Capitalising Chinese Threat in Russia? A Case Study of ‘Baltic Pearl Project’ in St Petersburg

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Abstract
The official relations between China and Russia have been highly endeavored over the last decade, which reached a level lately as both sides welcome the adoption of strategic partnership. An urban development and construction project initialed by Shanghai Overseas United Investment Company in 2003, known as Baltic Pearl Project, was the biggest single foreign investment ever in Russia’s St Petersburg. The project is considered by the political and business elites from both countries as not only presenting a unique investment prospect but also reflecting China’s recent competence in re-producing European life quality. By that contemporary China is eager to demonstrate its modernisation achievement with its market capacity. St Petersburg’s local residents had serious doubt about the project instead of showing their trust and support, for their fear of a Chinatown within the city would inevitably appear after the arrival of Chinese construction capital. It was only through a well-managed PR campaign, then the project started with meeting no further confrontation. The case of Baltic Pearl Project reflects a genuine practice and force of the official commitments, in terms of China’s Go Out Policy and Russia’s strategic concerns on migration and economic development. By applying a social constructionist approach of investigating meaningful elements within Russia’s fear of China threat, including imagination on peoples, elite cooperation, the modernity task of capital, the article is to explore the role of the newly emerged capitalist in the identity politics making for Russians to adopt the new Chinese image.

Keywords: China threat, social construction, capital, identity politics, Europeanness
The world was again attracted to observe the relations between China and Russia during the first state visit of China’s new president, Xi Jinping, to Moscow in March this year. Addressing a packed crowd of students at the renowned Moscow State Institute of International Relations (MGIMO University), Xi said the interests of international communities from different parts of the world are becoming increasingly intertwined, and cooperation and development are the main trends in the new era. Affirming that China will stick unswervingly to peaceful development, Xi called on other countries to adopt the path of China’s peaceful rise. He added that that China’s development, as outlined in the notion of the Chinese dream, ‘creates opportunities instead of threats, and that will not only benefit the Chinese people, but the people of all countries.’

Despite the historical track of the world development often found like updated with numerous coincident events, its nature is driven by the transition of the global politico-economic system. The collapse of the former Soviet Union left a serial of negative legacy to Russia in the early 1990s of the last century, while China just entered a new era of its economic reform. The whole world not only with full interests look at the economic boom of China, but involved with various means to strengthen China’s capital accumulation. There was a while many had believed that Russia lost its super power status and China is increasing its world influence instead.

Benefits from the market share of the country’s natural gas resource, Russian economy has received steady growth since Vladimir Putin came to power in 2000, although the industrial production not yet fully recovered from the 1990s level. Mutual economic relationship and partnership between Russia and China continue to grow. In such a circumstance, both governments in recent years continuously claimed their mutual relations have been on the highest level since the 1950s. To a certain extent the bilateral relations have been improved, deepened and strengthened since 1994; for the first time the conception of building constructive partnership was raised after the historical conflict between USSR-PRC in the 1960s. In July 2001, the Treaty of Good-Neighborliness and Friendly Cooperation was signed, which has laid a strong legal foundation for the two countries to develop a strategic partnership. And finally in June 2005, the two countries exchanged the ratification of the Supplementary Agreement on the Eastern Section of the China-Russia Boundary Line, the border problems thus were officially settled. Nonetheless, whether from historical point of view or that of international competition, there has always been a subtle comparison of the development approaches the two countries have chosen, on which could offer a better outcome for the country.

Xi’s speech certainly comprised political consideration of China’s national interest — hence the ‘Chinese phenomenon’ has become more frequent an international issue worldwide following the growth and expansion of Chinese foreign trade. Quite often the issue then stimulated concerns of the so-called ‘China Threat’ (Китайская угроза).

As a neighbour country in the north of China, Russia’s thousands length of land borderline together with ties of a much longer history between the two countries have made issues related to China threat fairly concerned. By the end of the 19th century China became an acute political problem for Russia, and the xenophobia of China’s ethnic threat has enjoyed considerable support from certain proportion of the population. Issues related to the concern of Chinese ethnic expansion

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or ‘Sinification’ in the territory of Russia are often seen whether in the people’s everyday topics or the officials’ informal expression on the media.

Ⅰ. The Background of China Threat theory in Russia

Russia’s fear of Chinese threat mostly comes from the latest demographic characteristics of the two countries. A 2002 study shows that the entire Russian Far East is home to about 7 million people, while in the cross-border north-eastern provinces of China reside 102 million people. On the Chinese side of the border over the Far East region, there are Chinese population suffering from the lack of resource and are willing to bear all hardship to gain better life. On the other side of the border, the Russian population though embrace huge land and its rich resource but lack human resource to have proper management of the resource. Not to mention the contrast of the demographic characters in a long-term vision: Russian population has continuously declined while the Chinese have constantly faced its overpopulated social tension. Similar scenario was long time ago published by Spiridon Merkulov (2002), a famous Vladivostok’s merchant, who raised the issue of menace of ‘yellow’ population in the early 20th century, when the residence of East Asians was restricted to certain areas in the cities of Primur region. His central argument was the region would inevitable to be colonised by the ‘yellow’ workforce, due to the incompetence of the Russian governments and Russian people’s unawareness of the serious problem.

