

***Russia Pacific policy  
in the 21<sup>st</sup> century***

# Content

- **Determinants, philosophy and achievements of RPP**
- ***Pacific Russia Development Project in the context of RPP***
- **Russia-China relations through the prism of RPP**

# I. Determinants of RPP

- **Russia geography and population**
- **Traditions** (five centuries between West and East)
- **Global power status and ambitions** (entrée to the Pacific pole of the World politics)
- **Domestic need: new sources of social and economic development** (APR money, technologies and Siberia resources' disclosure and exploration) [V. Putin, December 12, 2013: "*rise of Siberia and the Far East is our national priority for the 21st century*"]
- **Ideological background** (search for identity? Messianic pretensions? Eurasianism? Pressure from the West)
- **Security calculations** (challenges "from the Far East": China, US, Japan, Korean peninsula)



# “Double eagle challenges”

1472: Muscovy, Seal of Ivan III



1730 - Coat of arms of the Russian Empire

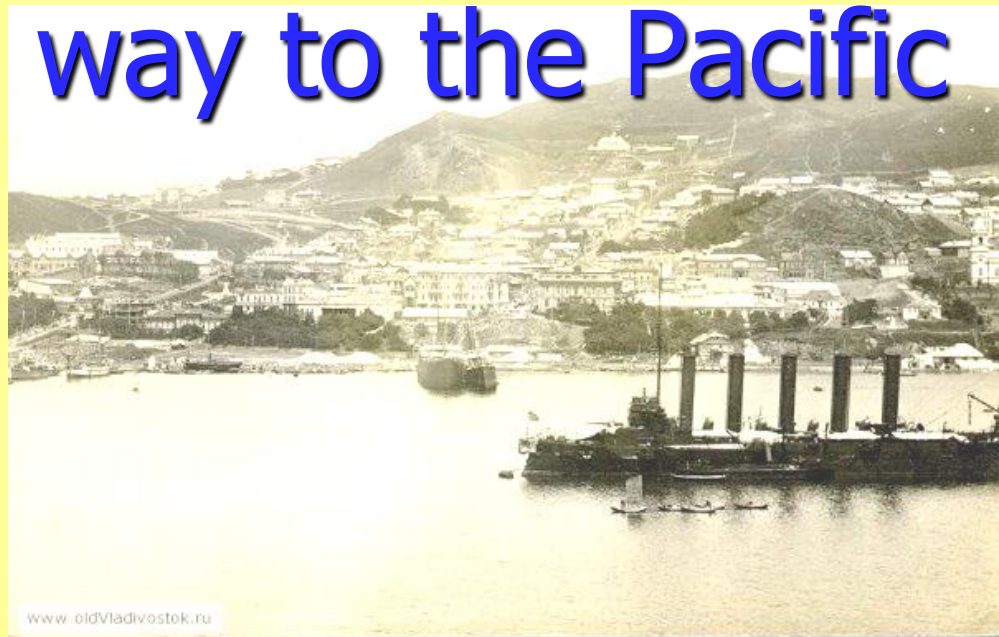
- ▶ **Geopolitical** for the “East” and “West”: how to treat Russia, which has always been **east for the West** and **west for the East**
- ▶ **Domestic** for Russia (since 17<sup>th</sup> century): moving to the East remain in the West



1993 - RF Coat of arms



# A long way to the Pacific



## Stages

### 1. Economic, "enterprising"


(1639 - first Russian settlement on the Pacific coast; 1740 - Petropavlovsk-Kamchatcky; 1860 - Vladivostok)

### 2. Imperial, based on political interests (second half of XIX – XX centuries). Imperatives: Great power ambitions, outside threats

