Chapter 4

China's Security Interests in the Russian Far East

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In recent years, the Chinese government has increasingly attached more importance to the Russian Far East. Proof of this comes from the frequent visits of top Chinese leaders to this region since 2000. In September 2000, then chairman of China's National People's Congress Standing Committee, Li Peng, paid a visit to Vladivostok. This was the first time for a top Chinese leader to visit the Russian Far East since the disintegration of the Soviet Union. In July 2002, China's then Vice Prime Minister, Li Lanqin, also visited Vladivostok. In May 2004, chairman of China's National People's Congress Standing Committee, Wu Bangguo, deliberately chose Khabarovsk as the first stop of his visit to Russia. These visits show the strong desire of the Chinese leadership to further develop China's relations with the Russian Far East. One of the important reasons for the Chinese leadership to pay close attention to the Russian Far East is that they have realized that China has important security and economic interests in this region.

In my view, China's security interests in the Russian Far East are mainly reflected in the following three aspects. First, China hopes to have a long-term peaceful and stable border with the Russian Far East and to promote the further development of overall Sino-Russian relations through constantly strengthening good-neighborliness, friendship and mutually beneficial cooperation between China and this region. Second, the Chinese government hopes that the Russian Far East, and also Siberia, could become a source of stable oil supply and other important natural resources available to China. It also hopes to promote the development of overall Sino-Russian economic and trade relations through strengthening economic and trade cooperation with the Russian Far East. Third, the Chinese government also hopes to

strengthen cooperation with Russia in maintaining security and stability in Northeast Asia and solving the North Korean nuclear issues peacefully.

The Development of Good-Neighborly and Friendly Relations with the Russian Far East

China's peaceful development or peaceful rise requires a favorable external environment, and first of all a long-term stable environment in its surrounding areas. Addressing representatives at a meeting of Chinese diplomatic envoys held from August 25-29, 2004 in Beijing, Hu Jintao said that the fundamental task and basic goal of China's diplomatic work is to strive for a peaceful and stable international environment, a neighborly and friendly environment, an environment for equal and mutually beneficial cooperation, and an objective and friendly public opinion environment. He also pointed out that at the present new period and new stage, China will promote the steady development of relations with major countries and stick to the principles of building friendship and partnerships as well as security and prosperity with neighbors.¹

Russia is China's biggest neighboring country. It is also a nuclear power and a permanent member of the United Nation's Security Council. China shares a border of more than 4,300 kilometers with the Russian Far East and Eastern Siberia. If China fails to establish good-neighborly and friendly relations with the Russian Far East, it will be difficult for China to really obtain the strategic goal of maintaining a long-term stable environment in its surrounding areas and the development of a strategic partnership between China and Russia will be seriously affected. In view of the present tense situation in the Taiwan Straits it is all the more important for China to maintain a peaceful and stable border in the north.

Since the disintegration of the Soviet Union, Sino-Russian relations have developed smoothly and mutual political trust between the two countries has been constantly deepened. In 1996, China and Russia established a strategic partnership of cooperation. In 1996 and

¹ People's Daily, August 30, 2004.

1997, the two countries, together with Kazakhstan, Kyrgyzstan and Tajikistan, signed a military confidence-building agreement and an agreement on mutual reduction of armed forces in the border areas respectively, which indicates that neither China nor Russia regards each other as potential military adversaries. In 2001, China and Russia signed a neighborly treaty of friendship and cooperation, which stipulates that the peoples of the two countries will be friendly to each other from generation to generation and that the two sides will peacefully resolve all the disputes between them in a spirit of mutual trust. Under these circumstances, the Chinese government does not believe any actual or potential military threat posed by Russia to China's national security would exist.

