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Alexander Lukin

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Russia’s Pivot to Asia: Myth or Reality?

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Abstract: The article discusses the changes in Russia’s policy towards Asia, arguing that Russia’s pivot to Asia is a reality, one that is motivated by both political and economic interests. And although that shift is not progressing as quickly as some might want and occasionally encounters difficulties, the process has definitely begun and is in all likelihood irreversible. Only a small, marginal segment of Russian society continues to dream of unity with Europe—which itself has entered a period of severe crisis. Most of the Russian elite as well as the majority of Russian citizens understand that nobody is waiting for them with open arms. Therefore, not wanting a confrontation and in an effort to maintain working relations, Russia—under any leader—is unlikely to seek a relationship based on a common outlook. That will move Russia ever closer to the non-Western world, primarily the Asian giants.

Pivot to Asia: a long-awaited necessity

People have been debating for more than a century whether Russia is part of Europe or Asia. In Russia, opinions on the subject varied depending on the period and people’s political inclinations. Ancient Russia assimilated Christianity from the Byzantine Empire—the most advanced and closest geopolitical centre of world civilisation at the time. Prior to the split within the Christian church, civilisation was seen as a unified whole and the question of the division between Europe and Asia did not yet exist. From the time of Peter the Great—who ‘cut a window through to Europe’—and throughout the 18th century, Russia was officially considered a part of Europe. Catherine the Great even put it in writing in her Nakaz (Instruction) that stated: ‘Russia is a European power.’ Of course, the Empress was not referring to Russia’s geographic location. By emphasising Russia’s connection to all European countries, she wanted to show the enlightened nature of her reign, that her country was part of the civilised world and that it was moving along the path of progress.

In the 19th century, the government of Nicholas I put forward a new official concept of Russia not as a European country, but as a special power based on the well-known trinity—‘Orthodoxy, Autocracy and Nationality’—and free from the struggle between classes and landed estates. That theory was intended to provide ideological justification for the emperor’s overriding policy goal: protecting the country from the spread of revolutionary influences from Europe and thereby preserving the immutability of the existing social system. Members of Russian society held differing views: pro-Western thinkers called for methodically building life according
to the European model while Slavophiles criticised the government for causing Russian identity to take on an increasingly formal, bureaucratic and statist nature that did not consider the native Russian—or more precisely—Slavic tradition of self-rule.

That debate continued in Soviet times, although it took on a decidedly Marxist form. The theory of the so-called ‘Asiatic mode of production’ meant that Russia was a part of Asia, and most ideologues argued that the Soviet Union, although travelling along a common path of human development, had taken the lead and was showing the way for others. At the same time, Russian emigrants put forward the now popular theory of ‘Eurasianism’ that saw Russian civilisation as the successor of some ‘Turan’ (non-Slavic) Eurasian nations: Turkic, Finno-Ugric, Mongolian and others. This theory was spawned by frustration over the ‘decay’ of Europe and as an attempt to explain—and at times justify—rule by the clearly ‘non-European’ Bolshevik regime in Russia.

Following the collapse of the Soviet Union, cooperation with Asia was no longer a theoretical question, but a practical one. The growth of the Asian economies and the geopolitical importance of the Asia-Pacific region elicited a wave of expert recommendations during the final years of the Soviet Union that called for Moscow to devote greater attention to Asian states. They managed to exert a certain influence on leaders, convincing them to pursue a normalisation of relations with China. But the high point of the pivot to Asia came with the now-famous speech that Mikhail Gorbachev delivered in Vladivostok in 1986 in which he offered the first detailed description of the situation in the Asia-Pacific region and introduced the task of forming a comprehensive security system there. That speech paved the way for subsequent steps for achieving that goal: the opening of the previously closed militarised city of Vladivostok to international cooperation and the resolution of differences that had prevented the normalisation of relations with China. However, Gorbachev was inconsistent in implementing many of the recommendations he listed in that speech, and he was further hampered by the tumultuous events of the country’s political life.

The failure of the Soviet authorities to give proper attention to the development of their own eastern territories was a weak link in their Asia policy. As part of an ideology that called for the accelerated ‘recovery of fraternal republics’, they allocated significant resources to the Central Asian republics, even while failing to make the rapid development of Russia’s Siberian and Far East regions an important strategic objective.

Unlike Pyotr Stolypin, who saw the need for the geopolitical development of Siberia and considered it crucial to the country’s future, Soviet leaders took a more utilitarian view of the region. During Stalin’s rule, his system of forced labour camps was the primary source of economic development in Siberia and the Far East. Later, Nikita Khrushchev decided to develop scientific centres in the region. In the 1970s and 1980s, the Soviet authorities established major military facilities in the region. Their presence and continued maintenance led not only to worsening relations with China, but also to the creation of new industries and social infrastructure in those territories. Even the construction of the famed Baykal–Amur Railway was motivated primarily by a military objective: it offered an important backup to the Trans-Siberian railway that ran uncomfortably close to the Chinese border. Meanwhile, that border remained on ‘lock down’, thereby preventing the Soviet Union from actively integrating with the growing economies of the Asia-Pacific countries.
Following the collapse of the Soviet Union and the loss of a number of its western territories, Russia, in a sense, moved geographically closer to Asia. Today, although the majority of its population lives in the European part of the country, two-thirds of Russia’s territory lies in Asia. However, opinion polls indicate that most Russians—even those living on the Pacific coast and near the Chinese border—feel that they are Europeans. Indeed, most Russians really are of European descent, but fate and historical circumstance have thrown them onto the Asian continent. But now having relocated, Russians must take stock of the situation—and not by promoting exotic theories about their Asian roots, but by recognising that the future of the country depends largely on its approach to and relationship with its Asian neighbours.

