

Russia and the CIS in 2017

Russia in Asia: Succumbing to China's Embrace?

ABSTRACT

Since the annexation of Crimea in 2014, Russia's "eastward pivot" has intensified, mainly observable as strengthened relations with China, which appear to be evolving into a quasi-alliance. This places in question Russian attempts at diversification in the Asia-Pacific, and its position in Central Asia, where China's Belt and Road Initiative challenges Russian influence.

KEYWORDS: Russia, Asia-Pacific, Central Asia, SCO, BRI

RUSSIA'S RELATIONSHIP WITH CHINA remains central for Russia's relations with Central Asian countries, but also for its relations with the broader Asia-Pacific. Since 2014, Russia's relations with China appear to have strengthened further: the economic impact of sanctions and the drop in oil prices have intensified their economic relationship while simultaneously exacerbating the asymmetry of relations. Many commentators suggest that Russia is now not only pivoting to Asia, but also pursuing a full-fledged alliance with its East Asian neighbor. It is argued here that Russia's China policy is a strategic partnership that is more than an "axis of convenience"¹ but less than a full-blown alliance.

For some in Russia, the pivot to Asia is partly explained by the confrontation with the West: "Russia needs the turn toward Asia to gain more confidence and become less vulnerable to these aggressive attacks" (meaning verbal attacks by the West on Russia).² Further, the development of Siberia

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1. Bobo Lo, *Axis of Convenience*, Brookings Institution, Washington, DC, 2008.

2. Evgeny Kanaev and Timofei Bordachev, "Russia's New Strategy in Asia," *Russia in Global Affairs*, September 23, 2014, <<http://eng.globalaffairs.ru/number/Russias-New-Strategy-in-Asia-16997>>, accessed March 10, 2017.

and the Far East is a central part of Asia-Pacific policy, which is seen as preserving stability in the event of long-term confrontation with the West.

Russia and China certainly agree on many international issues; for example, they both resist “regime change” and “color revolutions” (which extend to the Arab revolutions). While China was until recently a regular abstainer at the UN, it has now become more active in international issues, and has joined with Russia to veto Security Council action on Syria.

But despite appearances, Russia and China do not always present a united front. Just as in 2008 China, unlike Russia, refused to recognize the declarations of independence from Georgia of South Ossetia and Abkhazia,³ it has also been cautious in supporting Russia’s annexation of Crimea. In a similar vein, Russia has been ambivalent regarding Chinese actions in the South China Sea.

Despite often rather optimistic analyses of bilateral relations, voices in Russia advise caution, suggesting that Moscow too often follows China’s lead. One Russian scholar close to the Kremlin emphasizes that “China and the Chinese leaders have played an exceptionally important role in the difficult period from 2014 to 2016 by making it easier for Russia to uphold its interests.” However, he warns that “with this paradigm still in existence, Russia will never be able to take decisions interfering with the Chinese interests.”⁴ Chinese support provides succor at a time when Russia has few friends, but this may come at a price: for example, Moscow may be increasingly called upon to support China in territorial disputes in the Asia-Pacific.

The general trend has been for Sino–Russian trade to be on the decline: Chinese exports to Russia fell by 36% in the first half of 2014, and trade stalled at US\$ 90 billion. In 2015 the figure fell to around US\$ 64 billion and recovered only slightly, to US\$ 66 billion, in 2016. An economic slowdown in China meant less demand for key Russian goods such as metals and chemicals, while the share of oil and hydrocarbons in total exports to China increased from around 50% in 2008 to nearly 70% in 2013.

The large-scale gas project Power of Siberia has been touted as a landmark deal. Russian commentators play up the long-term prospects, predicting that “Russian gas supplies to China alone are expected to equal those to Europe in

3. South Ossetia and Abkhazia were both “autonomous” regions within the Georgian Soviet Republic, and remained as such after the collapse of the USSR, although both had declared independence in the 1990s.

4. Timofei Bordachev, “To Russia’s Friends in Asia and Beyond,” Valdai Discussion Club, 2017.

10 to 12 years, which will take the Russian-Chinese strategic partnership to a new level and consolidate Russia's and China's roles in the Asia-Pacific region and the world at large."⁵ Yet the launch was postponed from 2018 to 2019, possibly even to 2021, with the gas supply only reaching the agreed-upon amount by 2024. Moreover, supplying China will not substitute for the European energy market. It is widely expected that instead there will be a reorientation of Russian gas toward Europe.

Further development plans for the Siberian and Far Eastern regions have been dropped due to lack of resources as a result of the economic downturn. This region more than any other represents a litmus test of Russia's Asia-Pacific policy. It has been suggested that a failure to integrate the region with broader integrative processes would consign it to the status of a "double periphery"—that is, a region on the periphery not only of the Asia-Pacific, but also of European Russia.

