countries found a common ground, helped developing better and more trustful ties.

All of that led to signing already in 2001 one of the most significant treaties during Putin's presidency, the **Treaty of Good-Neighbourly Friendship and Cooperation between the People's Republic of China and the Russian Federation** (*Российско-китайский договор о добрососедстве, дружбе и сотрудничестве, 中俄睦邻友好合作条约*)⁸¹, which was in a big part copy of the treaty signed in 1950 (Chapter. 3, section 5). This twenty-five article document outlined the basis of Sino-Russian cooperation for the next twenty years. Main assumptions included in the scope of the treaty were that Russia stays with opposition to Taiwan's independence and is willing to accept one-China policy. It also highlighted that there is no more territorial

⁷⁹ Putin wanted to change the image of a Russian president initiated by first president of Russian Federation, Boris Yeltsin, who domestically was seen more as a part of common population. Yeltsin's alcoholism and related to that improper behaviour was widely known internationally. Putin, as a person educated in Western Europe wanted to wash away this image. He does not drink alcohol, he practices martial arts and runs long distances regularly. Through his lifestyle he is trying to change Russia and highlight his upper position. Studying building the cult of Putin seems to be extremely interesting especially taking into consideration 2012 elections in Russia and his declining support. (White, Mcallister, 2008, p.604-628).

⁸⁰ Which in the end did not work out, as first overseas Putin's trip was made to the United Kingdom.

⁸¹ For full text of the treaty in English see appendix of Wilson (2004) book.

demands between states, and that countries will hold negotiations over final demarcation of some common border areas set up already in 1991. For future existence and for international scene, the most important were articles 8 and 9 in the scope of the treaty. Article 8 guarantees peaceful cooperation between two states ‘Neither party will participate in any alliance or bloc which damages the sovereignty, security, and territorial integrity of the other party, and will not adopt any similar action, including not concluding a similar treaty with any third country. Neither party to the treaty will permit a third country to use its territory to damage the national sovereignty, security and territorial integrity of the other party’ (Wilson, 2004, p.205). Article 9 is the core of the bilateral help and Sino-Russian cooperation: ‘If one party of the treaty believes there is a threat of aggression menacing peace, wrecking peace, and involving its security interests and is aimed at one of the parties the two parties will immediately make contact and hold consultations in order to eliminate the threat that has arisen’ (Wilson, 2004, p.205). Even though this treaty seems to be similar to its 1950s predecessor, this one is much **more restricted and accurate**. It is also much different from the 1990s trends. In the whole scope of the treaty, extremely common during 1990s words, such as ‘hegemony’, ‘multipolarity’ or ‘power politics’, are not present. **At the turn of the century Russia signed numerous other treaties with Central Asian States, North Korea or Iran**, but the treaty signed with China was the most significant and at the same time most unexpected. It is believed that the treaty was somehow ‘personally driven’ by then president of China’s People Republic, Jiang Ze Min (江泽民) who sympathised with Vladimir Putin: ‘Jiang was the last of the generation of Chinese leaders that had been educated in the Soviet Union and spoke Russian’ (Kuhrt, 2007, p. 115). Thanks to that specific relationship between most significant personages in both states, the year 2002 was mutually described as one of the most dynamic ever in bilateral relations.

The most common key word used to describe late 1990s and 21st century Sino-Russian relations is ‘**Strategic Partnership**’, which importance was just highlighted by 2001 treaty. On one hand Strategic Partnership sounds extremely significant but on the other defining this idea is not so easy. Generally speaking, Strategic Partnership between Russia and China is anything more than flourishing bilateral relations between states, which mostly took place under Putin rule in Russia. **Strategic Partnership itself is more like a ‘myth’** constructed by Putin’s public relations experts and advisers. Thank’s to successful international public relations campaign the existence of such partnership has become self-evident truth but ‘yet the real picture is altogether more confused’ (Lo, 2008, p.40). It is quite hard to define what both Russians and Chinese understand under this term as ‘during the 1990s, the Russian leadership applied it to every relationship of significance and to

many that were not' (Lo, 2008, p.40)⁸². Some scholars believe, that making up an idea of Strategic Partnership was a way to maximise Russia's 'room for manoeuvre on a global scale' (Kokoshin, 1998, p.199). When Russia realised that its significance in world economy and politics is declining and it is lowest for the last 80 years it had to find a way to make its existence more notable. Naming some quasi-formal, having-illusion-of-significance relations with other states a Strategic Partnership was a good solution. Even though it may be that Strategic Partnership between Russia and China was just an illusion, the fact of having extremely tied relations under Putin and Hu Jin Tao (胡锦涛) is certain. Not only Putin 'Our nowadays relations with China reached a level which for sure was never reached before. (...) I believe, that our todays relations are the best they have ever been in history of Sino-Russian connections because this time they do not have the false bottom. They are of pragmatic and neighbourly character. And I think, they can stay like that long enough' (Chapter. 6, section 4, translation 1) but also Hu Jin Tao 'both sides agree that recent Strategic Partnership Sino-Russian relations are rising and they reached highest level of all times' (Chapter. 6, section 4, translation 2) highlighted that Sino-Russian relations in the first years of the 21st century were better than ever before.

Beside of the famous 2001 treaty **official documents show no evidence of Strategic Partnership as such**, mainly because its existence is taken for granted. Couple of months after signing the treaty there was a Sino-Russian summit in Moscow during which the importance of the two countries long term friendly relationship was confirmed. Same situation took place in 2006 Beijing summit, when representatives of both countries called attention to 'mutual respect, equality, mutual support, the maximum promotion of mutual political trust...' (Lo, 2008, p.43). All of these speeches and beautiful words are part of **Chinese Five Principles of Peaceful Co-existence (和平共处五项原则)**⁸³ and are not that important indeed. What matters is the real reason for both Russia and China to maintain such close relations in years 1999-2008. As everything, the reasons for both sides' approaches differ.

Russia is driven to close relations with China binary, first one being strategic one. Russia finds China a counterbalance to the dominance of the West (with the United States as a leader) in world's affair, so relation with China is of more negate character. **For Russia China represents**

⁸² For instance, Russia claimed to have Strategic Partnership with China, India, Iran, Central Asian States and Cuba.

⁸³ Five Principles of Peaceful Co-existence refers to treaty signed between China and India in 1954. Famous five principles are as follows: 1. Mutual respect for each other's territory and sovereignty; 2. Mutual non-aggression; 3. Mutual non-interference other party domestic affairs; 4. Equality of both parties; 5. Peaceful co-existence.

for both present and future inexhaustible economic, military and political potential. China's rise in the 21st century will result in massive benefits for its partners. On one hand Russians not likely see one hegemonic power replaced by another (unless it is not Russia), but on the other hand they do believe, that in this game they could become not only cultural, but also strategic **bridge between East and West powers**, or even a third leg of the most significant triangular relationship in the 21st century world's affairs. Sino-Russian relations, to some extent, are an alternative for the closer relationship with the western powers. As staying close to China allows Russia to keep relaxed ties with the European Union it also helps Putin maintain kind of independent foreign policy. The other fold of the reasons for Russia is that maintaing good relations with China is the only way to avoid potential aggressiveness of the state in the future. **It is much more convenient and secure to have a friend than the enemy amongst the most powerful states in the world.**

Chinese agenda does not use the word 'to counterbalance' as Russia is too weak internationally to have such power and due to the fact that China itself is second pole of the balance. However, China believes (not without a reason) that Russia has international influence in Central Asian States and that dealing with Russia helps maintaing calm relationship with these neighbouring countries. China has many more 'friends' in the modern world than Russia and as it is rising, almost all of them want to be closer to the leader. This situation results in Chinese better position not only in world's affairs, but also in the Sino-Russian relationship, which by China is treated more as a supplement, not an alternative. Both countries pay attention to security issues, but China is not afraid of Russia as a military power, it rather wants to maintain stable and peaceful situation on its borders, so it could focus on important economic transformation and negotiations with Taiwan. But what drives China the most is the importance of Russian energy resources in Chinese economy. It is the only case, when China really might need Russia.

Other important issues of Sino-Russian relationship under Putin, such as importance of September 11 Terrorist Attacks⁸⁴, the impact of Chechnya Wars and Kosovo riots (*Пам на Косову и Мемоксују*)⁸⁵ on the relations, as well as establishing of international organisations, building of pipelines and importance of oil and gas in the relations are described in latter sections of this chapter as well as in the Chapter. 5.

⁸⁴ Term September 11 attacks refers to series of four coordinated terrorist attacks on New York City and Washington D.C. in the United States in 2001.

⁸⁵ This term refers to two armed ethnic conflicts (1998-1999) in Kosovo province between Albanians and Serbs. One side of Kosovo conflict was supported by North Atlantic Treaty Organisation (NATO), which use of military force was and still is extremely controversial.

4.4. The Impact of Both Chechen Wars, Kosovo Conflict and September 11 Attacks on the Relations

All main landmarks in Sino-Russian relations, which took place under Yeltsin and Putin rule were somehow influenced by most significant globally then events. Both Kosovo Conflict and two Chechen wars as well as September 11 terrorists attack in United States changed foreign policy of China and Russia. In order to understand how, one needs to look at these events chronologically.

The Soviet Union was a massive country-like formation in the borders of which hundreds of ethnically different nations found its home. After the dissolution some of them claimed the independence and formed new, separate countries, but Russia was a formal successor of majority of Soviet legacy and thus, was (and still is) trying to recall the greatness it had during that times. Achieving of this goal needs sacrifices. One of them is to make officially independent new states subordinate by using not only military power but also influencing on their policy making and government (Chapter. 2, footnote 23). This was one of the major sources of the **First Chechen War which was led in 1994 under Yeltsin rule**. Official reason, which was the fight over terrorism was just and excuse for Russia to show the world, that it can still influence its former lands. Unfortunately, even though Russian army was much better equipped and much higher in number, it failed and Yeltsin was forced to sign the peace treaty with Chechnya. As was mentioned before, Russo-Chechen relations are quite parallel to Sino-Xinjiang relations. As Chinese representatives believed and stated officially that Russian problems with Chechnya are Russia's domestic problems and the rest of the world should not take part in it, it somehow **helped to find a thicker thread of understanding between states**. On one hand China stated that on purpose, counting on Russian reciprocity in case of Xinjiang, but on the other hand this way of thinking about domestic issues is normal in Chinese culture. As First Chechen war as a military incident was not really supported by western powers it helped build better ties with China.