Russians are not the first to have shed a purely European consciousness: Spaniards who wound up in South America in the 19th century had to accept that they were now part of that continent; and in the 20th century, the white South African minority had to come to terms with being a part of the African continent with all its problems, while Australians and New Zealanders had to face the reality that their countries were far from Europe and that they would have to establish economic ties with the much closer Asian states.

Such a change in consciousness did not require giving up basic ‘European values’ such as democracy and human rights and did not necessitate a cultural or military and political shift away from the West and towards the East. Instead, it meant letting go of membership in the club of Western states in favour of representing and spreading ‘Western’ values on other continents while also integrating with the economies of their adopted regions.

The continued growth of the Asian economies and the shift of the global centre of economic life to the Asia-Pacific region have made it an urgent practical necessity for Russia to develop relations with its Asian partners—and especially those in Central, East and South Asia.

The people of Central Asia, having long lived as part of the same country with Russia, have now become very close to the Russian people, and like Russians, are part of the same post-Soviet culture, with all of its pros and cons—even while they are also heirs to their own unique and ancient civilisations. The Central Asian states are either participants or potential participants in the Eurasian integration project that Russia is actively promoting. They are partners to Russia in various international organisations, foremost among them the Shanghai Cooperation Organisation (SCO) that also includes the region’s largest economic force—China. Like Russia, those states are extremely concerned about the situation in Afghanistan, from which the main threat to regional security is emerging.

East Asia is a dynamically developing region and the focus of the key economic and political interests of the international community, including Russia. The growth of China, which has also been Russia’s main trade partner since 2010, is both a great opportunity and a challenge. Russia is actively developing trade and economic cooperation with Japan and South Korea. The main problem facing Russia, especially its Asiatic territory, is the nuclear arms race on the Korean peninsula that threatens to erupt in nuclear disaster. Russia is also slowly stepping up its interaction with Association of Southeast Asian Nations (ASEAN) member states.

Finally, South Asia is a vitally important region for Russia whose potential for cooperation remains far from fully realised. Russia is intensively developing political relations with its traditional geopolitical partner, India, both in bilateral terms and within the framework of such groups as Russia, India, China (RIC) and Brazil,
Russia, India, China, South Africa (BRICS)—although economic cooperation is developing slowly. In fact, Russia’s relations with India are extremely important because that country is rapidly developing, has a population of 1.25 billion, and more importantly, is a unique and independent centre in world politics and a country that wants to finally determine its own path and not kowtow to other power centres—and particularly not to the United States or China, with their complex bilateral relations. Other countries in the region are also important for Russia’s foreign policy objectives: Pakistan can play a key role in settling the Afghan problem, Sri Lanka has shown interest in cooperating in the fight against terrorism and was even granted status as a dialogue partner to the SCO, and Bangladesh—a highly populous country with a rapidly growing economy—holds significant potential for long-term trade and economic cooperation.

After several years of futile attempts to become part of the ‘civilised West’ in the 1990s, the leaders of the new Russia have come to understand the vital importance of developing relations with their Asian neighbours and have begun gradually turning in that direction. What is the nature of that pivot? Its symbol is the old coat of arms adopted by the new state: a two-headed eagle that, according to Russian officials, now looks towards both the West and the East at once.

This infers that strengthening relations with Asia should not be considered an alternative to cooperating with the West—especially with Europe, with which the Russian people largely identify and share historical ties as well as political, trade, economic and cultural interests. In a more utilitarian sense, cooperation with the West—as it is broadly defined and where most advanced technologies are found—remains a key condition for solving Russia’s strategic goals of modernisation and achieving a breakthrough in domestic development. However, without increasing cooperation with Asia’s rising economies, Russia will also fail to achieve that goal, along with another strategically important objective—that of developing the economy of the Siberian and Far Eastern territories.

Thus, by pivoting to Asia, Moscow is not turning away from Europe, but giving Asia a level of attention commensurate with Russia’s practical interests and the realities of the 21st century. More generally, the experience of the 20th century showed the futility of Moscow’s attempt to pursue an anti-Western course by allying with the Asian giants, and of its efforts to align itself exclusively with the West.

In the initial years after Vladimir Putin came to power, Russia continued out of inertia to focus primarily on Europe, at least in trade and economic terms. Russian leaders were still under the illusion that they could speak with the West on equal terms and reach satisfactory agreements through mutual concessions. That is why President Vladimir Putin was the first world leader to call US President George Bush and express his condolences after the terrorist attack on September 11, 2001, agreed to reduce the Russian military presence in Cuba and Vietnam and carried out a number of other friendly measures. However, it turned out—as it had during the presidency of Boris Yeltsin—that the West perceived such concessions not as acts of goodwill, but as signs of weakness, insisting always on its own terms and relentlessly advancing its military machine closer to Russia’s borders even while trying to convince Moscow that such developments were in Russia’s best interests.