With the rolling out of the Chinese Belt and Road Initiative, Russia hopes to benefit from Chinese economic success and for the Russian Far East to reap the rewards, but there is a lack of clarity regarding Chinese plans. The new Eastern Economic Forum series that began in 2015 is seen as key to the future of the Russian Far East and its integration with the Asia-Pacific; a third forum took place in 2017. The series is attended by high-level political figures and business leaders, including representatives from Japan, and various mechanisms have been established to attract foreign investment (most importantly the Advanced Special Economic Zones and the new Free Port of Vladivostok). Various draft agreements were signed on possible plans for Japan to invest in energy projects relating to the Northern Sea Route, a shipping route running along the Russian Arctic coast, via Siberia, to the Bering Strait. Russia hopes that when ice-free, the route will be used to ship Russian Arctic resources (goods and project cargo for a proposed LNG port and oil and gas fields) and industrial products to both European and Asian markets.

China and India together make up more than half of Russian arms sales, but Vietnam, Myanmar, Malaysia, and Indonesia are also important customers, and Asia represented 70% of Russia's total arms exports in 2000–16. In fact, Russia supplied 43% of all arms exported to the Asia-Pacific in 2000–16.⁶

5. Kanaev and Bordachev, "Russia's New Strategy in Asia."

6. Richard Connolly and Cecilie Sendstad, *Russia's Role as an Arms Exporter: The Strategic and Economic Importance of Arms Exports for Russia*, Research Paper, Chatham House, London, 2017.

In the wider region, the joint exercises of the Joint Sea 2017 program held in Vladivostok, headquarters of Russia's Pacific Fleet, which included submarine rescue and anti-submarine drills in the Sea of Japan, caused widespread alarm—like those in 2016 in the South China Sea. But Russia has not given unqualified support to China on territorial issues in the South China Sea. For example, the Russian ambassador to the Philippines affirmed that Russia shared regional concerns about freedom of navigation. This provoked Chinese commentators to criticize Russia's lack of support for China's "nine-dash line" (marking its territorial claims in the South China Sea) in adhering to the "freedom of navigation" debates.

Japanese voices, such as the Institute for Defense Studies, have stated that concern, even fear, of the "potential dangers posed by this Russo-Chinese 'united front against Japan'" prompted Tokyo to push for high-level meetings with the Russian president, leading to the December 2016 summit with Prime Minister Abe Shinzo.⁷ There has been a huge increase in diplomatic activity between Russia and Japan since 2016, including the drafting of an eight-point cooperation plan around the Putin–Abe summit, as well as meetings involving regional leaders and Russia's Far Eastern development minister. In 2018 a summit is planned to cap a proposed Year of Japan in Russia and Year of Russia in Japan.

Public opinion in Russia on the territorial dispute over four islands, the Kurils (in Japan, the Northern Territories), taken by Russia after World War II but claimed by Japan remains uncompromising, even more since Putin's 2014 annexation of Crimea. The official Russian view remains that progress can only be made if Japan fully recognizes the results of World War II, including the "enemy clause" of the UN Charter, Article 107.⁸ A not untypical view of relations with Japan states: "The issue of territorial delimitation has already been decided by history, and any discussion of the matter should be concerned only with the conditions for using (including jointly) the territories in question without changing the status quo with regard to sovereign control over them."⁹

7. National Institute for Defense Studies, *East Asian Strategic Review 2016*, Tokyo.

8. "Nothing in the present Charter shall invalidate or preclude action, in relation to any state which during the Second World War has been an enemy of any signatory to the present Charter."

9. Konstantin Shvydko, "Russia–Japan Political Dialogue at the Highest Levels: Opportunities and Perspectives," Russian International Affairs Council, May 15, 2017, <<http://russiancouncil.ru/en/analytics-and-comments/analytics/russia-japan-political-dialogue-at-the-highest-level-opportunities-and-perspectives/>>, accessed November 10, 2017.