Bigger influence on Sino-Russian relations had Kosovo conflict, during which strong Russo-American ties were impaired. By invading Kosovo, NATO somehow 'spitted in the (Russia's) face' (Arbatov, 2000, p.v) and at the same time the **United States showed how not important Russia's goals and aims were**. Russia learned a lot from Kosovo conflict and at the same time in the eyes of the world changed its foreign policy focus from western oriented into eastern one. Russia learned two main lessons: first was that 'the end justifies the means' and second that **using of military force is the best way to solve problems**. Actually up to the Kosovo conflict there was a

taboo of using highly concentrated military forces especially against civil. Russia also learned that if NATO can attack innocent people not on its territory in order to achieve its goals, Russia can do it too. When it comes to Sino-Russian relations, turning back from the West automatically brought Russia closer to its eastern neighbour. On the other hand it proved to China, that like in any other time in history, **Russia still treats it more like an alternative for the West than as a major partner itself.**

Kosovo conflict officially ended on 10 June 1999. On 26 August of the same year Russians started Second Chechen War but they have already implemented all lessons learnt from both First Chechen War and Kosovo Conflict. Second Chechen War was much more brutal and intense. Russians used their military force at full blast and thus, succeed in achieving its goals. First was to show Chechnya that it is a Russia's subordinate state and second that no other state can intervene into Russia's domestic affairs. Russia was not Yugoslavia (*Југославија*), Chechnya was not Kosovo and Russia was prepared to use any force necessary to fight with anyone who could try to be against. After Russia suffered defeat in Kosovo it had to show the world that it is ready to fight for its rights and that **military it plays in the first league.** Second Chechen war influenced Sino-Russian relations in two major ways: as a campaign against western standards it brought countries closer, but also it showed China how strong military Russia was and how relentlessly it can fight for its position in the world affairs. On the other hand, Chechen wars were precedence for future solving of Xinjiang problems and a warning for its citizens to remain calm and not to try to riot against China which as an ally of Russia is capable of doing the same with Xinjiang 'revolution' as Russia did with Chechnya. All of these events led to signing numerous of small treaties and contracts between states in the years 1999-2001. Up to now (along with the 2002) these years, mainly thanks to both Chechen wars and Kosovo conflict **were the most flourishing in Sino-Russian relations.** The best period was tipped with signing in June 2001 Treaty of Good-Neighbourly Friendship and Cooperation between the People's Republic of China and the Russian Federation (Chapter. 4, section 3) and setting **Shanghai Cooperation Organisation (SCO, Шанхайская организация сотрудничества, 上海合作组织)**⁸⁶. 'To some observers it is a constructive multilateral organisation that addresses in a practical way common threats and challenges such as international terrorism' (Lo, 2008, p.104). As reality shows, it is more some kind of 'pseudo-multilateral body with blatantly anti-western agenda' (Lo, 2008, p.104). Although both countries claim that this organisation is taking big strides in solving regional security issues, it is

⁸⁶ The official date of formation of SCO is 26 April 1996, but it entered into force only in June 2001.

rather symbolic than real thus, seeking parallels between SCO and NATO or EU is an absurd. Actually SCO is confirmation of strong ally between Russia and China, and its strategic partnership against any third party, usually seen as the United States.

Unfortunately a couple of months after signing both Treaty of Friendship and setting up SCO, terrorists' attacks in the United States took place and influenced not only Sino-Russian relations but changed foreign policy and security interests in almost all of the civilised world.

Influence on world affairs of **September 11 events** can be roughly divided into two major schools. First of them, popular mostly in Europe and Washington claims that terrorist attacks were somehow transforming events not only for US but for entire world. It forced the whole planet to face new challenges, new security problems and different international policy. Supporters of this school believe that world after September 11 has to focus more on 'developing common responses to the fresh dangers that threaten civilisation as a whole (Lo, 2003, p.115). The positive result may be the end of period of post-Cold War 'hangover' in world affairs. However, second school which is extremely common amongst non-Anglo Saxon nations states that actually little has changed as an aftermath of September 11 events, and the changes are basically of a negative character. 'It has pushed the United States, the sole superpower, to act in ever more hegemonist and unilateral fashion. It is as though the last restraints on its behaviour have been removed.' (Lo, 2003, p. 115). Even though, the United States seeks allies to support its foreign policy it is believed that it is also prepared to walk the chosen path alone.

The most significant for this thesis is not the question 'how September 11 attacks shaped world politics' but rather '**how September 11 attacks influenced Sino-Russian relations**'. As a reactions to these events from both sides were different, the Chinese point of view also differs from Russian one.

Immediately after 9/11 Putin was a first of all world's leaders to react and show his support for the United States policy. It proved not only that Russia is an ally of US, but also that **Putin is actually running Russian foreign policy single-handed** (thus, Putin's phenomenon: Chapter. 4, footnote 79). It was best and unexpected chance for him to change identity of Russia in the world as well as, to some extend, justify Chechnya terror. First discussions made in Russia were on 'global war on terror' and other similar approaches. Putin was said to make a 'strategic choice': by allying with US he also cleaned off the myth of Russian Eurocentric foreign policy. On one hand Putin was influenced by Yeltsin's vision of US-Russian strategic cooperation and friendship, but on the other **he made an virtue out of necessity**. Russia was powerless to stop the United States from setting its troops (as a September 11 aftermath) in Central Asia, so by approving US foreign policy it

somehow showed that this decision was also made by Russia. The reasoning for that was quite clear: Putin could not let loose at least virtual influence in the region. He also believed that American presence in Central Asia would be temporary. Unfortunately it was not, and over years it had much more significant influence on Russia's foreign affairs than Putin might have thought⁸⁷. Russia's anxiety grew, when Putin realised that US does not recognise Russia as a full strategic partner but rather as an useful supporter. Thus, when Russian government fully understood the consequences of its decisions it started to seek entente with its old fellow China, which rejected before and still rising in power and influence in world affairs was not so willing to ally with Russia. On the other hand Russia always has a strong 'trump card' in its relations with both Central Asian States and China: in case of energy cooperation all states need Russia like a human being needs air⁸⁸.

From Chinese perspective 11 September events changed a lot and had massive impact on its policy towards Central Asia. Even though prior to September 11 China was in a close relationship with Russia it still knew, taught from the past events, that when only the United States shows up **Strategic Partnership with Russia becomes just a fiction**. The thing that shocked Beijing was Putin's blessing for the US to move into Russian (and before that Soviet and Tsarist) sphere of influence, especially almost directly after Kosovo incident, when the Americans broke Russian dignity into pieces. The worst part was, that Russia actually gave no prior signals of its decisions and thus, 'Relations with China were unceremoniously pushed into the background' (Lo, 2008, p.96). All of that proved to Chinese few significant truths. In case of US presence China would always be just number two and that **Russia calls China only when it needs help, support or seeks economic benefits**. The lesson for China is simple: it needs to remember that the real relationship with Russia is weak and that China needs to gain its influence in the regional and world affairs alone. It also proved that instead of relying on Russia it should seek ties with Central Asian States itself and at the same time diversify its partnerships.

⁸⁷ It is believed that US presence in Central Asia and settling normative agenda was one of the reasons of 'colour revolution' (*Цветная революция*) in Georgia (*საქართველო*), Ukraine (*Україна*) and Kyrgyzstan. Those revolutions were aimed against Russian influence in the region.

⁸⁸ As energy cooperation is a part of economic relations, it is widely described in Chapter. 5.

4.5. American Factor in Modern Sino-Russian Relations

In post-Cold War era improved Sino-Russian relations discontinued being bilateral. In a modern world the relations so important affect a range of international issues and any of the foreign policy decisions made by representatives of the states is not without effect on third parties. As in modern world affairs both Russia and China are amongst most significant actors and the United States still seems to play the most important role, their triangular relations are inevitable. However, America unlike in history is not anymore in the centre. Those three countries have features most desired in a contemporary world: Russia has largest territory and probably the most powerful military strength, China has the biggest population and at the same time economic potential, and the United States have money, territory and military force that can compete with Russia. According to the fact, that the **United States hegemony still exists in the world**, the triangular relations between these states are of highest importance and American factor plays special role in neighbouring Sino-Russian relations.

It is of paramount importance to highlight that Sino-Russian relations are not regional relations but do have global significance and as such may affect world affairs. Both countries, to some extent, share similar point of view on principles of international relations. Unfortunately this point of view is opposite to the one represented by US, which may be read off as an ally against America. Formation of SCO, which by some is recognised as a Sino-Russian organisation aimed against US hegemony excites these apprehensions. In addition both countries are ‘jointly engaged into maintaining global strategic balance and stability. This indicates the cooperation and coordination between China and Russia on the issue of the US national missile defence (NMD) ⁸⁹

system.’ (Pang, 2002, p.7). As mentioned before, the United States was a major factor leading to signing Sino-Russian treaty in 2001. Both states have faced similar problems in post-Cold War times: they both experienced pressure from the United States and despite Eurocentric and Western-oriented Russian foreign policy US still treats Russia more like a part of Asia (and at the same time a close partner of China) than a part of Europe. Due to that, closer relationship between Russia and China may help cast away US threats.

General distrust against the United States is quite common amongst Russians; America is the biggest (and in common thinking the only) barrier for Russia to retrieve its superpower status.

⁸⁹ The term refers to American nationwide antimissile program, which developed through 1990s and had its peak in 2002.

This is one more issue that leads Russia towards China. September 11 attacks mostly affected Sino-American and Russo-American relations, but as an aftermath, the Sino-Russian relations have been deeply affected too (Chapter. 4, section 4).

For the last couple of years Russia, which is facing China's rise not only in Asia but also in world affairs is trying to change the nature of its relations with NATO and US. By moderating its triangular relations and balancing on the thin line it maintains relatively good or at least neutral relations with both China and America. Moscow believes it will result in upgrading Russia's position in world affairs as well as in more serious status of Russia as a significant actor in the world today. The main thread that joins all countries together, and actually **for the first time in history joins Russia and the United States** and makes them partners is **international war on terrorism**. However, Washington remembers that Russia is probably the only country with a nuclear capability to eliminate the United States, and as such is still a potential threat in case of international security. The second obstacle in maintaining 'dream' US-Russian relations is economic status of Russia, which still, is far from obtaining minimal economic reforms and performance to enter World Trade Organisation (WTO)⁹⁰. At the same time, present presence of the United States in Central Asia lowers its demand for Russia's ally, support and trade relations. Russia's seeking partnership in US affects Sino-Russian relations twofold: first, it is hard to maintain balance in triangle and second, China as the country used to being 'the only civilisation in the whole world' is not capable of letting it be number two in the relations. On the other hand only long-term good economic and political relations with Russia can result in some kind of independence from America. The only way to obtain that is by giving up Russia's ambition of re-becoming superpower, but as both history and presence show it is unlike. It is of paramount importance to remember, that Sino-Russian relations no matter taken into consideration US factor or not, are those of mutual interdependence and are based on their needs and self-benefits, not friendship and thus, despite of all discords, as long as the countries need each other they will cooperate (Pang, 2002, p.7).