Russia’s relations with the West have heated up on several occasions: in 1996 during the bombing of Yugoslavia, in 2008 as a result of the war in Georgia, but that ultimately reached a settlement, and with the Ukrainian crisis in 2014 when the West tried to include Ukraine—Russia’s closest partner and the country with the closest
cultural ties to the Russian people—within its zone of military and political control. This time, the open confrontation with the West largely contributed to the acceleration of Russia’s pivot to Asia because Moscow now began to seriously view Asian countries as not only additional trade and economic partners, but as a possible alternative to existing ones. That marked, at most, an acceleration of those efforts, but not the start of that process. The long overdue changes in foreign policy and foreign economic policy—aimed at avoiding a one-sided dependence on the US and Europe—began gaining in speed and depth, but started long before the crisis in Ukraine and the use of sanctions by the West to attack Russia. The understanding of the need for these changes and the building of a more balanced policy—while not falling under the influence of other centres of power—is based on the recognition that Russia is unique and geopolitically and culturally different from European states.

Russia is too big and its culture is too unique to completely merge with Confucian authoritarianism or, conversely, with the anti-religious liberalism of Europe. Thus, even from the cultural and civilisational perspective, it is necessary that Russia establish its own independent place in the world. At this stage, Russia can best achieve this goal by developing relations with its Asian partners to at least the level of those it has held until now with Europe.

Pivot under fire

The decrease in Russia’s trade with major Asian partners in 2015 sparked a new debate over Moscow’s Asia policy. Critics in both Russian and Western media concluded that the economic crises in Russia and China spelled an end to Moscow’s pivot to Asia. Two rival camps in Russia teamed up in this campaign: the pro-Western media—that always exaggerates the dangers China and cooperation with Beijing supposedly pose—as well as their opponents, who claimed that China is not really criticising Russia as a whole, but the monetarist pro-Western part of the government in charge of economic policy. In the West it was a renewed attempt to prove to Moscow that it has no other option than to cooperate with the US and Europe on their terms. The arguments of the critics are summarised in the following section.

An outpouring of rather low-quality information in turn sparked a more serious debate. In summing up the results of Russia’s ‘pivot to Asia’, a number of commentators who were ostensibly taking a more balanced approach to the issue, were actually just as critical of Russia as their colleagues. Their arguments are summarised in the following points:

- Once relations with the West soured, Russia held heightened expectations that its Asian partners would almost completely replace those in Europe. Those expectations were not fulfilled.
- The Asian partners, and particularly China, turned out to be tough negotiators, and in many cases took advantage of the difficult situation in Russia to secure better terms for themselves.
- The Chinese partners are only interested in Russian raw materials. Simply selling Chinese products to Russia and sending Chinese labourers will not help Russia achieve greater production, import substitution and investment.
- Chinese banks do not extend sufficient credit to Russia over concerns about the effects of US sanctions.
- Russia’s trade with China and other Asian countries fell sharply in 2015.
Disappointed Russian leaders have lost interest in cooperating with Asia-Pacific countries, as evidenced by President Vladimir Putin’s decision not to participate in the East Asia Summit, the Asia-Pacific Economic Cooperation (APEC) summit and a meeting with Asian businessmen at the Eastern Economic Forum in Vladivostok.

Considering all of these arguments, commentators concluded that, despite some positive developments, the scope of cooperation with China and other Asian states has not reached the expected level, and while Asia could not replace Europe, Russian leaders had been mistaken in placing their bets on Asian partners. From that point onward, their opinions diverge. Some argue that the current situation indicates that Russia should not have quarreled with the West and that Moscow should have made concessions in order to align itself with the ‘civilised world’. Others suggest that the Russian leadership should change course and make even more determined overtures to Asia, adapting to its demands as necessary.

The reality of Russia’s Asia policy

Various Russian political and economic groups holding a range of vested interests stand behind this criticism of the ‘pivot to Asia’. On one hand, those with business interests and property in the West are trying to show the danger and harm in collaborating with the ‘unpredictable’ and ‘egoistic’ East. On the other hand, proponents of a more ‘nationally oriented’ domestic policy are attempting to force out the existing government that they consider the successors to the pro-Western course taken under Yegor Gaidar and Anatoly Chubais in the 1990s. However, even knowing this should not stop us from analysing their arguments on their own merits.

It is striking that, despite their many differences, most of the critics share several rather questionable assumptions. First, most of the critical articles link Moscow’s pivot to Asia with the recent deterioration of Russia’s relations with the West over the Ukrainian crisis. Second, they view the pivot to Asia as a strictly economic process. Third, the critics give excessive weight to Russia’s cooperation with China. Fourth, the ‘pivot to Asia’ is portrayed as an alternative to relations with the West, with the possibility of preserving those ties necessarily precluding deeper ties with the East.

In fact, Russia—and previously, the Soviet Union—has been talking for decades about the need to develop relations in the Asia-Pacific Region, or APR. Analysts from academic institutions first suggested as much in their writings during the rule of Leonid Brezhnev. Later, during a famous speech in Vladivostok in 1986, Mikhail Gorbachev spoke of a new policy in the APR. And Yevgeny Primakov took significant steps to strengthen the focus on Asia during his years as both foreign minister and prime minister. In 1998 he was the first to formulate the idea that Russia, China and India coordinate their actions. Also, long before the Ukrainian crisis, Vladimir Putin spoke repeatedly about the need to increase activity in Asia. What’s more, from the outset, the ‘pivot to Asia’ was a response not to a worsening of relations with the West, but to two purely objective challenges: the need to establish relations with a region that is gradually becoming the centre of world economics and politics, and Russia’s strategic goal of developing its Siberian and Far Eastern regions.

