The Far East in Russia’s Geopolitical Outlook
By Sung-Won Shin & Taehwan Kim

Given its deteriorating relations with the West and need to find more markets for its natural resources, Russia is taking East Asia more seriously than ever. As symbolized by Chinese President Xi Jinping’s March 2013 visit to Moscow, the two countries have dramatically increased their economic and geopolitical ties, write Sung-Won Shin and Taehwan Kim.

But historic tensions and Russian fears of Chinese encroachment and eventual regional domination also give Korea and Japan a vital role in Moscow’s geostrategic thinking.

Putin himself seemed to mind the dramatic demise of the former Soviet sphere of influence in Eastern Europe and the Baltic states. And East Asia surfaced in Soviet foreign policy parlance as a space of geopolitical value only in the Gorbachev years. But ever since, more has been said than done about the region by the Russian leadership, due in large part to the preoccupation with the West and the domestic political transition combined with a lack of political will and capacity. Only recently has East Asia gotten on the radar through Putin’s “New Asia Policy,” a major item on his foreign policy agenda in his third term. In addition the current Ukrainian crisis is accelerating the Eastern vector in Russia’s foreign policy as deteriorating relations with the West and Western sanctions are driving Moscow toward closer economic, political and security relations with East Asian counties.

However, Russia’s geopolitical interests in East Asia, seriously limited and constrained by its changing status and capability in world politics, are more instrumental than purposive, and more reactive than proactive. They are instrumental as Russia is primarily in pursuit of geo-economic, rather than geopolitical, interests in the region. There are three reasons for this, all of which point toward the goal of resuscitating the Russian economy. First, Russia’s shift in the region by the Russian leadership, due in large part to the preoccupation with the West and the domestic political transition combined with a lack of political will and capacity. Only recently has East Asia gotten on the radar through Putin’s “New Asia Policy,” a major item on his foreign policy agenda in his third term. In addition the current Ukrainian crisis is accelerating the Eastern vector in Russia’s foreign policy as deteriorating relations with the West and Western sanctions are driving Moscow toward closer economic, political and security relations with East Asian counties.

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In this grand project, Russia’s Far East is considered a “geopolitical gateway” to Asia, playing a key role in linking Russia and East Asia and facilitating its economic integration with the rising Asian economies. Russia’s geo-economic needs and demands coincide in this view with its neighboring countries, North and South Korea, Japan and China.

Moscow’s geopolitical interests in East Asia are as reactive as they are instrumental. East Asia is becoming a hot spot for the return of the old geopolitical specter as manifested in the ongoing collision and confrontation in the East and South China Seas between and among Japan, Vietnam, the Philippines and China. Although it is not at center stage of regional contention, Moscow still no doubt occupies a crucial position in the global geopolitical competition thanks to its nuclear arsenal and to the huge Eurasian landmass under its influence. In East Asia, Russia has no intention of confronting the rising China but rather has a clear interest in strategically collaborating with it against the United States, which plans to deploy six aircraft carriers in the Asia-Pacific until 2020 under the rubric of the “pivot” to Asia. It would be unwise, even irrational, for Russia to confront Washington on its own. For
both economic and strategic reasons, therefore, China has the central place in Russia’s East Asian geopolitical outlook.

**THE ROLE OF CHINA**

Russia’s relations with China are on the rise, in contrast to its relations with the West, which are at the lowest level since the end of the Cold War. On the security front, a new counter-American axis is being forged between Moscow and Beijing. Many Russian and Chinese elites consider American foreign policy objectives fundamentally hostile to their vital interests. Moscow would like to see US global dominance come to an end, a goal it shares with Beijing. American backing for Georgia and the former Soviet republics of Central Asia bothers Russia. Likewise, China views American support for Japan, Vietnam and the Philippines in their maritime disputes with Beijing as a menace. No wonder Xi Jinping made his first trip abroad as China’s president to Moscow in March 2013, where he told Putin that Beijing and Moscow “should resolutely support each other in their efforts to protect their national sovereignty, security and development interests.” Putin reciprocated Xi’s strategic friendship with his visit to China last May.