Ironically, Russia and China, which are seen as an examples of authoritarian regimes and allies **are not equally treated by the United States**. As China is rising, America takes more businesslike and positive approach towards stronger partner, whilst Russia's problems and international commitment is often disregarded. Recently, US relations with China are extremely

⁹⁰ This term refers to international organisation, which supervises and liberalises international trade. WTO is the biggest and the most significant organisation of that kind.

smooth, whilst the one with Russia experienced some tensions. The difference in treating the winner to be and the failed partner and former enemy are growing despite the fact, that Russia is historically and culturally closer to America and is more willing to maintain proper relations with the United States than China.

For Russia, managing Sino-American-Russian relations is an art and the strategy of obtaining its goal (this time) is more political than economic or military. The most important thing that Russia needs to develop in order to help both relations is neglected Russian Far East, the land of future huge significance in world affairs (Jianfa, 26 November 2011).

4.6. The Challenges for the Relations under Dmitry Medvedev

Year 2008, especially its second half, was pretty busy not only for both Russia and China, but also for their relations. It started with Dmitry Medvedev election as a third president of Russian Federation and was followed by **Summer Olympic Games in Beijing** (2008年夏季奥林匹克运动会), which notwithstanding domestic circumstances took place⁹¹ and turned out to be a massive success for China⁹². The other side of the fence also had a chance to show itself in the world scene: on August 8th, actually hours⁹³ before official opening of the Olympic Games, Georgia started its military operations and attacked two separatist regions: Abkhazia (აფხაზეთი) and South Ossetia (სამხრეთ ოსეთი). As Russia recognises them as its sphere of influence it resulted in massive Russian military response and 5-days war. Russia soon recognised independence of the disputed regions, but China which was a strategic partner of Russia remained silent. This situation was also noticed by western media⁹⁴. SCO, which was expected to greatly support Russia was also playing

⁹¹ 2008 was a time of huge pro-Tibet (2008年藏区骚乱) protests in China as well as massive Sichuan Earthquake (汶川大地震), which killed estimated 70 thousand of people.

⁹² Chinese sport representatives gained world record in case of amount of trophies: 100 bronze, silver and gold prizes.

⁹³ The Georgia invasion started around midnight on August 7th 2008. For Beijing, which official time zone is different from Georgian, it was already 4 in the morning, but still official games have not started yet.

⁹⁴ According to AFP Agency records from August 29th 2008. (AFP Agency records, <http://afp.google.com/article/ALeqM5guAa5jCMIWCy-SMYWZY4-0451p5w>, (accessed 21 April 2012)).

on balance, giving Russia as much help as not to offend it and at the same time as little as not to impair its own relations with the United States. It showed a perfect example of the art of diplomacy.

Some believe that China could not recognise newly formed countries, as it had its own problems with identity of Xinjiang, Tibet and Taiwan. **Recognising South Ossetia and Abkhazia as a country would** result in a snowball effect of fights for freedom and independence of these regions and domestic war. China, which mainly thanks to the World Olympic Games was before very eyes of the whole world and at the same time at its peak, did not seek new problems. In addition, the whole world suffered from endless American war on terrorism, due to fluctuation in Japanese government extremely sensitive Sino-Japanese relations were unsure and the problems with world crisis started to emerge. It was enough even for the strong China. The other side of the coin is more complicated and somehow more cultural thing. Both Confucianism and Buddhism, which (as was mentioned in previous chapters) shaped Chinese world view follow the rules of **'general harmony in the world'**, according to which any war or conflict as such should be avoided. China by not stating clearly whether it recognises new countries was following its common conviction that not opting helps the harmony remain. China may have been also silent not because it did not support Russia in their decisions, but because its foreign policy, after decades of clashing with other cultures finally matured and at the same time returned to its roots, where absolute acceptance of things as they come is the highest of all virtues. Despite of the philosophy issues, it proved Russia, that their **Strategic Partnership with China was limited more than they thought it had been.**

Fortunately enough, Medvedev's contacts with China did not start with Georgian conflict. He had been known to Chinese a couple of years before he became president of the Russian Federation. Under Putin rule one of the more significant events for bilateral relations was setting in 2006 'Russia Year' in China and in the following year on reciprocal basis 'China Year' in Russia⁹⁵, during which Dmitry Medvedev was present and took important role in. Thanks to his youth attitude and familiarisation with teenagers Chinese see in Medvedev someone quite different from his predecessors. In addition he is familiar and extremely comfortable with Chinese culture as such and keeps on highlighting that on every occasion⁹⁶. All of that helped Sino-Russian relations

⁹⁵ Such events are not isolated. Year 2012 in China is called 'Russia's Tourism Year in China', whilst 2013, again on reciprocal basis, will become 'China's Tourism Year in Russia'.

⁹⁶ According to Russian news Agency Itar-Tass (*ИТАР-ТАСС*), during his first official trip to Beijing as a president of Russian Federation, Medvedev admitted he loves both Chinese philosophy and culture. (Huisken, 2009).

achieve new, not known before level. For the first time in history the relations and knowledge about each other among common citizens were both growing.

In addition, first Medvedev's official trip abroad⁹⁷ as a president was made to China⁹⁸. Two days long visit was a model one and highlighted three most important common interests: Strategic Partnership, sustainability and stability, but the most important was a confirmation of former Russian foreign policy under new rule. Even though, according to both nations media sources the visit was quite successful, western media did see it more like a routine than something significant for the relations. It might be true, that besides political all other ties were far from being perfect: there were some tensions in trade, energy cooperation as well as military sales⁹⁹.

As Medvedev's visit was also the first visit to China of foreign head of state after the Sichuan Earthquake it had to somehow relate to this event. Russian side used the earthquake incident as a way to improve Sino-Russian relations. Not only Russians were among the first rescue teams to arrive in the area¹⁰⁰, but also Medvedev himself during official visit offered additional help: he authorised **sending to China over 2000 tones of humanitarian aid** as well as offered summer camps in Russia for over 1000 children afflicted with the earthquake¹⁰¹.

This first official visit bore its fruits: both countries signed **11-point bilateral declaration**, which not only highlighted common political and defence preferences, but also the importance of environmental protection and cooperation on energy issues. It also covered some regional defence and peace stability issues (Huisken, 2009). Despite of the declaration, not everything was well organised. After September 11 events, China still did not trust Russia, which have left some unwanted military troops in Near Abroad. Thus, China was happy that at least SCO remained the kind of organisation it was formed as - a community of nations, that worked for regional economic development as well as regional security. The art of diplomacy showed by SCO highlighted the key difference between SCO and NATO: SCO was rather a community of nations, than a military bloc where states defence one another. SCO holds nations of four major civilisations and almost half of

⁹⁷ Despite of the countries of Near Abroad.

⁹⁸ As was noted before, Putin's first official visit also supposed to be in China, but unfortunately the plan failed, which most probably was the main reason for Medvedev to honour made almost a decade earlier promise.

⁹⁹ For western media the most important issues in Sino-Russian relations are military issues, which as such were not discussed during Medvedev's trip, which might be the result of this specific evaluation.

¹⁰⁰ According to Huisken (2009), Russia sent to Sichuan biggest in history rescue team.

¹⁰¹ This event was noted by all Chinese media. (Xinhua News Agency, <http://english.people.com.cn/90001/90776/90883/6459895.html>, (accessed 22 April 2012)).

the world's population, so the decision-making process is much tougher than in NATO and at the same time the impact of individual states on the other is much smaller.

Even though it might have seemed that Medvedev's visit proved a new line of development for Russia along with its more Asiatic look, the truth lied somewhere else. After a couple of days of Medvedev's visit, during another official trip, this time made to Berlin, he stressed his support for the idea of an existing giant Euro-Atlantic community, which stretches from Canada up to Russian Far East. **This statement proved, that his policy is more western oriented and as usual Russia wants to kill two birds with one stone.**

All of that led to the end of Strategic Partnership between China and Russia under Medvedev's rule. It also introduced a higher level of diplomacy in their common relations, which at least on the Chinese side, came back to balance-keeping policy rooted in Chinese culture for ages¹⁰².

According to the fact, that all other challenges and important events, which took place in Sino-Russian relations under Medvedev concern economy and especially energy cooperation, they are covered in Chapter. 5.

¹⁰² 和而不同 (pinyin: hé ér bù tóng) is the Chinese idea of a harmonious world, where despite of differences one should fight for peace and balance.

有錢能使鬼推磨

*

*(yǒu qián néng shǐ guǐ tuī mò); meaning: money makes the mare go.

Chapter 5. Diagnosis, Analysis and Evaluation of Modern Sino-Russian Economic Relations and Problems of Russian Far East and Common Border

I believe that there is one story in the world
(...). Humans are caught - in their lives, in their thoughts,
in their hungers and ambitions, in their avarice and cruelty,
and in their kindness and generosity too - in a net of good and evil.

I think this is the only story we have (...) and this despite
any changes we may impose on field and river and mountain,
on economy and manners. There is no other story.

A man, after he has brushed off the dust and chips of life,
will have left only the hard, clean questions:

Was it good or was it evil? Have I done well - or ill?

