Russia’s Involvement in Regional Cooperation in East Asia

Opportunities and Limitations of Constructive Engagement

ABSTRACT

Both Russia’s 2012 APEC chairmanship and recent dynamics in its dialogue partnership with ASEAN indicate Russia’s intention and ability to act as a constructive player engaged in regional institutional activities in East Asia. However, the implementation of this intention faces both domestic and international limitations.

KEYWORDS: Russia, APEC, ASEAN, East Asia, China

INTRODUCTION

Traditionally, East Asia has represented a paradox for students of international relations. Despite the end of the Cold War, East Asia has retained many of the conflicts of that period, including those between Mainland China and Taiwan and between the two Koreas. Political contradictions overshadow booming China–Japan economic relations. The majority of regional actors still have unresolved territorial disputes with one another (China and Japan; Japan and South Korea; Japan and Russia; China and Brunei, Indonesia, Malaysia, the Philippines, and Vietnam).

However, for the past two decades the regional actors have not only managed to avoid any kind of open confrontation but have also enhanced the scope of regional cooperation. The Association of Southeast Asian Nations (ASEAN) dialogue partnerships with China, India, Japan, Russia,
South Korea, and the US; the Asia-Pacific Economic Cooperation (APEC); the ASEAN Regional Forum (ARF); the East Asia Summit (EAS) and other mechanisms have constituted a web of consensus-based institutionalized regional interactions, creating what Richard A. Bitzinger and Barry Desker aptly call “strategic stability” in a region of “relative insecurity.”

Practically speaking, tight economic interdependence in East Asia emerged from Japan-centered regional production networks (which some researchers refer to as “de facto economic integration”), and China’s later economic rise made any large-scale regional conflict unprofitable. The US decision to implement a “strategic turn” toward the Asia-Pacific—an important foreign policy goal, as then-US Secretary of State Hillary Clinton indicated in her 2011 article, “America’s Pacific Century”—brought the region new projects such as the Trans-Pacific Partnership (TPP). However, this strategic turn, labeled by some researchers the US “pivot” to Asia, has also aggravated the chronic contradictions between China and its opponents in their territorial disputes, mainly the ASEAN member states and Japan. By creating dividing lines within ASEAN, whose member-state loyalties were divided between the US and China, these contradictions made ASEAN and ARF less able to mitigate political struggles. Moreover, the overall regional dynamics of the past four years have concentrated on China–US interactions, overshadowing multilateral processes. At the same time, APEC as an institution has faced criticism for not fully achieving its goals of trade liberalization in the region, and thus having to be either replaced by or supplemented with new mechanisms.

It was against this background that Russia started to take a more proactive stance toward the regional institutions. Until the middle of the past decade, Russia relied mainly on its bilateral ties in the region, primarily with China. It has been a latecomer in many regional forums, maintaining a low profile in multilateral cooperation in East Asia. Thus, only when Russia made

more-active bids to become an integrated part of the entire network of regional institutions starting in 2005 and hosted the 2012 APEC Summit in Vladivostok did its interest in regional cooperation take on a more visible shape. This article examines how Russia can fit into East Asian regionalism and whether it has any potential to affect regional dynamics at the multilateral level.

Russia’s APEC 2012 initiatives, its enhanced agenda for the dialogue partnership with ASEAN proposed for the Russia-ASEAN 2016 Summit, and its regional-level projects in the spheres of energy, infrastructure, and space provide examples of recent Russian contributions to multilateral cooperation in East Asia. While the Western sanctions imposed on Russia after the 2014 Ukrainian crisis reinforce Russia’s discourse of closer engagement with East Asia, success will depend both on Russia’s own actions and on the regional actors’ desire to rely more on Russia as a responsible stakeholder in regional cooperation frameworks.

EAST ASIAN REGIONAL COOPERATION AND RUSSIA’S LIMITED INVOLVEMENT

The rising economic profile of East Asia, along with the unique combination of cooperation and rivalry among regional states, encouraged a debate over several decades about specific features of East Asian regionalism, with regional cooperation as a building block. While some researchers focused on preferential trade and production network developments (de facto integration), others stressed the importance of regional institutional design in shaping distinctive features of East Asian regionalism (institutionalized integration and cooperation). Conceptually, the majority of studies in the latter group sought to explain the nature of regional institutions in East Asia and their differences from their European counterparts. Another issue raised in the academic debate concerned the driving forces of East Asian regional cooperation. Defining these forces is particularly important for this article, as doing so can help explain whether, and if so, how, Russia can become an indispensable part of multilateral processes in the region.

Some scholars credit ASEAN member states with pushing forward the idea of regional institutionalized cooperation. ASEAN’s role as a regional actor began in 1967 when Indonesia, Malaysia, the Philippines, Singapore, and Thailand established the organization. Since that time ASEAN has expanded to include all Southeast Asian states (Brunei in 1984, Vietnam in 1995, Laos and Myanmar in 1997, and Cambodia in 1999). Gradually, ASEAN developed quite a sophisticated structure, which provided dialogue tracks at all levels (heads of states and governments, ministers, senior officials, and people-to-people) and in various spheres of cooperation (political, economic, and socio-cultural). ASEAN also launched a special mechanism of dialogue partnership with key regional and non-regional players such as Australia, China, the EU, Japan, India, Russia, South Korea, and the US. In 1997, ASEAN initiated wider regional mechanisms of interaction with its immediate neighbors—China, Japan, and South Korea (ASEAN+3).