According to a 2009 report, there are over 100 thousands new foreign migrants into the Russian Far East annually, among these people over 90% are Chinese migrant workers. Anti-Chinese agitation therefore often asserts the situation will be ‘A huge number of Chinese will flow into Russia, and soon they will be everywhere’ or ‘Very likely the Russian Far East will be takenover by Chinese immigrants in decades’. A survey on the Russian-Chinese relations in 2005 showed nearly two thirds of the respondents thought the presence of Chinese during the development of Russia’s Far East region would become a threat, and the in the region even up to 80%.

Scholars’ interpretation of the history could provide another lift to deepen Russian people’s fear of Chinese taking the Russian Far East. The fear arises from the historical fact that a considerable portion of the area north of the Amur River, which now constitutes part of Russia’s Far Eastern Federal District, was Chinese (Qing Dynasty) territory until it were forced to cede to Russian control as a consequence of the signing of the Treaty of Aigun in 1858 and the Treaty of Beijing in 1860. The PRC have always labeled the historical change as ‘unequal treaties’. A group of Russian scholars worried the Chinese government will therefore support a planned massive migration activities, and encourage Chinese migration to occupy the territory of the Russian Far East. Such fears are very much a reappearance of similar concerns hundred years ago.

It is quite important to note the latest Chinese threat theories receive constant support from Russian politicians. Firstly, it was the agitation of the former governor of Primorski district, Evgenii Nazdratenko, promoted local population’s fear of Chinese

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4 Спирidon Меркулов, 1911, Вопросы колонизации Приамурского края, СПб: [б.и.]
7 Ibid. Noteworthily, in the survey of VTsIOM in November the same year, 30% of the respondents chose USA as country mostly likely to make threat to Russia, in comparison of 17% chose China.
expansion. By playing the China Threat card, Nazdratenko was able to resist Moscow interference or to require compromise over his power struggles with the federal government.

Nazdratenko is not the only high-ranking officials passed similar sentiments to the public constantly. Like the director of Federal Migration Service (Федеральная миграционная служба), Constantin Romodanovskii (Константин Ромодановский), responded to the question on a Russian State Duma session (in March 2006), by asserting ‘The Chinese migrant inhabitants have made the situation in the Far East on the verge of jeopardy’. His successor, acting director Vyachslav Postavnin (Вячслав Поставнин), on a media interview claimed there are currently more than 200 million Chinese people intended to come to Russia. The saying was then overstated and became rumors as ‘These two hundred million Chinese people are moving into the Far East, the purpose is to occupy the territory of Russian Federation.’

In addition, apart from the fear of the Chinese expansion in Russia, the term contains other kinds of fears in different fields, of different extent. Take one example, the pro-Kremlin think tank ‘Strategy-2020’ (Стратегия-2020) presented an expert report suggesting that China is going to be a threat Russia - in term of economic competition. According to the think tank’s definition, the threat is not a threat to national security interests or that from Chinese xenophobia as traditionally assumed, but more likely the China as a profit taker making threat to Russia’s competitiveness in the world market.

Therefore, to generalise the so-called ‘China threat theory’ several aspects should be included: its migrant threat, its sovereignty threat, its economic competition threat, and finally its impact on life quality threat. A sociological investigation of the China threat phenomenou will associate with this study in exploring ordinary Russian’s impression of ‘Chinese’, in which the image of Chinese often associated with smuggling, drug dealer, illegal migrant worker and some other negative images, then to describe how these factors, through the agitation of concreate events, become a popular force stimulating an interesting constructional process of national identification.

According to Anderson, nation is defined as ‘an imagined political community - and imagined as both inherently limited and sovereign’. Such definition emphasises the part that the imagination plays in creating a national identity. A nation’s identity in this sense is a matter embeds on deductive understandings of the ‘alien’ nation, which makes self nation to construct/confirm the its cultural boundary, by that it is even easier to attract more people to be involved in agitating the alien nation’s threat. Politics is the key actor in the power relations of identification, and identity politicis often used to fit the defined national strategy. The scenario is more comprehensive: fragmental imaginations through the politic resource and channel, voice to the public, and make impact on their cognition of an alien nation, the process of defining identity for national interest is to serve the state’s modernisation. And more precisely, we see their elites manipulated the issues of national identity. This article is thus assigned to present a significant case study on the changing factors under the development of Russia-China relationship.

