USSR-CHINA RELATIONS IN THE COLD AND POST COLD WAR ERA

PhD Andrej Iliev
(Deputy Head of Social Science Department in Military Academy, R. Macedonia, Assistant Professor, Historian), 1000, Skopje, Tel. 00389070330534
Email: andrej220578@gmail.com

PhD Elena Ivanova
(Ministry of Defense in R. Macedonia, Historian), Tel: 00389071603320
Email: percinkova@yahoo.com

PhD Drage Petreski
(Head of the Logistic Department in Military Academy, R. Macedonia, Associate professor, Technical and Logistic Science), Tel: 00389070403401, Email: drage_petreski@yahoo.com

Abstract

This paper describes the relations between the USSR and China after the Second World War up to the end of the Cold War and to the present day with special emphasis on the future implications for the next 5 to 10 years. In the second decade of the XXI century Russia and China are both important players in the multi-polar global order. Together, they dominate the soil across Europe and Asia. Moscow and Beijing share the same interests in the position against the dominant influence of the USA and wider in the West. Russia is the world’s largest manufacturing strength in oil and gas and China is the world’s largest importer of energy and the fastest growing economy a fact that contributes to the prospects that Russia and China could be levelled soon. The relations of the USA, as the only world’s superpower, depend directly from the success or failure of these relations. The future of the Russian and China relations will be focused on energy security sector, mutual comprehensive understanding and security cooperation and military modernization of Chinese Army.

Keywords: USSR / Russia, China, international relations, Energy, multi-polarity

Introduction

The Prestige acquired by the US and USSR during World War II is certainly undoubted, however the unexpected expansion of the Cold War in Asia after 1949 surprised both sides. World War II weakened the nationalist government in China but the Chinese people had decided to give their trust to the communists. That would be the reason for the victory of Mao Zedong in 1949. It’s not surprising that during World War II the US was inclined to the Chinese nationalists (John, 2003: 95). The Chiang Kai-Sheik was recognized internationally as the legitimate representative of China and even the Soviet Union had recognized its legitimacy. Relations became cold, after the US began to think that Moscow could expand its influence over China when Mao and his followers won the Chinese civil war. It should be noted that Washington encouraged the strengthening of the relations between the USSR and China, however the evolution of the relations between the two countries at that time heavily depended on the attitudes and views of Joseph Vissarionovich Stalin. On the other hand, this is explained by the hope of Stalin that if agreement was reached with Chiang Kai-shek it would be possible to avoid disputable issues with the US in Southeast Asia. However, it is unusual but actually largely, Soviet’s and USA’s post-war policy toward China was similar. USSR and the US perhaps assumed that the nationalists will regain control of China; however, they didn’t anticipate that the Communists would be much better than the nationalists in gaining the support of the Chinese people. Therefore, President Harry Truman after he had started openly supporting the troops of Chiang Kai-Sheik, he ordered the American
delegation led by George Marshall to travel to China in order to achieve an agreement between the Nationalists and the Communists (John, 2003: 95). It makes sense that these measures were aimed to reduce Soviet influence, because Washington feared that it was possible the Chinese Communists to act on Soviet orders. Namely, the attempts by the US Marshall Plan weren’t successful and the option that the USSR would have problems in controlling communism beyond its borders was expected. On the other hand, the US feared that perhaps Stalin would use Chinese communism for his advantage. However, it is a matter of fact that the Mao’s movement was firmly grounded in the nationalist tradition which despised a foreign influence regardless of which side comes. It is indisputable that both the American and the Soviet side started to treat the Chinese issue seriously. It is curious that Mao was unwilling to accept subordination, offered to China by both sides. However China had no other choice but to lean on one side – meaning the Soviet side.

1. Historical beginning of USSR-China relations

The proclamation of the People’s Republic of China in 1949 will change the attitudes and will strengthen Mao’s power. Chinese leadership is directed towards ensuring national security, consolidation of government and economic development. The direction of foreign policy of China has chosen in order to implement these goals and to create closer relations with the Soviet Union and other socialist countries against the US and Japan. On the other hand, the defeat suffered by Chiang Kai-Sheik will force him to leave China and look for shelter on Formosa (Taiwan), where he was protected by the US. Soon after the founding on the People’s Republic of China, Mao in February 1950, travelled to Moscow to negotiate this led to the Sino- Soviet Treaty of Friendship, Alliance and mutual assistance in the period of thirty years (Rajan, 2009: 4). Under this agreement, China gave the Soviet Union some rights, such as the use of naval bases in exchange for military support, weapons and large amounts of economic and technological support, including logistical support (David, 2002: 23). China accepted at least initially, the Soviet leadership in the communist world and accepted the Soviet Union as a model for development. The Soviets were also interested to enhance the friendship with China, because they had a common enemy - the US. (Huei, 2003: 81). The new Chinese government was recognized by the Soviet Union as an international entity (Maprapu,2002:58). It seems that China’s participation in the Korean War (1950-1953) relatively strengthened the Sino- Soviet relations to a great extent. The Sino-Soviet alliance in the Korean War somehow united Moscow and Beijing and China had become more connected and dependent on foreign power than ever previously (Nele, 2014: 13).