What the Chinese government is concerned about is the lack of understanding of China's policy toward Russia and the influence of the so-called "China threat" among some people in Russia, especially the Russian Far East. Because of the dramatic growth of China's national strength in recent years, the existence of historical boundary issues, the so-called illegal Chinese immigration, etc., there has always been a small number of people in Russia, especially the Russian Far East, who fear a so-called "China threat." They are worried that once China becomes economically and militarily stronger than it is now, it may want to seize back the territory it lost to Czarist Russia in the mid-nineteenth century or that as a result of the "large influx" of Chinese immigrants, the Chinese may become the second largest ethnic group in Russia, especially in the Russian Far East next only to Russians sometime in the future. Although these worries do not represent the mainstream views of Russian political circles and have never been accepted by the Russian government, they have, nevertheless, negatively affected the development of China's relations with Russia, especially with the Russian Far East. As China's image among many people in Russia, especially in the Russian Far East, is not very good or objective, the good-neighborliness and friendship and strategic partnership established between China and Russia in the past decade still lacks a solid social foundation in Russia, especially the Russian Far East

The Chinese government holds that in order to lay a solid social foundation for enhanced trust and closer friendship between China and

Russia, including the Russian Far East, it is necessary to accelerate the steps of settling the historical boundary issues between the two countries in a fair and reasonable way acceptable to both sides, make greater efforts to deal with the issue of illegal Chinese immigration to Russia and further strengthen humanistic exchanges between China and Russia, especially the Russian Far East, so as to increase mutual understanding and friendship between each other.

Boundary Issues

On the whole, since the signing of the agreement on the eastern section of the border between China and the former Soviet Union in 1991, both the Chinese and Russian governments have been able to observe the principles of equal consultation and mutual understanding and mutual accommodation in resolving the remaining boundary issues. The Chinese government has also taken into full consideration the interests and feelings of the local population in the Russian Far East and adopted a flexible and pragmatic attitude in this respect. Because of the above-mentioned reasons, by the end of 1999, with the exception of two small areas including Xeixiazi Island, or Bol'shoi Ussuriiskii as it is known on the Russian side, all the boundary issues had been basically resolved.

In the past two or three years, especially since Hu Jintao came to power at the end of 2002, the Chinese leadership has laid more emphasis on a foreign policy with "peaceful rise" as the core. It has advanced a number of important and new concepts with regard to security and in dealing with relations with China's neighboring countries. For instance, it has advanced a new security concept which emphasizes "mutual trust, mutual benefit, equality and cooperation." In dealing with China's neighboring countries, the Chinese government now sticks to the principles of building friendship and partnerships as well as security and prosperity with neighbors and trying to acquire "win-win results" together with neighbors. These new concepts or principles must have played an important role in accelerating the negotiation process between China and Russia with regard to the remaining disputed areas. During Vladimir Putin's state visit to China in mid-October, 2004, China and Russia completed the delimitation of their 4,300-kilometer-long borders by signing a supplementary agreement on the eastern section of the boundary between the two countries. Thus, the two countries have ended their long-running demarcation dispute, which had been a main source of bilateral discord. The joint statement signed by the heads of state of the two countries during Putin's visit to China pointed out that the newly signed agreement on border issues is "balanced and reasonable" and a "political win-win" solution. There is no doubt that the final and complete settlement of the boundary issue between China and Russia will offer a reliable guarantee for the long-term friendship and good-neighborly cooperation between the two countries and will also create better conditions for the long-term, healthy and stable development of strategic partnership between them.

The Issue of Illegal Chinese Immigration

Some Russians, especially some officials in the Russian Far East, have often exaggerated the issue of illegal Chinese immigration. It is true that in recent years, with the expansion of border trade between China and Russia, there has been a small number of Chinese who have stayed in Russia illegally, including the Russian Far East. But these people are not really immigrants because most of them stay in Russia and the Russian Far East only for a short period of time ranging from several days to one or two years. Only a very small number of Chinese have actually settled down in Russia. According to Viktor Larin, director of Institute of History, Archaeology, and Ethnography of Far Eastern Nations, Vladivostok, there were approximately only 700 Chinese who settled down in the Russian Far East throughout the 1990s.² Therefore, the issue of so-called illegal Chinese immigration is not nearly as serious as some in the Russian media claimed. In my view, some local governments in the Russian Far East are at least partly responsible for the issue of illegal Chinese immigration. Many Russian scholars have pointed out that mismanagement and the corruption of some law-enforcement agencies in the border areas of the Russian Far East

² Izvestiia, October 16, 2004.

are an important cause leading to the emergence of the issue of illegal Chinese immigration.