The Baltic Pearl Project (Балтийская Жемчужина; further abbreviated as BPP) in Russia’s St Petersburg, was initiated in 2003 by a Shanghai-based investment company following Chinese government’s guideline for encouraging enterprise to ‘go out’ and invest overseas. The huge

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construction project was supposed to be greatly welcomed in the region, but on the contrary, triggered protest actions in the city against China for the first time in the post-Soviet period in 2005-2006. Behind the protest actions it was popular bias against Chinese in the Russian society, such as Chinese engaged in smuggling, cheap illegal emigrant labour and forming a strongly connected circle hiding in the apartments, which initially filled the content of China threat theory.

Through the analysis of the everyday practice within the mutual relations the article would like to present an insightful picture of the role of China’s newborn bourgeois in pursuing new identity politics under the politicalised strategic partnership. It would be interesting then to observe how the Chinese investors convince local residents of embracing new Chinese image in another kind as well as how the habituated fear of China threat is then constrained, or, eliminated. Bases on the case study of Saint Petersburg’s Baltic Pearl Project invested by Chinese construction capitals, this article applies an approach of social constructionism to conduct a research on the interrelated role of capital, cooperation and the identity making in the process of the emerged social tension in the local politics.

Ⅰ. Coming into the Russian Land: China’s Emerging Construction Capital

Baltic Pearl is a multi-functional complex of residential, commercial and public areas located on the southwestern shore of the Gulf of Finland, on the outskirts of St. Petersburg. The agreement specifies investment conditions for Shanghai industrial and investment companies to develop a multi-functional complex, one of the biggest Chinese investments in Russia to date, in Krasnoselsky district (Красносельский район) in the southwest of St. Petersburg covering more than 200 hectares. The area is planned to contain all of the necessary facilities for various levels of society and to significantly improve the infrastructure of the district.

The project, which includes developing the swampland district’s infrastructure and constructing 2 million square meters of residential and commercial real estate, would be divided into four stages. The whole construction plan is set to provide houses for 35 thousands residents, to create more than 15 thousands jobs, to be completed in 6-8 years and finally a new urban area of the city will be fully developed.

The considerable amount of investments, $1.25-billion Baltic Pearl development, in which including the social and infrastructure spending, allowed Baltic Pearl to qualify for strategic investor status. The creator of the Baltic Pearl Project, OOO Baltic Pearl, is an affiliate of Shanghai Overseas United Investment Company. As a result of a tender to find a contractor for the project in which Russian companies also participated, Shanghai Construction Group — a state-owned company — was named the main contractor, which unites five mainly state-owned Chinese investors.

Political elites of both countries proposed the investment plan a window of contemporary Chinese culture to show its modernisation progress to Europe. What concerns the Chinese government is that the new plan as a strategic investment must overcome those failed cooperation plans in the past on the one hand, and to change the stereotype of Chinese traders being ‘daoye’ on the other hand. St Petersburg mayor Valentina Mativenko (Валентина Мативенко) on the foundation ceremony addressed that, in her view, the BPP could be seen as a ‘business card’ in the Chinese investor’s hand waving to Europe.12

The Russian Minister of Economics and Trade German Gref (Герман Греф) also highly phrased the project investment, as he added,

‘When Peter the Great firstly built St Petersburg on a swamp, that was seen as a fearless initiative of a great hero; today you Chinese people come here to build the ‘Baltic Pearl’, your acts are making you another fearless hero’.13

Gref’s words were not simply given as political rhetoric, for many Russian political elites there has been a serious concern regarding the country’s economic strategy: Russian construction companies lack enough capacity to provide residential and regional real estate properties. Rather, any new developments will require the construction companies to hold heavy pressure from raising early stage capital and financing loan. By contrast, construction capital, construction efficiency as well as cheap labour force from Chinese construction companies make the Chinese partner quite a better-off option.14 The then director of Federal Agency of Housing Mortgage Lending, Aleksandr Semenyaka, addressed to the public that Russia needs Chinese construction companies to build housing complexes, for, Russian companies are not yet able to reach such capacities.

Despite the BPP had had Russian government’s support from the very start for it satisfy the principle of mutual benefits and win-win condition, the project has met with protests from local citizens, worried about possible social problems a ‘Chinatown’ in the city might bring. Fierce criticism of the decision making soon came out, accusing those local politicians of been bought off by Chinese interest. People initially against the project then organised several public protest actions.

