



# Asia Pacific Bulletin

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## Russia in the Asia-Pacific: Between Integration and Geopolitics

BY PAUL RICHARDSON

For the first time in its history, Russia this year assumed the leadership of a major Asia-Pacific forum—APEC. In September the organization’s annual summit will be held in Vladivostok and through this congress Russia hopes to demonstrate to the world, and its own citizens, that the country is once again a power in both Europe and Asia. It is a bold vision, which is bound to Russia’s national development strategy and Great Power aspirations. As one Russian diplomat told this author, if Russia really becomes involved in Asia it could change the country and also the world.

**Paul Richardson**, Postdoctoral Fellow at the Slavic Research Center, Hokkaido University, asserts that “Russia continues to remain outside of the real economic dynamism in the Asia-Pacific and peripheral to regional politics.”

On a visit to Vladivostok last June the Russian President, Dmitri Medvedev, emphasized that hosting APEC would ensure that Russia was an integral part of the Asia-Pacific region and act as a catalyst for the development of Vladivostok and the Russian Far East. By selecting Vladivostok as host of APEC 2012, he categorically stated that “what we are creating will stand, I hope, for decades and centuries to come.”

As the eminent Russian political analyst Sergei Karaganov has noted, the need for developing this region and turning Russia towards Asia has recently been recognized by a chorus of Russia’s leading experts on international affairs that just five years ago would seldom, if at all, look eastwards. Experts such as Dmitri Trenin now see the dynamic economies of Asia an opportunity for the renewal and unification of the country and in his most recent book, *Post-Imperium*, he even evoked the transformative legacy of Peter the Great suggesting that: “Russia would do well to think of Vladivostok as its twenty-first century capital. It is a seaport breathing openness.”

However, at the same time as Russia’s drive for integration, investment and acceptance in the Asia-Pacific, it has been tempered by an imperative to reassert Russia’s geopolitical power in the Far East. This is evidenced by the costly modernization of the Pacific Fleet, which in the next few years will acquire two state of the art French-built Mistral amphibious assault ships. Russia has also consistently sought to bolster its relations with North Korea, provoking criticism in South Korea and Japan for supporting the regime there. Russia recently proposed a gas pipeline through North Korea to the South. It was presented as an innovative way to engage with North Korea but has more to do with Russia’s desire to remain relevant in regional diplomacy and to diversify its outlets to gas markets.

Regarding Japan, any hopes of a broader partnership and investment there have been eclipsed by massively federally funded construction and military upgrades on the disputed Southern Kurils/Northern Territories. Relations are still recovering from a dramatic low in November 2010 when President Medvedev’s theatrical and provocative visit to the islands resulted in the temporary recall and then replacement of the Japanese ambassador to Russia.



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It is nevertheless the relationship with China which colors Russia’s view of Asia the most. At first glance relations appear to be progressing well. In 2004, the two governments resolved a long standing territorial dispute; the leaders’ personal relationship seems harmonious (witness the recent award of the Confucius Prize to Russian Prime Minister Vladimir Putin); both countries lead the Shanghai Cooperation Organization; and the economic opportunities China provides are obvious for any visitor to the Russian Far East.

However, some underlying fault lines in the relationship are now emerging, most recently over gas. Tensions over China paying market prices for Russian gas culminated in an announcement late last year that Turkmenistan would begin to annually supply 65 billion cubic meters of natural gas to China—more than half of its 2010 consumption. This has given China the upper hand in future price negotiations and left the Russian energy company Gazprom’s strategy in Asia in crisis. The dispute comes against the background of persistent fears in Russia, both real and imagined, over the expansion of Chinese immigration and influence in the Russian Far East. Even amongst relatively liberal members of the Russian elite there are voices asserting that if current trends persist, Russia will become “an economic and political vassal” of China.

Economic integration with other leading APEC countries is seen by some as the principal way to avert this scenario. However, with strained relations with Japan and an even more unpredictable situation on the Korean peninsula, Russia finds itself increasingly short of options. Russia continues to remain outside of the real economic dynamism in the Asia-Pacific and peripheral to regional politics. While there may be a renewed interest in this region from the Russian side, how seriously the major APEC powers regard its overtures and what significant economic investment will emerge outside of natural resources is another matter. Already one major drawback to APEC 2012 is that US President Barack Obama is unlikely to attend the summit at Vladivostok due to his own reelection campaign schedule.

A realization of Russia’s potential weakness in the region may be partly behind Prime Minister Putin’s sudden announcement in October last year to proceed with the creation of a “Eurasian Union,” initially with Belarus and Kazakhstan. On his presidential campaign website he seems to be taking this proposal seriously as the Eurasian Union is the only concrete foreign policy initiative mentioned. APEC 2012 does not feature anywhere on the website while the Eurasian Union is heralded as “opening a new epoch of relations in post-Soviet space.”

It is too soon to say what the eventual legacy of APEC 2012 will be. What is certain is that Vladivostok and parts of the Russian Far East are being transformed. However, its initial symbolism associated with the Russian state’s renewed interest in its Eastern territories and its ability to finally order them has already undergone a discursive shift. Today, the reconstruction of Vladivostok and building of the conference site on Russky Island has become as much a symbol of Russian state inefficiencies and massive budget excesses (officially US\$22 billion); a failure to tackle corruption and ensure transparent procurement; and of a dysfunctional federal system where the regions demand constant oversight and control from Moscow.

Whether APEC 2012 really proves to be the beginning of deep and broad integration of Russia in the Asia-Pacific region or merely a Potemkin village on its eastern shore depends on far wider structural changes in the Russian political system. Hosting APEC in Vladivostok is an impressive statement of intent but Russia needs first to seriously tackle endemic domestic corruption; overcome vestiges of Great Power rhetoric; allow its outer regions some scope to exercise limited autonomy; and encourage genuine competition in politics and business before it can truly achieve its potential in the region.