But things changed over time, especially in the second half of the 1950s, when gradually limitations in the matters of ideology, security and economic development appeared (Yang, 2013:2). In China there was anxiety caused by the policy by Nikita Sergeyevich Khrushchev and his aspirations for de-Stalinization and peaceful coexistence with the West (Shelli, 2009:38). The armament race or the successful launch of the Sputnik satellite from the Earth on October 4, 1957 confirmed the Mao’s conviction that the world balance was in favor of the communist world or in his words, that the east wind was prevailing over the western (Richard, 2007: 23).

1 On the other side, Stalin and Mao were afraid of re-strengthening of Japan and increased US military power and believed that they need the supervision over South Korea to secure their position in Southeast Asia (David, 2002: 23).
5 American policy has refused to recognize the People’s Republic of China and its place in the UN until 1970s was holding Taiwan, because of that China would hardly breakthrough its pathway to international recognition. Taiwan was recognized as the sole legitimate representative of the Chinese in the United Nations (Maprapu, 2002: 58).
6 Relations between China and the USSR constantly changed. After the death of Stalin, and especially after the decision of the XX Congress with beginning of closing to the capitalist countries, the PR of China especially opposed to. There was disagreement on the issue of a new outbreak of world war. USSR considered the possible new world war would be destructive for the mankind and therefore in the 60s would advocate a policy of peaceful active coexistence, whereas the PR of China, especially Mao Zedong believed that the capitalist system cannot be destroyed without war. China also did not gain support from the Soviet Union for making an atomic bomb, then cooling of the relations was accompanied by border conflicts etc. (Maprapu, 2002: 61, 62).
In the field of science, during the 1950s there were very frequent exchanges between China and Russia. Many Russian experts and consultants came to China to help do the Chinese construction work. At the same time the Chinese government sent young and middle aged scientists to Russia for further studies.

Which can clearly be seen in the Agreement from 1957 year between China and Russia on 122 items for engineering technology. According to the agreement Russia would help China with 156 construction projects which created the need of translators. Students graduated from Harbin and Dalian Russian Schools were welcomed everywhere, but they still couldn’t meet the need. (Xu, 2005:1016,1017).

An interesting fact is certainly the strong intention of China to escape the Soviet model of economic development, so that in the period 1958 - 1961 China launched a radical politics "the Great Leap Forward" which would result in the withdrawal of Soviet advisers from China. Policy campaigns advocated such wholesale economic changes as communal organization of rural labour, regional self-sufficiencies and dual track (small and large-scale) industrial investment and production (Daniel et al, 2005:2). If we analyse farther back all the events we will come to the conclusion that the main ideological, military and economic reasons for the Sino-Soviet division in fact were almost similar. Chinese leadership can be observed to possess a strong desire to achieve the confidence and independence in their actions, which surpassed the benefits that Beijing received as a junior associate of Moscow.

As early of the 1960s, the Sino -Soviet ideological dispute deepened and expanded and widened, including territorial issues, as well (Keith, 2003:2). The tension in Sino-Soviet relations was strengthened with the increase of competition between Beijing and Moscow for the influence in the Third World and the international communist movement. China accused the Soviet Union of cooperation with imperialism, for example because of the signing of the Treaty banning nuclear weapons with the USA in 1963 (Michael, 2010: 8). This is a period when the Communist Party of China would end the relationship with the Communist Party of the Soviet Union and it wouldn’t be restored up to the end of the Cold war.

Severe consequences for the Sino- Soviet relations will also occur during the Great Proletarian Cultural Revolution (Dzorde, 1977:12, 13).

The culmination of the Sino- Soviet dispute would be achieved in 1969, when serious armed clashes broke out on the island Zhenbao (or Damanskiy) on the north-eastern border, near the Chinese coast of Ussuri (Rajan, 2009: 6) . Both sides would be drawn from the brink of war, however the tension would calm down later in 1969 when Chinese Prime Minister Chou En-lai would meet with the Soviet Prime Minister Alexei Kosygin (Alexander, 2013:5).

In the 70s, Beijing took on a more moderate direction and began to renew the friendship with Washington as a counterweight to the perceived threat from Moscow and as early in 1969, the link China - Russia was almost completely broken at the key year of "Cultural Revolution" (Dmitri, 2007:76, 77). The Sino-Soviet border talks moved alternately. By the time of Mao's death on September 9, 1976, political Sino-Soviet relations had fallen out completely and weren’t restored until the mid-1980s, when Moscow would start sending conciliatory messages (Hannah, 2013: 19). All of this would result in no substantial progress at that time. Officially, the Chinese statements were calling for struggle against the domination of the two superpowers, but especially against the Soviet Union, which Beijing considered as a perhaps more dangerous source of war than the US.

*Territorial border dispute arose when China in 1963 clearly put the issue of territory lost by “unequal treaties” with Imperial Russia. Then , the process of Moscow in 1964 with military organizing along the border with China and in Mongolia, which continued in the 70's, the bloody armed clashes on the border in 1969 is cause for termination of the relationship Moscow -Peking (Keith, 2003: 2).

