Strategic Planning of Russia–China Relations in Cross-Border and Inter-Regional Cooperation

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No. 7, September 2016
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In order to increase the predictability of Russia–China relations and ensure their progressive and consistent development, it is necessary to convert the high level of mutual political trust into steady and stable work of institutions responsible for international cooperation. For this purpose, it would be advisable to focus on determining the algorithms and mechanisms of strategic planning of Russia–China relations, which could help the parties identify mutually acceptable frameworks and boundaries of strategic partnership not transforming into a military and political alliance.

Strategic Planning: Aims and Objectives

Strategic planning is an integral element and function of state administration.

The strategic planning of socioeconomic development and ensuring national security constitutes a choice of an optimum governance model that would allow the chosen political and economic priorities to be implemented and would provide stability to the country’s development, at the same time minimizing the diverse strategic risks and threats.

Indispensable elements and necessary mechanisms of strategic planning include strategic analysis and strategic forecasting; situational modelling; assessment of strategic risks and possible solutions for their prevention, including alternative solutions; and the procedures for monitoring the implementation of decisions using a system of corresponding criteria and indicators.

The Ministry of Economic Development of the Russian Federation proposed the state strategic planning system, enshrined in the provisions of Federal Law No. 172-FZ “On strategic planning in the Russian Federation,” dated 28 June 2014. The system is a set of interrelated documents that describe the priorities of Russia’s socio-economic development; regulatory, scientific, informational, financial and other elements ensuring strategic planning processes; as well as participants in state strategic planning that carry out and direct practical activity in this area.

The strategic planning system contains a set of management tools that allow:

- long-term solutions (to be implemented within five or more years) to be developed in a set of short- and medium-term interconnected tasks that are geared towards a common goal;
- planned actions requiring significant investment to be balanced in terms of resources and organizational opportunities;
- constituent entities of the Russian Federation to be oriented towards activities that are consistent with the state’s interests in accordance with its socioeconomic objectives;
- long-term objectives for businesses that would reduce the risks in making long-term investment decisions to be defined;
- the optimal trajectory for transitioning from the current state of socioeconomic development to the desired level to be determined;
- qualitatively different (financial, organizational, informational and professional) resources to be brought together to achieve planned objectives;
- efforts of all economic actors (the government, corporations, civil society organizations) to be consolidated in order to achieve the socio-

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1 Nazarov V.P. Strategic Planning as the Most Important Factor for Increasing the Effectiveness of State Management // Vlast, 2013. No. 12, pp. 5–6. URL: http://jour.sras.ru/upload/journals/2/articles/2413/submission/original/2413-4385-1-5M.pdf (in Russian).


economic development goals of the Russian Federation.⁴
The Ministry of Economic Development of the Russian Federation has also drafted legislation that regulates the establishment of strategic planning documents and the procedures for working with them, as well as the development of a federal informational system of strategic planning.

The Russian system of strategic planning is not complete yet and does not cover a number of key areas, including foreign policy and cross-border and inter-regional cooperation.

For example, Federal Law No. 172-FZ is limited to the socioeconomic sphere and national security. And as regards national defence, state security and public safety, the Law applies in conjunction with other specialized legislation of the Russian Federation.⁵ A number of documents not provided for by the Federal Law No. 172-FZ are still in force, including the Military Doctrine of the Russian Federation and the Concept of the Foreign Policy of the Russian Federation. The status of these documents is not built into the strategic planning system. As regards the strategic documents on national security, Federal Law No. 172-FZ only mentions the National Security Strategy of the Russian Federation.

All this confirms the relevance of the idea put forward by the political scientist Sergey Kortunov on the need to incorporate the foreign policy strategy into the national security strategy, which in turn should become part of Russia’s national development and security strategy for the XXI century. These basic documents need to be developed simultaneously, through the efforts of the entire Russian political class, including the expert community.⁶

The Role of Strategic Planning in Russia–China Relations

Relations between Russia and China at their current stage of development are dominated by a situational approach, which consists of reacting to emerging challenges and opportunities. Existing elements of planning are nothing more than a list of activities in various sectors of cooperation.⁷ They do not present a common understanding of the movement vector, including the starting point, the desired outcome and methods (routes) for achieving it.

Russia and China need extensive and detailed strategic planning in key areas of their bilateral cooperation (military-technical cooperation, nuclear energy, the space industry and other spheres).

They also need strategic coordination of their foreign policies, particularly with regard to issues of world politics that require long-term efforts. These issues include: reforming global governance institutions; reforming the United Nations; strengthening the non-proliferation of weapons of mass destruction regimes; establishing trade and economic regimes and collective security mechanisms in the Asia Pacific, as well as at the global level.