. Imaging the Threat: from Chinese Capital to Chinatown

In April 2005, nearly 200 people attended a rally organized by the ‘Baltiyets(Балтиец)yacht club’, for the Baltic Pearl will sit on the club’s territory, under the slogan of ‘No to Chinese expansion’. A poll conducted in March 2005 showed that 43 percent of local residents were hostile to the idea of Chinatown, while 42 percent were in favor of the project.15 The poll’s results show local people’s distrust of the city authorities and the latent xenophobia existing in St Petersburg and Russia as a whole. According to the same poll, the majority of the project’s opponents said that they could change their minds if the investors were European. A member of city assembly Sergei Andreev(Сергей Андреев) sent his warning to the public, ‘Chinese are taking over the world with their demographical advantage!’16 A popular saying often heard as ‘If today a dozen Chinese settle in St Petersburg, tomorrow there will be hundreds of them’. Participants of the protest action raised slogans such as ‘Don’t turn Petersburg into Northern Shanghai’(Не превращайте Петербург в Северный Шанхай!). The fear of Chinatown within the city and Chinese taking over jobs were spread.


14 According to the report of Russian magazine Expert(Эксперт), until the Chinese investment in BPP, most construction providers in the Russian market are from Turkey. And now Chinese companies are more competitive than Turkish ones, for they can have stronger financial support from the government and the state-owned banks. See Илья Ступин, “Сегония - подряд, завтра - главкингстрой,” Эксперт, 44(578), 2006/11/27. <http://expert.ru/expert/2006/44/vRossiyu_idut_kitayskie_stroiteli/>.


For those who were against the BPP, the Chinese construction capital was nothing but a ‘curtain-raiser’ before the actual invasion. Their worries somehow stereotyped Chinese with bold discrimination expressions as Andreyev commented in this way,

‘One problem is that a great number of Chinese citizens will then flock into the city, with their families and relatives. Such quarters have their own rules and are breeding grounds for prostitution and crime’. 17

Clearly, these campaign participants shared similar concerns of the so-called China threat theory mentioned earlier. The opponents of the project soon organised themselves into groups which registered in February 2005, demanded a referendum on the planned construction. After they were told holding a referendum is very unlikely by the Assembly. In later the same year, the opponent group called on the City Legislative Assembly to freeze the construction proposal.

Despite there was also voice with rather moderate criticism of the project at the time, the fact only proved that the project did cause controversial attitudes. Aleksei Mitrofanov, the vice president of A Just Russia Party addressed his concern during an interview of a Chinese TV channel, he said,

‘As a friend of Chinese people, I would like to suggest them to study the Russian market and our bureaucratic formula... the thing is the investor could have made the project purely a commercial one. Unless the information is open to the public, however, it is reasonable for people to believe this is an politically activated decision.’

All these arguments, however, seemed not convinced those on the extreme side against the BPP. Those who were strongly against the project still highly skeptical about the project. The city deputy judged the nature of this investment as, ‘We believe that Chinese are simply spreading their occupation on the Russian land with a curvy way’. 18 One of the damaging factors the Chinese team had referred to was Russian politician would like to credit their own ideologies by exaggerating Chinese expansion. People who were in charge of the project were much impressed by the protest voice on the city streets, though the Chinese businessmen believed the protest occurred merely due to the matter of cultural difference as well as the lack of information and mutual understanding. For example, the chief of Federal Migration Service said in public ‘There should not be any Chinatown’ and ‘A place like Chinatown where becomes a Chinese inhabitant area is not acceptable for Russia’. 19

Apart from that, Chinese observers believed the whole protest issue was related to Russian nationalists’ reaction to the Chinese development. ‘They wrongly believed that Russia would back to the superpower status by waging Russian nationalist ideas, so they were hostile to all international economic activities. Such idea though not mainstream on the politic but gained popular support’. As a Chinese observer commented, ‘Those involved reactions to the rise of China are part of the people’s Slavic complex’. 20 In the next section I will present a constructionist view on the four major efforts employed by the Russian and Chinese sides to ensure the success of this strategic cooperation.

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17 St Petersburg Times, ‘Chinatown Plans Irk Legislative Assembly’, 18/02/ 2005 (Issue #1045).
19 See Chen, supra note 6. In fact, a similar situation had also appeared in Moscow. There was voice of Moscovites against Huaming Park (Парк Хуамин), a commercial centre construction project initiated by Chinese company. Moscow’s city officials have to guarantee that there will never be a Chinatown appeared in Moscow.
The company and the St Petersburg government did not scorn to take response to the protest. For the project’s Chinese executives, there were too much misleading informations across the local areas — Russian people did not realise that Chinese are not building houses for Chinese immigrants but simply building new houses and communities for the local Russian residents. By that local residents were frightened there would be a Chinatown appeared in the city and that would attract thousands of Chinese immigrants to stay in the city which certainly would ruin their life quality. Different efforts were done jointly by the Chinese government, the Shanghai company and the Russian government officials. All of them had put lots efforts to convinced people that only money flow in and there would be no Chinatown.

The company’s first response to the local hostile campaign was to improve the project’s public relations. Local television channels and news agencies were often invited to the construction site to witness the project plan. Local residents were also welcome to visit the site so the company could demonstrate the applied technologies for this project. The company believes through these communicative arrangements Russian people will realise that the BPP has nothing involved in any intention of invasion or occupation.