Revolution consisted should cover the whole China. It was proletarian, because it should having to emphasize the class character, against those who separated themselves from the people and went down the road of capitalism, cultural since it should make changes in the ideological sphere, and revolution, because of the revolutionary way to fight with the class enemy. During the revolution the British Embassy was burnt, which frozen relations with the Great Britain and the Red Guards blocked the activities of other embassies. Blockade of the Soviet Embassy extremely froze the Soviet - Chinese relations ( Maparreta,2002:63). On the other hand, the cultural revolution retouched awareness, professions of people, family conditions; revolution with its conception to cover large state moves and his style is pushed in homes etc. A huge crowd of people at rallies has hampered the normal state and economic life, opposed to everything old Chinese and European etc. (Dorde, 1977: 12, 13).
Until 1978, the Chinese economy was a typical for a communist developing country. In that time, the vice-premier Deng Xiaoping launched some profound reforms, in order to modernize Chinese economy and society. These reforms were implemented in the following fields of activity: agriculture, industry, science and technology, defense, foreign policy. The most important reform implemented in the time of this visionary leader was that concerning the direct foreign investments in China. Actually, now a days Chinese “economic miracle” is based on this reform (Florin et al, 2012:336). The Chinese „Economic miracle“ quite successfully described Martin Jacques who stated that “If the 20th century ended in 1989, the 21st began in 1978” (Jon et al, 2006:1).

In the late 70s, the increased Soviet military presence in East Asia and Soviet agreements with Vietnam and Afghanistan increased Chinese awareness of the threat of the Soviet surrounding. The thirty- year-old Chinese - Soviet treaty of friendship, alliance and mutual assistance, which had been on hold at the end of 1970s was supplemented with a proposal for bilateral agreements. However, bilateral talks would be suspended as a result of the Soviet invasion of Afghanistan in 1979 (Thomas, 2014: 20).

In the 80s China’s approach to the Soviet Union began to change, albeit gradually in accordance with the adoption of the Chinese independent foreign policy and the opening of economic policy. Another factor behind the change was the perception that, although the Soviet Union posed a threat to China the threat was more long-term than immediate. However, Sino - Soviet consultations for normalizing the relations were renewed in 1982 and were held twice a year, despite the fact that the reason for their delay was the Soviet presence in Afghanistan (Thomas, 2014: 20).

Beijing set three main prerequisites for normalizing the relations, which were called “three obstacles” that Moscow had to remove: the Soviet presence in Afghanistan, Soviet support for Vietnam’s invasion of Cambodia and the presence of Soviet troops along the Sino - Soviet border in Mongolia (Rajan, 2009:8). The stance of Moscow regarding this issue was that these problems were the third country’s obstacles and that they were unfit for bilateral discussion.

The changes in the Soviet leadership between 1982 and 1985 opened space for renewed diplomacy (Rajan, 2009: 8). At this time, the Sino - Soviet relations began to gradually improve in several areas: expanded trade, economic and technical exchange started (including renewing of projects originally built with Soviet assistance in the 50s), border crossings were opened and delegations were regularly exchanging.

The Soviet position on Sino - Soviet relations showed the greatest flexibility in 1986 with the speech of the Secretary General Mikhail S. Gorbachev in July in Vladivostok (Rajan, 2009: 9). Gorbachev was the first to seek Détente. (Arkady, 2011: 22).

Among the Gorbachev’s proposals for the Asia - Pacific region, several were directed at China, including the release of partial withdrawal of troops from Afghanistan and Mongolia, the renewal of the concession for the border dispute and proposals for agreements on border railway, cooperation in the space program and joint development of hydropower plants.

Ten years later, along the former Soviet border, China has four neighbors and Russia is only one of them. The others, Kazakhstan, Kyrgyzstan, Tajikistan and the new Moslem states were engaged in a careful balancing act between Russia, China and the West. The Commonwealth of Independent States (CIS) were a most useful framework for the dismantlement of the Soviet Union which has turned out to be virtually useless as a tool for post-Soviet integration of Mongolia which had shaken off Moscow’s tutelage and had for the first time in its recent history, adopted an independent foreign policy posture (Dmitri, 2012:2).

Although these attempts didn’t lead to a quick breakthrough in the Sino - Soviet relations at a high level the bilateral consultations were accelerated and the talks regarding the border were renewed in 1987. In the late 80s, it seemed unlikely that China and the Soviet Union would renew formal alliance but the Sino - Soviet relations were significantly improved compared to the previous two decades. By the mid- 1987 it was uncertain whether the incomplete normalization would include renewal of the relations between China and the Soviet Communist Party, after China established relations with the communist parties of Eastern Europe? On the other hand,
Gorbachev's foreign policy must be seen against the background of the policies of his predecessors. He inherited not only staggering domestic economic and social ills, but also a foreign policy that had become increasingly rigid and defensive (Stephen et al, 2008: 4).

Before the dissolution of the USSR, Gorbachev had improved relations with the PR of China, upon the end of the Cold War, reversal occurred in the Chinese - Russian relations. With the advent of the new President Boris Yeltsin the relations with the United States and Europe started to arrange and balance, while regarding China the relations were promoted and reached the achievement of "Strategic partnership" (Nicklas, 2007: 35). Yeltsin nicely captured China’s position as a leverage point with the West when he said in 1995: “China is a very important state for us. It is a neighbor with which we share the longest borders in the world and with which we are destined to live and work side by side forever. Russia’s future depends on the success of cooperation with China. Relations with China are extremely important to us from the global politics perspective as well. We can rest on the Chinese shoulder in our elations with the West. In that case the West will treat Russia more respectfully”(Andrew, 2007:322).

The Chinese President, Jiang Zemin, visited Moscow in September 1994 that marked the first visit of a Chinese President to the Russian capital since 1957 ( Sujit,2013:6).