### 3. XXI century: "turn to the East"?



# Russia: European or Eurasian country?

- 
- **Territory:** Russia as a state arose in Europe but 3/4 of its territory lies in Asia with only 25 percent of country's population living there
  - **Population:** multinational, dominated by East-European Slavic Nations and diluted by substantial share of Eastern peoples and minorities
  - **Culture:** based on orthodox Christianity, and so repelled by the West as Asian but did not accepted in the East because of being a Western by nature
  - **Political organization:** neither Western democracy and civil society nor Eastern tyranny (strong central power always accepted but strictly criticized by intellectuals)

*A buffer or bridge between East and West?*

# Basic Features of Russia Pacific Policy

- ✓ **Eurocentrism:** APR - direction of secondary importance
- ✓ **Cyclical nature:** stimulated by increasing international activity in the region and the emergence of threats to its eastern domain
- ✓ **Absence of strategic approach:** inability to form a coherent, and theoretically grounded strategy in the Pacific
- ✓ Absolute primacy of the **military-strategic approaches** over economic considerations
- ✓ **Pacific Russia** territories – **an instrument** to sponsor RPP. These areas “development” – **not an economic project, but tactical operation**

# Basic documents





# Basic documents for RPP: **Foreign Policy Doctrine of 2013**

- *Strengthen the Russia presence in the APR, participate in **integration process** of the region*
- *Create **transparent and equal architecture for security and cooperation in APR***
- *Develop friendly relations with China and India*
- *Maintain friendly and good-neighborly relations with DPRK and ROK*
- *Dynamic development of good-neighborly and multifaceted relations with Japan*
- *Strengthen traditionally friendly relations with Mongolia*
- *Deepen strategic partnership with Vietnam and cooperation with the other ASEAN countries*

# National security strategy to 2020 (May 2009):

## Russia top national interests:

1. **Developing democracy and civil society, increasing economic competitiveness.**
2. **Raising living standards for Russian citizens.**
3. **Innovation-based economic growth.**
4. **Environmental protection and resource conservation.**

## *External security threats*

1. NATO and the United States policy in Europe
2. Politically unstable territories (including Korean peninsular)
3. Unequal balance in supply and demand for energy resources
4. Nuclear weapon proliferation
5. Terrorism, trans-border organized crime etc.

## Ways to ensure national security:

- National defense
- State and social security
- Raising people's living standards
- Economic development
- Science, technology, education
- Health care
- Culture
- Environment