It should be noted that the Chinese system of strategic planning, including the planning of cross-border and inter-regional cooperation, differs from the Russian model by its comprehensive and coherent character as well as by its integrated approach. In China, strategic planning is governed by the National Development and Reform Commission (NDRC) under the aegis of the State Council of the People’s Republic of China.

The main functions of the NDRC include:
- formulating and implementing the strategy, medium- and long-term programmes, annual plans for national economic and social development;
- determining goals and policies for developing the national economy and optimizing major economic structures;
- developing proposals for the use of economic instruments and policy measures;

⁴ Ibid.
developing macroeconomic forecasts based on the study and analysis of the external and domestic economic situation;

• exploring important issues related to the economic security of the country;

• presenting proposals for macro-regulatory and macro-control policies, comprehensive coordination of socioeconomic development;

• collecting and analysing the consolidated fiscal data, participating in the elaboration of financial and monetary policy;

• studying and analysing the development of regional economy and urbanization, creating programmes for balanced development of the regional economy, planning and coordinating interaction among regional economies;

• coordinating and balancing social development policies concerning population and family planning, science and technology, education, culture, health, with defence and development of economy;

• promoting a strategy of sustainable development; developing programmes for the resources saving and integrated management; developing and coordinating environmentally friendly industries.

According to the author, specific features of the Chinese and Russian systems of strategic planning with regard to cross-border and inter-regional cooperation and their relative advantages and disadvantages require a detailed comparative analysis, which is yet to be started.

On the one hand, the China’s northeast provinces of Heilongjiang, Jilin and Liaoning are speeding up the pace of innovative development and optimizing trade and economic cooperation with Russia. According to the strategic plan developed in Heilongjiang for this purpose, trade volume with Russia is expected to increase to $60 billion by 2020. However, the correlation of strategic planning processes at the central government level (the NDRC) and in the Chinese provinces in general is not entirely clear.

On the other hand, the Russian regulatory framework shows active involvement of the Russian regions in the strategic planning process at federal level. The Concept of the Development of the Border Territories of the Constituent Entities of the Far Eastern Federal District of the Russian Federation approved in October 2015 could serve as an example. In particular, the following measures are planned at the regional level during the first phase of the Concept’s implementation (2015–2016):

• taking an inventory of competitive advantages and identifying points of growth in the border municipalities based on the level of their social and economic development;

• creating lists (registers) of priority measures carried out by the state bodies of the constituent entities of the Russian Federation according to the scope of their exclusive jurisdiction and joint jurisdiction of the Russian Federation and its constituent entities;

• elaborating and approving regional development programmes for the Far Eastern border territories in terms of municipal entities;

• drafting proposals for the creation of efficient systems for motivating local government bodies, business entities and non-commercial organizations to engage in the development of Far Eastern border territories;

• elaborating and approving concepts and projects for the development of border municipalities, as well as pilot projects in the Concept’s key areas.

Accelerated development of the Russian Far East, the Trans-Baikal region and Eastern Siberia is of utmost significance for implementing Russia’s economic strategy and modernizing the economy; making it innovative in nature and integrating it into the economic space of the Asia Pacific. To solve these tasks, Russia must increase its interaction with Asia Pacific countries, primarily with China and its north-eastern provinces.

The need for strategic planning in cross-border and inter-regional cooperation between Russia and China is obvious against the background of alignment of the Silk Road Economic Belt initiative and Eurasian integration in the framework of the Eurasian Economic Union.

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\[8\] State Committee on Development and Reform. URL: http://www.russian.china.org.cn/russian/99724.htm (in Russian).


It is important that Russian legislation provides an algorithm for strategic planning that is different from the one used previously, for instance, when drafting the currently applicable Programme of Cooperation between the Regions of the Russian Far East and Eastern Siberia and the Northeast of the People’s Republic of China (2009–2018). This programme is mostly declarative in nature. The absence of a “road map” attached to the programme casts doubts on the prospects of its practical implementation.

Strategic planning of Russia-China cooperation must be based on the approaches stipulated for or implied in the above-mentioned laws, yet so far not applied in practice.

The first approach is “inductive” strategic planning based on the needs and requirements of the economies of the border regions and the local business communities, development of cross-border and inter-regional cooperation plans that will be based primarily on empirical and statistical data received from the regional economic actors.

The second approach is “interactive” (with partner involvement) strategic planning based on coordinating planning processes with the governments and economic actors of China’s border provinces.

Russia’s experience of cross-border cooperation with China and other countries in the Asia Pacific demonstrates the importance of improving and harmonizing its programmatic, conceptual and legislative basis.

