Critical Issues Confronting China:

Among Great Powers: Sino-Russian Relations in Recent Years

David Wolff, Hokkaido University
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David Wolff, Professor of History at Hokkaido University’s Slavic-Eurasian Research Center, began his talk by introducing the underpinnings of the Chinese perspective. On the occasion of celebrating the 200th anniversary of Karl Marx’s birth (1818-2018), President Xi Jinping focused his speech on how Marx’s emphasis on technology and economics helps the Chinese Communist Party (CCP) understand the direction of history, suggesting the importance of getting the economy right for China’s return to grandeur after imperialist oppression. Dr. Wolff cited Professor Ezra Vogel’s book in which Deng Xiaoping allegedly criticized Mikhail Gorbachev for unleashing political reform before economic reform, another sign that for the CCP, mastery of the economic process is a primary source of pride and power.

Especially since China weathered the 2009 economic crisis well, the People’s Republic of China (PRC) has confidently used its economic clout in many bilateral relations. China has been Russia’s largest trading partner since 2011. From 2010 to 2017, the percentage of Russian oil exports going to China increased from eight to 30 percent. China has also become Russia’s second largest gas importer. Wolff then discussed the 2014 biggest business deal of all time and its just-completed result—the “Power of Siberia” pipeline. To pay off this pipeline which can only take gas to China and which cost US$50 billion, the Russians must maintain good relations with China for decades to come. This, Wolff said, locks in “friendship.”

Before the 2014 Ukraine crisis, the sum of total trade between Japan and Russia and between South Korea and Russia was about the same magnitude as that between China and Russia, which gave President Putin some leeway in balancing China’s relative importance. But now, Wolff pointed out, Russia’s economic ties with China have become preponderant, more than double its other trade totals in East Asia. He explained that both sides are committed to a further doubling of trade to US$200 billion by 2024. For China, there are alternative sources of oil and gas in Central Asia. For Russia, there are no comparable alternative markets, so, Wolff reasoned, China has the upper hand in trade relations.

Turning from economics to geopolitics, Dr. Wolff described a very different situation with Russia in the driver’s seat. The PRC is clearly focused on “core interests” to the southeast, going beyond the so-called first island chain, consisting of Japan, Taiwan and the Philippines, and making the South China Sea (SCS) more Chinese. This has taken on a new strategic dimension as China’s new Jin-class nuclear submarines need deep water in which to base in order to guarantee China’s assured second strike. From the “boomers” base on Hainan Island, the SCS would be the most logical contiguous candidate, but not if U.S. Navy vessels and drones continue to patrol the sea lanes to protect “freedom of navigation.” To deal with these challenges to the south and
east, said Wolff, China needs security to the north and for this, it is dependent on Moscow.

According to Wolff, this geopolitical balancing gives Putin every reason to let the U.S.-China competition deteriorate. Russia’s support for Chinese positions against the U.S., Japan, and Taiwan, by symbolic Russian naval presence at military exercises and contested spots in those areas in recent years, as well as sales of advanced weapons systems to bolster Chinese military aspirations, could be seen as encouraging China to “stand up” to the Americans. Thus, Wolff said, there is a good balance in the Sino-Russian partnership with China leading on economic matters, while Russia is in a more advantageous position for geopolitical maneuvering among great powers. Wolff then detailed several other points he considered important.

First, he said, China and Russia have learned the lessons of history and have frozen cross-border relations between the Chinese Northeast and Russian Far East. Since real development for both areas can only come by developing the Amur River basin they share, both sub-national regions have stagnated for a generation. This has been a silent success for both countries, preventing serious tensions at or across the border since the “Yellow Peril” crisis of the early 1990s. Wolff noted that Moscow and Beijing remain firmly in control of their respective regions and neither wants any irritant at their shared border. A fact that is demonstrated, according to Wolff, by the final demarcation of the border in 2004. Similarly, potential frictions in Central Asia have been quickly contained by the powers.

In addition, Wolff said, state-funded historical studies in China reveal which issues are considered important to make historic decisions going forward. For example, ample funds have been available for the study of how the CCP lost power in the USSR, a nightmare scenario for the CCP. Similarly, he noted that huge funding for research, translation and publication on the Sino-Soviet alliance and the Korean War means that China is concerned about alliance dynamics and Russia’s potential to “entrap” China into fateful consequences, just as Stalin “invited” Mao to join the Korean War in October 1950 when there were no acceptable alternatives. Consequently, the “partnership” is not likely to be upgraded to “alliance.”

Finally, Wolff argued that relations between Xi and Putin are very good; they meet three or four times per year, usually on the sidelines of other events. They are always seen standing next to each other and say positive things about one other. Barring unforeseen events, he indicated that we can expect the bilateral relationship to remain excellent as long as these powerful leaders remain dominant and far-sighted.