(Steinbeck, 2012, p.503)

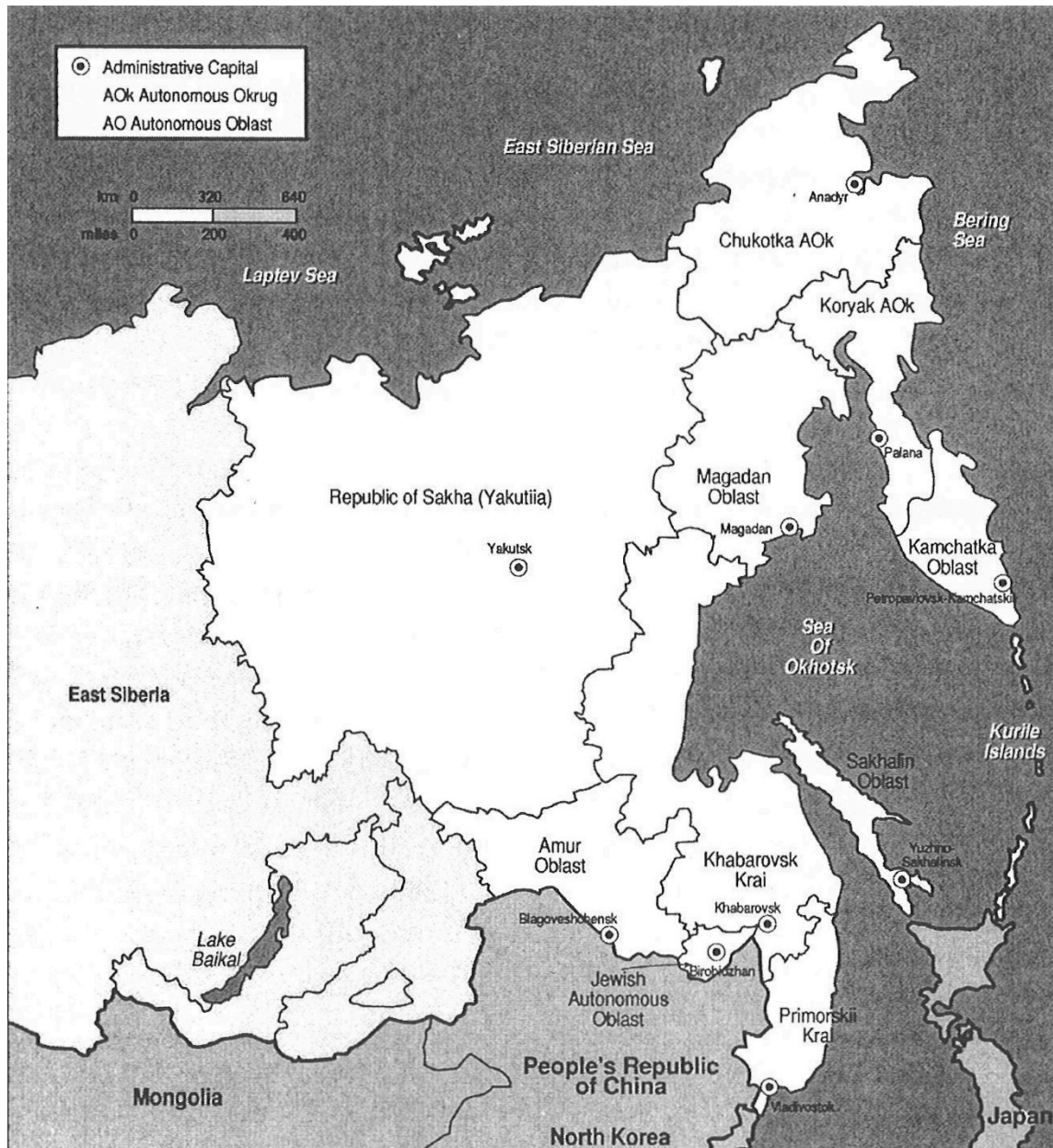
5.1. Research on Nowadays Problems of the Russian Far East and Common Border

When thinking of Russian Far East two basic concepts must be realised. First being, that this region has over a four-thousand-long common border with China and second, that not only literally, but in many cases also metaphorically **it is closer to Beijing, than to far Moscow**. RFE, besides forming over 40 % of Russia's area¹⁰³ is important for the country symbolically. For the capital, these extremely distant lands are base of its Asian-ness. On the other hand it is, to some extend, **border of the European-like and Asian-like civilisations**, the barrier for expansion. The mental, cultural and civilisational differences between Russians and Chinese; between European and Asian roots, which are described in former chapters, are extremely vivid and alive in this territory. Thus,

¹⁰³ This includes all Russian regions, which are farther from Moscow than Baikal Lake (*Озеро Байкал*).

the main problems of common border areas are mainly a result of past events¹⁰⁴. The mental and psychological border between nations is yet to be overcome.

Figure 3: Russo-Chinese common border map including the administrative regions of RFE



Source: (Wilson, 2004, p.114)

¹⁰⁴ The term 'common border areas' refers to Russian part of the border as these regions suffer the most from bilateral relations and at the same time need them. Questions related to Chinese side of the border are not well described by scholars due to the censure as well as little availability of official documents for non-Chinese.

Four administrative regions of RFE along with two regions of East Siberia directly border with China (see: Figure 3). During Soviet Times these regions as well as the borderline were places of the strongest tensions between countries, which had their peak in late 1960s (Chapter. 3, Section 5). It was also the region where ‘Russians lived in an artificially constructed world of geographical isolation from the rest of Asia’ (Wilson, 2004, p.114). Majority of population of RFE are migrants from European Russia, who were forced to move to this part of the world to work¹⁰⁵ in the country’s leading military companies. RFE was the region, where not only foreigners could not travel, but also common Soviet citizen could not come without a special permission. All of that ended along with the dissolution of the Soviet Union, which resulted in declining population of the region¹⁰⁶. These together with huge economic decline¹⁰⁷ of the area, are sources of main nowadays problems of the border regions.

Common border demarcation has been a ticklish issue for centuries and even now, after final boundary, Chinese still seem to believe that the lands took from them as a result of unequal treaties (Chapter. 3, Section 3) should be theirs. **Final demarcation of the border took place only in 2008**, after 40 years of negotiations over two small islands on the Amur river, which as claimed by Chinese sources were Chinese and according to Russian documents - Russian (see: Figure 4).

The dispute had mainly symbolic character as the islands are almost inhabited. Nevertheless, as this problem was quite an issue locally, it only confirmed fears and xenophobia among RFE population. According to 2011 research, extreme nationalism along with **xenophobia** among Russians of all nations are bigger than ever before and as stated by some scholars will be rising in the coming times, what may result in significant security domestic problems in near future¹⁰⁸. Not

¹⁰⁵ Being a representative of different, more European nation combined with significant differences in appearance between European-Russians and Chinese is one the reasons of isolation and xenophobia in the region.

¹⁰⁶ According to Umbach (2004), Russian population may fall from 147 million to 80 million by 2050. Main reason for that is the HIV/AIDS epidemic which spreads in whole country and has risen twentyfold since 1998, with estimated 100.000 annual death caused by virus. When it comes to Russian Far East, its already small (6.5 million) population is declining due to free transfer of people after the dissolution of the Soviet Union along with HIV and alcoholic problems in the area.

¹⁰⁷ Primorskyi Krai (*Приморский Край*) is known as the region, which after the dissolution of the Soviet Union experienced the biggest depression among all Russian administrative regions.

¹⁰⁸ Research was made by Yuri Levada Analytical Centre (*Аналитический центр Юрия Левады*), which is one of the most reliable research institutions in modern Russia. All results of the research on the ‘nationalism and xenophobia in Russia’ can be accessed on: <http://www.levada.ru/26-09-2011/natsionalizm-v-rossii>, (accessed 5 May 2012).

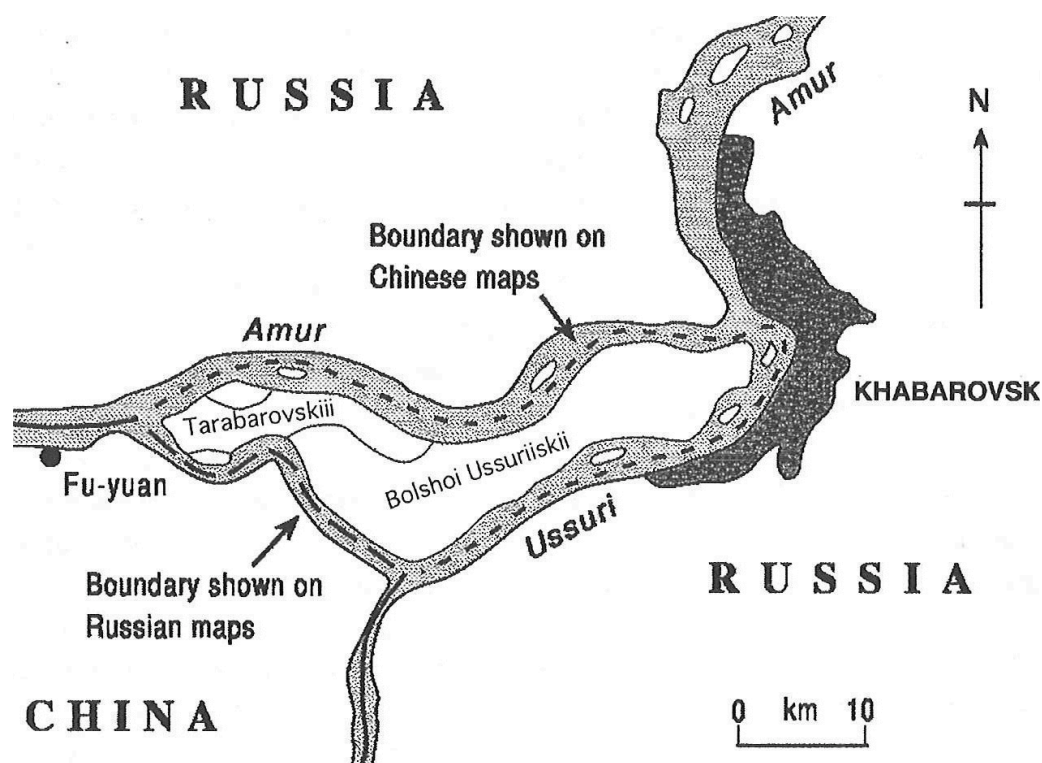
only RFE fears China; according to other research¹⁰⁹ greater part of Russians believe that Chinese can do more bad than good to Russian economy. 'Majority of the questioned in a negative sense evaluated some issues related with bigger economic presence of Chinese in Russia. These are: bigger presence of China made products in domestic market; purchasing properties in Russia by Chinese businessmen and bigger presence of Chinese workers in Russian manufactures. From 50 to 74% of the the Russian population states that presence of Chinese in Russia economy should be reduced' (Chapter. 6, Section 4, Translation 4). Related with that ethnic problems are serious challenge for Russian government. Russia itself (from Moscow perspective) has never been a tolerant for other cultures or ethnicities state and thus, the idea of '**Russia for Russians**' is still gaining its followers.