In particular, Article 9 of the draft Federal Law 75537-4 “On Cross-Border Cooperation in the Russian Federation” may be amended by inserting the following paragraph: “interaction of border cooperation participants may take the form of permanent (temporary) interagency commissions formed to coordinate the interests of national security and socioeconomic development in the border territories.” In accordance with articles 26–29 of the Statute of the Security Council of the Russian Federation it would be appropriate to suggest that the Secretariat of the Security Council create an interagency commission on the issues of cross-border cooperation. It may assume the functions of coordinating the activities of cross-border cooperation participants requiring approval in order to ensure Russia’s national security.

Proposals for systematizing and optimizing strategic planning of cross-border cooperation are being actively discussed by the expert community and at regional forums. These suggestions include:

- continuing to improve border infrastructure and optimizing the work of checkpoints at the Russia–China border, including the use of public-private partnership mechanism;
• improving national legislation on international collaboration, including cross-border cooperation;
• intensifying Russia–China trade by promoting new goods for export;
• revising inefficient administrative barriers of the state controlling bodies;
• jointly promoting green manufacturing and agricultural product processing in the border areas;
• continuing to shape a favourable investment climate to attract foreign investments into the economy’s real sectors;
• setting out the necessary conditions for involving small and medium-sized businesses in investment processes;
• getting state authorities in the border regions to assist the integration of economic entities into special economic conditions projects implemented in Russia (special economic zones, territories of priority socioeconomic development);
• considering the possibility of using the two-channel system (“red” and “green” corridors) at the adequately equipped checkpoints in order to create favourable conditions for tourists crossing the border;
• getting the authorities of the Russian and Chinese border regions to apply to their respective central authorities with proposals to extend the time limit for visa-free stay for Russian and Chinese tourists in neighbouring territories;
• improving mechanisms for assessing and using the international labour market and training specialists and qualified personnel for implementing joint projects;
• developing cooperation in science and innovation, carrying out joint activities in the use of integrated green methods and technologies in the economy and the use of natural resources;
• introducing and exchanging innovative medical technologies in order to improve the quality of life and increase the life span of the population of the border regions;
• continuing to develop comprehensive international ties between compatriots living in the cross-border regions;
• when developing and correcting long-term strategic plans, providing for social and environmental evaluation as part of strategic environmental assessment; taking the results of scientific forecasts of anthropogenic impact into account when implementing transportation and energy projects;
• continuing joint efforts to preserve and expand nature reserves, implement special environmental programmes for preserving biodiversity in the beds and catchment basins of the border rivers and lakes;
• creating an efficient joint prompt response, alert and emergency management system.

In order to implement these proposals, the appropriate state agencies and the expert community should begin joint work on strategic planning of Russia–China cross-border and inter-regional cooperation.

The Ministry for the Development of the Russian Far East\(^\text{17}\) could assume the task of strategic planning of the Russia–China cross-border and inter-regional cooperation.\(^\text{18}\)

In November 2015, the Russian government approved the Concept of the Development of the Border Territories of the Constituent Entities of the Far Eastern Federal District of the Russian Federation, drafted by the Ministry for the Development of the Russian Far East. The Concept is intended to be implemented in two stages. The first stage (2015–2016) involves a series of organizational steps, while the second (2017–2025) entails implementing regional programmes for the development of the Far Eastern border territories and projects for developing individual border territories; further developing pilot projects and best practices.\(^\text{19}\)

The Russian government approved a list of 27 state programmes, which should contain sub-

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programmes for the Russian Far East. Five state programmes (on transportation, culture, healthcare, shipbuilding and aircraft building) already include such sub-programmes. More than 700 billion roubles of budget investments are allotted for implementing these programmes in the coming ten years. Work on the remaining 22 programmes is under way.

A new state target programme entitled “Socioeconomic Development of the Kuril Islands (the Sakhalin Region) for 2016–2025” has been approved and is supposed to begin in 2016. The total amount of financing is 68.9 billion roubles. In addition, the “Long-Term Plan for the Comprehensive Socioeconomic Development of Komsomolsk-on-Amur” has been developed and approved. The plan, which will be implemented in 2016–2025, involves 33 organizational events and the creation of 27 infrastructure facilities. These documents reflect the new approach to strategic planning, which is aimed primarily at the comprehensive socioeconomic development of the territories based on the optimized use of budget resources.