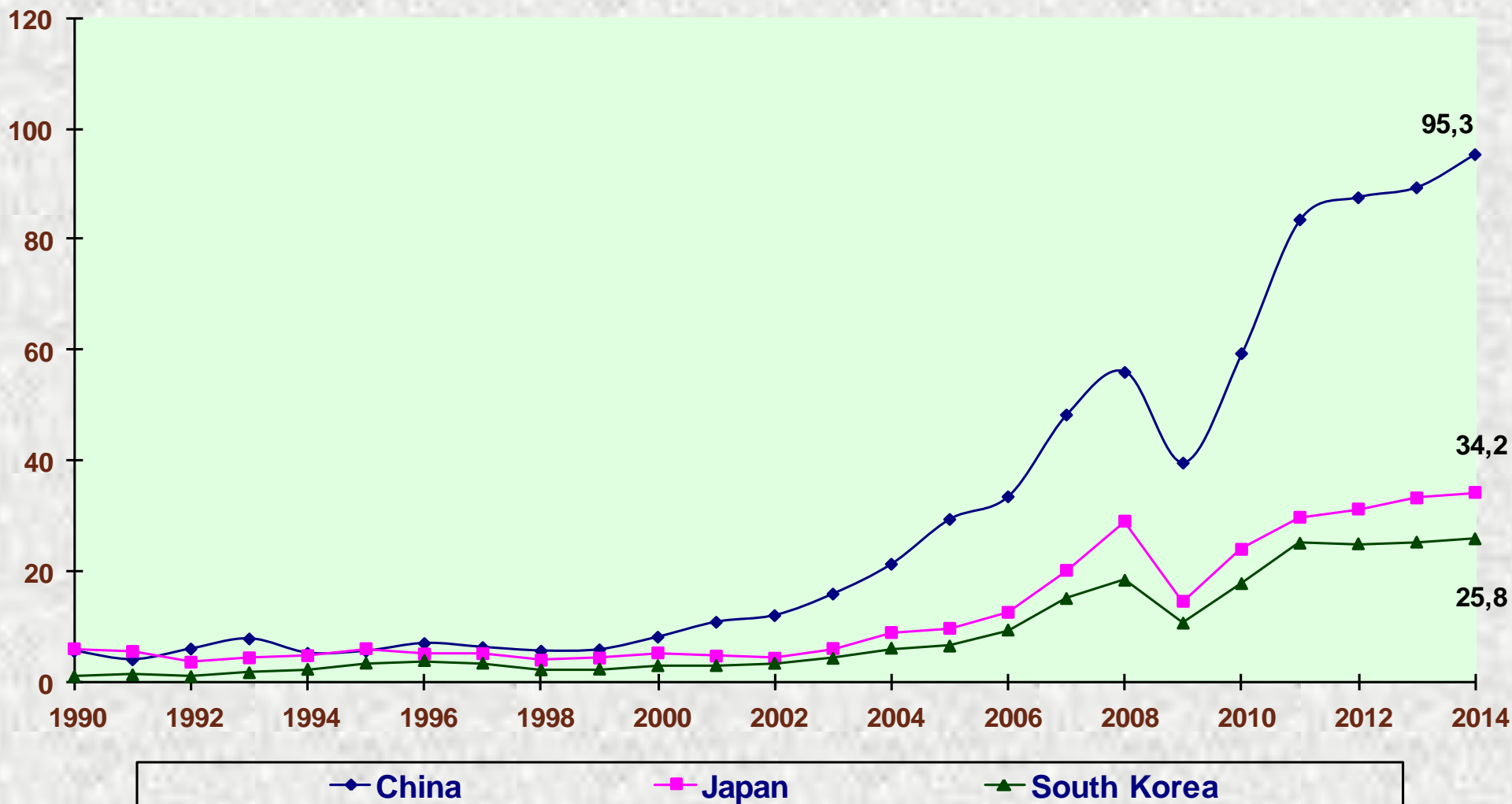
## External conditions to provide security:

- Strategic stability
- Equal strategic partnership

# XXI century "eastern turn": fields of activity

- **Participation in regional organizations** (APEC, ARF, EAS etc. APEC Summit-2012 in Vladivostok)
- **Energy markets** (Siberia and Pacific Russia natural resources)
- **Participation in solving regional problems** (Six party talks, environment, struggle with the consequences of natural disasters, etc.)
- **Strengthening regional security** (CICA Summit: *Comprehensive Asia-Pacific architecture of security and cooperation based on the principles of "Shanghai spirit"*)
- **Advancement of bilateral relations with AP countries** (China – a top priority)
- **Creation of economic infrastructure and a foothold for economic penetration in Asia Pacific** (government massive investment into Pacific Russia infrastructure, oil and gas pipelines, resource development, Trans-Korean Railway, Vladivostok development etc. Since 2007 to 2014 share of APEC countries in RF foreign trade grew up from 17 to 27%)

# Some results: USSR (1990-1991) and Russia (1992-2014) trade with NEA countries (in billion US dollars)



# ***RPP in 2014/15: impact factors***

- **Global.** Changes in the balance of power in the world, relative decline of US influence, establishing and strengthening of "non-Western" organizations
- **Regional (Eurasian).** The prospects of China "one belt, one way" and the Eurasian Economic Community "co-junction" appear. Eurasian (Central Asian) accent began to dominate in Russia' "Eastern turn". APR goes by the wayside. Responsibility for Pacific Russia development passed on to business.
- **Economic.** Fall in oil prices, deterioration of domestic economic situation, rise in prices for imported goods, devaluation of ruble.
- **Psychological.** Growing patriotism and nationalism in response to the pressure from outside.