Moscow and Beijing are using each other by forming a collaborative front in facing Washington’s pivot to Asia. Back in 2010, the two countries agreed to work together to create a basically new regional security system, which would be premised on three principles — common and indivisible security, collective security and inclusive security — allowing for horizontal network links between Asian countries. Russia and China also jointly declared a concept of “New Security” at the CICA (Conference on Interaction and Confidence Building Measures in Asia) summit in Shanghai this year. The New Security initiative is aimed at promoting mutual trust and mutual interests, as well as equality and co-operation, among Asian countries through instituting a new Asian security architecture. To punctuate the new potential for security co-operation, the two countries carried out their largest ever joint naval exercises last May, which coincided with Putin’s visit to China. This time, the venue was the East China Sea, where the territorial dispute between Beijing and Tokyo over the Senkaku (Diaoyu) Islands is under way.

But on the economic front, the situation is more complex. Moscow has a clear and keen interest in gaining access to the Chinese market and attracting Chinese funds for its modernisation project, particularly the development of East Siberia and the Russian Far East. Russia’s trade with China has been growing at a faster pace than turnover between Russia and the EU, and Russian foreign trade in general, for the past decade. If the EU is not taken as a single economy, China has already caught up with Germany as Russia’s largest trading partner, with the bilateral trade volume amounting to nearly $90 billion in 2013. Moscow will also be more welcoming toward Chinese investments in its energy projects, which heretofore have been seen as a geopolitical risk.

Putin’s visit to China was a critical moment to demonstrate Russia’s firm resolve to turn to Asia. On May 21, Gazprom and the China National Petroleum Corporation (CNPC) finally brought to an end decade-long sluggish talks by signing an agreement on terms of a gas contract under which Russia is to export East Siberian and Far Eastern natural gas to China starting in 2018 for a period of 30 years. The contract is estimated to be worth $400 billion. In addition to being the largest post-Soviet gas contract, more than 40 bilateral agreements were concluded as part of the visit. The signed documents include contracts and memoranda of intent on Chinese

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investment in areas such as coal, copper ore, and liquefied natural gas, production of construction materials, petrochemicals and machine building. Creating an Asian outlet for Russian gas has been a critical geo-economic goal for Putin, and it has finally come true.

HISTORIC TENSIONS

The prospect of Sino-Russian co-operation is, however, offset by Moscow’s concern about an over-reliance on Beijing, particularly in the Far East, let alone the longstanding historic rivalry and mistrust between the two countries. The Chinese are weaving themselves into the fabric of Russia’s Far East economy. According to Russian data, the agricultural area contracted by farms from China’s northeastern Heilongjiang province is expected to expand exponentially from less than 50,000 hectares in 2008 to nearly 700,000 hectares in 2016.1 In an increasingly common story, the Chinese have not endeared themselves to the locals by virtue of using mainly Chinese workers in Russia, as they have done in Africa and Latin America. No less critical for Moscow is the penetration of Chinese people, mostly from China’s three northeastern provinces, into the Far East. Given the sparse and decreasing Russian population in the region, this illegal and illegal migration is enough to trigger a sense of “Yellow Peril” for both Moscow and the locals.

Russia is facing an ominous new reality in the Far East. For the past two centuries, China had been weak and lagged behind Russia, at least in the political-military domain. China’s economic power is now fundamentally reversing the historical equation between the two countries, with the vast empty spaces of the Russian Far East almost beckoning for Chinese neo-colonization. This staggering new reality is bound to affect the Russian sense of security in its Asian region. Moscow is now anxious about its Far East becoming a natural resource appendage of China. No Russian concerned with the country’s future and perplexed by the dramatic changes of the past two decades can ignore the fact that China is well on its way to becoming a more advanced, more dynamic, and more successful state than Russia.