Since then, all the Russian presidents would be directed in solving the border dispute with China. Russian president Gorbachev signed the first (border) contract on this issue in May 1991 the second agreement with President Yeltsin in 1996, followed by the last of Vladimir Putin in 2004 (Dmitri, 2004: 9). Since 1960s and 1970s the border’s length of around 4259 km of territory along the Ussuri Rivers and Ashur was a sore point for both countries (Dmitri, 2001: 211). It is very important to emphasize that both states had the maps on which different border lines were drawn according to the claims of the respective state. Comparison of the two maps showed a disputable area of 30 to 40 thousand square kilometers (Yang, 2013: 6). For many Russian analysts Chinese hostility has always been a strategic nightmare in which the Soviet Union has spent huge amounts in order to strengthen the border with China.

2. Russia-China relations after the Cold war

It is well known that during the historically short 20-year period of contacts between the Russian Federation and China have paved a way from “friendly status” (1992) to a relationship of “comprehensive equal partnership of trust and strategic cooperation” (2012). For more than a decade after the signing the Treaty of Good-Neighboorhood, Friendship and Cooperation between Russia and China on 16 of July 2011, Moscow and Beijing invariably characterize the state of their bilateral relations as the “best in history,” qualifying them as “a relationship of mutual support and joint efforts for common prosperity, friendship, transmitted from generation to generation” (Vladimir, 2013:235).

In order to intensify the “strategic partnership” in June 2001, the Shanghai Cooperation Organization was established and in July 2001 the connection is strengthened by the Treaty of good neighborly friendship and cooperation between the Russian Federation and China (Richard, 2011: 5).

The agreement was intended to set a foundation for a long-term comprehensive development of relations and strategic interaction between Russia and China in the scope of equal cooperation and trust based on strategic partnership. In fact, the growing level of strategic partnership and increased diversity of its forms and methods secured the overall positive background of the Russian- Chinese relations in the first decade of the XXI century (Vladimir, 2010: 2).

Both, the Chinese and Russian leaders considered these agreements as political

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8The term became with the signing of the Treaty of good neighborliness, friendship and cooperation at a summit in Moscow 1997 between Chinese President Jiang Zemin and Boris Yeltsin (Nicklas, 2007: 35).

9Of which the eastern section is 4,204 km long, and the western section one just 55 km. The two sections are separated by the territory of Mongolia (Dmitri, 2001:228).

10Russia, China and 5 state of the Central Asia - Kazakhstan, Kyrgyzstan, Tajikistan, Turkmenistan and Uzbekistan as the permanent members. India, Iran, Mongolia and Pakistan had the observer status in the organization. (Richard, 2011:5).

11The survey was conducted by the experts of the Institute for International relations at the International University in Beijing, in the survey of the power of the foreign relations of China in accordance with the quantitative assessment of whether they are seen as “enemy” (-9 to -3 ) “neither hostile nor friendly” (-3 to 3 ) or “friendly” ( 3 to 9 ), they gave the
arrangements that determine the development of Sino-Russian relations in the new century (Victor, 2012: 179). By the agreements the relations between the two countries were promoted with a much stronger and rapid development. Resolving border issues lingering throughout history started to be solved. Both countries provided strong support in the field of sovereignty, security and interests’ development, as well as gaining mutual trust. However, China and Russia established a solid communication level, by frequently holding mutual visits and meetings.

After the end of the Cold War, the improved political and economic relations between Beijing and Moscow influenced the international security issues. The established Shanghai Cooperation Organization from 2001 functioned as the Chinese-Russian condominium, whose aim was to maintain security on the territory of Central Asia (Richard, 2008: 65). China and Russia expanded their bilateral economic and security cooperation on many global and regional issues.12

In the last decade, China and Russia has paid greater attention to what they call a "Strategic partnership". Moscow and Beijing share the same interest in the position against the dominant influence of the US and elsewhere in the West.

It seems that by signing of the final agreement in 2004 for demarcation of approximately 4000 km long Sino-Russian border at least on the surface, the largest source of historical mistrust between the two countries was removed (Shoich, 2010: 9). During Putin’s visit to China in October 14, 2004 the two sides signed the Supplementary Agreement of the People’s Republic of China and the Russian Federation on the Eastern part of Sino-Russian Border. Thus, China and Russia defined the entire length of the boundary line for the first time in over 300 years of contacts (Yang, 2013:15).

To be more precise, the entire spectrum of Sino-Soviet relations remained unchanged and painlessly accepted each presidential transition in Russia. The elasticity is a characteristic to the objective interests of Russia and China in the continuation of the mutually favorable cooperation, mutual ideological and political Platform (Vladimir,2010:2).13 “The agreement for good neighborly relations, friendship and cooperation” of 2001, was more and more applicable in the years that followed. It renewed the bilateral cooperation on several levels with new elements on new levels, so that it went through a practical interaction with” the Action plan for 2009-2012” in order to implement the Russian-Chinese dialogue on energy, which assisted in making new agreements for cooperation in the field of oil and natural gas, including the agreements for construction of the oil pipeline Skovorodino-Daqing and to provide a loan from the Bank of China in the amount of 25 billion dollars for the Russian oil companies “Transneft and Rosneft” (Vladimir, 2010:2).

The Eastern Siberia – Pacific Ocean (ESPO) spur pipeline towards China, from Skovorodino in Russia to Daqing in China was completed 2010 and use of the pipeline for agreed oil delivers began in January 2011 (Shigeki, 2012:76).