The key message within their PR efforts shares much similar rhetorics with Xi Jinping’s talk mentioned in the beginning of this article: the Chinese activities are only making the good for the world. And in this project the primary benefit is for St Petersburg residents, for the city will receive huge amount of high-quality residence houses together with thousands of jobs, and hopefully a great push to the city’s real estate market.

The second effort of the Shanghai United Overseas Investment Company is to clarify the whole project is a multi-cooperative one: there are local and Russian partners together working on the project. Despite the fact that BPP is a pure Chinese investment case, the whole construction project will not only rely on Chinese teams, most of the projects design and construction will be completed through cooperating with their Russian and global partners. The Shanghai company not only invited several international companies to participate in project designing and planning, Russian construction companies were also invited to be project contractors. The company executive team presented a principle called ‘Russian expert guidance Russification, Chinese officials conduct design’. ‘Mostly Russian companies will participate in the tender,’ he said. The tender is open to all companies wishing to participate. According to the information on the BPP official website, these partners included (ОАО «Санкт-Петербургское ипотечное агентство»), («Архитектурная Мастерская Цыцина»), (ОАО «ЛЕННИИПРОЕКТ»).  

The third major effort of the company is to painstakingly constrcut fitted interpretations of the cultural identification for the BPP landscape work. From the perspective of cultural background the BPP was in face of challenges of different nations, different societies, different histories, different cultures, different cities and, to some extent, different feelings, which makes the project significant for both sides. The Baltic Pearl Company deliberately avoided any image or architecture style linked Chinatown. The company quested the project’s design units to take Russian’s custom and and cultural traditions, as well as local people’s desire for being close to European life style into account of the planning. That was also the reason why the project was named without any oriental image. The Chinese team deliberately avoid words on name implicated Chinese presence, avoid designs close to Chinese image, lest Russian’s suspicion to grow deeper fear of China threat.

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It is interesting to note that seeking for the success of the project the arranged propaganda reflects how the Chinese elites are confident of their capacity of perceiving the so-called ‘Europeanness’, or ‘European life style’. And Baltic Pearl Project in their sense must present a completely new and European way of life.22 The later object was boldly described in the official site as:

‘The whole community will be able to embrace the essence of European life quality, such as music and fine wines of Austria, romantic atmosphere in France, philosophy of Germany, equality of Denmark, music, dance and sunlight in Greece’s Aegean seacoast, as well as the open entrepreneurship and leisure attitude toward life in the Netherlands’.23

With their civilisation-orientation promotion for the BPP, the Chinese company seemingly believed that a representation of Europeanness is able to be made on the hands of the new Chinese capital.

Forthly, and probably the most important decision is the company’s adoption of restricting Chinese inhabitants in the area. In order to sweep off the skepticism about the Chinatown, the Chinese team agreed to adopt an unique clause into the mutual agreement with St Petersburg city government. According to the clause, the total number Chinese inhabitants in the future community will not be over 1% of the total BPP inhabitants (less than 400). The company also ensure the public that even if there will be up to 400 future Chinese inhabitants allowed, all of them will be only representatives of business elites.24 After all, the clause sealed a unique but strange guarantee to the project’s future fate.

A softer version of alike guarantee was then arranged in particular as relevant information in the Q&A section of the official website. By answering the question of ‘Is the Chinese invested Baltic Pearl complex to be built for Chinese to live in?’, ‘Indeed the project is invested by Chinese but this has nothing to do with many Chinese inhabitants move in. This is a huge-scale modern European-style community with eco-friendly and human-oriented atmosphere’. ‘Baltic Pearl’ as a multi-purpose development project most wellknown in today’s Russia, we are very clear Russian buyers especially St Petersburg residents are our prior market target. Regarding the conditions for possible Chinese buyers, all of our selling programmes do not offer any special disounts or privilage for them’, ‘We may even share the information so far that there was no single Chinese buyer shown to fill any ‘purchase intention’’. The Chinese construction developer in this project plays only the role as project investor and constructor, and the whole new community will be presented for St Petersburg’s local residents’. A news headline on a Chinese newspaper, ‘A fresh new thinking of BPP investment—Chinese money, foreigners’ town’, gave a perfect clarification on the Chinese guideline of the strategic project.25

After the written clause of restricting quota for Chinese residents, the Chinese seemed have convinced themselves that the BPP were receiving much positive responses from the Russian people. Indeed, those protests did not go further, the serial of projects are going ahead, and there have been many buyers who moved into their new Chinese-made houses. “The construction of the first building, Pearl Premiure, was completed last year and 97 percent of the apartments have

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24 According to Sergei Nikitin (Сергей Никитин), director of St Petersburg Scientific Research Institute for City Planning and Designing. His interview was published on the magazine ‘Ogonek’ (Огонек).
already been rented and are currently being lived in. Pearl Symphony, the second building whose construction is planned to be finished next year, has already sold 30 percent of its apartments.