THE TWO KOREAS AND JAPAN

Moscow’s China fear makes it imperative that it turn to another geopolitical space in East Asia — the Korean Peninsula and Japan. Russia clearly sees South Korea and Japan as potential purveyors of the technology and investment needed to develop the Russian Far East and as facilitators of its geo-economic interest to integrate with the Asian economy. And the task of diversifying Russia’s economic ties within Asia remains important. Russia’s trade turnover with South Korea and Japan combined is approaching $60 billion, well above that with the United States. Moscow, not content with simply increasing trade volume with the two neighbors, would like to have them as a source of investment. When Igor Sechin, the head of Russia’s state-owned Rosneft oil company and Putin’s longtime political protégé, invited Japanese businessmen at the 11th Russian-Japanese Investment Forum in Tokyo last March to invest in energy projects in Siberia and the Arctic, they certainly showed interest. Also, Prime Minister Shinzo Abe has long been known to take a strategic view of Russia. Putin’s visit to Seoul last November was seen as successful by both parties, with a deal struck that granted a consortium of Korean companies stock participation in RasonKonTrans, the Russia-North Korea joint venture to rehabilitate the rail line between the Russian hamlet of Khasan and the North Korean port of Rajin and to rebuild Rajin’s port. To be more successful in its relations with South Korea and Japan, however, Russia should get over two hurdles, the United States and North Korea. The three major trilateral infrastructure projects — uniting the railroads in both Koreas with the Trans-Siberian Railway, constructing gas pipelines and building electric power lines to run from Primorye in Russia to South Korea through North Korea — have yet to come to fruition, despite being repeatedly proposed by Moscow and favorably received by Seoul for two decades, due in great part to North Korea’s hesitation. This is why Moscow is now approaching Pyongyang more actively, despite its distaste for North Korea’s nuclear provocation. For example, the visit by Russian Deputy Prime Minister and Plenipotentiary of the Far Eastern Federal District Yury Trutnev’s to Pyongyang last April included governors from the three adjacent Far Eastern provinces of Amur, Khabarovsk and Primorye. It was reported that an inter-regional co-operation agreement was signed as a result for the use of North Korean labor in Amur province. Russia also took the bold step of writing off 90 percent of North Korea’s bad debts from the Soviet period, worth nearly $10 billion. In this context, the project of connecting the Trans-Korean Railway to the Trans-Siberian Railway is resurfacing atop Moscow’s imminent agenda.

THE US FACTOR

Another difficulty for Moscow in the region is the United States. Both South Korea and Japan are America’s firm allies. Although it is quite certain that South Korea will not break ranks with the United States on Russia, Seoul is worried that the breakdown in Moscow-Washington relations may lead to Russia being less co-operative on the Korean Peninsula, which could negatively impact on the Park Geun-hye government’s new “Eurasia Initiative.”

In Tokyo, Abe will have a hard job convincing President Barack Obama that a Japan-Russia rapprochement will actually benefit US strategy in the Asia-Pacific. Should either South Korea or Japan join US economic sanctions against Russia over the Ukraine crisis it would have an adverse geopolitical impact on them, which Tokyo and Seoul would want to avoid. How to handle these two important neighbors then remains firmly linked to the US pivot to Asia — a thorny strategic issue that Russia alone could hardly resolve.

Since the Soviet collapse, Russia has been far more humbled in East Asia both in its geopolitical intent and capacity than the West would like to think. Moscow has been busy building a space to include much of post-Soviet Eurasia under the rubric of Near Abroad. And now, East Asia is coming to the fore in ways that have the potential to satisfy Moscow’s imminent needs. Geopolitics is anything about “situated knowledge” that constructs images of the world in order to advocate particular foreign policies.2 Moscow is now constructing an image of East Asia that is consistent with its needs in the context of a larger geopolitical outlook.