ASEAN has also become a source of such region-building initiatives as the ARF in 1994 and the EAS in 2005. The first aimed at creating a regionwide mechanism for security consultations, while the second set a far-reaching goal of contributing to regional community building. Thus, the majority of regional institutions emerged thanks to the efforts of small- and mid-sized Southeast Asian states, while the Northeast Asian powers such as China, Japan, and South Korea significantly lagged behind in this respect and had to participate in ASEAN-led structures.

Despite its visible similarities to European regional institutions such as the EU, ASEAN took a different approach to regional cooperation and integration, for example, making decisions only by consensus. Non-interference and sovereignty constitute the key principles of international behavior within ASEAN, and all ASEAN dialogue partners have to respect them. Moreover, other regional institutions—such as ARF, EAS, and even APEC, which Australia initiated in 1989 with US support and which was not an ASEAN offshoot—adopted the ASEAN Way (consultations and consensus) in their

decision-making. This “soft institutionalism”—meaning an informal, gradual, but not strictly legalistic approach to multilateral interaction—allowed ASEAN to retain its central role in regional cooperation and, to some extent, preconditioned the success of cooperation among the highly diversified regional players. As a collective player, ASEAN was able to use “soft balancing” against other more powerful actors while at the same time remaining in the driver’s seat of regional cooperation. This position made practically all other regional actors, including Russia, interested in developing good political and economic ties with ASEAN.

Another analytical approach, however, argues that the drivers of East Asian regionalism and the transformation of regional institutions were not the Southeast Asian states but rather Japan and China (and, more specifically, their antagonistic relationship). According to this view, Japan used regional institutions as a means of curbing Chinese influence in the region. At the same time, Japan itself faced limitations in its opportunities to interact with China within multilateral institutions and, as a result, had to pursue the strategy of a “bilaterally-networked type of trade regionalism.”

More recently, Japan has practiced this kind of regional bilateralism by refusing to participate in several regionwide initiatives, instead opting for bilateral projects (an ASEAN+Japan free trade area, FTA) or proposing alternative regional ones. Thus, Japan opposed the ASEAN+3 FTA with China, Japan, and South Korea as prospective participants but supported the idea of the ASEAN+6 FTA (with Australia, China, Japan, India, New Zealand, South Korea), which later resulted in the Regional Comprehensive Economic Partnership. Discussions on this partnership started in 2011 during


13. Soft balancing (as opposed to hard balancing) does not rely on the development of military capabilities, because the Southeast Asian states can hardly match the military potential of the major regional powers. Instead, soft balancing aims at developing a number of regional initiatives to involve the major regional powers, thus necessarily restricting their freedom of action. For more on soft balancing in East Asia, see e.g., Derek McDougall, “Responses to ‘Rising China’ in the East Asian Region: Soft Balancing with Accommodation,” Journal of Contemporary China 21, no. 73 (January 2012), pp. 1–17.


the ASEAN Summit, and the November 2012 East Asian Summit launched full-fledged negotiations on it.

A more comprehensive approach that reconciles these two positions argues that not only the behavior of the individual actors but also the overall regional structure allowed the diffusion of power among various actors in the region, thus making the post-bipolar East Asian region relatively stable and creating conditions for regional cooperation. In the 1970s and 1980s, East Asia witnessed a rise to power of different types of regional actors beyond the two major powers of that time, the US and the USSR. Among these rising actors were Japan as an economic power, China as a more or less politically independent player within the bipolar framework, and a group of smaller regional states (ASEAN), which one can describe as a collective player.

This multilayered regional structure, which has persisted for the past two decades, implied essentially equal participation of players of various levels (ASEAN, China, India, Japan, Russia, South Korea, and the US) in regional affairs. The relative absence of an evident struggle for political leadership among the strongest actors has contributed to the development of regional interactions within regional institutions linked to ASEAN (ASEAN dialogue partnerships, ARF, EAS). This has given its members opportunities to preserve their autonomy despite the external influence of larger regional players such as China, Japan, and the US. ASEAN has been interested in involving as many external players as possible in regional cooperation, but only if these players can propose viable economic initiatives for ASEAN’s benefit while counterbalancing one another.

Russia, despite its long history of interaction with East Asia, was not an active participant during the inception of most of the many multilateral processes. Since the bipolar period, while remaining an important actor in regional military and security interactions, Russia lacked a full-scale economic linkage with the region. In the early 1990s, neither the internal political and economic turbulence following the collapse of the Soviet Union nor an overall foreign policy orientation toward the West favored a proactive Russian stance in East Asian regional affairs. During that period and later on, Russia instead started to increase its participation in intra-regional trade,

mainly as an exporter of resources. The high cost of labor and the depopulation in the Russian Far East did not allow Russia to become a favorable location for the production of parts and components, a key element of regional production networks and intra-regional trade flows.