Currently, the government is considering two laws drafted by the Ministry for the Development of the Russian Far East. The first concerns expanding the free port regime to cover other key harbours in the Far East. In accordance with this document, the free port regime covers the territories of 14 municipalities in Chukotka, Kamchatka, the Sakhalin and Khabarovsk regions and the key ports of Petropavlovsk-Kamchatsky, Korsakov, Kholmsk, Sovetskaya Gavan, Vanino, De-Kastri, Anadyr and Pevek. The second draft law entails reducing electricity rates in the Far East to the Russian average electricity rate.

On 9 August 2016, the government of the Russian Federation approved an amended version of the state programme “The Socioeconomic Development of the Russian Far East and the Baikal Region” to be carried out until 2025. The programme takes into account new strategic planning-based mechanisms for the development of these territories and will allot approximately 46.7 billion roubles of budget financing annually in 2017–2019. This will allow consistent work on the development of the Far East to be continued.

Aligning strategic planning in Russia and China is necessary for implementing strategic development plans.

The task to create Russia–China mechanisms for coordinating strategic planning on the level of local governments, scientists, experts and members of the public of the border regions and provinces is high on the agenda.

Expert Dialogue and Its Role in Strategic Planning

The mechanisms for coordinating strategic planning could be tested in the course of an expert dialogue, in which politicians, members of the public and representatives of the media and the academic communities of the two countries would participate. In 2013–2015, the Institute of Far Eastern Studies of the Russian Academy of Sciences suggested that the Russia–China Expert Forum should be established to provide information and analytical assistance in developing bilateral relations.

This idea suggested on the China’s part by the Chinese Academy of Social Sciences was successfully implemented during Russia’s President Vladimir Putin’s visit to China in June 2016. In particular, during the visit, the Russian International Affairs Council and the Chinese Academy of Social Sciences signed a Memorandum on cooperation.
Such platforms for expert dialogue created in the framework of China’s bilateral relations with the United States and several European countries have already proved their effectiveness.

The Russia–China Expert Forum could exist as a series of both regular and ad hoc meetings, conferences and round tables aimed at frank and pragmatic discussions and achieving specific results.

Eminent Chinese and Russian academics and experts, active and retired politicians, diplomats and public figures, and members of the business communities could participate in the regular meetings. Each meeting could result in the publication of thematic papers containing the principal conclusions of the discussion and final reports; these papers could be presented to the ministries of foreign affairs and the political leaders of both countries.

The Russia–China Expert Forum could become an expert hub and the expert and analytical part of the system of the Russia–China intergovernmental commissions in various areas. It could also become an expert discussion platform providing sectoral assessment of the entire range of issues of bilateral relations.

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RECOMMENDATIONS

1. Russia’s foreign policy strategy should be incorporated into the national security strategy, which in turn should become part of Russia’s national development and security strategy for the XXI century. These fundamental documents should be developed simultaneously through the efforts of the entire political class, including the expert community.

2. The programmatic, conceptual and legislative basis of cross-border cooperation should be improved and harmonized.

3. In order to ensure accelerated and balanced development of inter-regional and cross-border cooperation, additional measures should be taken to create mechanisms for planning and coordinating the activities of cross-border cooperation participants that require approval in the context of Russia’s national security.

4. It is necessary to ensure comprehensive and detailed strategic planning of Russia–China bilateral cooperation in the key areas, as well as the strategic coordination of the foreign policies of both countries on issues that require long-term efforts.

5. Russia–China mechanisms for coordinating strategic planning with the participation of border provinces and regions should be created and strengthened in order to ensure the tying together of strategic planning in Russia and China. In this respect, it would be appropriate to:

   ▪ promote the consistent implementation of the Memorandum of Understanding on strengthening Russia–China regional, manufacturing and investment cooperation in the Far East, signed by the Ministry for the Development of the Russian Far East and the National Development and Reform Commission of the People’s Republic of China;

   ▪ ensure that the Cooperation Council of the Regions of the Russian Far East and the Northeast of the People’s Republic of China created in 2015 during the first meeting of the Eastern Economic Forum (EEF) carries out its activities on a regular basis;

   ▪ create a new advisory mechanism for tying together strategic planning in cross-border and inter-regional cooperation during the EEF’s next Forum (September 2016);

   ▪ create a commission on cross-border and inter-regional cooperation within the Association of North East Asia Regional Governments, of which regions of Russia, China, Mongolia, Democratic People’s Republic of Korea, Republic of Korea and Japan are members;

   ▪ create a special advisory platform on cross-border and inter-regional cooperation under the Memorandum between the Russian International Affairs Council and the Chinese Academy of Social Sciences;

   ▪ support the efforts to create other dialogue mechanisms to discuss these issues, including within the framework of the Valdai Discussion Club and the Trans-Baikal Club of the Cross-Border and Transregional Cooperation (currently being formed).