Of course, progress has been slow in accomplishing those goals. Numerous government programmes remain unrealised, the population of the eastern regions has decreased and Russia’s economic presence in the APR remains at negligible
levels. But thanks to President Putin, efforts in the region have met with some success recently: the APEC Summit in Vladivostok in 2012 significantly improved the local infrastructure and legislators introduced a law in 2014 on territories of advanced social and economic development that has already had an impact, along with a number of other measures.

In fact, the normalisation of Russian–Chinese relations began under Brezhnev and evolved steadily throughout successive changes in leadership in both countries. They have passed through the stages of inception and normalisation to what has become a close strategic partnership today. That indicates that both countries have an interest in seeing relations improve and in ensuring that those relations remain unaffected by the larger political situation or their individual relations with other countries.

Economic cooperation is one reason, but not the major reason behind Russia’s deepening ties with China and its ‘pivot to Asia’ in general. Geopolitical considerations have played a greater role in that shift, especially during the initial stages. Having lost the competition with the West, Soviet leaders sought the normalisation of relations with Beijing so as to use the ‘China card’ against the US—just as Washington previously played it against Moscow—hoping thereby to at least partially break what the Chinese call the ‘united anti-hegemonic front’ comprising China along with the US and its allies.

In the early 1990s, Russia initially pursued a one-sided pro-Western course, but was driven by economic necessity to return, after some vacillation, to develop relations with China and other Asian states that were not oriented to the West. It turned out that without arms exports to China and India, Russia’s entire military-industrial complex could grind to a halt. That would in turn cause serious discontent among the hundreds of thousands of employees of those factories (the country’s own military might was not a consideration at the time). And despite the fact that in 1996 Yegor Gaidar called for Russia to focus its Asia policy on Japan and to create a military cordon against China,³ his supporters were pushed aside—at least with regard to foreign policy. And no sooner had Yevgeny Primakov become foreign minister than he began speaking of the importance of the APR for Russia.⁴

Later, in response to its growing misunderstanding with the West, Moscow began viewing cooperation with China, India and other burgeoning non-Western power centres primarily as an alternative to the idea of creating a united Europe stretching from Lisbon to Vladivostok—a single, powerful ‘civilised’ bloc that would become a major centre of world politics. However, it turned out that the West was offering Russia only a subordinate position in that scheme, a role that Moscow found less than inviting. Therefore, while maintaining economic ties with Europe and political relations with the US in the form of the ‘reset’, Moscow began searching for partners with whom it would stand on equal terms, who might form a counterweight to its Western course and help free Russia from its excessive dependence on the West.

The basis for developing relations with states such as China and India lay not in economic interests, but in the similar vision they hold of a future, multipolar world as an alternative to a unipolar world in which the West decides every question on its sole discretion. Moscow strove to support the central role of the United Nations in an effort to preserve the system of international law as it has developed since World War II, as well as the democratisation of international relations—that is, the consideration of the opinions and interests of non-Western states in a move away from the dictatorship of the West and towards pluralism in international affairs. In fact, it was on this basis that the BRICS group formed, and not for economic reasons as Western analysts
have claimed. It grew not out of bilateral economic cooperation among its members, but from the geopolitical rapprochement between Moscow and Beijing, to which Delhi, and later, Brasilia and Pretoria also joined. The desire of the BRICS states to change international economic institutions and to gain greater influence in them is closely linked to their own geopolitical ambitions.

It is on this basis that relations have, and continue to develop between Moscow and Beijing. In fact, in an article entitled ‘China and Russia set example for relations between major powers’ published on December 12, 2015 and commenting on the two countries’ main achievements, the official Chinese agency Xinhua points first to the resolution of all historical border disputes, mutual trust in military affairs, mutual disarmament in border areas, a strengthened political and legal basis for comprehensive partnership and strategic cooperation—and only afterwards, to economic cooperation. Xinhua cites the opinion of Chinese expert Sun Zhuangzhi, who notes that Russia and China hold similar positions on many major international and regional issues. The two states pursue the same goals of international cooperation: to speak out against a unipolar world and policy of force and to promote the democratisation of international relations and the development of more rational rules of multilateral trade and economic cooperation. All of this pertains to political rather than economic cooperation.

**Recent changes**

The Ukrainian crisis and the subsequent sharp deterioration in Russia’s relations with the West were a natural consequence of long-standing and deepening disagreements that only accelerated, but did not initiate, Moscow’s pivot to Asia. The main result of this crisis has been not a shift in the rhetoric or plans of the Russian elite, but a change in its psychology. According to a leading Russian foreign policy expert Sergei Karaganov, ‘In 2015, almost the entire Russian elite understood that the confrontation with the West would continue for a long time, that it did not arise by chance and that Russia would have to live with a different reality than that which starry-eyed dreams had suggested of integration with the West while also maintaining its independence and sovereignty. They prevailed among the Russian political class almost to the end of the 2000s.’

Representatives of major Russian businesses who are accustomed to travelling to the EU and US as if to a second home, purchasing houses in the West, sending their children to study there and doing business with Western companies on an equal footing have understood from the Russian leadership that the current situation is no joke, and that they should not expect any improvement in relations with the West. And because most of those businesspeople have close ties to the Russian leadership and are dependent on its attitude towards them, they have had to give serious consideration to refocusing on the East. What’s more, Russia lost its trust in the West as a partner: some individuals were prevented by the sanctions from travelling to the West and doing business there, while others felt their turn might be coming soon. In short, many began to feel that the political risks of economic cooperation with the West had become too high.