It carries oil from Siberian oil fields to the town of Skovorodino, located in the Amur region, still 2,100 kilometers from the Pacific Ocean but 2,750 kilometers closer than was possible before. From there it is shipped by rail to Kozmino Bay. This was a major achievement for Russia, giving the country a significant opening to the Far East (Andrew, 2010:3).

highest rating of 8 points to the relations China - Russia in early 2008 (compared to 5.5 points in 2000), while the Sino-French relations gained 6.3 points, India 5.4 points and the United States 1.1 points (Vladimir, 2010:2).

12China and Russia in particular became closer when the issue was the rise of Islamic extremism in Central Asia.
13As the Deputy of Prime Minister Putin, Medvedev in 2006-2007, led Russian efforts during the “Year of Russia” in China and the “Year of China” in Russia. In addition, China welcomed the fact that the newly elected Russian president chose China for his first visit abroad, outside of the CIS. The significance of Medvedev’s visit to China on 23 –24 May 2008, was highlighted by the signing of a joint declaration to formulate an agreement on major international issues. This document confirms the determination of both countries to civilization and cultural diversity within the world community and the creation of a multipolar world. Dmitry Medvedev and Hu Jintao continued the tradition of regular meetings (a few times a year) to exchange views on pressing international and bilateral issues, which was created during the term of President Vladimir Putin. In addition, in 2008-2009 the contacts in this format became more intense: in addition to official visits (Hu Jintao’s visit to Russia in June 2009) and the meetings on the side-lines of the G8 summit, APEC and the Shanghai Cooperation Organization, and had bilateral meetings (Vladimir, 2010:2).
14This credit should be returned with future deliveries of Russian oil to China (300 million tons within 20 years, starting from 2011). During the 14th regular meeting in October 2009 in Beijing, the prime ministers of the two countries reached the Agreement for supplying China with Russian natural gas, starting in the year 2014 to 2015 (up to 70 billion cubic meters) Vladimir, 2010:2.

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In the investment sphere, bilateral cooperation received additional incentive, because it prompted Russian-Chinese cooperation in the field of investment, especially the cooperation with regions of the Russian Far East and Eastern Siberia to China's Northeast for 2009-2018 year, including the areas of extraction of resources, manufacturing and construction of transportation facilities (Vladimir, 2010: 3).

The most important projects receiving Chinese investment on Russian territory are the Baltic Pearl Real Estate Complex in St. Petersburg, the Greenwood Business Center in Moscow, with Chinese investment worth 350 million dollars and the glass production plant for cars in Kaluga with 200 million dollars of Chinese investment. At the same time, China is investing in the wood industry, cement production, brick, truck and elevator industry, among other branches of the Russian economy. The closest cooperation is taking place in the neighboring regions of both countries (Tatiana, 2013:15).

The highlight of Russian President Vladimir Putin’s visit to Shanghai in May 2014 was the signing of a 30-year accord for supplying China with natural gas through a new pipeline from the Russian Far East where China and Russia signed a 30-year gas supply agreement worth $400 billion (Iacob, 2014:3).

The new accord between China National Petroleum Corporation (CNPC) and Gazprom marked another milestone in Russia’s shift away from Europe and towards Asia. The deal clears the way for the development of the Russian Far East’s giant Chayanda natural gas field and the completion of a pipeline, called the Power of Siberia which will carry 38 billion cubic meters (bcm) of natural gas per year to China starting in 2018. That is the equivalent to more than a quarter of Russia’s current natural gas exports to Europe. Russia eventually hopes to boost those exports to over 60 bcm per year (Felix, 2014:1).

What is benefit for both countries is the development of economic cooperation between the two countries. China and Russia have made a significant progress regarding this issue, especially in the energy sector (Zhao, 2010: 1).

In 2009, China and Russia signed a formal agreement to exchange loans for oil (Zhao, 2010: 1, 2). In return, Russia repaid the loans by supplying China with 300 million tons of petrol an average annual volume is 15 million tons from 2011 to 2030 (Zhao, 2010: 1). To transport this oil, some of the loans are used to build a branch pipeline from East Siberia - Pacific Ocean to China. The opening of the pipeline Siberia - Pacific on 1-st of January 2011, for China meant increasing of the oil supply and for Russia it is extremely important because it opens an additional market - entry into the US market for oil (Shoichi, 2010: 10).

Due to the geographical proximity between the two countries is the fact that Russia is the world's largest manufacturing power in oil and China is the world's largest importer of energy and fastest growing economy a fact that gives the prospects that Russia and China could be leveled soon.

3. The future of Russia-China relations

According to the January 2014 IEA Oil Market Report, as the second largest oil consumer in the world after the US, China’s oil demand continued to grow in 2013 at 10.1 mb/d, a 3% increase over 2012, and it is forecast to reach 10.4 mb/d in 2014 and 10.8 mb/d in 2015. Over the longer term, International Energy Agency forecasts suggest that oil demand will reach 12 mb/d by 2018 and 15.6 mb/d by 2035, China is expected to overtake the United States as the largest oil consumer by around 2030 (Julie et al, 2014:10).