# 2014: push from the West



- **Activation of bilateral relation with Asian countries (hugs with China, “new friendship” with DPRK, cooperation with Southeast Asia)**
- **New approaches to Pacific Russia development (territories of advanced development, Vladivostok Free port, business involvement)**



**II. Pacific Russia:  
a weak link of  
RPP**

# ***Russia Pacific territories' mission in Russia history***

- **Military outpost and base for eastward expansion**
- **Cultural frontier and buffer zone between West and East**
- **Resource base for European motherland** (furs, wood, gold, fish etc.)
- **Reserved territory for romantic pioneers, prisoners, and exiles**

**In the aggregate: far periphery, which was called to mind when awareness of the threat to loose it appeared** (1850-s, edge of 19-20 centuries, 1930-s, 1960-1970-s, beginning of 21<sup>st</sup> century)



# Tendency of 21 century: Pacific Russia moves toward North Pacific

- **Economic**

- Trade volume increase
- Economic dependence
- Labor exchanges

- **Political and bureaucratic**

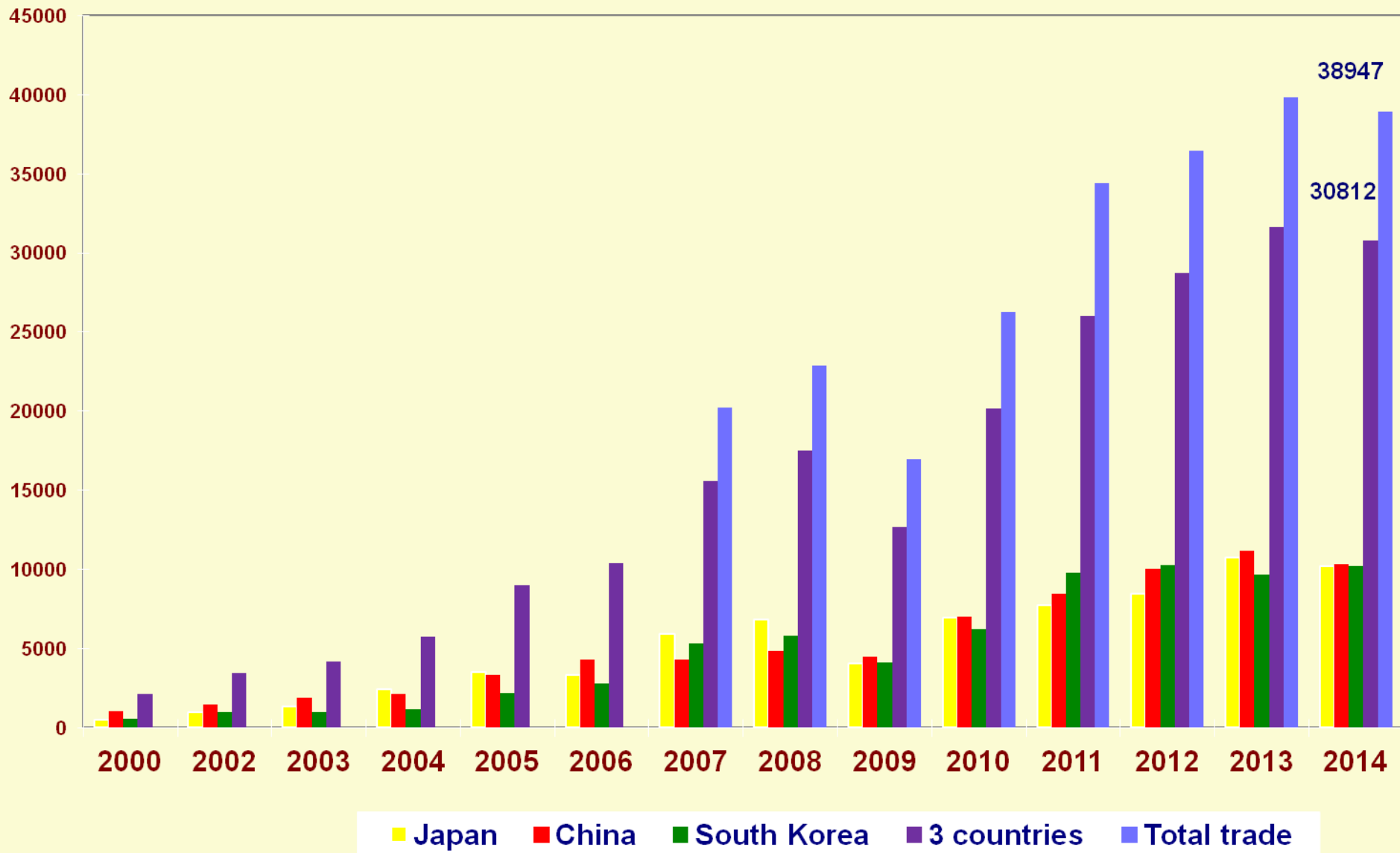
- Bilateral exchanges between territories of NEA
- Participation in regional organizations (sub-national level)
- Inter-exchange between authorities
- Different arrangements of regional level