As far as I know, the Chinese government has never had any plan or policy to send Chinese immigrants to the Russian Far East. On the contrary, it has always been opposed to illegal immigration and has attached great importance to cracking down on cross-border criminal activities, including illegal immigration. In the past decade, and especially in recent years, Chinese law enforcement agencies including border guards on the Sino-Russian border have cooperated well with their Russian counterparts in combating illegal immigration and other forms of cross-border criminal activities, such as illegal border crossings and drug smuggling. The Chinese and Russian governments have signed a number of agreements regulating contacts and exchanges between citizens of the two countries, such as visa agreements, agreements of short-term labor services, etc. The governments of the two countries recently have set up a joint working group on immigration issues and are going to increase the number of consulates in each other's countries. Therefore, the allegation about China's population expansion to the Russian Far East is groundless. Recently, well-informed persons from the Kremlin have emphasized that "there is no reason to say that China has encouraged laborers to come to Russia." They hold that Chinese entering the Russian Far East is not a bilateral problem but Russia's internal problem.³

On the eve of Putin's recent visit to China, Sergei Darkin, governer of Primorskii krai, who was a member of Putin's delegation to China, made a number of speeches, which show that the attitude of the leadership of the Russian Far East with regard to a supposed "China threat" has undergone great changes. Primorskii krai now opens its arms to welcome Chinese because there is a severe shortage of labor force in the region. A long-term development program formulated by Primorskii krai also mentions that, by 2010, the region plans to draw 500,000 foreign laborers to work there (the present figure is only 15,000), the majority of whom will be Chinese.⁴

³ ITAR-TASS, October 14, 2004.

⁴ Izvestiia, October 16, 2004.

In recent years, the Chinese government has also made greater efforts to enhance cultural and humanistic exchanges with Russia. including the Russian Far East, to increase mutual understanding between the peoples of the two countries. During Hu Jintao's visit to Moscow in May 2002, he and Putin decided to make the year 2004 the "Friendship Year for Youth from China and Russia." In October of this year, a Russian youth delegation formed by one hundred young people, many of whom come from the Russian Far East, came to visit Beijing and other Chinese cities. During Putin's recent visit to Beijing, the leaders of the two countries also reached the consensus to set the year 2006 as the "Year of Russia" in China and 2007 as the "Year of China" in Russia. In the past two or three years, exchanges and cooperation between China and Russia, including the Russian Far East in the fields of culture, education, media, etc., have also notably increased. All this has contributed significantly to the deepening of mutual understanding and trust between the peoples of China and Russia, including the Russian Far East

Economic, Trade and Energy Cooperation

With the fast development of China's economy, China's oil and some other important natural resources, such as a number of nonferrous metals and timber, are increasingly unable to satisfy the needs of the sustained development of its economy. For China, in the next few decades, to guarantee the supply of these important resources, especially oil, is not only an important economic issue but also an important security issue because it directly concerns the success or failure of China's modernization construction. Thus, the issue of energy security has already become an important consideration in China's foreign policy strategy. Last year, China, by importing 100 million tons of oil, already became the world's second largest importer of oil next only to the United States. Today, nearly 40 percent of China's demand of oil comes from abroad, about 60 percent of which comes from the Middle East, where the situation is turbulent. It is estimated that by the year 2020, over 60 percent of China's demand of oil will have to be imported from abroad. Russia has abundant reserves of oil and other mineral resources and about 80 percent of them are

deposited in Siberia and the Russian Far East, which are close to China. Obviously, intensifying energy cooperation with Russia will help China to carry out the policy of diversifying the supply of oil and avoid a possible breaking off of the sea route of transportation, which is controlled by the United States.