Xenophobia is rising along with myths of massive presence of the Chinese within Russian borders. Dependently on the researcher or scholar, there is **between 15 thousand and 5 million** of Chinese living, permanently staying or visiting Russia at the moment. Numbers vary so dramatically, that they are used mainly to manipulate public opinion and build even worse fears among nation¹¹⁰. One of the biggest fear which still gains its followers is that Chinese come to Russia in order to first take Russian jobs, later take their wives and in couple of years take over the land. This one might be partly justified as Chinese do come to Russia in order to find a job. Usually these are jobs, which were not taken up by Russians due to the low payment. Chinese are used to working hard and thus, have better results in what they do. It is not only result of cultural difference between nations, but also a result of **alcohol abstinence among Chinese**. Majority of Russians living in RFE are alcoholics and are not able to take up any job. In addition wife-beating is acceptable in the culture, which results in Russo-Chinese intermarriages with more gentle Chinese men. This only rise sinophobia in the region, as more and more beautiful Russian women are married to Chinese. As this situation continues thanks to intermarriages, **sinification of the region can be a serious future problem**. Even Vladimir Putin during his famous speech in 2000 noticed that: 'I do not want to dramatise the issue, but if in the short term we do not undertake significant

¹⁰⁹ Research was made by second major research centre in Russia, Russian Public Opinion Research Centre (*Всероссийский центр изучения общественного мнения*) and its results are available on <http://wciom.ru/index.php?id=268&uid=4397>, (accessed 12 May 2012).

¹¹⁰ Chinese presence in RFE is quite controversial. There were as many as half million of Chinese living in the area in the end of the 19th century. In the last year of existence of the Soviet Union there was only 15 000 Chinese workers working on contracts in RFE, but after dissolution this situation changed. According to official census in 2002, there were only 35 000 Chinese living in whole Russia, other researchers state that biggest amount of Chinese live in Moscow and they form population of 40 000, which is significantly smaller than the one noticed in RFE. 'Perhaps the highest estimate was provided by Yabloko (*Яблоко*) leader Yavlinskyi (*Григорий Алексеевич Явлинский*), who maintained that over 5 million Chinese have illegally settled in Russia' (Wilson, 2004, p.124). The real number of Chinese staying in Russia is unknown.

Figure 4: Russo-Chinese common border piece map showing the dispute over Bolshoi Ussuriiskiy Island (остров Большой Уссурийский, 黑瞎子岛)



Source: (Wilson, 2004, p.119.)

efforts, then even historically Russian population in several decades will be using mainly Japanese, Chinese and Korean' (Chapter. 6, Section 4, Translation 3). On the other hand without Chinese presence in the region the economy and especially agriculture would not exist on the level it is today. 'Russian farmers, especially private farmers, began to take advantage of the superior agricultural knowledge of the Chinese, who were teaching them how to grow fruits and vegetables as well as how to raise pigs' (Wilson, 2004, p.141). Russians need Chinese in the Russian Far East but at the same time extremely fear them. 'Many regard Chinese expatriates in the same way that Jews were viewed in the late 19th century Russia: as a community apart, with their own closed way of life and 'dubious' customs' (Lo, 2008, p.63).

It might be also that the most significant issue is not the number of Chinese in the RFE or their presence itself, but rather the economic damage they cause. Massive majority of Russians believe that border bilateral Russo-Chinese trade is in the favour of the latter. China usually imports cheap raw material, which then is manufactured in China and resold in Russia. In addition **majority of the trade is illegal** and may stay alive only thanks to bribing Russian low-paid clerks, who cannot make the ends meet. In the 21st century, in the era, when the whole world is trying to go green and save natural resources especially one of the Chinese crimes seem to be cruel. It is believed that Chinese steal (with silent permission of bribed clerks) 7 million cubic meters of

various Russian Taiga (*русская тайга*) woods a year. The saddest part of that is that most of the precious Russian forest, often called ‘the lungs of Russia’ is manufactured for ‘extremely’ needed in highly populated China **disposable chopsticks**, millions of which are thrown away every day¹¹¹.

The legal part of interregional trade is also growing. Primorskyi Krai trade with China’s northeast provinces has grown from USD 311 million in 2001 through USD 2.36 billion in 2007 (Lo, 2008, p. 67) up to USD 3.693 billion in 2011¹¹² and according to the experts is still increasing.

Table 2: Primorskyi Krai trade balance sheet with China’s northeast provinces (January - June 2011)

Products	Export (January - June 2011)	Import (January - June 2011)
all	100%	100%
food products (not processed)	48.9%	18.3%
mineral products	17.4%	2.3%
wood	20.9%	1.9%
fabrics, clothes and shoes	0%	18.7%
machines and cars	3%	36.9%
others	9.8%	21.9%

Source: Own elaboration based on The Summary of Growth of the Pymorskyi Krai (January - June 2011). Data processed by the Department of Economy, support of enterprise, growth of competition, investments and control of the preparation to ATES summit of Primorskyi Krai (*Департамент экономики, поддержки предпринимательства, развития конкуренции, инвестиций и контроля подготовки к саммиту АТЭС Приморского края*, (department of economy, old.primorsky.ru/files/20776.pdf, p.14, (accessed 12 May 2012)).

The structure of Russian export and import from China (See: Table 2) proves Russian fears: mainly raw materials are bought from Russia whilst machines and processed products are sent over

¹¹¹ In Russian newspapers in various periods of time there were numerous articles about Russian woods stolen by Chinese. For instance, ‘Journal Otchizna’ (*Отчизна*), wrote about this problem in 2006 (otchizna, <http://otchizna.info/archiv2006/Otchizna18/Kitayczy.htm>, (accessed 12 May 2012)), local newspaper ‘Vesti Region’ (*Вести регион*) along with Russian news noticed it in 2010, (vesti region, <http://vestiregion.ru/2010/05/25/primorskij-chinovnik-na-vsyu-stranu-priznalsya-voruem-video/>, (accessed 12 May 2012); russian news, <http://news2.ru/story/213050/>, (accessed 12 May 2012)).

¹¹² The Summary of Growth of the Pymorskyi Krai (January - June 2011). Data processed by the Department of Economy, support of enterprise, growth of competition, investments and control of the preparation to ATES summit of Primorskyi Krai (*Департамент экономики, поддержки предпринимательства, развития конкуренции, инвестиций и контроля подготовки к саммиту АТЭС Приморского края*, (department of economy, old.primorsky.ru/files/20776.pdf, p.14, (accessed 12 May 2012)). The Primorskyi Krai has been chosen as the representative state of the RFE region according to its biggest population and significancy in the area.

from China. Also food products, mainly grown by Chinese immigrants are massively exported, even though RFE does have one of the least fertile soils in whole Russia and thank's to its rough weather conditions is believed to be inefficient agriculturally. Problem of exporting only not processed raw materials is mainly a result of one more, maybe the most significant and basic worry of RFE: **economic underdevelopment of the region**. Even Vladimir Putin noticed that 'The question about the future growth of RFE and Baikal region is extremely important for the country. We have to keep in mind that these regions are indispensable parts of Russia. Thus, we do not have any right to slow down growth of this area, to let it become less developed than other regions. Unfortunately, looking at what we have achieved today, that is the direction we follow' (Chapter. 6, section 4, translation 5).

Even though the problem is widely known for decades and Putin has announced it over 10 years ago, almost nothing has been done in order to develop the region. Roads, railways, transportation, due to the lack of financing are poorer with every year, the population is decreasing and despite of the fact that the border contacts and trade are growing, the overall situation is almost the same. There is no significant manufactures¹¹³ or modern enterprises of any type. **RFE is a region extremely rich with raw materials and natural resources** thus, the only hope is that one day Russia will have no choice but to start to develop it in order to get oil, gas and other natural resources, which let it not only control region, but also survive.

5.2. Modern Sino-Russian Trade (Im)Balance

Current Sino-Russian trade relations are shaped by different perspectives on economic balance and growth of participants. In Russia's agenda Chinese '**Peaceful Rise**' (中国和平崛起)¹¹⁴ is not a significant demographic, border-like or military question. It may seem, that the enemy is hard to define, but for Russians it is clear that **China's rise is inevitably happening on their expense**. Russia's rooted messianism and set centuries ago world view¹¹⁵, are only promoting fake

¹¹³ Beside the government ruled military ones.

¹¹⁴ Peaceful Rise is an ideological concept, invented by close friend of Hu Jin Tao, Zheng Bi Jian (郑必坚). According to it, China's economic growth and gaining international influence, unlike in history, is opportunity, not a threat; China's development is seen as a safeguard of world peace and security.

¹¹⁵ 'We think we are a great power, therefore we are' (Lo, 2008, p.81).

image of Russia as an important and having-international-influence actor in the world scene. Sino-Russian counterbalanced relation (China's rise implies Russia's fall) may eventually take off Russia's rose-coloured spectacles and prove that the emperor has no clothes. No one can predict the real consequences of this affair. As Russia is basically depending on its raw materials, in times of high natural resources prices its self-confidence is stable, so as long as this situation continues its great power myth is pretty safe.

China as a more 'practical' state is aware of all of its weaknesses as well as limitations.

It is also awoken of its demographic and economic potential. On the other hand China seems to remember and to be learnt from the lessons of its long decline from the end of 18th century. 'Whereas Russia inflates its importance in the the world, China underplays its strengths and talks up its shortcomings' (Lo, 2008, p.81). As action speaks louder than words, once 'equal' relation with Russia is rapidly changing in China's favour.

The differences between both countries growth are most evident in their economy. It is believed that China will become the biggest and the most significant world economy by the middle of the century, whilst Russia, comparing to its rich history has significantly declined. It does not mean it is not recently growing - on the contrary - since 1999 Russia's economic growth 6-7% annually seems to be pretty steady, but in comparison with Chinese annual 9% for the last 30 years it does not look so impressive. It is also important to realise, that Russia's economic growth is possible mainly thanks to its natural resources and its high price, whilst China is building its power on human's capital along with significant reforms in almost any field¹¹⁶.

All of that is leading to specific trade relations between nations. As in politics Russia sees China more like a counterbalance for the West than as a primary market. Even though **China has 1.3 billion potential customers** for Russia's goods it does not recognise it as a significant partner. Looking at numbers it may seem that this statement has no proof in reality, but the devil is in the details. Even though bilateral Sino-Russian trade has multiplied eightfold under Putin it is still not significant. First, its starting point was extremely low (USD 5.7 billion) and second, its increase is mainly due to high oil prices and growing Chinese demand for it. Russia's turnover with European Union is 52 % of its total trade, whilst the one with China is only 6 % (Lo, 2008, p. 84). For the other side of the fence, as Russia is only a really far and secondary trade partner which main task is to diversify China's energy supply situation looks even less significant - in 2011 trade turnover with

¹¹⁶ Since 1990 illiteracy in China has declined twofold. It is also estimated that more than 200 million of Chinese are learning English and that country's university students number have risen 10 times for the last 20 years. China is not any more a place of cheap labour, it is now a future world-class post-modern economy (Lo, 2008, p.80-85).