As before, Japan will only sign a peace treaty once there has been agreement on territorial concessions, while Russia insists on signing a peace treaty first, and only then discussing territorial issues. Interestingly, however, there is much discussion of joint economic development of the islands, which was one of the proposals put forward during the Yeltsin years (1991–99)—although issues of sovereignty will make this difficult. Despite promising signs, bilateral trade in 2016 fell to US\$ 16 billion, from around US\$ 21 billion in 2015, in part due to sanctions, although on the Japanese side they are relatively weak and symbolic.¹⁰

Like China, Russia has generally been reluctant to strengthen sanctions on Pyongyang, although the interests of China and Russia do not always coincide. It was thus a surprise when Russia and China both supported a strengthening of sanctions in autumn 2017. Russia had been taken aback when China joined the US in drawing up sanctions against the DPRK in 2015, which threatened Russian economic interests. Moscow tends to see the future of the peninsula in terms of a gradual integration of the North into the South—this is of course very different from the US policy of regime change, but also markedly different from China’s policy, which prefers to maintain the status quo of two Koreas. Russia therefore tries to ensure good economic and trade relations with the DPRK, because of the importance to Moscow of participating in “the future opening up of North Korea.” Russia’s policy of continuing to supply oil to the DPRK despite sanctions can be seen in this light.

South Korea has generally taken a positive view of Russia, but relations have been chilled by the Ukrainian crisis as well as Russia’s condemnation with China of the THAAD missile deployment in South Korea by the US. Moscow and Beijing have both proposed a “double freeze,” which calls for the US to abandon joint exercises with Japan and South Korea in exchange for the DPRK’s suspending its nuclear missile testing.

CENTRAL ASIA

Uzbekistan

With respect to Central Asia, Russia has tried to keep a balanced and cooperative approach to all the republics, exercising its relative strength but at the

10. Federal Customs Service, Russian Federation, “Foreign Trade Statistics,” <http://www.customs.ru/index2.php?option=com_content&view=article&id=24785:-----2016---&catid=125:2011-02-04-16-01-54&Itemid=1976>, accessed November 17, 2017.

same time carefully refraining from any form of interference. Such regional engagement has to be discussed from a twofold perspective: bilateral relations, and multilateral relations within intergovernmental organizations. The litmus test, in this respect, has been the forging of new relations with Uzbekistan, now under the leadership of President Shavkat Mirziyoyev, after Islam Karimov's death last year. Relations with Uzbekistan have developed cordially and productively, although it should be noted that, departing from what seems to be a consolidated diplomatic protocol in Central Asia, Mirziyoyev's first trip abroad after the election was not to Russia but to neighboring Turkmenistan. From an economic perspective, there has been a significant rise in Russian–Uzbek trade turnover, which grew by 20% in the first eight months of 2017, while on the security side there is discussion of a military agreement between the two parties, which would include procedures for mutual deliveries of military products, and establishment of a favorable regime for cooperation in development, production, operation, repair, modernization, and utilization of weapons and military equipment.¹¹

Kyrgyzstan

Toward Kyrgyzstan, which held the first authentic “free and fair” presidential elections in the 26 years of independence of Central Asia, Russia has maintained a neutral approach. It has written off Kyrgyzstan's debt, and emphasized economic cooperation and military/security dialogue, but carefully avoided interfering in the run-up to the elections last month, which Sooronbai Zheenebekov won with an absolute majority. The same prudent, cautious stance was adopted with respect to a recent spat between Kazakhstan and Kyrgyzstan over restrictions on their border. This nominally stemmed from security and technical measures adopted by the Kazakh side but was allegedly retaliation for then-Kyrgyz President Almazbek Atambayev's acrimonious comments on Kazakh President Nursultan Nazarbayev and his autocratic governance. At a recent Commonwealth of Independent States (CIS) meeting in Tashkent, Uzbekistan, Kyrgyz Prime Minister Sapar Isakov accused Bakytzhan Sagintayev, prime minister of Kazakhstan, of tightening

11. “Putin Lauds Russia-Uzbekistan Trade Growth at Meeting with Uzbek President,” *Russia & CIS Business and Financial Newswire*, October 11, 2017. On military developments, see “Putin Instructs to Hold Negotiations with Uzbekistan on Arms Transfers,” *UzDaily* (English), November 6, 2017.

the border purposefully, yet there was no mediatory gesture from Moscow, represented by Russian Prime Minister Dmitry Medvedev.

While this steadfast non-interference and non-intervention may puzzle some observers, given Russia's notorious tendency to meddle in CIS members' domestic affairs, it is consistent with a process of redefinition in the CIS of Russia's status, which has been weakened by its actions in Crimea and Western Ukraine. One may argue, however, that Russia is likely to become more sensitive to this economic/diplomatic row if its own business and trade turnover within the Eurasian Economic Union (EEU) is affected.