No such political risks are connected with the Asian states. But other limiting factors come into play here: the inertia of Russia’s familiar orientation to the West, its poor knowledge of Asian markets and the Asian business culture and a shortage of pertinent specialists. It is therefore natural that the economic pivot to Asia occurs
gradually, and anyone who held high expectations that China would quickly replace
the West as a trade partner, investor and source of bank credit was greatly mistaken.
However, only very poorly informed businesspeople could have harboured such
hopes. Russian experts have always warned against excessive optimism, explaining
that the countries of Asia—and even strategic partner China—would never be moti-
vated by fraternal feeling to step in to ‘save’ Russia to the detriment of their own
interests—that is, by trading at a loss or investing in poorly conceptualised projects
that promise little or no profit. However, China does value its cooperation with
Russia. It is primarily important for geopolitical reasons, and less so for economic
considerations. Beijing has repeatedly shown its willingness to take Russia’s interests
into account and to make certain compromises. However, it will only agree to
compromises that both sides find mutually beneficial rather than those that involve
unacceptable losses for China—especially given the difficult economic situation in
which that country now finds itself.

Chinese businesspeople must first be convinced that Russia is offering them
mutually beneficial projects—a challenging task given that many of them still
remember clearly the disappointing attempts at cooperation in the 1990s. Russians
must study the Chinese market and understand the Chinese business culture with its
decidedly hard-hitting negotiating style. It is also necessary to understand China’s
mindset, particularly the fact that Beijing values its cooperation with the West,
considers it important to achieve its development goals, definitely does not want a
confrontation with the West and is unwilling to do anything that might seriously
undermine that cooperation. While it considers the US a geopolitical opponent and
accuses it of trying to contain China’s growing political and economic influence in the
world, for now the Beijing leadership believes that it can take its rightful place in the
global system without serious conflict, by applying consistent pressure, by clarifying
its position and by gradually making corrections to the existing system of global
governance without resorting to destroying it by revolutionary means. Beijing is
playing a nuanced diplomatic game, not conducting a war against US imperialism
on all fronts—as it might seem to some poorly informed Russian politicians and
experts. In fact those who overestimate China’s determination to engage in confronta-
tion with the West want to drag it into the same self-defeating foreign policy course
that they would like Moscow to follow.

The Chinese vision of Russia and Russian policy was recently stated clearly in an
article that Fu Ying, former Chinese deputy foreign minister and current Chair of the
Foreign Affairs Committee of the National People’s Congress, published in the US
journal *Foreign Affairs*. Both the status of the author and the place of publication are
quite remarkable. Because Fu Ying was not directly involved with Russia as a
diplomat and could hardly be familiar with the details of the two countries’ bilateral
cooperation, the article was probably a collective effort by the Chinese diplomatic
corps. The choice of an influential US journal clearly demonstrates that the article was
intended for a Western audience (although a translation was also published in the
Chinese newspaper *Guangming ribao*). The author apparently felt it necessary to
explain to China’s Western partners its motives and reservations concerning rappro-
chement with Russia, and to also emphasise that—as is evident from the article’s
subtitle—‘Beijing and Moscow are close, but not allies.’ Because that is actually the
official position China and Russia take on the issue, there was certainly no need to
explain it to anyone in either of those countries.

More interesting is the author’s conclusion:
The Chinese-Russian relationship is a stable strategic partnership and by no means a marriage of convenience, it is complex, sturdy, and deeply rooted. Changes in international relations since the end of the Cold War have only brought the two countries closer together.9

Fu Ying argues that although some Western analysts and politicians supposed and possibly hoped that the conflicts in Syria and Ukraine would create tensions or even a schism between Beijing and Moscow, such expectations were clearly unjustified. At the same time, Fu Ying states that China and Russia will not enter into a legally binding alliance or form an anti-Western bloc, and also notes some differences between them. In particular, she thinks, Russia’s policy continues to focus mainly on Europe while China focuses on Asia; Russian diplomacy has more experience on the global level and ‘tends to favor strong, active, and often surprising diplomatic maneuvers’ whereas Chinese diplomacy, to the contrary, is reactive and cautious. The author also notes that not everyone in Russia has managed to adapt to the changing balance of forces between the two countries, giving rise to the theory of a ‘Chinese threat’ and concerns over growing Chinese influence in Russia’s ‘near abroad’. And despite the resolution of the border issue, ‘Chinese commentators sometimes make critical references to the nearly 600,000 square miles of Chinese territory that tsarist Russia annexed in the late nineteenth century.10 However, as Fu Ying notes, those differences have not led to a cooling of bilateral relations. To the contrary, she argues that they continue to grow stronger due primarily to the evolving geopolitical situation in the world.

Economic cooperation
The argument that a decrease in Russia’s trade volume indicates that it is not pivoting to Asia is unfounded. First, Russia’s trade levels have fallen not only with Asia, but with all countries largely due to its own economic problems. While in the case of China, the paramount problem is the falling prices of its main export commodity, energy. The same was true after the crises of 1998 and 2008, but the subsequent upswings in Russia’s economic situation have always led to a resurgence and even sharp increase in those indicators, with the result that China has ranked as Russia’s largest trading partner since 2010. Moreover, trade volumes decreased in 2015 not only between Russia and its partners, but also for many countries of the world. Speaking at the seventh Gaidar Forum in Moscow on January 13, 2016, Russian Deputy Economic Development Minister Stanislav Voskresensky presented the following figures for 2015—exports between OECD countries fell by 20.4 per cent and imports by 20.8 per cent. By comparison, the same indicators fell in Europe by 13.2 per cent and 14.5 per cent, respectively, while Germany’s trade volume fell by 12 per cent, Japan’s by 18 per cent, Brazil’s by 16 per cent and Australia’s by 21 per cent.11 Thus, there is nothing unusual about Russian–Chinese trade levels.