To date, China - Russian energy investment company received 51 percent of the shares in the Russian oil and gas "Suntarneftgaz" and received the rights for developing and production of two natural gas fields in East Siberia. These Russian-Chinese deals indicate that their cooperation in the energetic goes beyond simple sale of oil and relate to cooperation in the exploitation of

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15As a result of the global financial crisis, there was a serious decline in the level of the Sino-Russian trade, with bilateral trade volume decreased by about 30 percent, but the economic cooperation between the two countries continues to be important, and cooperation in the energetic sector is a bright spot in all these years (Zhao, 2010: 1).
16China has provided a long-term loans of $ 25 billion to Russia, of which $ 15 billion going to the Russian oil company “Rosneft” and $ 10 billion to Russian company for transport of oil “Transnet”. The biggest reason for this type of cooperation is the impact of the economic crisis on Russia in 2008 (Zhao, 2010:1,2).
17Collaboration is by Rosneft, the only Russian company which produces oil for export in China (Shoichi, 2010: 10).
natural gas fields. Cooperation in the field of natural gas also had and still has a great potential. After more than five years of negotiations in 2008 Moscow and Beijing reached a framework agreement on plans to build in both directions (East and West) in China's existing Russian pipelines through which Russia will provide China with 68 billion cubic meters of natural gas annually (Shoichi, 2010: 2).

A great event for the bilateral cooperation is the opening of the pipeline China - Central Asia in December 2009. The pipeline pumps gas from Turkmenistan through Uzbekistan and Kazakhstan to China (Shoichi, 2010: 2), i.e. it is 1833 km long and extends up to the end of the western Chinese province of Xinjiang (James, 2011: 14).

As a result, Russia has to compete for Central Asian gas and will probably have to pay netback prices (in practice, European prices minus transport costs) instead of the reduced import rates it paid previously. Despite this, the Energy Strategy assumes that gas imports from Central Asia will continue and will be in total around 60 -70 billion cubic meters per year throughout the period up to 2030 (James, 2010: 26, 7).

The pipeline China - Central Asia is a project and product of the bilateral cooperation and affects the Sino - Russian relations. Until recently, Russia held a monopoly on the export pipelines in Central Asia and persistently tried to maintain that position. Besides the small pipeline from Turkmenistan to Iran, Central Asian routes to export natural gas are completely dependent on Russia that owns the legacy of the Soviet infrastructure.

Basically, the pipeline China - Central Asia interrupted the Russian monopoly over the routes for export of natural gas. However, although China built a pipeline and buys natural gas from Central Asia, it doesn’t intend to challenge Russia's energy exports from Central Asia. Chinese interest is only to serve its domestic energy needs.

If we take into account the breakup of the Soviet Union and all the changes that followed in the political structure within the former Soviet space, conclusion can be made that the visibly changed economic structure is a natural and inevitable, including the area of energy. The question is only how much and when? Balanced power with the participation of more actors from Central Asia are in the interest of the Central Asian Republics (Zhao, 2010: 7). Nevertheless, the conclusion regarding this issue of Chinese - Russian relations is the follows: China and Russia successfully have stood the test of the energy problem regarding Central Asia. Many analysts point out the doubt that the Chinese - Russian competition in Central Asia energetic will lead to a conflict between Moscow and Beijing, however the conflict hasn’t occurred.

Russia is increasingly seeking to develop new energetic infrastructure in the eastern section in order to capitalize on new market opportunities in the Asia – Pacific Ocean. The Energetic Strategy of Russia for the period until 2030, approved by the Russian government in November 2009, outlines the planned acceleration in the use of oil and gas in eastern Russia, aiming at exporting these products in the Asia - Pacific Ocean region (Shinji et., al.2012: 17, Shoichi, 2010 : 2). It must be noted in light of the agreements reached during the visit of Xi Jinping, that forecasts predicted an increase of Russian oil supplies to China from the current 15-16 million tons to 50 million in the foreseeable future (Vladimir, 2013: 1). The Kremlin describes China as a major strategic partner; likewise, the Chinese government describes the relationship as a “strategic partnership of coordination.” More recently, at the Sochi Olympics in February 2014, Xi mentioned the strong relations, describing Russia as a good neighbor, partner and friend (Nicole, 2014:1).

China is the main consumer of the market from Russia in the Eastern energy strategy. The primary demand of China for example is projected to increase by an average annual growth rate of 3.3 percent in 2007 to 2030 , while that of the world is predicted to be 0.9 percent

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18According to the agreement, Turkmenistan will provide China 30 billion cubic meters of natural gas annually for 30 years, of which 13 billion produced by the Chinese company based in Turkmenistan, and the other 17 billion will be provided by Turkmenistan (Shoichi, 2010: 2).

19Russia has a natural gas deal with Turkmenistan, but Russia buys gas in order to re-export. However, these sales are subject to many changing international market (Zhao, 2010: 7).