Nevertheless, in 1995 Russia applied for membership in APEC, a key regional trade liberalization institution. In Vancouver in 1997, the APEC member economies agreed to invite Russia to join. Some scholars argue that the APEC leaders decided to accept Russia into APEC for political rather than economic reasons. The US wanted to provide “compensation for NATO enlargement,” which took place in Europe in the late 1990s, while China and Japan were eager to support their improving relations with Russia. Another explanation contends that the leading East Asian economies—primarily China, Japan, and South Korea—were interested in developing the Russian market so as to expand their economic activity in the region.

As for the ASEAN-led structures, in 1994 Russia joined the ARF, a platform for discussing security-related issues. In 1996, it became an ASEAN dialogue partner. In 2004, Russia signed the Treaty of Amity and Cooperation in Southeast Asia, a treaty stressing the principles of non-interference in internal affairs and respect for the independence, territorial integrity, and sovereignty of the Southeast Asian states. In 2005, during the first ASEAN-Russia Summit in Kuala Lumpur, the leaders of ASEAN and Russia signed a Joint Declaration of the Heads of State/Government of the Member Countries of ASEAN and the Russian Federation on Progressive and Comprehensive Partnership. The Comprehensive Program of Action to Promote Cooperation between the Association of Southeast Asian Nations and the Russian Federation spelled out the measures for practical implementation of the Joint Declaration within the 10-year period starting in 2005 and ending in 2015.

The Comprehensive Program set aims for the two sides to cooperate in a wide range of spheres, including politics and security, trade and investment, energy, transport, finance, science and technology, environment management,


and culture and people-to-people contacts. Yet Russia’s applications to join the Asia-Europe Summit and East Asian Summit, both ASEAN-connected institutions, received a positive response only in 2010. Thus, although by 2005 Russia had become a more integrated part of the ASEAN-led dialogue structures, it had not obtained full acceptance into the entire network.

For Russia, however, even this limited inclusion was still important. In the late 1990s, a balancing approach of then-Foreign Minister (1996–1998) and later Prime Minister (1998–1999) Yevgeny Primakov replaced the pro-Western orientation that had dominated Russian foreign policy in the early 1990s. Relations with multilateral institutions in Asia became a good supplement to Primakov’s idea of a Moscow–Beijing–Delhi triangle. For some ASEAN member states (e.g., Indonesia, Malaysia, and the Philippines), Russia’s role as one more balance-of-power element was also sufficient justification for accepting it as a dialogue partner. In the short term, this political role compensated Russia for its less robust economic ties to the region. Throughout the 1990s and the very beginning of this century, ASEAN–Russia trade was limited to Russian arms and energy sales and turnover was modest (US$4.2 billion in 2005). It is not surprising that some scholars at that time regarded Russia’s presence in Southeast Asia as founded on “diplomatic influence without the underlying economic basis.”

However, this limited diplomatic influence relied upon considerations unifying ASEAN and Russia, at least politically. Russia definitely shared the ASEAN approach to issues of sovereignty and non-interference in domestic affairs. It also supported the very idea of East Asian multilateralism, because that idea corresponded to Russia’s vision of a polycentric world in the making. Its political actions in the region did not bear the burden that China and Japan carried of a contradictory historical past. In addition, Russia firmly supported the centrality of ASEAN in all regional cooperation mechanisms.


The overall situation of the 1990s and the first decade of this century indicated that regional actors welcomed Russia’s gradual inclusion in regional institutions for three reasons. First, since the bipolar period, while Russia has been a part of the regional constellation of powers, it has definitely not been a strong one economically. Weak Russia was no competitor for China or Japan, neither as a regional economic power nor as a part of the regional institutions. As Russia could not reverse Chinese and Japanese efforts to organize regional economic cooperation in their interest or to initiate competing projects, neither country openly rejected the idea of Russia’s admission to regional institutions. Second, both China and Japan even received benefits from this strategy—better access to the Russian market—due to closer cooperation within the framework of APEC. Third, by inviting Russia to its dialogue partnership, ASEAN in turn enhanced both international support and its position in the region. Moreover, ASEAN’s centrality in the network of regional institutions mitigated the opposition that China or Japan might have had to Russia’s involvement in regional structures.

For Russia, this inclusion in regional institutions was its chance to become a part of the regional cooperation processes, a task at that time more easily achieved through the regional institutional structure than through engagement in de facto economic cooperation. Only as the strategic tasks of modernizing Siberia and the Far East came to the forefront domestically and the goal of creating a diversified foreign policy gained more acceptance among the Russian political elite at the beginning of this decade did Russia start to reconstruct its presence in East Asian regional institutions.

RUSSIA’S INTERESTS AND DOMESTIC DISCOURSE ON EAST ASIAN REGIONAL COOPERATION

As the previous section indicated, Russian efforts to join the network of regional institutions in East Asia in the late 1990s demonstrated Russia’s interest in multilateral cooperation, at least from a formal standpoint. The


“Russian Foreign Policy Concepts” of 2000, 2008, and 2013—official documents indicating Russia’s foreign policy priorities and Russian overall understanding of the international environment—emphasized the importance of APEC, ARF, and the Shanghai Cooperation Organization (SCO) for Russia’s “multivector foreign policy.”24 However, a more specific analysis of the domestic discourse on regional cooperation demonstrates a number of divergent and more nuanced approaches to this kind of cooperation.