The first and second points mentioned above have no particular difference from other real-estate business promotions. Some of the promotion words were somehow over-decorated as the company put profits as if that could be disregarded in the project. It is, in fact, more deliberately used to abate the suspicion that Chinese capital will only serve Chinese interest. Unlike the previous ones, the later two points prove the BPP is worthy of exploring the construction process of nation imagination. In fact, when the Chinese were claiming the project has succeed in convincing Russians of Baltic-Pearl-is-no-Chinatown, it was on the contrary revealing what behind the claim was a sensitive belief that many Chinese appear in the town would really trigger the racial issue.

As China deliberatedly selected St Petersburg, often described as the most Western city of Russia, to be the first object of strategic investment, we may note China’s political and economic elites not only want to increase their bilateral economic cooperation, but also through this project to prove contemporary China stands closely side by European civilization.

Thus the BPP was highly expected by the Chinese elites to present itself as a design which comprehend the current national imagination of Russian people, and the expectation associated with Chinese leaders’ strategic thinking to construct new image of China the BPP planer should well understand the national characteristic of the invested country. The Chinese investors have strongly believed that the ‘modernised’ contemporary China is able to realise Russian’s cultural identification. It is such interpreted, according to a Chinese scholar, as

‘A kind of Europeanness complex is commonly found in every corner of Russian society, from that of politics to economy, from people’s culture to people’s life. Russia is prone Western civilisation, especially the European one, but at the same time Russia has its own cultural cultivation, political institutions and ethic values. By that Russia will continue to encounter suspicion from West, to vacillate between East and West but never truly integrate with West. Such a cultural pattern after all is a pattern in transition which may retain for a long period’.  

More importantly, the identification with Europeanness became an evident carrier to support China’s attempt mentioned above. China has presented itself as through the presence of the Chinese construction project Russia is not only closer to Europe but to have European life quality.

It is from this point the issue extends from that of strategic investment into the discourse and diversion of cultural identification. On the one hand, in this strategic project any associable images of Chinatown were deliberately eliminated in order to convince Russian people. On the other hand, the Chinese team also needs to present such an image that the idea is anyway come out of Chinese rather than helped by their Russian partner, by that the contemporary China has been ‘going out’. A Chinese scholar well interpreted the goal of the Chinese power elites as he describes the preoject is to make the world ‘to identify with contemporary China, to respect Chinese of today’.  

Ⅰ. Presenting National Glory from Manipulating the Narratives of the Others

In fact, for the Chinese government and the business elites the construction is never merely a task of showing the new China to the outsiders but also with values for internal promotion in order to receive Chinese people’s support. As Bao Jiming, the president of Shanghai Overseas United

26 See Jin, supra note 20.
27 Ibid.
Investment Company, explained the task of this project on a Chinese media interview, ‘Here we are not only to offer Russian people, particularly residents of St Petersburg a good-quality urban community but also to use such a strategic opportunity to provide Chinese a ‘Going Out’ access from Russia to global society.’

Therefore the project as the whole has embraced the task for the Chinese officials to construct a ‘New China’ policy, and so that of collective imagination. Chinese press constantly follow the government’s policy, and the media propaganda was well coordinated and by that the BPP is expected to become a foundation to build up New China image. It is then not strange at all to see similar report conclusions made as such,

‘During the stay in St Peteresburg, I(the journalist) heard of phrases for Baltic Pearl at each conner and that made me realise Russian people, from the government leaders to ordinary citizens, all clearly welcome China to complete the Baltic Pearl Project, they all sincerely wish and expect the two countries’cooperation will succeed.’

More than that, the set of the propaganda then shares pretty much the same ‘reference’ source: same interviewee figures with same expressions. The unexpected finding whether expose unethical journalism or confirm the fact that the Chinese media was deliberately mobilised to promote the success of the project. The business success will be able to associate the Going Out policy, to prove contemporary China has embraced new content into its traditional civilisation, and the rest of the world have nothing to fear but welcome the fact. A Chinese journalist wrote,

‘We found none who does not hear of Baltic Pearl. You can pick any person at anywhere and ask their impression on Baltic Pearl construction plan, and they all can share some opinions about it. The fact is the project has be vey wellknown!’

Hence the readers of these Chinese press are not others but Chinese, we can see such promotion propaganda was produced not only to present image to ‘alien’ nations but also, perhaps more important, to boast the selected national glory for the fellow people: we Chinese had successfully built an European city, in the Russian territory, for the Russians!

After cheering for the BPP success, we still need to understand what elements make a new China and so it can depart from the traditional threat. Are we acknowled the Chinese migrant labour had been discriminated and so been eliminated from the project promotion? Noteworthily, whether over the ‘1% clause’ or the ‘no-Chinatown guarantee’, the Chinese government, the investors and most Chinese media all keep a low profile on this issue. Only a Chinese scholar ever directly criticised this ‘1% clause’ is ‘a weird and discriminative item’ for it will allow only up to 400 Chinese to live in the future community. Thir attitude remind us to find controlling power of capital-national identity relations over the very concerned model of Russia-China strategic partnership.