20Strategy stipulates that Russia aims to increase the percentage of oil exports in the Asia - Pacific Ocean region, between the total oil exports, from 8 percent in 2008 to 14-15 percent in 2020-22 , and to 22-25 percent in 2030, exports of natural gas to grow from zero in 2008 to 16-17 percent in 2020-22 , and to 19-20 percent in 2030 (Shoichi, 2010: 2).
In conclusion, a large part of the Sino-Russian partnership in energetic begins to become real. The possible Chinese scepticism about Russia may be caused by a hesitant attitude of Russia towards the cooperation in projects for oil and gas in Beijing. The cooperation with China in the field of energetic has the potential to become an indispensable factor in Russia's development plans for its Eastern regions by taking advantage of its hitherto unexploited energetic resources on a commercial basis. However, Russia has yet to make and use most of this opportunity because of its geopolitical rooted mind-set. The completion of the transnational oil pipeline between the two countries will be soon implemented. However, recent findings favour that Russia in 2014 would begin with construction of the pipeline to the two largest Asian economic and productive powers - China and South Korea. In addition, the Chinese partners were invited to participate in the development of an oil and gas project named "Sakhalin-3" (Kira, 2013:1). Thus, Russia and China become global and world powers and Allies, jeopardizing the interests of the US, which make attempts to slow down the growing economic, military and geopolitical power of Russia and China.

In the last decade positive dynamics of bilateral cooperation is observed in other areas, as well. A cornerstone of the China-Russia relationship since the early 1990s has been military cooperation. Cooperation has developed in the military-political, training and military-technical spheres. Between 1991 and 2010, an estimated 90 per cent of China’s imported major conventional weapons were supplied by Russia. China remains interested in Russian military technology and components but has not placed a significant order since 2005 (Linda et al., 2011:6).

In the first few years of this century the cooperation between the two countries in the military technology sphere has expanded. In 2003 a “Special state programme” was developed in Russia covering cooperation with China in military technology. Russian-Chinese cooperation on military matters increased markedly in 2005. In August 2005 the first joint military exercise (exercise “Peace Mission 2005”) was held, involving units of both armies, the purpose of which, according to official information, was "to develop methods of conducting anti-terrorist operations and dealing with inter-ethnic conflicts" (Vladimir et al., 2006:8).

However, where as Russia was the big brother until recently in the relationship between Beijing and Moscow in political, economic and military might now a days this has turned around. Pertaining to population size, around 142.5 million Russians compare with 1.35 billion Chinese, China outstrips Russia nearly ten times. In 2014 China’s economy was already four times the size of Russia’s, and was the second largest economy in the world after the USA. Moreover, Beijing’s defence budget is the second biggest in the world (the USA is number one), while Moscow’s accounts for the third largest. China budget revenue in 2014 is $1.86 trillion - 4 times more than Russia $416.80 billion. Russia only outnumbers China in nuclear weapons; China has 250, Russia 8500, 34 times more than China. China Military budget in 2014 is 166US$BN, 77% more than Russia 93.76US$BN. (http://www.nationmaster.com/country-info/compare/China,Russia)

The evaluation of the military balance of power between Russia and China is the most controversial part of the debate. Assurances from Russian government representatives that their nuclear arsenal provides a kind of security guarantee to Russia, should China change its foreign policy and choose expansion, suggest that Moscow fears Chinese conventional forces. In the opinion of the defence minister, Anatoly Serdyukov, China will not be able to match Russia in terms of nuclear potential (Marcin, 2013:21). This new order in the relationship between Moscow and Beijing, in which China is no longer the junior partner, undoubtedly must have consequences for cooperation between both actors (Marcel, 2013:7,8).

Besides the interaction of the international events and meetings at the highest level, in the past few years Chinese - Russian social and cultural exchanges are observed as well. These initiatives create the basis for a good atmosphere in the Sino – Russian relations, especially in improving the perception of each other in both societies.

Russia and China, the two large economic powers in the world, depend upon global cyberspace for their economic productivity, social livelihood, and national security. Similarities in the Chinese and Russian approaches are that both countries are signatories to the recently proposed Internet Code of Conduct; both countries worry about cyber influence on the public’s cognitive aspect; both countries are working on GPS systems, BeiDou in China and GLONASS in Russia; both countries have begun a focused development of new concept weapons as a source of asymmetrical counter weapons to include electromagnetic pulse, rail guns, nanotechnology development and so on.

The American GPS system has already been used for more than 20 years. Today GPS and GLONASS receivers are used on a day to day basis, especially by the professional users, since the Russian GLONASS constellation reached again a 24-satellite constellation. BeiDou Navigation Satellite System has provided standard navigation and precise positioning ability in the Asian-Pacific regions since November 27th, 2012. The actual BeiDou constellation consists of 14 satellites. The BeiDou full constellation should be completed by 2020 and may be as soon as 2017 (Rock et al., 2014:1, 2).

Differences include the fact that Russia is in a “Soft power protection” mode while China is involved in both domestic protection and foreign exploitation for intelligence. Russia doesn’t seem to have as many clarifying cyber terms (water army, human flesh engine, etc.) as the Chinese and China seems to haven’t developed a concept to date for its military as the Russians have done with their “Conceptual View” document (Timothy, 2012:22).

But if today relations should be evaluated, it would be more than certain that they are not superior to those in the past. For example, the sense of camaraderie and friendship between the Chinese and Russian people is currently much lower than during the 50s. Understanding within the national consciousness of China and Russia, also is not as positive as it was in the 50s. At that time, China and the Soviet Union were not only considered friendly states, but the political establishment and the general population were viewed as primary partners in the international system.

The present image of each other is much more complex. In both countries there are different opinions, including both positive and negative aspects. Some people see the other as a friendly country, while others base the friendship based on their own national interests. Both sides show an equal interest in greater cooperation. The two countries seek to nearly double trade to $100 billion by 2015 and then to $200 billion by 2020 (Israel, 2015: 1).