As it happened, positive trends showed even as Russia experienced a fall in trade. Even as the share of mineral raw materials that Russia exported to China fell from 78 per cent to 71 per cent in 2015, food exports rose by 23 per cent and chemical products by 8 per cent.12 However, as noted earlier, trade statistics are only one indicator, and far from the most important, by which to gauge the strength of this partnership. Far more significant changes are taking place in the trade and economic partnership between Russia and China—namely, a radical shift in the psychology of
the Russian elite that has permitted bilateral cooperation to reach areas that the elite had previously considered off-limits.

In fact, Russian and Chinese companies signed several major deals during the final days of 2015: (1) the Chinese committed 700 million euros of investment in the Yamal Liquefied natural gas (LNG) project for the liquefaction of natural gas for export, even while the China National Petroleum Corporation (CNPC) already owns a 20 per cent stake in Yamal LNG; (2) the Sinopec Group acquired a 10 per cent stake in Russia’s largest gas-processing and petrochemical group Sibur, along with the option of purchasing another 10 per cent in three years; and (3) a consortium of private Chinese investment funds purchased a 13.3 per cent share of Bystrinsky Transbaikal Mining from Norilsk Nickel. All of these deals, signed at the end of 2015, indicate that the Russian authorities are now encouraging Chinese investment in sensitive sectors that were previously forbidden. (To appreciate the extent to which the situation has changed, just recall that CNPC was not even allowed to take part in the Slavneft oil company sales tender in 2002.)

In fact, the Xinhua information agency puts forward nearly the same arguments in an article published on January 28, 2010 that sharply criticises those who argue that a decrease in trade with Russia is proof of a broader decline in bilateral relations. The author expresses confidence that the Russian-Chinese partnership will withstand the current challenges and states that, ‘among the countries [Chinese President] Xi Jinping has visited in the past three years, those to Russia have produced the most significant benefits.’

It is also important that the Russian holding company En+Group—that combines Oleg Deripaska’s aluminum, steel, energy, mining and logistics companies—reached an agreement with Chinese corporations CentrinData Systems and Huawei on the joint construction of several data-processing centres in Irkutsk. That agreement was made during the visit President Vladimir Putin made to China in September 2015. This is noteworthy because, according to media reports, when Russian Academy of Sciences Siberian branch chairman Nikolai Dobretsov suggested, during a meeting on high technologies held in Novosibirsk in January 2005, that Russia create a Siberian centre for information technologies in cooperation with Chinese partners, Putin asked him, ‘Why with China?’ and explained the need to be careful with regard to strategic partners, asking to ensure ‘that these zones do not later give the Chinese access to … well, it’s clear …’. The change in attitude since then is obvious.

Major steps have been taken to remove barriers to trade and economic cooperation as well. Officials signed a protocol amending the Agreement between the governments of Russia and China on October 13, 2014 that would prevent double taxation and tax evasion. That document aims to reorient borrowed capital away from European markets and towards the Asian capital market.

And, of course, the major achievement of 2015 occurred during a visit to Russia in May by Chinese President Xi Jinping: the signing off on cooperation in coordinating development of the Eurasian Economic Union (EAEU) and the Silk Road Economic Belt, which Xinhua called ‘a historic milestone that will inject vigorous impetus into relations between the two sides and bring them to a new height’. That made it possible to prepare cooperative projects between Beijing and not only Russia, but also the EAEU as a unified partner. In fulfilment of that accord, current projects include joint investment in transportation corridors, efforts to remove trade barriers and cooperation in the field of high technologies.
It is also important that it was after the beginning of the Ukrainian crisis that Russia agreed to sell to China its most advanced weapons, which it was reluctant to do earlier. According to media reports, in early autumn 2014 a contract was signed to sell to China S-400 surface-to-air missile systems that was estimated to be worth at least $1.9 billion, with delivery in 2017. And a year later Russia agreed to sell 24 Su-35s fighter jets. And although a leading Russian expert Vassily Kashin claims that, ‘neither deal should be seen as a consequence of the Ukraine crisis: negotiations on both deals began before the EuroMaidan Revolution, and most points of contention were resolved by 2014’,\(^\text{17}\) it seems that as in the case of Chinese investment in the energy sector, the confrontation with the West could have speeded up the negotiations and weakened the position of the sceptics in the Russian Government concerned with possible strategic challenges from China.

During President Putin’s official visit to China in July 2016 more than 30 new cooperation deals were signed including agreements on building a fast-speed railroad from Moscow to Kazan as part of the future Moscow–Beijing line, joint production of railroad freight cars in Russia, an AHL (Advanced Heavy Lifter) type helicopter factory in China, a joint long-range passenger plane and others.