At present, the Russian government has yet to make the final decision with regard to the oil pipeline route in the Russian Far East. But I believe whatever decision the Russian government makes, strengthening energy cooperation with China will undoubtedly benefit both countries. Therefore, there is no reason to be pessimistic about the prospect of energy cooperation between China and Russia. During Chinese Prime Minister Wen Jiabao's visit to Moscow in late September, 2004, Putin told him explicitly that Russia would actively develop its relations with China in line with the overall situation of the strategic partnership between the two countries. Putin said that the Russian side hoped to expand cooperation with China in the fields of oil, natural gas and nuclear energy and that Sino-Russian energy cooperation was an important component of the strategic cooperation between the two countries. He said that his country would not waver from its decision to conduct energy cooperation with China.⁵ The joint communiqué issued following Wen Jiabao's talks with Russian Prime Minister Mikhail Fradkov also emphasized that "promoting actual progress of cooperation between the two countries in the field of energy is one of the important factors in further strengthening strategic partnership of cooperation between China and Russia."⁶ On the eve of his state visit to China, Putin, interviewed by a Chinese reporter in Moscow, emphasized that "no political, ideological or economic issues can prevent Russia and China from expanding their fuel and energy cooperation." He said that Russia hoped China could be a stable and increasing market for Russian energy exports, but the choice of pipeline routes in eastern Russia would be primarily guided by its own national interests. He said Russia wanted to develop the eastern parts of the country and was planning some ambitious infrastructure construction there. However, the Russian president said he would not

⁵ People's Daily, September 25, 2004.

⁶ ibid.

only consider his nation's interests in the Far East but also those of the Chinese people.⁷ During the summit meeting between Hu and Putin, the latter again reiterated that Russia had never changed its decision to cooperate with China in the energy field.

According to some Chinese and Russian media sources, the oil development strategy up to the year 2020 approved by the Russian government already includes plans for an oil pipeline to China.⁸ The Russian Minister of Industry and Energy said that the Russian government now basically believes that the plan of a pipeline route from Taishet to Nakhodka was feasible and it would probably make the final decision this fall. He said that when this route is decided. China and Russia could immediately begin concrete negotiations regarding the issue of building a branch route leading to China.⁹ When Wen was in Moscow, he was told by his Russian host that in the near future, Russia could only increase the export of oil to China by rail. According to Chinese Foreign Minister Li Zhaoxing, who accompanied Wen Jiabao's visit to Moscow, China and Russia have agreed to increase overland oil trade, raising oil deliveries from Russia to China by rail from 6.5 million tons this year to 10 million tons next year and 15 million tons in 2006¹⁰

China, on its part, has also expressed its goodwill to Russia. During their bilateral talks in Moscow in late September of this year, Wen Jiabao and his Russian counterpart Mikhail Fradkov announced the conclusion of the two country's negotiations on Russia's WTO accession and the two country's recognition of each other's full market economy status. In order to expand and deepen strategic partnership and further strengthen economic and trade cooperation including energy cooperation with Russia, Wen Jiabao, during his visit to Moscow, also announced that China planned to invest \$12 billion in Russia by 2020, focusing on infrastructure construction, energy development, manufacturing and high-tech fields. According to some Russian media sources, most, if not all, of these investments will be

⁷ China Daily, October 14, 2004.

⁸ China Daily, September 22, 2004.

⁹ People's Daily, August 28, 2004.

¹⁰ China Daily, September 27, 2004.

made in the five oblasts in the Russian Far East, which are adjacent to China and include Primorskii krai, Khabarovskii krai, etc.¹¹ Currently. Sino-Russian trade is surging at an over 20 percent annual rate and well anticipated to reach \$20 billion this year. The joint communiqué signed by Wen Jiabao and Mikhail Fradkov following their talks revealed that China and Russia would make joint efforts to bring their bilateral trade to \$60 billion or more by the year 2010.¹² Besides, when Putin visited China in mid-October, his delegation included five chief executives of the Russian Far East. This shows that the prospect of regional cooperation between China and Russia is also good. During their summit meeting in mid-October in Beijing, Hu and Putin also approved a compendium on the implementation of the 2001 Sino-Russian Good-neighborliness Treaty of Friendship and Cooperation between 2005 and 2008. This compendium will play a significant role in implementing the above-mentioned treaty by the two countries, deepening and expanding their cooperation in various fields and pushing forward cooperative strategic partnership between them.