Kazakhstan

In regard to Kazakhstan, relations have been substantially positive, with mutual trade turnover increasing by 34% between January and September 2017.¹² At the same time, Astana's plan to shift its national Kazakh alphabet from Cyrillic to Latin script may spur negative political consequences, for example by eliciting protests and grievances from the Russian population in the country. It should be noted that the shift is mainly intended to facilitate business interaction, integration with the global educational community, and various aspects of modernization, and that such a move is not a new one in post-Soviet Eurasia, as it reflects the language policies of neighboring countries such as Azerbaijan, Turkmenistan, and Uzbekistan. Furthermore, the status of the Russian language in Kazakhstan, as well as the teaching thereof, remains unchanged.¹³ This was recently noted by the Russian ambassador to Kazakhstan, who argued that the change in script was an internal affair. Yet, it is undeniable that two key components of Russia's "soft power" in the region, language and culture, are being weakened.

12. Frol Leandroer, "Kazakh-Russian Trade Turnover to Grow up to 40 percent This Year, Says Russian Trade Representative," *Astana Times*, September 11, 2017, <<https://astanatimes.com/2017/09/kazakh-russian-trade-turnover-to-grow-up-to-40-percent-this-year-says-russian-trade-representative/>>.

13. "Kazakhstan to Switch from Cyrillic to Latin Alphabet," *Al-Jazeera*, October 28, 2017, <<http://www.aljazeera.com/news/2017/10/kazakhstan-switch-cyrillic-latin-alphabet-171028013156380.html>>; Aktan Rysaliev, "Kazakhstan: President Calls for Switch to Latin Alphabet by 2025," *Eurasianet.org*, April 12, 2017, <<http://www.eurasianet.org/node/83206>>. On Russia's response, see "Russia Respects Kazakh Switching to Latin-Based Alphabet – Ambassador," *Kazinform*, October 30, 2017, <http://www.inform.kz/en/russia-respects-kazakh-switching-to-latin-based-alphabet-ambassador_33080092>.

Tajikistan and Turkmenistan

Finally, we turn to Russia's relations with Tajikistan and Turkmenistan. As far as Tajikistan is concerned, relations with Russia are positive overall, although some issues remain regarding the status of migrant workers in Russia, and the potential link between migration and terrorism, which resurfaced after the terrorist act in the Saint Petersburg metro on April 3, 2017.¹⁴ Again, a nuanced and balanced approach generally prevails. Relations between Russian President Vladimir Putin and Tajik President Emomali Rahmon are friendly and based on mutual trust, to the point that Putin has awarded Rahmon the prestigious Order of Alexander Nevsky, thanking him "for his great personal contribution to strengthening the strategic partnership and alliance between the Russian Federation and the Republic of Tajikistan, as well as ensuring stability and security in Central Asia."¹⁵ Putin also awarded Tajik Foreign Minister Sirodjidin Aslov the Order of Friendship.

On the other hand, growing ethno-nationalism in Russia is making the lives of Tajik immigrants, and Central Asian immigrants more generally, difficult. In September 2017, some 250 Tajiks were detained in Moscow after clashes in a shopping mall with the police, who gave the migrants a severe beating. But the overall number of Central Asian migrants in Russia is decreasing, and consequently, so are remittances sent back to the home country. This, together with the fact that Moscow is considering investing in mineral development projects in Tajikistan, may explain why Rahmon has not loudly protested the Russian police's actions.¹⁶

As for Turkmenistan, relations with Russia have always been erratic, oscillating between enthusiastic cooperation and almost open hostility. In the past,

14. On April 3, 2017, a bomb detonated on a train traveling through a tunnel between the Sennaya Ploshchad and Tekhnologicheskyy Institut stations of the Saint Petersburg Metro. According to the Investigative Committee of Russia, the terrorist attack was committed by a 22-year-old Kyrgyz citizen, Akbarjon Jalilov, who died at the scene, and another man, the Tajik citizen Sodik Ortikov, who was charged under the Terrorism and Illicit Arms Trafficking articles of the Russian Criminal Code. "Russia: Tajik Citizen Sodik Ortikov Charged in St. Petersburg Metro Terror Attack Complicity," *Fergana News*, April 25, 2017, <<http://enews.fergananews.com/news.php?id=3310>>.

15. "Putin Thanks Rahmon for Strengthening Bilateral Relations, Awards Him Order of Alexander Nevsky," *Central Asia General Newswire*, February 27, 2017.