Asia—not only China

Changes are also underway in Russia’s approach to other parts of Asia. In East Asia Russia continues to actively develop relations with Japan and South Korea. The strong position of Prime Minister Shinzō Abe increased his interest in stepping up talks on concluding a peace treaty with Russia. Russia responded positively; and the new interest in developing comprehensive cooperation was expressed in a joint declaration signed during Abe’s visit to Russia in April 2013. However, the next year Japan joined Western sanctions against Russia which significantly damaged the bilateral relationship. Japanese diplomats privately point out that this was done under pressure from Washington and against Tokyo’s interest but Russia had to react by applying its countersanctions against Japan. However, talks continued and in May 2016, Abe became one of few leaders of the US-allied states who visited Moscow where he presented his ‘Cooperation Plan’. One of the ideas was to convene a Year of Russia in Japan and a Year of Japan in Russia in 2018—something unthinkable in the current climate with an EU member state. However, it seems that both sides are still very far from any kind of compromise on the territorial issue and therefore on a peace treaty. The official Russian position is that, ‘a progress on this problem is only possible under the condition that Japan fully accepts the post-war historical realities and the corresponding international legislature including the article 107 of the UN Charter.’\(^\text{18}\) This means that Japan should accept Russia’s sovereignty over the disputed territories and then Russia could agree on a compromise on the basis of the Soviet–Japanese 1956 Joint Declaration, that is, transfer part of them to Japan with signing of a peace treaty. The Japanese idea of compromise is that Russia should recognise Japanese sovereignty and transfer to it the two islands at once and the rest later. From Moscow’s point of view, this would be not a compromise but an absolutely unacceptable capitulation. The Russian–Japanese trade dropped 31.4 per cent in 2015 compared to 2014 for similar reasons as it happened with China but Japan remains Russia’s second trade partner in Asia.

Despite the fact that South Korea is a ‘comprehensive strategic partner’ of the US, it is probably the least problematic of Russia’s partners in East Asia. Seoul expresses
genuine interest in trade in economic cooperation with Moscow. After President Park Geun-hye took office in 2013, there have been several summits, one in the context of the G20 in St Petersburg in September and another in Korea in November, when President Putin achieved agreement on an entire array of bilateral cooperation points. On November 2015 the two leaders met again in Paris during the UN Climate Change Conference. Trade reached about $25 billion in 2014, making ROK the third-largest Russian partner in Asia. In 2015 it dropped to $18.1 billion. On January 1 an agreement on visa-free entry for a period of up to 60 days went into effect.

After Russia’s worsening relations with the West, ROK became the only formal US ally that refused to apply sanctions against Russia despite strong pressure from Washington. Korean businessmen were interested in continuing fully fledged cooperation and investment and even to take the place of some of their competitors from the countries that applied sanctions against Russia. However, when South Korea had to agree to US demands to deploy the Terminal High Altitude Area Defense (THAAD) anti-missile system on Korean territory, Russia called this an ‘unwise’ action. While Russia itself is not much worried since the system can hardly be a threat to its nuclear forces, it supports Beijing which sees the system as actually directed against China and not North Korea. However, Moscow, understanding that Seoul could hardly have another option, values its position on sanctions and works hard to develop further economic cooperation.

Moscow took a number of steps to enhance cooperation during a visit by Indian Prime Minister Narendra Modi to Russia in late December 2015. They include the signing of an agreement to supply oil for the next 10 years, the preparation of an agreement on the production of military equipment, a plan for joint investments totalling $1 billion, a decision to combine efforts to combat terrorism and the signing of an intergovernmental protocol to expedite visas for businesspeople. Prime Minister Modi also announced plans to increase trade to $30 bln by 2025. And although Russia’s trade and economic cooperation with India is far less than with China, Moscow and New Delhi share geopolitical goals and a common vision for structuring the world. What’s more, it would be difficult to find Russians who harbour doubts or hostility towards India, or Indians with such feelings towards Russia.

Russia is also actively developing its cooperation with ASEAN as an organisation and with its individual members. The participation or forced non-participation by individual leaders in various related events is not an indicator of anything by itself. At a meeting of the Council of Heads of Government of the SCO in Beijing in December 2015, Russian Prime Minister Dmitry Medvedev proposed that the EAEU and SCO initiate consultations with ASEAN in order to form a possible economic partnership.

Russia and Iran have been particularly active in pursuing rapprochement. The crisis in Russia’s relations with the West has significantly increased the value of Moscow’s cooperation with Tehran. This increase came as a result of Russia’s changing approach towards the Middle East as well as its new understanding of the geopolitical situation.

Following the collapse of the Soviet Union, Russia began participating less intensively in the affairs of the Middle East. In the early 1990s, Moscow was in almost complete agreement with Western actions in that region. Later, and especially after the pro-Western Foreign Minister Andrei Kozyrev was replaced in 1995 by the Middle East expert Yevgeny Primakov, even when Moscow disagreed with the
actions of the US and its allies, it preferred to express those objections verbally rather than through other measures. (The war in Iraq in 2003 is one such example.)

That situation changed with the start of the so-called ‘colour revolutions’ in Arab states that prompted Russia to step up its activity. Moscow viewed those revolutions as a serious threat for several reasons. First, they undermined the political stability of the Arab states, many of which were partners with Russia. Second, the ensuing chaos often enabled radical Islamists to gain significant influence and to work through their supporters to destabilise the situation in Russia and its allied states in Central Asia. Third, the Russian leadership projected developments in those countries to Russia itself and became fundamentally opposed to any unconstitutional attempt to seize power.