Russia’s attitude to regional multilateral institutions in general and to the role that Russia should have played in them in particular reveal its very weak understanding of its goals and opportunities in these institutions compared to its understanding of its goals and opportunities in bilateral relations with key regional states, primarily China. Indeed, throughout the late 1990s and the first decade of this century, the Russian foreign policy establishment expressed practical interest in only a few multilateral processes, among them the six-party talks on the Korean problem, and the SCO, an international organization that China, Kazakhstan, Kyrgyzstan, Russia, Tajikistan, and Uzbekistan established in 2001. Russian officials considered the six-party talks important because such a structure more or less secured for Russia an active part, given its traditionally good relations with North Korea.

However, Russia-North Korea relations saw considerable deterioration in the early 1990s, and since then they have not returned to the level that both parties enjoyed during the bipolar period. Since 1991, when Russia and South Korea established diplomatic ties, North Korea has been unhappy with Russia’s rapidly improving political and economic relations with South Korea, as well as Russia’s overall pro-Western orientation in the early 1990s. In 1992, then-Russian President Boris Yeltsin publicly renounced the Treaty of Friendship, Cooperation and Mutual Assistance signed by the USSR and North Korea in 1961. Participation in the six-party talks primarily concerned the military strategic situation on the Korean Peninsula, in which Russia maintained a proactive stance despite the fluctuation in Russia–North Korea relations. Thus, Moscow’s focus on the military did not enhance its economic involvement in the multilateral processes.

Russia also prioritized the idea of building “a partnership network of regional institutions” in the region by involving the SCO, in which Russia enjoyed a leadership status along with China. The SCO’s Shanghai Spirit, the set of normative principles that the organization adopted in its activities, in many respects echoed the ASEAN Way: it stressed the importance of respect for civilizational differences and of member-state consensus as a prerequisite for effective decision-making. Nevertheless, Russia’s efforts to link the SCO to the system of ASEAN-led institutions in the region have thus far brought only moderate results: a memorandum of understanding that the two organizations signed in 2005. This memorandum named the fight against transnational crime the priority area for cooperation, with economic, financial, social, and energy cooperation as secondary areas. ASEAN and the SCO agreed to exchange information and hold yearly consultations between their secretariats. Thus, the link between ASEAN and the SCO, for which the memorandum laid the grounds, was very loose and did not result in a more sophisticated cooperation framework.

Since the late 1990s such multilateral structures as APEC and ASEAN have acted as additional, quite virtual “vectors” for Russian foreign policy rather than as full-fledged foreign policy directions of economic and political significance. For example, although Russian policymakers have been constantly calling for establishment of closer economic ties with East Asia as a means of developing Siberia and the Russian Far East, these calls yielded few results in the late 1990s or at the beginning of this century. At the same time, Russian foreign policy decision-makers paid little if any attention to the academic community, which was pointing out that Russia was acting inconsistently in East Asia. Only in the years just preceding the 2012 APEC Summit in Vladivostok did the search for a strategy that could help advance the economic development of Siberia and the Far East finally result in a somewhat

closer interaction between policymakers and the academic community (despite the traditionally weak link between these two groups).

Thus, in 2010–2011, for the first time, academic discussions on Russia’s opportunities to overcome its limited presence in the region and on possible actions to solve the socioeconomic problems of Siberia and the Far East had moderate chances of reaching the decision-makers. Opposing the viewpoint that during its 2012 APEC chairmanship Russia should proceed with a trade liberalization agenda (traditional for APEC), many Russian researchers argued that Russia should also take concrete pre-summit steps to reinforce the eastward turn of its foreign policy. For example, the Russian International Affairs Council, an influential foreign policy think tank, hosted two large international Asia-Pacific Forums involving policymakers, business persons, and scholars. The result was two sets of recommendations for foreign policymaking (one for the APEC Summit in Vladivostok and one for activities following the end of Russia’s chairmanship).28 The leitmotif of these recommendations was to increase connectivity between Russia and the region through economic projects, multilateral wherever possible, with regionwide implications.

Yet, even if most members of the policymaking and academic communities did not question Russia’s more active participation in APEC, at least in the short run, and given the political decision to organize the 2012 APEC Summit as perfectly as possible, the relevance of Russia’s closer relations with ASEAN remains more complicated. Economically, that Russia and the ASEAN member states may well share a common modernization agenda29 was obvious, even though the ways of exploiting this possibility still needed more specification. Some Russian researchers argued that Russia should rely primarily on its opportunities for energy cooperation with ASEAN,30 taking into account Russia’s competitive advantage in this sphere. In contrast, others pointed to the need for more-diversified Russia–ASEAN economic

29. Victor Sumsky, “Modernization of Russia, East Asia Geopolitics and the ASEAN Factor,” International Affairs (Moscow, Russia), special issue (2010), pp. 18–22.
cooperation, even if creating a multidimensional mode of economic cooperation would become a long-term and uneasy process.  