16. "Several Tajik Migrants Detained in Moscow after Protest over Beating," Radio Free Europe / Radio Liberty, September 21, 2017, <<https://www.rferl.org/a/russia-tajikistan-migrants-beating/28748744.html>>; "Rahmon Hails Russian Companies' Participation in Mineral Development Projects in Tajikistan at Meeting with Putin," *Central Asia General Newswire*, October 11, 2017.

issues pertaining to dual citizenship for Russians in Turkmenistan and gas-transit prices have significantly strained relations between Moscow and Ashgabat. Yet, 2017 may well be remembered as a relatively positive year in bilateral relations. In a meeting in October, Putin and Turkmen President Gurbanguly Mälikgulyýewiç Berdymuhammedov signed a strategic-partnership agreement, which aims to develop relations in key sectors such as economy, security, humanitarian initiatives, and culture. An interparliamentary cooperation agreement was signed in April 2017,¹⁷ and Berdymuhammedov, too, was awarded the Order of Alexander Nevsky, in what seems to be an attempt by Russia to retain, if not control, the loyalty of Central Asian leaders so as to enhance and entrench its influence in the area.

REGIONAL INTERNATIONAL ORGANIZATIONS

In this respect, the international organization concerned with security in Eurasia, the Collective Security Treaty Organization, should be mentioned. The most interesting development here is the renewed commitment of its members, and the decision of Russia to invest more in it.¹⁸ It is not by chance that, after recent speculation and rumors about China's encroachment in Central Asia, Russia has supplied Tajikistan with modernized military equipment, Kyrgyzstan has flirted with hosting a second Russian military base, and Russia has begun sharing Special Operations Forces experiences with other member countries.¹⁹

From a multilateral perspective, there are a few important developments to consider. This year marked the first expansion of membership of the Shanghai Cooperation Organization (SCO), with the addition in June 2017 of India and Pakistan to the group already including Russia, China, Kazakhstan, Kyrgyzstan, Tajikistan, and Uzbekistan. At a meeting in June in Astana, the presidents of the member states signed a declaration on combating extremism

17. "Turkmenistan, Russia Sign Inter-parliamentary Cooperation Deal," *Central Asian News Service*, April 8, 2017.

18. The CSTO members are Armenia, Belarus, Kazakhstan, Kyrgyzstan, Russia, and Tajikistan. Afghanistan and Serbia are non-member observer states.

19. "Russia to Share Special Operations Forces Experience with CSTO allies – Putin," *Central Asia General Newswire*, April 12, 2017. On Chinese military presence in Central Asia, see Stephen Blank, "New Signs of Chinese Military Interest in Central Asia," *Central Asia-Caucasus Analyst*, January 16, 2017, <<https://www.cacianalyst.org/publications/analytical-articles/item/13421-new-signs-of-chinese-military-interest-in-central-asia.html>>.

and international terrorism, and reiterated their commitment to a peaceful, non-military solution to the Afghan issue. But aside from this, the SCO did not significantly contribute to political or security-related events in the region in 2017, and unusually, no military exercises were held. Some suggest that the entry of India and Pakistan signals a downgrading or dilution of the SCO, especially given the diverging views between Russia and China on its future tasks. Russia has always resisted China's attempt to turn the SCO into an economic and energy club, while China has often been depicted as a free-rider on Russia for regional security. With the rolling out of China's Belt and Road Initiative, the future role of the SCO becomes an open question, especially as differences between Russia, China, Pakistan, and India regarding Afghanistan could complicate coordination on regional issues.

The third multilateral organization on Central Asian territory, the EEU, is still evolving. While in 2016 trends in foreign and intra-regional trade were negative and declining, in January–November 2017 both aspects of trade were on the rise.²⁰ As mentioned above, it remains to be seen what impact, if any, the Kazakh–Kyrgyz spat will have on the macroeconomic dynamics of the EEU.

The bigger question relates to the Belt and Road Initiative: the cooperation agreement between the EEU and the initiative, signed in May 2017, could be a way for Putin to win time rather than anything more substantial. Yet Russia has held up the agreement as a game-changer for the region, with Putin describing it as a “greater Eurasian partnership,” crucial not just for the Central Asian region but also for the broader Asia-Pacific region and for creating a network of states to link economies and markets.²¹

20. Eurasian Commission, “Statistika vneshnei i vzaimnoi torgovli tovarami” (Statistics of foreign and mutual trade in goods), <http://www.eurasiancommission.org/ru/act/integr_i_makroec/dep_stat/tradestat/Pages/default.aspx>. For an academic, comprehensive study of recent macroeconomic trends in the EEU, see Evgeny Vinokurov, “Eurasian Economic Union: Current State and Preliminary Results,” *Russian Journal of Economics* 3(1):54–70, <<http://www.sciencedirect.com/science/article/pii/S2405473917300041>>.

21. Vladimir Putin, “Russia's Role in Securing Asia's Prosperity,” *Bloomberg View*, November 8, 2017, <<https://www.bloomberg.com/view/articles/2017-11-08/vladimir-putin-russia-s-role-in-securing-asia-s-prosperity>>, accessed November 15, 2017.