- **Humanitarian**

- People to people exchange (including tourism)
- Cyber space
- Scientific, cultural, educational exchange
- Peoples mood and preferences

# *The Dynamics of Russia FEFD Foreign Trade*

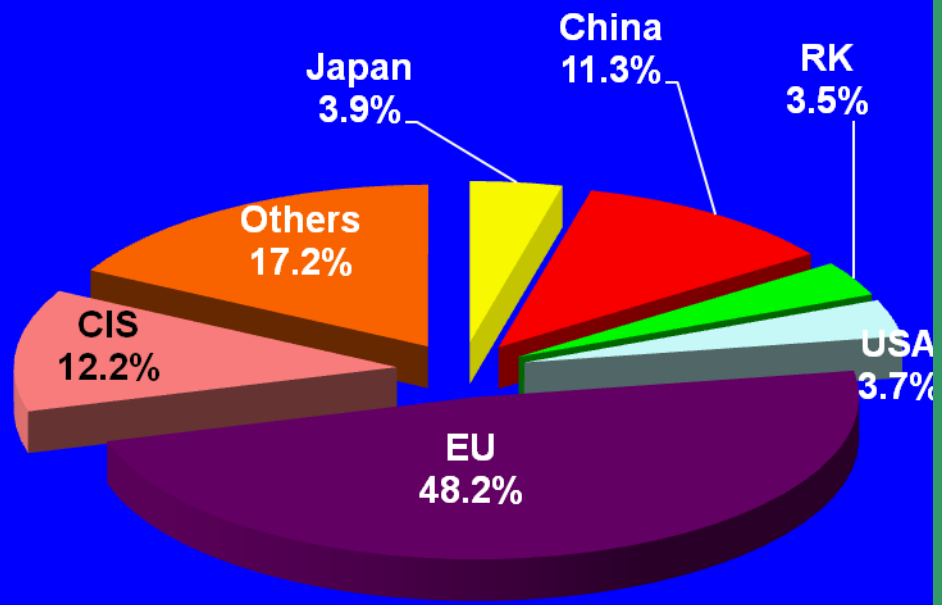
*(in million US dollars)*



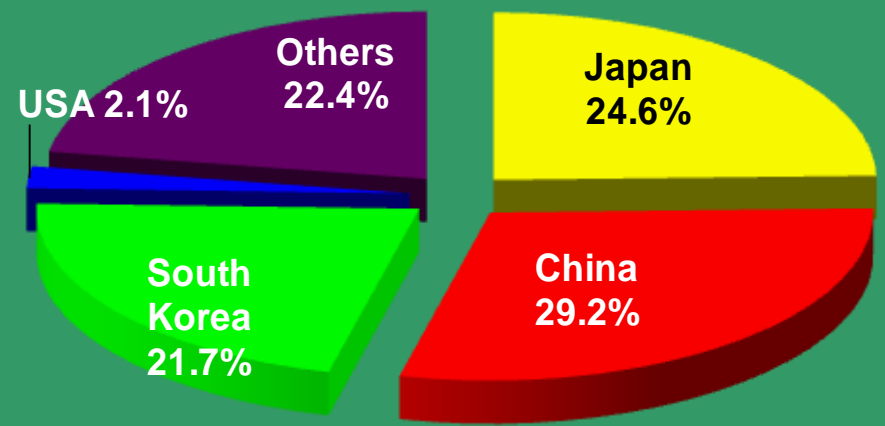
# ***Geographic structure of Foreign Trade***

(main countries and regions, 2014)

### Russia



### Pacific Russia



# **Mutual dependency: NP countries and PR (2013 data)**

- **Energy dependency on Russia (primarily on PR):**
  - **China - 9% of oil and 3% of gas imports**
  - **Japan – 7 of oil and 10% of gas, 9% wood imports**
  - **South Korea – 4 of oil, 5% of gas, 10% of coal imports**
- **Mutual dependency in trade**

**Russia accounted 58% of Heilongjiang province's, 22% of Inner Mongolia's (China), and 21% of Hokuriku region's (Toyama, Ishikawa, Fukui prefectures in western Japan) foreign trade**

# ***Sister cities relations***

<b>Pacific Russia: more than 100</b>	<b>China — 32</b>
	<b>Japan - 32</b>
	<b>South Korea — 17</b>
	<b>USA - 11</b>
	<b>DPRK - 4</b>

# Share of people who visited NP countries for the last 10 years (according to opinion polls, in percentage)

	China	Japan	South Korea	DPRK	USA
Public (South Part of Pacific Russia 2013)	45	9	9	1	5
Experts (Vladivostok Khabarovsk Blagoveschensk Magadan 2014-2015)	72	29	36	9	19
Russia (2013)	1	Not mentioned	Not mentioned	Not mentioned	> 1

# ***Effects***

- **PR citizens have much better understandings of East Asian nations than the Russians who live in European part of the country, in the Urals and Western Siberia**