Russia was only 4.59 % of all China's trade. What is more, those poor numbers are already a result of constant, year-to-year 42.7%¹¹⁷ growth of total trade turnover between nations¹¹⁸, which according to data for the first quarter of 2012 was still significant (33%)¹¹⁹.

Boasting about expansion of commercial ties seems to suit both Moscow and Beijing as during rich in political contacts 1990s, this part was somehow omitted. Unfortunately, **Moscow seems to notice the imbalance of the trade relations and its significance for both sides**. As noted before, for China Russia is just a one of many other resources of raw materials and energy for its dynamic growth and dynamic energy needs. Despite narrow trade areas, such as space and military design¹²⁰, Chinese are not really interested in any Russian processed, designed or technologically compound goods. As in described in previous section case of RFE regional cross-border trade, the trade imbalance is in China's favour. In 2011, China's imports from Russia grew by 55.6% whilst export only by 31.4%¹²¹. 'Russian sources indicate that in the last few years, more than 70% of the value of Russian exports to China consisted of minerals, timber, pulp and paper goods, while the share of machinery and equipment has not exceeded 5%. On the other hand, more than half of Russia's imports from China have been machinery and technology output.' (Bin, 2012, p.2). All of that only confirms the bitter truth - the massive difference, huge gap between development of these states. It is also clearly apparent in domestic investment. Russia's biggest, most important and probably the only one hi-tech village Skolkovo (*Сколково*), announced in 2009 still does not exist. **China recently has build 126 innovation centres** and its outer space researches have become apparent in the world stage.

In 2010, world news have been bombarded with information that China overtook Germany and became Russia's largest trade partner, having 9.6% of Russia's foreign trade (USD 59 billion in volume). It may sound impressive but treating all European states separately does not seem fair. Germany is not comparable with China neither demographically, nor geographically, thus

¹¹⁷ Case of Russia is not isolated, China's trade with India and Brazil (*Brasil*) is also growing year-year by around 35-40%.

¹¹⁸ Own elaboration based on data facilitated by Chinese Customs, (chinese customs, <http://www.e-to-china.com/customsinfo/latestdata/2012/0110/99626.html>), (accessed 13 May 2012)).

¹¹⁹ Data facilitated by Ministry of Commerce of China's People Republic (商务部) (ministry of commerce of China, <http://english.mofcom.gov.cn/aarticle/newsrelease/counseloroffice/westernasiaandaficareport/201205/20120508109925.html>), (accessed 13 May 2012)).

¹²⁰ Those areas of trade are covered in Chapter. 5, Section 2.1.

¹²¹ Based on data facilitated by Chinese Customs (chinese customs, <http://www.e-to-china.com/customsinfo/latestdata/2012/0110/99626.html>) (accessed 13 May 2012)).

overtaking it in case of volume of trade is not that significant. It is rather public relations manipulation in order to stress the importance of Sino-Russian relations.

Sino-Russian trade volume is steadily rising, with year-to-year growth of around 30%.

It is believed it will reach USD 200 billion by 2020. It seems flourishing, but it is more unequal with every year. This reminds of history records of colonisation: the backward, underdeveloped Russia is being exploited by fast developing China, which needs it only to get energy to speed up its growth. As noted before, Russians are aware of this situation and thus, will to change it. It has been unsuccessful for years, as most of the ‘great and genius contract to be’ have failed. Nevertheless Russians are still fighting to change this situation. Premier Putin’s last visit to China in 2011 aimed to ‘optimise the structure’ of the bilateral trade. Negotiations ‘identified 13 areas of cooperation including investment, special economic zones, high-tech park creation and management, finance, customs, Far East/Siberia economic projects, cross-border transportation infrastructure, high-technology cooperation from commercialisation to research and development, aerospace, environmental protection, agriculture, forestry, and labor migration.’(Bin, 2012, p.1). In addition 16 significant economic contracts, worth over USD 7 billion have been signed, including areas such as IT, renewable energy or biochemistry. If only these recent changes and Russia’s movements could become real, it would radically change the future image of the bilateral trade relations¹²².

If nothing changes, this situation is a bitter pill to swallow for Russia, perhaps even too bitter. As history records show, Russia feels uneasy acting as a ‘junior partner’ or having a ‘role of a secondary importance’. It does not suit its own world view, its own opinion. On the other hand, China’s rise brings it closer to the old world order, to the times when China was the only civilisation in the world. **For China things have always been like this** (Chapter. 3, Section 1), despite of the hard recent centuries. When it gains enough power it will finally be able to say it aloud. ‘Inevitably, this will entail stepping over many of the ‘red lines’ of the past, such as ‘spheres of influence’, and adopting a single-minded approach to the pursuit of Chinese strategic objectives. Such ruthlessness will not only undermine the prospects for genuine partnership with Moscow, but become prime source of growing tensions between them’ (Lo, 2008, p.89).

5.2.1. Sino-Russian Military Trade and Ties

¹²² On 28th April 2012 Premier (and at this time President-Elect) Vladimir Putin revisited China in order to renegotiate and confirm some of these contracts.

Sino-Russian Military Trade began to emerge almost directly after dissolution of the Soviet Union mainly thanks to two reasons. After Tiananmen Square Protests, both US and Europe put embargo on selling military products, including aircrafts, vessels and submarines to China, so it needed to look for another source to satisfy its growing need for weapon in general. **Russia's almost 1000 heavy industry companies** producing military products could not rely on domestic market any more, in order to survive it needed external ways of financing. Selling weapons to China was to some extent like many times in Russian history, making a virtue out of necessity, as Russia's mass media were stressing importance of international military cooperation in order to ensure regional stability. During the first years of this blooming cooperation one more factor was helping the countries stay together: the American presence. China and Russia had one common aim of creating a more multipolar world, also in case of military power, which eventually led to full spectrum of their military cooperation.

Many may consider selling military products by Russia to its neighbours somehow insecure as in the future it may be used against seller. Although these fears are not without any base, Russia seems to realise that. **As 95% of Chinese weapons in the last decade have been purchased from Russia**, it may be sure of the kinds of weapons that China possess. What is more, according to Russian defence specialists Russia, at least up to 2010, has never sold to China its newest military products. Majority of the products sold to China, or at least those most powerful, are submarines which cannot be potentially use against Russia. China is not seen as a potential threat for Russian security, not only because of its military underdevelopment, but also because reaching Moscow by Chinese is extremely hard. China borders with Russia's sparsely inhabited famous for roughest in the world climate lands. What also must be realised, when it comes to Sino-Russian Military relations of any kind, is that **majority of the information is top-secret** and thus, information available for the public may not be accurate. Due to this limitation only selected data is covered in this section.

Already in first four years Russia was selling to China 'an average of just under USD 1 billion worth of arms per year' (Bellaqua, 2010, p.181). This steady cooperation was improving for years, and in 2005 Russia for the first time in history overtook the United States in case of volume of exported arms to developing countries, by 'signing agreements for USD 7 billion worth of export. China comprised 40% of these agreements in 2005 - about USD 2.8 billion - and is expected to remain a strong market in the future.' (Bellaqua, 2010, p.186). In Russia's point of view, these contracts are extremely important for economy grow as military sphere is actually the only one sector capable of exporting finished products, not only parts of them or as usual raw materials.

Thus, government sees it more like a long-term source of development for the country than only way of financing post-Soviet companies, which are mainly located in the underdeveloped areas of RFE and Siberia. Thanks to the large scale of international sales, Russian military industry can bring more up to date its manufactures and technology. Vladimir Putin aware of the importance of the quality of military goods eliminated almost half of the state contracts with minor producers. It helped Russia's government control and guarantee better quality of production. Later, 'on 7 February 2007 Defence minister Ivanov (*Сергей Борисович Иванов*) announced an eight-year, USD 189 billion modernisation plan, which included new power projection capabilities: additional ships, aircraft, and aircraft carriers' (Bellaqua, 2010, p.195). In recent years Russian government is claiming, that in order to 'be back in the game', which in other words means 're-born as a great power' its economy must become competitive in world markets, and that the only guarantee of that is actually strongest Russian military industry. China, with its demographic potential is seen as a key factor for Russia to achieve its goals.

In 14 years (1992-2006) China bought from Russia over USD 26 billion worth of weapons, arms and military transportation of differentiated structure (see: Table 3).

Table 3: Structure of military purchase by China (1992-2006)

Product	Name	Quantity
transport aircraft	Ilyushin Il 76M/Candid-B	44
	Il-78	4
aircraft	A-50U/Mainstay AEW&C	3
	Su-27SK/Flanker	173
	Su-30MK/Flanker	100
mobile system	Tor-M1/SA-15	35
tank	T-72	50
	T-80U	200
	BMP-1	70
destroyer	Sovremenny class	4
submarine	636E/Kilo	10
submarine	877E/Kilo	2

Source: Own elaboration based on (Bellaqua, 2010, p.208-209).

For a big part of these orders **Russian defence industrial complex have not received hard currency, but on the barter basis it received goods.** Some of the orders just covered earlier Russian credits, so it did not help the Russian economy to the scale it was expected. Since 2006 China is trying to negotiate with Russia over transferring not only weapons and military products but also, and in the future mainly, military technologies. Russia, as in the case of selling the most modern arms is uneasy, but as Sino-Russian military trade turnover dropped significantly in 2007, and until now has not returned to its peak, this scenario seems likely. For the time being the most significant obstacle is price over which negotiations are continuing endlessly¹²³. The other important factor is India, which is the second important buyer of Russian military products, and which rise in Asia may become future security problem for China.

Military ties are not only about trade, at least between Russia and China. Their **Military Cooperation includes two other important factors:** practical actions of the troops during military exercises as well as military-technical cooperation. These are especially important in Chinese agenda. People Liberation Army (PLA, 中国人民解放军), which is the official Army of The People's Republic of China, thirty years ago was seen as a 'technologically backward and poorly trained' (Lo, 2008, p.74). In the 21st century, mainly thanks to Russian weaponry and practical support this situation has changed dramatically. China, especially after the Gulf War¹²⁴ realised how important military development and training is and from this time on has been spending on its army 'double digit rates every year' (Lo, 2008, p.75). Even though it is far more than what Russia spends on its military force, Chinese army still is not recognised as a serious threat for Russia. It is so, because **Russia is still massively predominant in case of quantity of nuclear weapon** which, according to majority of experts, in case of emergency is capable to use. It is believed that 'it would take China until 2050 to become a 'might, world-class military power' thereby giving Russia plenty of time and opportunity to maintain its military-technological advantage' (Lo, 2008, p.79). Russia is willing to take part in common troops trainings mainly because activities of such kind work better than marketing of any kind. During military exercises it usually shows its newest tanks, weapons and aircrafts, which later are sold to China with higher than before training price. Russian government realises that it must encourage China to buy newest military products. Common Sino-

¹²³ In the years 1990-2009, there were 53 Military exchange visits of the highest importance between Russia and China, most of them being negotiations over price of purchased products.