In the political and security spheres, Russia’s inclusion in the EAS and its invitation to the ASEAN Defense Ministers’ Meeting, an ASEAN structure initiated in 2010, has also made the country consider more carefully its possible actions within these structures. Russia’s initiative of an overarching regional security architecture, presented at the 2013 East Asian Summit, became the first more or less clearly articulated Russian proposal for this multilateral institution. The Russian initiative stressed the necessity of discussing a framework for East Asia, one that would take into account the principles of equal, indivisible, and non-alliance-based security. Some East Asian experts even labeled this initiative—which received support from China and Brunei, the host country—a Russian and Chinese reaction to the US strategic turn to the Asia-Pacific.

However, this initiative took place against the backdrop of a relatively low level of Russian political representation in the EAS, a structure that ASEAN considered highly important. In comparison with the APEC summits, where Russian presidents were regular participants, Russian top leaders never attended East Asian Summits, provoking speculations that Russia was trying to maintain “strategic neutrality” amid growing US–China contradictions and amid tensions between China and the Southeast Asian states over the South China Sea.

A different set of domestic debates considered Russian positions in regional multilateral institutions in the context of the necessity of transforming Russian identity from European or Eurasian to Euro-Pacific. In 2010, a group of researchers headed by political scientist Vyacheslav Nikonov (now a member of parliament, the State Duma) attempted to initiate a debate on this new identity, arguing that the notion of “Eurasian” power accentuated Russian relations primarily with the Muslim world, not with Asia. Thus,

applying the notion of Eurasian power to domestic and foreign policy discourse was not helping Russia specify its foreign policy goals. According to Nikonov, one of these goals should be to capitalize on interactions with both Europe and East Asia, given that the latter had boosted its status as the most dynamic center of the global economy after the economic crisis of 2008–2009.\footnote{Vyacheslav Nikonov, “Tikhookeanskaia Strategiia Rossii” [Russia’s Pacific Strategy], Strategia Rossii [Russia’s Strategy] (Moscow, Russia), no. 8 (August 2010), <http://sr.fondedin.ru/new/fullnews_arch_to.php?subaction=showfull&id=128332871&archive=128332977&start_from=&ucat=14&> accessed March 6, 2016.} In addition, Nikonov stated that Russia could have supplemented its economic relations with East Asia and activities in APEC with a proactive political stance in the EAS.\footnote{Ibid, p. 87.}

Coming close to this logic was the proposal of Sergey Karaganov, dean of the School of World Economy and International Affairs at the National Research University Higher School of Economics, for Russia’s “partial economic reorientation toward Asia,”\footnote{Sergei Karaganov, “Russia’s Asian Strategy,” in ASEAN-Russia: Foundations and Future Prospects, eds. Victor Sumsky, Mark Hong and Amy Lugg (Singapore: ISEAS, 2012), p. 347.} stressing at the same time that Russian civilization has always been European. According to Karaganov, this reorientation required Russia’s diversified partnership with a number of regional actors, including not only China and Japan but also ASEAN and other APEC member states. This type of cooperation could actually have been a part of the flexible foreign policy behavior and “issue-specific international engagement” that Andrei Tsygankov, professor of International Relations and Political Science at San Francisco State University and the author of a comprehensive book on Russian foreign policy, advocated.\footnote{Andrei P. Tsygankov, Russia’s Foreign Policy: Change and Continuity in National Identity (Lanham: Rowman & Littlefield), pp. 214–215.} This foreign policy tactic, if carefully implemented, might well have helped Russia retain good relations with key European countries while avoiding over-dependency on China.

As to the need to find an appropriate balance between Russia’s bilateral and multilateral relations in East Asia, in 2010 Alexei D. Voskressenski—a Russian leading China specialist and the dean of the School of Political Affairs at Moscow State Institute of International Relations—stressed that Russia could no longer ignore the emergence of more intensified ties between ASEAN and China, Japan, India, and South Korea. He argued that the
overall regional dynamics in East Asia might concentrate on these lines of interactions, while the US presence might relatively diminish, at least economically.\textsuperscript{39} According to this argument, Russia should have paid more attention to ways of becoming involved in East Asian multilateral institutions, so as not to find itself once again on the periphery of regional cooperation, as had once happened with Russia’s relations with the EU.

Thus, not only has the Russian research discourse of the past four years constantly stressed the need for Russia to become more active in East Asia—retaining at the same time good relations with Europe—but it has also proposed ways to make Russia’s eastward turn more diversified by taking into account both bilateral partnerships and multilateral processes. However, these discussions, especially those that did not result in immediate recommendations for policymaking, largely remained in the academic domain, with Russia’s policy actions in East Asia lagging behind.

**OPPORTUNITIES IN RUSSIA’S COOPERATION WITH APEC AND ASEAN**

The question of whether Russia will manage to considerably enhance its weight in the regional multilateral process, a goal that many Russian scholars advocate as indispensable for Russian foreign policy there, remains open. Nevertheless, two cases provide evidence of the practical dimension of Russia’s more-active involvement in regional cooperation: its 2012 APEC initiatives and new developments in the Russia–ASEAN dialogue partnership on the threshold of its 20-year anniversary in 2016.