Overall, economic and trade cooperation, including energy cooperation, between China and Russia reflects the principle adhered to by the Chinese government of trying to get "win-win results" with its partners. China will get a stable supply of oil and other natural resources it needs from Russia, whereas Russia will have an increasing market for its resources and manufactured goods in China and will also obtain more investment from China. Of course, that does not mean that from now on everything will be smooth and there will be no problems in the future. In fact, the two countries will still need to make great efforts to put into practice the decisions or plans made by the leadership of the two countries. But it is a fact that the strategic partnership between the two countries. But it is a fact that the strategic partnership between China and Russia has promoted economic and trade ties and energy cooperation between the two countries, whereas the expansion and deepening of economic and trade relations and the

¹¹ Businessmen, October 14, 2004.

¹² In his speech made in Moscow on September 24, 2004, Wen Jiabao said that China would try to bring Sino-Russian trade to between \$60 billion and 80 billion by 2010.

long-term energy cooperation between the two countries will, in turn, strengthen strategic partnership between them. Trying to get "win-win results" is one of the basic principles of China's foreign policy strategy. It is also reflected in China's energy diplomacy. My view is that with regard to the energy issue, we need not only bilateral but also multilateral cooperation. Perhaps, China, Russia, Japan and the Republic of Korea should cooperate in jointly solving the energy security issue in Northeast Asia because it will benefit all the countries concerned in this region. In the long run, in Northeast Asia, geopolitical struggles in the field of energy will only bring harm instead of benefit to the countries concerned.

Cooperation in the Security of Northeast Asia and the North Korean Nuclear Issue

Both China and Russia pay close attention to the dangerous situation on the Korean Peninsula, which borders on China's Northeast and the Russian Far East. The two countries hold the same or similar views with regard to the North Korean nuclear issue. Both hold that the maintenance of peace and stability on the Korean Peninsula conforms to their security interests, which is vital to the development of the Russian Far East and revitalization of China's Northeast. Both China and Russia hold that the crisis of the North Korean nuclear issue should be solved through political and diplomatic means and they do not approve a settlement of the issue by exerting pressure or using force. Both insist that the denuclearization of the Korean Peninsula should be ensured and a nonproliferation regime of weapons of mass destruction be observed, and at the same time, the security of North Korea should also be guaranteed and favorable conditions be created for North Korea's social and economic development.

Since the end of the cold war, unstable factors have increased in Northeast Asia, and the North Korean nuclear issue is just a reflection of the combination of these unstable factors. The root cause is distrust and confrontation between North Korea and the United States. Because of the nature of nuclear weapons, the North Korean nuclear issue has already become a regional issue. Facts have proved that the present six-party talks are an effective channel to solve the North Korean

nuclear issue and they have also provided a good opportunity to conduct regional security cooperation in Northeast Asia. So far, China and Russia have cooperated very well with regard to the North Korean nuclear issue. China hopes that the present six-party talks will develop into a kind of security consultation mechanism in Northeast Asia in the future and hopes to continue to cooperate with Russia in this respect.

In the summit meeting held in mid-October in Beijing, the Chinese leaders agreed to enhance communication Russian and and co-ordination on major international and regional issues, to adhere to multilateralism, and to support the United Nations to play an important role in international affairs to push for the establishment of a just and reasonable new order of international politics and economy. With regard to the North Korean nuclear issue, the two leaders reiterated that China and Russia would continue to work for the six-party talks and try to find solutions acceptable to all the parties concerned. The two sides emphasized that the ultimate aim is to ensure the non-nuclear status of the Korean Peninsula, safeguard the sustained peace, stability and security in the Peninsula and this region and promote common development. As Russia under the leadership of Putin holds common or similar views with China with regard to peace and security in Northeast Asia, including the North Korean nuclear issue, it is in the interests of China to encourage Russia to play a more active role in the security issues of this region.