In public, the Russians say that relations are good (as the Chinese always do). But in private, some of them feel fear that the growing asymmetry may mean that China ceases to threaten Russia as an equal partner in Central Asia and Pacific on energy relations or on global security issues. According to the scholar Bobo Lo, “Russia will become increasingly peripheral to Chinese interests, a marginalisation it will resent strongly”. (Charles, 2012:110).

In the second decade of the XXI-century Russia and China are the two most important players in the multi-polar global order. Together, they dominate the soil at Euro Asia. These two neighbors could enjoy very close economic and political relations, but instead they have a legacy of strategic rivalry, interrupted by occasional periods of cooperation. These relations are not always properly understood by the US. One thing remains unpredictable - whether these two states, one of which is the most densely populated country in the world, and the other largest country in the world with enormous possession of natural resources, will promote the constructive cooperation based on common interests?

BRICS is a group of leading emerging economies – Brazil, Russia, India, China and South Africa – with the latter invited to join in 2010. The grouping, as such, was introduced in a Goldman Sachs report of 2003, asserting that by 2050 the first four states would have become the largest and most influential economies alongside the USA, thus breaking US hegemony (Marcel, 2013:42).
The BRICS economy rose from 11 percent of global GDP in 1990 to 25 percent in 2011 and is poised to reach 40 percent by 2050. A Goldman Sachs paper shows BRICS, which overtook Japan in terms of GDP by 2005, will cross the US by 2015 and G7 by 2030. The rise of BRICS is described as “great transformation” (Bandi, 2013:4). Russia’s growth in 2012 and 2013 is estimated at 2 percent (Bandi, 2013:5). From an average growth of 10 percent for the last 25 years, China’s economic growth is expected to slip to levels of 6.5 percent, a trend that is forecast to prevail for a few more years (Bandi, 2013:5). BRICS projections move up in US $ - Denominated GDP Ranking to 2050 that China will become before the US or in the first place, then India, Brazil and Russia on the 5th place (Bandi, 2013:9).

Conclusion

What kind of relations would be expected in the future between the two countries and which would be the implications of the US policy and position, taking recent developments and current events into consideration? Perhaps the relations between them are promoted only on issues of global and regional policy and security, which have similar interests and common approaches. This refers to the events in Iran, Syria, Afghanistan, Pakistan, etc. (Rudy et al, 2014:99).

A more multipolar world order where China and Russia had greater influence would raise their status and better protect states that raise the ire of the West but where China and/or Russia have important interests, such as Iran, Syria, and North Korea. In March 2014, Russia used its veto in the UNSC to defeat a draft resolution condemning the referendum by which residents of Crimea voted to join Russia (Paul, 2014:48).

The Ukraine crisis, too, works in favor of a deepening Sino-Russian gas relationship. As a result of Russia’s standoff with the West, Russia may be more willing to compromise on the gas price, with China boosting its leverage. Although China has not explicitly taken Russia’s side, Russian’s annexation of Crimea has already been playing into China’s hands. While Putin remains distracted in Ukraine, China can use this moment to cement influence in Central Asia (Morena, 2014:4).

The most dangerous threat for the global security comes from the radical Islamist regime in Iran inclined towards nuclear weapons development. Russia and China abstained in terms of policy towards the Tehran policy in this, unlike the expressed US support for Israel’s position regarding an armed clash with the Iranian regime. The development of the Iranian nuclear program could lead to proliferation among other countries in the region, such as Saudi Arabia, Turkey and Egypt. Threat of a high degree is North Korea.

As for Afghanistan, especially now after the withdrawal of the US in the next two years, the power in the region will be rearranged. By reducing the influence of the US in Afghanistan and Pakistan, Russia and China will improve the economic ties and secure the southern border from the spread of Islamic radicalism. Cooperation could be encouraged especially between China and Afghanistan through the purchase of rare materials and oil exploration in the mineral-rich Afghanistan. Russia has also taken major initiatives around Pakistan, especially recovery of the still industry.

Regarding the crisis in Syria (the attempt to overthrow the Assad regime) Russia and China had the same attitude as opposed to the West, which is in favor of change of the regime (SAMIR et al, 2013:10). China and Russia are against foreign intervention in the Syrian unrest. Both countries share the same view of the situation in the Middle East, based on their national interests and the dynamics of international politics. It is a result of the view that neither China nor Russia wants Syria to become a second Libya.

Today, the world order has its roots in the Cold War, faced with profound changes in the powers of the leading countries. During the Cold War, as well as today, the conclusion is still valid that global power has never represented omnipotence that no single country has managed to be of power in the economic and military terms. Certainly, after the collapse of the USSR, the balance of power in the world has changed in favour of the US. They were the most complete

China and its southern neighbors increased. China also started to show more interest in taking a leading role in diplomacy in Asia–Pacific (Haas, 2013:41)
power, but in this competition for dominance appeared a new one. China. China is developing as a super power, primarily in the economic sense. Today, the world lives in a multidimensionality which, when we analysed we can conclude that the world is multipolar.

However, the current positive interaction is likely to continue into the future. Moscow and Beijing have similar security concerns in Central Asia. Overall, mutual dependence requiring cooperation is a vital aspect of the current relationship, outbalancing the tensions.

The two powers are likely to continue to focus on friendly relations in the future, both ensuring mutual economic benefits and utilizing the power of each other to balance the US in global matters and in Central Asia.

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