**Russia’s 2012 APEC Initiatives**

Russia’s membership in APEC started in 1998, almost a decade after APEC’s establishment. In 2012, in the aftermath of the 2008–2009 global economic crisis, Russia finally received its chance to host the APEC summit. By 2012, the views of East Asian scholars on APEC’s relevance for regional cooperation and trade liberalization were mostly pessimistic. Some stressed the idea that, because APEC itself was a mechanism created during the final years of the

bipolar period, by the early 21st century the APEC process had “lost its steam.” They argued that because of its “soft” institutional process, APEC had not managed to become the leading mechanism for a regional response to the Asian financial crisis in 1997 or the global economic turmoil a decade later. In addition, Tsuneo Akaha, director of the Center for East Asian Studies at the Monterey Institute of International Studies in California, has argued that the summit in Vladivostok had more to do with modernizing Russia’s Far East than with advancing any regional economic agenda.

Indeed, many Russian experts and policymakers considered the APEC chairmanship a chance for Russia not only to propose regionwide economic projects (which Russian foreign policy in East Asia obviously lacked in the 1990s) but also to attract public attention to the strategic task of infrastructural and social development in Siberia and the Far East. Russian investment in the development of these regions in 2011, 1.1 trillion rubles (more than US$ 30 billion), was unprecedented in the country’s recent history.

However, the APEC summit was an equally important step forward in Russia’s involvement in regional multilateral cooperation. In the first decade of the 21st century, the Russian government had launched several infrastructural and industrial mega-projects in the Asian parts of the country. While these projects did not have a direct connection to the APEC agenda, all were aimed at enhancing Russia’s economic profile in the Asia-Pacific and emphasizing Russian priorities in regional cooperation.

The construction of the East Siberia–Pacific Ocean (ESPO) oil pipeline (from the Amur Region of Russia to the port of Kozmino, on the Pacific coast of the Primorsky Region) was the most visible of these projects. Transneft, a major world pipeline company, started construction in 2009, completing the two phases in December 2012, just as Russia’s APEC chairmanship was

42. Tsuneo Akaha, “A Distant Neighbor: Russia’s Search to Find Its Place in East Asia,” Global Asia 7, no. 2 (Summer 2012), pp. 8–22.
43. Nodari Simonia and Victor Sumksy, “As an APEC Summit Nears, So Does a Moment of Truth for Putin and Russia in Asia,” Global Asia 7, no. 2 (Summer 2012), pp. 28–33.
44. “Zasedaniye Presidiuma Gossoveta.”
coming to a close. Yet, delivery of oil from the ESPO pipeline to the Asia-Pacific countries had already started in 2010, with the deliveries from ESPO’s first phase going by rail to the Russian Pacific port at Kozmino. In 2010, China, Japan, the Philippines, Singapore, South Korea, Thailand, and the US became the key consumers of the ESPO oil. Another Russian infrastructure initiative, which took into account the interests of Russia’s partners in the region, was to develop sea transportation for energy and goods via the North Arctic Route. By advancing these two projects, Russia sent a clear signal to its regional counterparts that its infrastructural projects could minimize the impact of disputes on international trade in the South China Sea partly by redirecting energy and goods flows via alternative transportation routes.

In addition, Russia took significant steps to prepare for the 2012 APEC summit and associated events by linking its preparatory activities with advancing infrastructural and economic transformation in the Russian Far East. Although wanting to integrate into the Asia-Pacific, Russia lacked any Far East economic center comparable with the global cities of its East Asian neighbors; that is, Russia had no city able to serve as its hub for international business and people-to-people contacts. Russia’s federal program of Far Eastern economic and social development set the goal of turning Vladivostok into such an international economic center by building up its industrial, business, social, and logistic facilities. Internationally, from 2005 up to 2007 Russia hosted a number of APEC working group meetings, including the Transportation Working Group meeting in Vladivostok in 2005, Energy in Yuzhno-Sakhalinsk in 2006, and Industrial Science and Technology in Vladivostok in 2007.

Moreover, two innovative projects complemented Russia’s infrastructural agenda. In 2011, the Russian Global Navigation Satellite System (GLONASS) started to cover the entire surface of the Earth, making it possible for Russia to propose to its Asia-Pacific partners that they use Russian peace space technologies for logistical purposes. The following year the Russian government started to construct a new spaceport, Vostochny (partly completed in 2015), in the Amur region. The spaceport’s location enables it to operate not only as a space launching facility but also as a large transportation hub.

situated precisely at the meeting point of two cross-polar routes (Chicago–Hong Kong and London–Tokyo).