¹²⁴ Also known as 'Dessert Storm Operation' (1990-1991) was a military operation of coalition of UN states against Iraq (جمهورية العراق).

Russian Military Cooperation includes also help of the specialised technicians over 2000 of whom are believed to work in China nowadays.

According to tensions (mainly caused by endless price negotiations) in Sino-Russian military trade, its future relies only on meeting buyer-seller expectations, needs and preferences.

5.3. Energy Cooperation: The Importance of Oil and Gas

Sino-Russian Energy Cooperation is the most important, and at the same time **the most entangled part of their economic relations**. It is also the only case when Russia is a supplier and China a demander. This specific relation is driven by different goals. For Russia Energy Cooperation, which means selling gas, oil and electricity to China is not only about making profit, **it is more geopolitically driven**. Russia believes it can help it control the region and become a more valuable actor in the world affairs thus, decision-making is not economically justified, which results in irrational decisions. China sees in this cooperation only one aspect: it may help it diversify its energy supply and to some extent secure its economic growth, which needs more energy each year. At least these were assumptions several years before, when Energy Cooperation might have looked different. Today, after so many problems, mind and decision changing, China realised it needs to seek stable energy supply somewhere else.

Along with fast GDP growth and changing of lifestyle, worldwide energy needs are also soaring. It is projected, that the world's need for oil will reach 150 million barrels a day by 2020, which means it will double today's demand. It will happen mainly thanks to China and India, which rise in Asia creates enormous demands for both oil and natural gas what, according to some experts, may result in energy industry become the branch with biggest influence on the others (Ernst&Young, 2009). **China is the fastest growing consumer of energy worldwide** and from 2009 biggest consumer of energy. It overtook the United States not only in this case, but also in case of automobiles, for the first time in history becoming the biggest manufacturer of cars in the world. Those giant changes and needs increased its dependency on imported energy supply¹²⁵. It is projected, that China will import more than 17.5 million barrels of oil per day by 2030 (BP Statistical Review, 2011), what actually triples its today's needs. In order to achieve that and at the

¹²⁵ Biggest Chinese natural resources are located in Xinjiang Region, which is a special zone, an underdeveloped region of constant fights and ethnic problems. If China wants to exploit its resources it needs to face Xinjiang in the near future. Along with Tibet and Taiwan questions, those are the most important domestic problems for China today.

same time guarantee domestic security it must as much as possible diversify its suppliers. In the times when oil prices along with other energy resources are radically increasing, world's **attention is focused on Russia, which energy resources are vast**: it has the seventh-biggest oil resources and is leading country in terms of natural gas reserves and production. All of that was a great opportunity and challenge for Sino-Russian relations. Unfortunately, as latest records show, taking advantage of the situation is harder than it seems.

Table 4: Structure of China's global shares in case of energy consumption in 1985 and 2003

Sector of energy	Global share in 1985	Global share in 2003
coal consumption	20.7%	31%
oil consumption	3.2%	7.6%
gas consumption	0.7%	1.2%
hydro-electricity consumption	4.6%	10.7%

Source: Own elaboration based on (Crompton, Wu, 2005).

The increase in China's energy needs in the last two decades has been so rapid (see: Table 4), that domestic energy supply has discontinued being enough. Along with overtaking the United States in terms of energy consumption, China started a new chapter in history of energy demand and supply. Even though the United States is still the biggest consumer of oil, with estimated usage of 19 million barrels a day¹²⁶, China is projected to out rival it by 2030 and become not only biggest consumer of energy in total, but also of oil. When it comes to natural gas, China is seen as a consumer of more than half of Asia's total consumption by the year 2030, which most probably will result in closer cooperation with Russia which, as noted before, is the country with the biggest reserves of natural gas in the world.

High consumption is a big challenge for China, which may face critical problems, especially in terms of depletion of some domestic resources, as well as seizing its international diversified supply net without delays. **Nowadays almost 40% of its foreign energy supply comes from the Middle East.** In order to secure domestic grow, this source must be diversified. The best solution would be to retrieve more oil and energy supply from RFE and Siberia, as those regions have massive natural resources and are geographically close to China, which lowers the costs, and benefit from exploiting these areas could both China and Russia.

¹²⁶ China uses only 9.2 million of barrels, which shows the difference and gap in economies of these countries.

Russia's natural resources are amongst largest in the world¹²⁷, but still big parts of them, especially these located in **Eastern Siberia and RFE are not being exploited**. Russia is aiming to change that in the near future. RFE gas resources are projected to become the main source of Russian natural gas in the next 30 years. Asia-Pacific countries including China are major target for these energy resources. RFE has also almost one fifth of all proved oil resources of Russian Federation, and thus, its exploiting in the 21st century seems inevitable.

Almost 80% of all Russian natural resources in terms of energy are located in both Siberia (western and eastern) and in RFE, which are regions geographically close to China. This situation only helps countries cooperate, lower the costs of such supply as well as figure out individual ideas, such as building pipeline, which is much more secure and efficient than using sea route of transportation for oil. Russia would also benefit from almost no competition in the region. In addition not only diversifying supply for China but also diversifying export for Russia is an important aspect in domestic economy.

The pipeline issue is the most confusing and irritating among all other economic issues in Sino-Russian relations in the 21st century. The plans, decisions and contracts have been changed so many times during the last decade, that some scholars refer to it as 'Pipeline Saga', which seems to be a never ending story. The idea of building oil pipeline dates back to 1999, when whole project called **East Siberian-Pacific Ocean Oil Pipeline** (ESPO, *Нефтепровод "Восточная Сибирь - Тихий океан"*, 东西伯利亚-太平洋石油管道) was brought up. The first plan was to build a pipeline from Russian Angarsk (*Ангарск*) through Skovorodino (*Сковородино*), up to Chinese Daqing (大庆) (see: Figure 5). The project was supposed to be financed partly by Russians and partly by Chinese, and '700 million tones of Russia crude (then worth USD 150 billion) would be pumped to China over a period of twenty-five years' (Lo, 2008, p.143).

Unfortunately enough, mainly due to the political reasons, the original project was never fulfilled. Among political reason one was extremely important and crucial not only for this project but also for future Sino-Russian relations. In 2003 Japanese intervened in the agreement offering Russia financing of the pipeline all the way through up to Russian city Nahodka (*Находка*) (see: Figure 5) by the Pacific Ocean. The agreement was lucrative not only because of better financing but also because of better strategical location of the pipeline and Nahodka itself. From this sea port Russia could easily sell its oil not only to China but also to Japan, Korea, other Asian countries as

¹²⁷ Russia has 6.3% of global proved reserves of oil and produces 12.4% of total oil production; its natural gas resources exceed 23.4% global reserves. This problem is widely described in (Ping, 26 November 2011).

well as to the United States. **Breaking off the contract with the Chinese only proved that Sino-Russian Strategic Partnership or close ties are not that important in reality.** It also showed China that it must have plan B for diversifying its energy supply, as Russia is not the country to rely on. Eventually the ESPO, due to political and financing reasons was built several years later actually on its premier route from Angarsk to Chinese Daqing.

This almost 1000-kilometres-long pipeline with a capacity of 15 millions metric tons of oil per year started to operate only on January 1st 2011¹²⁸. ‘It is a long term crude oil trading deal and a financing plan between China Development Bank (国家开发银行) and the Russia Oil Transport Company (*Нефтетранспорт*)’ (Ping, 2011, p.8).

Apart from pipeline and gas purchasing, Russia has also signed some kind of special credit contracts with China. They provide Russia with today's Chinese capital in exchange for the future Russian oil. These worth over USD 25 billion contracts are subsidizing not only Russian oil companies Rosneft (*Роснефт*) and Transneft (*Транснефт*) but also (mostly indirectly) Russian government. In exchange for this, Russia obliged itself to **transfer to China over 300 million tons of oil by the 2030**, mainly through ESPO. For Russia it is a source of extra financing extremely needed in times of crisis and for China it is still the cheapest option to get oil for its growing needs.

Sino-Russian Energy Cooperation includes also gas supply. At least in negotiations it does, because due to the price disagreement none of the contracts have been fulfilled. Already in 2006, Gazprom (*Газпром*)¹²⁹ and China National Petroleum Corporation (CNPC, 中国石油天然气集团公司) signed the agreement over sending to China natural gas. This contract was later upgraded in 2010 and provided China with ‘70 billion cubic meters of natural gas from Russia each year. Due to continued disagreements over gas prices between China and Russia, the project has been stalled and Russian gas supplies to China are not realised until now.’ (Peng, 2011, p.8-9)¹³⁰.

The least troublemaking part of energy cooperation is electricity mainly because of its small scale. Russia today supplies 4.3 billion kilowatts of energy to China annually, and it is projected to raise up to 60 billion by 2020. This include China's biggest cross-border power line, built from Amur Administrative District in Russia up to Heilongjiang (黑龙江省) District in North China.

¹²⁸ According to Xinhua News Agency, published on <http://english.cntv.cn/program/china24/20111013/104861.shtml>, (accessed 13 May 2012).

¹²⁹ In 2008, Gazprom, mainly thanks to high prices of natural resources was worth over USD 1 trillion and at the same time was biggest corporation in the world.

¹³⁰ In October 2011, a group of 160 Russian business leaders along with Vladimir Putin visited China in order to discuss gas supply to China and finalise old contracts. Unfortunately, there is no official record of changes of any kind after the visit.

Figure 5: The proposed oil pipelines in Asiatic part of Russia and China in 2008



Source: (Lo, 2008, p.142).

Project survived many hiccups, including big earthquake in October 2011, which may mean it will eventually start operating soon and help China supply its surging demand for electricity. There were also negotiations over building ultra-high voltage transmission lines, but unfortunately only Chinese side has the capacity to build them, so the project has been postponed to the unknown future.