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28 See Li, supra note 13.
29 During the period of collecting materials, I found there were different reports on different time by different journalists but same stories across relevant news coverages in Chinese media. There was always a Russian engineer called Andrei who participates in the project, and he was found of saying, ‘The Chinese team for the Baltic Pearl Project not only value Russian culture and history, they also learn from modern, international design concepts’. Another female engineer, called Alena, who also appears in different reports but her words quoted were exactly the same. ‘The cooperation on this project makes me feel the sincereness from the Chinese. This construction project will introduce China’s excellent good into our country, and I hope from the project we open a window and the others can see the secret of China’s rapid economic growth’, Alena said.
30 See Chen, supra note 6.
With such a circumstance, it will be difficult to clarify that is due to the Chinese company presented high-quality residential complex which carried the reproduction of the desired ‘European life’, and that at the end assisted the strategic project in reaching success. More likely, the real magic power silenced the fear of Chinese expansion is that specific guarantee on the number and social status of Chinese who may move into the community. After all, it was a serial of efforts combined elements from Russian’s desire for European life to Chinese elites’ selected images of new China. None in this case, however, showed any intention to look for a more tolerant environment for cultural exchange or racial harmony regarding the Chinese migrant workers.

Moreover, will the Chinese elites in the constructed image of BPP be seen more likely in else where? The fact is the current Chinese society is like all other societies in the world, it comprises people with different social backgrounds, different living conditions, and different societal images. By eliminating the plural existence of those illegal, legal Chinese migrant workers or even tricky traders, the making of New China identity is actually a way the newborn Chinese bourgeoisie projecting the content of Chinese society. In other words, the genuine concern behind the strategic project was that how the Chinese political and economic elites construct a specific Chinese image while contacting the rest of the world. It could be argued to say behind the selected model was a huge deconstruction job of eliminating the existence of other Chinese those who had long engaged in varies economic activities in Russia. And that seems to be considered as a necessary price for the China’s rise under the circumstance of the model Russia-China relations.

In fact, a group of Russian scholars constantly insist the so-called China Threat do not really exist but merely a myth spread amidst Russia’s public opinion. Researchers investigated Chinese economic and social situation, explained Chinese migrant workers left their homelands due to the unemployment pressure. But still, consider the reality of the migration tendency, most of the poor people did not choose to go abroad, thus their conclusion suggested: the plausible estimates of Chinese working in Russia do not match Russian perceptions, or the frightening numbers bandied about by some Russian politicians and media sources. The estimated number of Chinese who wish to live in Russia permanently is even smaller.\(^{31}\) In other words, there is very unlikely to see a large number of Chinese migration move into Russia. Moreover, according to Zhannaya Zaionchkovskaya (Жанна Зайончковская), Russia would need up to 800 thousand immigrants, annually, to come to Russia in order to meet the demand from the economic development in the future 20 yeas. ‘If we are not able to accept more new immigrants, then people who are now in their 40s would not be able to count on receiving decent pensions when they are retired’, she concluded.\(^{32}\)

Regarding the above points of view, the Chinese investors of the BPP could have chosen the way of clarifying the myth of China expansion threat, and perhaps the making of new Chinese image could be less one-dimensional. In the case of BPP, however, the Chinese side meant to extend the government’s earlier strategy of ‘Going Out’ (initiated in 1999). Its principle requires the Chinese companies to apply their economical power from mass commodity production, to foster the identification with China, to adopt the fact that China’s rise is demonstrating new models, in political, economica and cultural stage, to the world. It is then clear of knowing why would the Chinese investors accept the deal of denying the right of Chinese inhabitant which to some


\(^{32}\) Zaionchkovskaya is the director of the Migration Laboratory of Institute of Economic Forecasting, Russian Academy of Sciences. The above quotation comes from Xiaoai Yu, ‘Е zhuming renkou xuejia zayiwengqiufesikaya de yiminguan’, Siberian Studies, Vol. 37, No.1, 2010, pp.76-79.
extent consented the Chinese migration had indeed produced negative image of China. Would that not fall into another way of admitting the perception of China threat does exist but could be deliberately altered?

The process with such a mutual construction made certain impact on the level of decision-making in both countries. For the Russian top officials, Chinese elites’ identity construction of ‘New China’ has fitted Russian government’s policy toward China. According to the Federal Law On Migrational Registration of Foreign Citizen and Person without Russian Federation Citizenship (ФЗ “О миграционном учете иностранных граждан и лиц без гражданства в Российской Федерации”) passed in 2007, foreigners were banned from retail trade of food and market trade. As a result of the matter, about 100 thousands of Chinese merchants and workers engaged in retailing trades, especially those who stayed in Russian Far East (Российский Дальний Восток), thus had to leave the Russian land.