By Russia’s 2012 APEC chairmanship, these Russian Far Eastern mega-projects did not overshadow but instead supplemented the four initiatives of truly regional scope that Russia has proposed for the APEC Summit in Vladivostok: (1) further development of regional integration and trade liberalization, (2) food security, (3) the creation of reliable supply chains, and (4) cooperation for innovative growth. Each of these priorities included additional ideas and initiatives that Russia was ready to implement in the region. Thus, reliable supply chains implied projects in infrastructure and logistics (including those using space navigation facilities), while innovative growth had a close connection with science and education cooperation within APEC and beyond. The 2012 Russian proposal of a “technology partnership” to create a reliable, transparent system to protect intellectual property during technology transfer received support from all APEC economies.47

Likewise important is that Russia started its APEC chairmanship after joining the World Trade Organization and launching its own integration project in Eurasia, a Customs Union with Belarus and Kazakhstan (since 2015, the Eurasian Economic Union48), giving the Russian political elite grounds for arguing that Russia supported a traditional trade liberalization agenda within APEC as well. Indeed, Russia contributed to Asia-Pacific cooperation by managing to reconcile APEC liberalization priorities with measures to stimulate regional economic growth. The Russian leadership argued that because the region was facing a new wave of protectionism in reaction to the 2008–2009 economic crisis, the Asia-Pacific economies had to take additional measures to secure free trade and investment flows across the region and beyond. These measures included lifting barriers not only to trade but also to all physical and business infrastructures.49 In this respect Russia’s domestic development agenda supplemented the idea of regional connectivity, proposed as one of the key priorities of Indonesia’s APEC chairmanship

48. Two more members, Armenia and Kyrgyzstan, joined the Eurasian integration project in 2015, when the Customs Union was transformed into the Eurasian Economic Union.
in 2013\textsuperscript{50} and China’s in 2014\textsuperscript{51} and reflected in the 2015 APEC Leaders’ Declaration.\textsuperscript{52}

**Russia–ASEAN Dialogue Partnership**

At the turn of the 21st century, Russia’s determination to reinvigorate its cooperation with the Southeast Asian states still retained a predominantly political and security focus. However, several developments in the second decade of this century gradually began changing this Russian approach. In 2010, after the second Russia-ASEAN Summit, in Danang, Vietnam, to bridge the gap between economic and political ties, the economic ministries of ASEAN and Russia started to work out an ASEAN-Russia Trade and Investment Cooperation Roadmap. This roadmap covered the areas of cooperation named in the 2010 ASEAN Master Plan on Connectivity, a plan specifically emphasizing ASEAN’s strategic goal of building a “well-connected ASEAN” through increased physical, institutional, and people-to-people connectivity.\textsuperscript{53}

Thus, the ASEAN-Russia Trade and Investment Cooperation Roadmap was to enhance Russian high-tech input in bilateral economic ties by making these ties more diversified and up to date with ASEAN development goals.\textsuperscript{54}

The use of Russian space navigation systems for cooperation in transport, geographic information systems for agricultural and forest planning, and cooperation in biological technologies and ocean exploration, as indicated in the ASEAN-Russia Trade and Investment Cooperation Roadmap, represented only a few examples of Russia’s possible input in enhancing ASEAN connectivity. In 2014, in line with the Master Plan just discussed, Russia and Indonesia started to work on a railroad project in East Kalimantan, Indonesia.


\textsuperscript{53} *Master Plan on ASEAN Connectivity* (Jakarta: ASEAN Secretariat, 2011), p. i.

In mid-2012, after several years of stagnation, the ASEAN-Russia Business Council, the main NGO uniting Russian and ASEAN companies interested in bilateral cooperation, underwent reorganization, with a group of construction companies called Morton playing the leading role. The council membership included 15 companies working in areas such as oil and gas exploration, tourism, media, and telecommunications. After opening offices in Jakarta and Singapore, the council held several business meetings in Cambodia, Indonesia, Singapore, and Vietnam. During the ASEAN business and investment summit in Phnom Penh in November 2012, the council presented its most successful joint projects in oil and gas exploration (operated by Sintezmorneftegas in Indonesia), mineral sands processing (operated by GPM, working in Vietnam) and information security (operated by the Kaspersky Laboratory in all the Southeast Asian states).

In 2013, the council also hosted an ASEAN-Russia Business Forum under the auspices of the Saint Petersburg Business Forum, Russia’s most prominent annual business event. By 2014, Russia–ASEAN trade had demonstrated positive dynamics and had reached US$ 22.5 billion. This amount, although hardly comparable with the trade turnover of ASEAN with its other key dialogue partners (China, Japan, South Korea, the EU, and the US), nevertheless constituted an almost fivefold rise from 2005.

In addition, several bilateral partnerships between Russia and ASEAN member states, especially that between Russia and Vietnam, have acted as a driving force for the diversification of the overall Russian–ASEAN economic agenda. In 2000, Russia and Vietnam signed a declaration creating a strategic partnership, and the bilateral documents of 2011 upgraded this partnership to “comprehensive strategic” status. The two countries have embarked upon sophisticated energy cooperation patterns, with two joint ventures operating in Vietnam (Vietsovpetro) and Russia (Gazpromviet). The first explores oilfields on the Vietnamese continental shelf; the second operates in the Yamalo-Nenetsky autonomous district of Russia.

Moreover, in 2012, during Prime Minister Dmitri Medvedev’s visit to Vietnam, the two sides agreed on preferential terms of credit provided by Russia to Vietnam for the construction of its first nuclear power plant—the purpose of which is to ensure sufficient energy production to support

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Vietnam’s economic rise.\textsuperscript{56} Vietnam is also an important partner in another bilateral flagship project with regional implications. In 2015, the two countries completed negotiations on the FTA between Vietnam and the Eurasian Economic Union (EEU), hoping to reach a similar agreement between the EEU and ASEAN as a regional bloc, should the experience of the EEU–Vietnam FTA prove successful.