- **The peoples of NEA form their understanding of Russia and the Russians to a large extent through their perceptions of PR and her inhabitants**
- **Pacific Russia is already oriented towards North Pacific. China – № 1 priority**

# However in Moscow Pacific Russia area is perceived as:

- **Big problem (social and economic weakness)** «Serious demographic, infrastructure, migration, environmental issues» of Pacific Russia, as well as «imbalances in its economy», «tension in the social sphere»... altogether «limit Russia's ability to integrate into the Asia-Pacific region successfully » (Putin, 2002)
- **Source of potential threats (outside threats, integrity of the state)** The threat of "the region's being as a part of Russia"(Putin, July 2000)
- **Heavy burden (financial burden and the burden of management difficulties)**



# December 2006: "eastern turn" has started (reasons to move from words to deeds)

**Security Council findings:** there is a real threat for Russia to lose the Far East (because of depopulation, economic drift toward Asia, growing China influence, political and social vulnerability)

**Decision:** accept measures to stop these trends

**Actions: Kremlin:**

- Strong political support (Putin, Medvedev, "United Russia")
- Propaganda: domestic and abroad (VIP visits to the region, APEC summit)

**Government:**

- Federal investments: about 20 billion US \$ for 2008-2012
- Bureaucratic and personal support (The last step in 2012: Ministry for Far East Development)
- Special programs and strategies (Social-economic development of the Far East till 2025; Program of resettlement of compatriots to the RFE; Strategy of cooperation with countries in Asia Pacific till 2050 etc.)