During almost any official visit to China or to Russia, representatives of states and officials always boast about the achievements of Sino-Russian Energy Cooperation, about the harsh beginnings but pretty smooth recent connection. In real terms, truth is not that bright; there is still a lot to change and precise in order to achieve assumed goals and mutually benefit from the relation. The first and biggest obstacle to let the further and on a big scale cooperation to run is issue of price. This long-term challenge has not been resolved in any of the fields of energy cooperation. The reason for that is not only economic; As Russia is treating everything geopolitically it somehow

plays with the prices in order to prove its control over China in a matter of energy supply as well as to gain other, non-economic benefits. Russia is widely known as the agent influencing on other decision-making through specific pricing¹³¹. **The other important challenge for these relations is to obtain an equilibrium in case of approaches to energy security.** Even though it has some geopolitical meaning, for Russia energy supply is still more like any other transaction, like buying and selling goods of any kind, whilst for China it is more a question of domestic security. As long as Russia will not be able to understand that difference and at the same time provide China with stable supply, the cooperation will not work efficiently. This challenge leads to the next, also extremely important, not only in case of energy cooperation question: the **problem of mutual mistrust**. Both China and Russia know, mainly from past records, but also from recent experience, that they can trust each other only to some extent, which, in some cases is really not sufficient. It may have been one of the reasons why the oil pipeline has not been developed for so many years. The last but not least challenge is the lack of mutual mechanism to cooperate relations of this kind. The framework, the law issues along with common goal are only few of the main problems, answers to which are absent. Establishment of multilateral framework definitely would help China and other Asian countries to cope with Russia in case of energy supply and often unfulfilled contracts.

Sino-Russian Energy Cooperation is also a giant opportunity for the future of both countries. China is trying to strengthen its energy cooperation with Russia through SCO, which seems to help. Even though it may seem that as Russia is a supplier, this bilateral relation is in its favour, recently, mainly due to the price changes and worldwide finance crisis this situation is changing. Russia needs Chinese capital, it is essential for its survival. China can survive without Russian energy supply, mainly because it learnt to live that way through all the years of negotiations, broken off contracts and agreements, which have never been fulfilled. The near future will prove how much Russia can sacrifice in order to get its goals or rather survive. If the situation with unsolved energy supply questions remains, the tension between nations may become too heavy to bear.

¹³¹ This situation is most apparent in case of gas prices for Near Abroad Countries. Those of them, which are more independent pay much more than these, which decision-making policy is done accordingly to Moscow's point of view. In 2008 prices of natural gas ranged from USD 280 per million cubic meters for Baltic Republics, through USD 230 per million cubic meters for Georgia up to USD 119 per million cubic meters for Belarus and only USD 110 for Armenia. This issue is widely described by Jakob Tolstrup (2009).

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*(kōng xué lái fēng wèi bì wú yīn); meaning: everything happens for a reason.

Chapter 6. Conclusions and Recommendations

Sino-Russian relations have always been and still are of a very ticklish character. For nations so diverse and so different from each other common interests sometimes might be not enough to achieve long term rapport. As noted in Chapter. 2 both countries are representatives of different civilisations, and both are somehow ‘caught in the middle’, stuck in between cultures. They differ in basic ideas and religion, which seems to be the crucial dissimilarity. Chinese world view, which treats all other nations as subordinates states and Russian messianism are clashing through history. All of that led them in 20th century to the same point where they rejected rich past and through revolution changed the course of history. According to the civilisational difference the evolution of the Communism in both China and Russia was different. Russia was able to cast away this regime already in 1991, China still remains a communist country and at the same time is rising economically not only in Asia but also worldwide. Analysis of past events shows, that once standing on a peak of the world Russia is not willing to forget those times. On the other hand China believes, also taught by blooming ancient history, that has a right to be at the pinnacle. As there’s no two Suns in the sky, the tensions arise.

The main aim of this thesis was to analyse the Modern Sino-Russian Relations based on the past events. **Analysis of rich history as well as available data let to prove all three hypotheses of this thesis.**

Hypothesis	Proved	Rejected
The cultural, religious and behavioural differences between Russia and China caused strained international relations.	X	

Table 5: Proved/rejected hypotheses of the thesis

Hypothesis	Proved	Rejected
2. Normalised Russian-Chinese connection will not last long taking into consideration the historical background and past events.	X	
3. China will become the most important agent in the world economy and Russia will keep on declining its importance in the international relations which will cause bigger imbalance in their trade relations and can lead to military conflict.	X	

In addition in the scope of the thesis all of the research questions were answered. Conclusions are as follows:

1. **The Russian and Chinese civilisations differ diametrically:** their history and evolution are not equal. China is a self-formation whilst Russia is to some extent a legacy of other civilisations and nations. The differences are vivid not only in domestic issues and everyday life of the citizens, but as they relate to basic ideas and world view are implied into the foreign policy and affect decision making;

2. Analysis of the historical background of the relations shows, that **the recent steady and not tensioned relations are not likely to last long**. In the rich history of the Sino-Russian ties there have always been good moments, but general tendency is rather less optimistic. As analogy to majority of the modern decisions relating to economical and political ties can be easily found in the past, the author of this thesis believes that the good times in relations are about to end soon;
3. In the modern, globalised and post-Cold War world it is impossible to keep bilateral ties, actually all of the international relations are multilateral, often triangular and affect many states. **The importance of the United States in the world stage is evident, so is its impact on Sino-Russian Relations**. Both China and Russia are trying to maintain delicate ties with both legs of the triangular relations with US, which proves the real art of diplomacy. As US treats these states unequally, and Russia seems to be more interested in US than in China, the tensions arise. **The US presence in Central Asia is likely to prevent military conflict in the future;**
4. **One of the biggest problems in mutual Sino-Russian relations is common border**, which was finally demarcated only in 2008. The main tensions arise in this region as this is an area, where citizens of both nations meet. Underdevelopment of Russian rich in natural resources side is only deepening the worry. Highly populated Chinese part, illegal trade along with illegal migration of people are present and most probably the futures biggest domestic issues for Russia;
5. **Sino-Russian trade balance is in China's favour**. It exploits Russia's raw materials and manufactures them. This situation is getting worse with every year and unfortunately is not about to change in the near future. The main problem in Sino-Russian economic relations is energy cooperation, which was supposed to be flourishing, but reality proves that actually none of the contracts have been fulfilled. The only area of real cooperation is the oil pipeline which operates from 2011. As both countries need each other in the field of energy, there is hope for rise in mutual cooperation in case of natural gas and electricity;
6. **Only looking at the current situation from both countries perspective can result in not biased analysis;**
7. As **China will most likely become the most significant agent in the world's affair**, the tensions in Sino-Russia relations will arise. The hurt, fallen of the peak Russia is capable to induce military conflict in order to prove its potential and at the end of the day to restore old world order.

The further analysis for this thesis may relate to not-so-well described by current scholars and poor with data problems of the common Sino-Russian border, especially from the Chinese perspective.

Taipei, 13 May 2012

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6.2. List of Tables

1. Table 1: Levels of analysis in terms of International Security (p.22)
2. Table 2: Primorskyi Krai trade balance sheet with China's northeast provinces (January - June 2011) (p. 86)
3. Table 3: Structure of military purchase by China (1992-2006) (p.92)
4. Table 4: Structure of China's global shares in case of energy consumption in 1985 and 2003 (p. 95)
5. Table 5: Proved/rejected hypotheses of the thesis (p.102)

6.3. List of Figures

1. Figure 1: World map divided into particular civilisations proposed by Samuel Huntington in 1993 (p.29)
2. Figure 2: Map of Asia during the Rule of Tang Dynasty, 700 A.D. (p.43)
3. Figure 3: Russo-Chinese common border map including the administrative regions of RFE (p.82)
4. Figure 4: Russo-Chinese common border piece map showing the dispute over Bolshoi Ussuriiskiy Island (*остров Большой Уссурийский*, 黑瞎子島) (p.84)
5. Figure 5: The proposed oil pipelines in Asiatic part of Russia and China in 2008 (p.97)

6.4. List of Translations

1. 'С Китаем у нас достигнут такой уровень отношений, которого, наверное, никогда не было вообще.(...) Я считаю, что отношения сегодня – лучшие за всю историю нашего взаимодействия с Китаем, потому что здесь нет двойного дна. Они носят прагматический и добрососедский характер. И я думаю, что они могут продолжаться достаточно долго. Source: <http://archive.kremlin.ru/text/appears/2006/09/111114.shtml>, accessed 15 April 2012.

2. 'Обе стороны едины в том, что за последние годы китайско-российские партнерские отношения стратегического взаимодействия непрерывно продвигаются вперед и достигли небывало высокого уровня за всю их историю'.

Source: http://archive.kremlin.livepage.apple.com/ru/appears/2005/07/01/1908_type63377type63380_90631.shtml), accessed 15 April 2012.

3. 'Я не буду здесь драматизировать события, но если в ближайшее время мы не предпримем реальных усилий, то тогда даже исконно русское население через несколько десятилетий будет говорить в основном на японском, китайском, корейском языках.

Поэтому вопрос о перспективах развития Дальнего Востока и Забайкалья стоит для страны очень остро, я бы сказал, даже драматично. По сути, речь идет о существовании региона как неотрывной части России. Мы не имеем ни малейшего права терять темпы развития, позволить краю отстать. На основании того, что мы сейчас имеем, мы движемся, к сожалению, как раз именно в этом направлении'. Source: <http://archive.kremlin.ru/text/appears/2000/07/28796.shtml>, accessed 5 May 2012.

4. 'Большинство опрошенных отрицательно воспринимают основные элементы расширения китайского экономического присутствия в России: рост в наших магазинах числа товаров из Китая, приобретение китайскими бизнесменами собственности в России, увеличение числа китайских работников на российских предприятиях. От 50 до 74% россиян высказываются за ограничение проникновения их на российский рынок'. Source: <http://www.angi.ru/news.shtml?oid=1089420>, accessed 10 May 2012.

5. '(...) вопрос о перспективах развития Дальнего Востока и Забайкалья стоит для страны очень остро, я бы сказал, даже драматично. По сути, речь идет о существовании региона как неотрывной части России. Мы не имеем ни малейшего права терять темпы развития, позволить краю отстать. На основании того, что мы сейчас имеем, мы движемся, к сожалению, как раз именно в этом направлении'. Source: <http://archive.kremlin.ru/text/appears/2000/07/28796.shtml>, accessed 5 May 2012.

6.5. List of Attachments

1. Detailed timeline file of Chinese, Russian and their Relation History (own elaboration)
2. Google Earth file covering all of the actions and military manoeuvres of Mongols in the 13th century (author: Phil Owen), (CD)
3. Anti-Plagiarism Report

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