\textbf{THE LIMITATIONS OF RUSSIA’S ENGAGEMENT}

The developments discussed in the previous section notwithstanding, Russia’s position in East Asian regional cooperation is still far from a full-fledged engagement and faces serious limitations. The most obvious problem confronting Russia is domestic. Despite its officially demonstrated desire to improve the economic and infrastructural situation in the Far East, Russia’s main task remains the economic integration of Siberia and the Far East with the rest of Russia. Moreover, separate projects in Siberia and the Far East still need to raise the economic development of these regions to the level of Russia’s immediate neighbors in East Asia—primarily China but also Japan and South Korea. Then Russia will have the chance to solve another crucial problem: to overcome the perception that while Russia is geographically a part of East Asia, politically and economically it is an “external” player or “absent power” in the region.\textsuperscript{57}

Having successfully hosted the 2012 Summit in Vladivostok, Russia has not yet provided for a proper follow-up to its actions. Although the summit became a signifier of Russia’s eastward turn, it could not in itself secure Russia’s position as a viable player in regional cooperation over the long term. Despite its progress over the previous eight years, Russia’s economic relations with East Asian countries still lack a developmental level comparable to that of East Asian intra-regional economic ties. Thus, Russia’s moderate economic engagement is curbing its “integrative role” in the region.\textsuperscript{58}


\textsuperscript{57} Rangsimaporn, “Russia’s Search for Influence,” p. 793.

While the Western sanctions imposed on Russia after the 2014 crisis in Ukraine will definitely reorient Russia toward East Asia, China most likely will remain the key direction of this reorientation, and energy relations will be the main sphere. An open question remains as to what extent Russia’s reorientation toward East Asia will take into account regional cooperation organizations. The Eurasian integration project is likely to remain Russia’s top priority in regional cooperation. However, the degree of possible compatibility between the EEU and East Asian regional integration processes is still unclear, with the FTA between the EEU and Vietnam the only implemented project in this sphere.

Another question is whether Russia and China will be able to coordinate their actions within regional institutions in East Asia, where for the past decade China has played a much more proactive role than Russia. Given the US–China contradictions and the current cold spell in Russia’s relations with the West, China may try to push Russia to counterbalance the US in East Asia as well, a situation that Russia has thus far carefully avoided. In addition, China may not want yet another competitor in its relations with other states in the region. Indeed, China has not been very willing to coordinate its actions in East Asia with any third party. Moreover, in 2013 it initiated its own macro-regional initiative, One Belt, One Road, aimed at creating favorable economic conditions for China in Central and Southeast Asia and potentially able to make Russian efforts in East Asian regional cooperation peripheral. ASEAN, for its part, wishes to see a more specifically articulated Russian position on the South China Sea dispute and remains somewhat disappointed with what the Kremlin considers Russia’s restrained reaction to this problem.

As Russia itself does not desire a complicated situation on its eastern front, it will most likely not oppose either the US or China in East Asia. However, other regional actors involved in bilateral alliances with the US, such as the Philippines, have already expressed concerns about the possible complexities that Russia’s stronger position and a further discussion of Russian regional security architecture may bring to the regional institutions.

**CONCLUSION**

Until the late 1990s, Russia’s domestic turbulence and asymmetric Europe-oriented foreign policy prevented Russia from engaging in East Asian regional
cooperation. During the late 1990s, while Russia slowly became part of the formal institutional structures in the region, it lacked economic interdependence with its East Asian counterparts. Only when the Russian political elite made bridging the gap between the European and Asian parts of Russia a strategic goal did cooperation with East Asia take on not only a political dimension but also a more visible economic one. Since the first decade of this century, Russia’s presence in East Asia has become more diverse. Russian initiatives proposed for the 2012 APEC Summit in Vladivostok and the ASEAN dialogue partnership proved compatible with the overall regional development agenda and may have a positive effect on regional cooperation.

Domestically, the Russian research literature has been stressing the necessity to pay greater attention to multilateral processes, as opposed to Russia’s bilateral partnerships. However, despite some progress, Russian engagement in regional cooperation faces certain limitations, deriving partly from Russia’s inconsistent actions in the regional organizations and partly from the complex constellation of powers that has emerged in East Asia over the past two decades. Given the current setback in Russia’s relations with the West, enhanced interactions with China appear to be the key aspect of Russia’s eastward turn, leaving multilateral processes secondary at best.

In addition, Russia definitely differs from the other regional players. It is not a part of the production networks that make up the bottom layer of East Asian regionalism and de facto integration. Neither is it the biggest trade partner in the region: until recently it was not very active in the trade liberalization process. On the other hand, Russia is not part of any serious political-security conflict with any state in the region. It supports a modernization agenda, which the majority of East Asian states consider important, and it is ready to propose economic initiatives that can provide the region with new impetus for economic growth.

However, to implement its regional initiatives and to become a more visible player in the regional multilateral institutions, Russia will have to overcome both the domestic and the international limitations it faces. Russia’s current alienation from the West and its growing dependency on China may well finally push it into more actively finding better ways of fulfilling this task.