The deterioration of relations with the West over the crisis in Ukraine also had an impact on the intensification of Russia’s policy. First, Russia stopped restraining its actions as it came to worry less about the reaction of the West. Second, Moscow began viewing Western actions in the region, and particularly in Syria, as part of a broader policy to encircle Russia and deprive it of its traditional partners.

Responding to these circumstances, Russia initiated a new policy in the region that can be summarised as follows:

1. Provide military support for the government of Syrian President Bashar Assad so that its forces can improve their standing and restore control over the entire country, or at least over a substantial part of it and thereby give Assad a stronger negotiating position.
2. Provide support to Iran and its allies in their efforts to support Assad. In this regard, Russia viewed the nuclear agreement with Iran as an important victory because it paved the way to expanded cooperation with Tehran and for possibly making Iran a member of the SCO.
3. Expand cooperation with Iraq that is also struggling with ISIL and that is, in fact, an ally of Shiite Iran.
4. Expand cooperation with Egypt, whose leaders are unhappy with Washington’s policy of supporting the Muslim Brotherhood government.
5. Russia initially tried to conduct a balanced policy by not breaking off relations with Turkey and Saudi Arabia, and even tried to play to the growing anti-US sentiment in those countries. However, the increasingly distinct Shiite–Sunni confrontation in the region tends to escalate tensions between Russia and those countries.

In this sense, Russia’s break with Turkey was not a chance event. At the same time, Russia is trying to preserve relations with Saudi Arabia, and Moscow’s recent offer to mediate Riyadh’s dispute with Iran is part of that effort. However, that is no easy task given Saudi Arabia’s tough stance towards Assad and Iran, as well as its willingness to assist the US in lowering world oil prices in order to undermine the Russian economy.

The result is a system of cooperation between Russia, Iran, Iraq and Syria in opposition to Turkey and Saudi Arabia and their allies. This is not a formal alliance, as a number of other complex factors are also at play.

For example, Moscow has good relations with Tel Aviv that it probably does not want to sacrifice, even though both Sunni and Shiite Muslims hate Israel. For its part, Israel considers Iran and Hezbollah—that receives support from Tehran—as greater
threats than even ISIL. And Egypt, an important partner to Russia, cooperates with Saudi Arabia in Yemen. Relations with Ankara are also important for Moscow, and it would be difficult for Russia to completely sever cooperation with Turkey. A new thaw in Moscow’s relations with Ankara after the failure of a military coup attempt by the Turkish army shows that the situation is much more complicated. Moreover, traditional Muslims comprise 10–15 per cent of Russia’s population, and most of them are Sunnis. And it would be wrong not to take their reaction into account.

For those in the West who hoped that after lifting the sanctions against Iran they could develop relations with Tehran and even use them against Russia to, for example, keep oil prices low, the situation has clearly not worked out in their favour. Russia’s importance for Iran is also increasing because of Tehran’s confrontation with Saudi Arabia and its allies that enjoy support from Washington. Russia is demonstrating a decisive desire to develop such cooperation. In 2014 it signed an intergovernmental protocol and contract with Iran for the construction of an additional eight nuclear reactors of Russian design. Cooperation in non-nuclear energy is also developing, and the two countries signed an agreement on military cooperation in January 2015. Russian Foreign Minister Sergei Lavrov has made it clear on several occasions that Russia is willing to support the accession of Iran to the SCO as a full member and that the lifting of UN Security Council sanctions makes that possible. Iranian President Hassan Rouhani once again stated his interest in that project during the SCO summit in Ufa in July 2015. In August, Iran dropped the lawsuit it had filed against Rosoboronexport in the Geneva Court of Arbitration for non-delivery of the S-300 missile defence system. That complaint stemmed from the fact that in 2010 Moscow suspended the fulfilment of its contract with Iran under pressure from the US. Russia has since agreed to supply the hardware despite the fact that production of that weapons system has been discontinued.

On the whole, Russia’s policy in the Middle East dovetails well with Moscow’s larger policy of creating partnerships with independent non-Western players on the world stage—including China, India, Brazil and South Africa. Iran is a fitting addition to their ranks.

Thus, Russia’s pivot to Asia is a reality, one that is motivated by both political and economic interests. And although that shift is not progressing as quickly as some might want and occasionally encounters difficulties, the process has definitely begun and is, in all likelihood, irreversible. Of course, Russia has had varied relations with the West over the years. And although today’s extremely confrontational relations might later give way to a more tranquil period, it is probably impossible that relations will ever fully return to their previous state. Only a small, marginal segment of Russian society continues to dream of unity with Europe—which itself has entered a period of severe crisis. Most of the Russian elite, as well as the majority of Russian citizens, understand that nobody there is waiting for them with open arms. Therefore, not wanting a confrontation and in an effort to maintain working relations, Russia—under any leader—is unlikely to seek a relationship based on a common outlook. A ‘peaceful coexistence’ that involves reaching agreement on some points while maintaining differences on others—such will be the basis of Russia’s relations with the West. That, in turn, will move Russia ever closer to the non-Western world, primarily the Asian giants that have long pursued such a course. That constitutes the solid foundation of Russia’s pivot to Asia.

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Notes
1. Yeya Impertorskogo Velichestva Nakaz komissii o sochinenii proekta novogo ulozheniya [‘Her Imperial Majesty’s Instruction to the Commission for Composing a Project of a New Code of Laws’], Moscow, 1767, pp. 4–5.
9. Ibid.
10. Ibid.
12. Ibid.