As an observer rightly noted, ‘The Russian and the Chinese both believed they can palliate the impact of new migration law made it more conspicuous. The implication is clear....and the fear of ‘Yellow Peril’ still owns wide support among local Russian residents’. According to a 2007 poll, there were more than 60% of the Russian people though Chinese business and migrant workers could make threat to Russia, and their activities should be more regulated. Ironcally, Russian government accepted the new ‘Immigration Law’ after the construction of Baltic Pearl Project just began. The target of image control in both parts share similarity. The Russian side was following the policy guideline of welcoming Chinese capital, excluding Chinese migrant workers.

Did the Russian government change its position for a better result of the coming election at the time? Or that has also been a constant position but revealed at the time when the electorate could be more appreciated with the decision making. The approach of making New China identity attuned the strategic consideration of Russian government: the later’s priority is to attract China’s investment to pour into the infrasctures fund needed, but a solid restriction on massive Chinese move-in. These elements make the best option for their partnership. In short, political and economic elites in the two countries presented a ‘construction’ cooperation in vanishing the campaign agitating Chinese threat.

As regarding the future development of their partnership relations, the then concerned issue of China threat perhaps will move from the fear of the ethnic expansion but to market competition between the two countries. China is more likely to become a strong market competitor for Russian companies in specific industries. Local real estate developers believe in the case Chinese construction companies freely enter into Russian real estate market local constructors will immediatetly face tough competition for Chinese companies, with their low construction quality but fast speed, will largely change the market share but lead to social upheaval: bankruptcy of Russian company, unemployment, Chinese immigration, and finally, the Russian government’s popularity will be seriously damaged. Such kind of opinion has been held by the supporters of China threat theory.

34 All-Russian Center for Public Opinion Study (Всероссийский центр изучения общественного мнения), ‘Russians want to make friends with China, but keep distance’ (“Россияне хотят дружить с Китаем, но на расстоянии,”) Press release, No. 674(April 16, 2007), [http://wciom.ru/arkhiv/tematicheskii-arkhiv/item/single/4399.html?no_cache=1&cHash=f449ec5302].
Summary

For many studies of international relations, to deal with the issue of Russia’s China threat they would have to pay much attentions to the gambling acts and claims among factors such as state leadership, nature resources and financial capitals. This article discovers the other constructive process of national identity on both sides under the development of Russia-China relations, where the interactions of power elites in both countries construct the actual development.

The newly emerged Chinese bourgeoisie together with their political elites face the obstacle of entering into Russia’s real estate market, which was partly related to the popular fear of Chinese expansion. The Baltic Pearl Project looks have overcome the China threat issue: it received strong support from the Russian federal and local governments, serial of construction plans gradually completed, and the local residents started to move in. Interestingly, the so-called China threat theory is then capitalised by the both sides in terms of improving mutual understanding, it becomes a national issue and ideology, to present a particularly made identification with Chinese. Moreover, if the accomplishment of the project can be seen as a New China paradigm, it was won based on both countries’ identification with Europeanness dream, the immature capacity of Russia’s domestic construction capital and China’s Going Out policy.

Firstly, benefited from the weakness of its Russian counterpart, the Chinese construction capital found the best solution was to control Chinese image, in particular, that of Chinese migrants, thus the project’s success was based on the subsistent image of those up to 100 thousand Chinese retail traders and workers eliminated under the promotion of Chinese construction capital. Secondly, weither the institutional supression of migrant flow from the Russian side or the clause on the whole agreement from the Chinese side, the controlling power were shown sharing same identification source: access to Europeanness.

It is interesting to note that China threat has departed from a national fear, and finally all these interrelations construct a realisation of strategic partnership as the product of successful Russia-China cooperation. The Chinese construction capital stood as the most important agency, performing for market share, presenting a selected image of Chinese in front of the eyes of the world in further - only the elite Chinese is the Chinese who might come to St Petersburg’s ‘new European space’. In this case the image of Chinese is no longer a people consist of variant social backgrounds. Plural images of contemporary Chinese society were thus replaced by an intention of making a renew identification with particular image of Chinese civilisation in the world.

Most importantly, though all look like the Baltic Pearl Project shows a process of rebuilding national image on the Chinese side. One should not underestimate Russian government’s deliberate realisation of national strategy. At the early stage since the project was announced, Russian government seemed to stand on the opposite of the China Threat protesters; at the end the Russian policy on Chinese immigrants had been in favor of restriction against certain amount of certain Chinese migration. For the Russian top officials, Chinese elites’ identity construction attuned the strategic consideration of the Russian government: the later’s priority is to attract China’s investment to pour into the infrastructures fund needed, but a solid restriction on the powerless Chinese.
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