# The tasks to solve

- **Put into practice «The Far East and Transbaikal region complex development»**
- **Stabilize and increase the region's population**
- **More tightly bond the region to European Russia** (to stop its "drift" towards Asia)

# Instruments to solve the problems and eliminate the threats

- **Political and administrative resources** (Putin's special attention to the region, policies, decrees, orders, meetings, VIP voyages to the region, APEC Summit, etc.)
- **Programme-oriented planning** (two dozen federal and industries' programs, strategies, concepts of Pacific Russia development, a dozen regional programs)

# *Ascertaining of the fact*

- **Dmitry Medvedev, October 2013:** «all approaches, all the models we have used in recent years to change the development of the Far East radically... did not give the economic effects»

# Causes of failures:

- 1. Inadequate definition of objectives:**  
**incorrect goals** (gigantism, populism and Eurocentrism) and **questionable means** («resettlement of compatriots», «industries for production's sake»)
- 2. Approaches "theorists" and the quality of the performers** (low efficiency of the implementation of decisions and programs: fantasy planning and chronic failure of programs' realization)

# **Strategic basement to activate Pacific Russia development**

- **Pacific territories is indispensable condition for Russia to be in the Asia Pacific and keep the status of Pacific and Global power**
- **Pacific Russia territories – an important resource for the country social and economic development (modernization?)**  
***= PRDP – a key element in Russia Pacific policy***

# 2014 – New attempt?

- **The rise of Siberia and the Far East is the "strategic objective" and "national priority throughout the XXI century"** (Putin, 2013).
- **A "generous" Program of Pacific Russia development until 2018: 671 bln. rubles** (212 bln. from federal budget only)
- **New managers in the Ministry for Far East Development**

Hope for business?

Territories of advanced development?

China?

# ADD and SEZ: main idea

- “The Advanced Development Territories along with the Special Economic Zones should promote changes in the Far East economy: they are expected to become kinds of **clusters, attracting and retaining investments and technology**. A preferential regime for investment and business operation regardless of the country of capital origin is being created in these territories due to great tax incentives and simplification of the business environment...” (Putin, September, 2015)



# III. Russia-China relations





# Basic piers for Sino-Russian rapprochement



- ❖ **A long border line** (4209 km)
- ❖ **The logic of two neighbor countries' history** (more advantageous to be friends than enemies)
- ❖ **Similar social and political values**
- ❖ **Economic interests** (energy, investments, RFE and NE China development)
- ❖ **Common approach to the most of global and regional issues** ("Russian-Chinese interaction is of particular importance for the preservation and strengthening of security, international and regional stability, and the search for effective responses to global challenges" – V.Putin, September 4, 2015)

# **Principle achievements in Russia-China relations** (for the last 25 years)

- **Legal and structural basement for bilateral relations**
- **Mechanism to regulate regional problems: Shanghai cooperation organization (SCO)**
- **Settlement of border issue**
- **Cooperation in military affaires**
- **Bilateral trade increase** (since 2011 China is No. 1 trade partner of Russia. 11,3% of foreign trade in 2014)
- **Active human exchange**
- **Control of migration process**

# *What is China for Russia?*

- **Main priority in Russia foreign policy?**
- **Best friend?**

**Vladimir Putin** (October 2011): *“developing relations with China is a **top priority** of Russia's foreign policy. All political parties and the public of Russia share consensus on this. This policy will never change”.*

May, 2015: “China today is our strategic key partner”

“Eurasian integration project and the Silk Road Economic Belt project complement each other very harmoniously”.

***In fact China is not the first priority.***

***V. Putin: “China is a strategic partner of the Russian Federation” (June 5, 2012).***

***Main reasons :***

- 1. East Asia (including China) is no. 6 in the list of Russia foreign policy geographic priorities** (after CIS, Europe, United States, Arctic and Antarctic)
- 2. The attitude of the most Russians to China is at least double minded and, by and large, suspicious and distrustful** (“insufficient level of mutual trust”, according to the Chinese leaders).

# Obstacles to be close friends with China

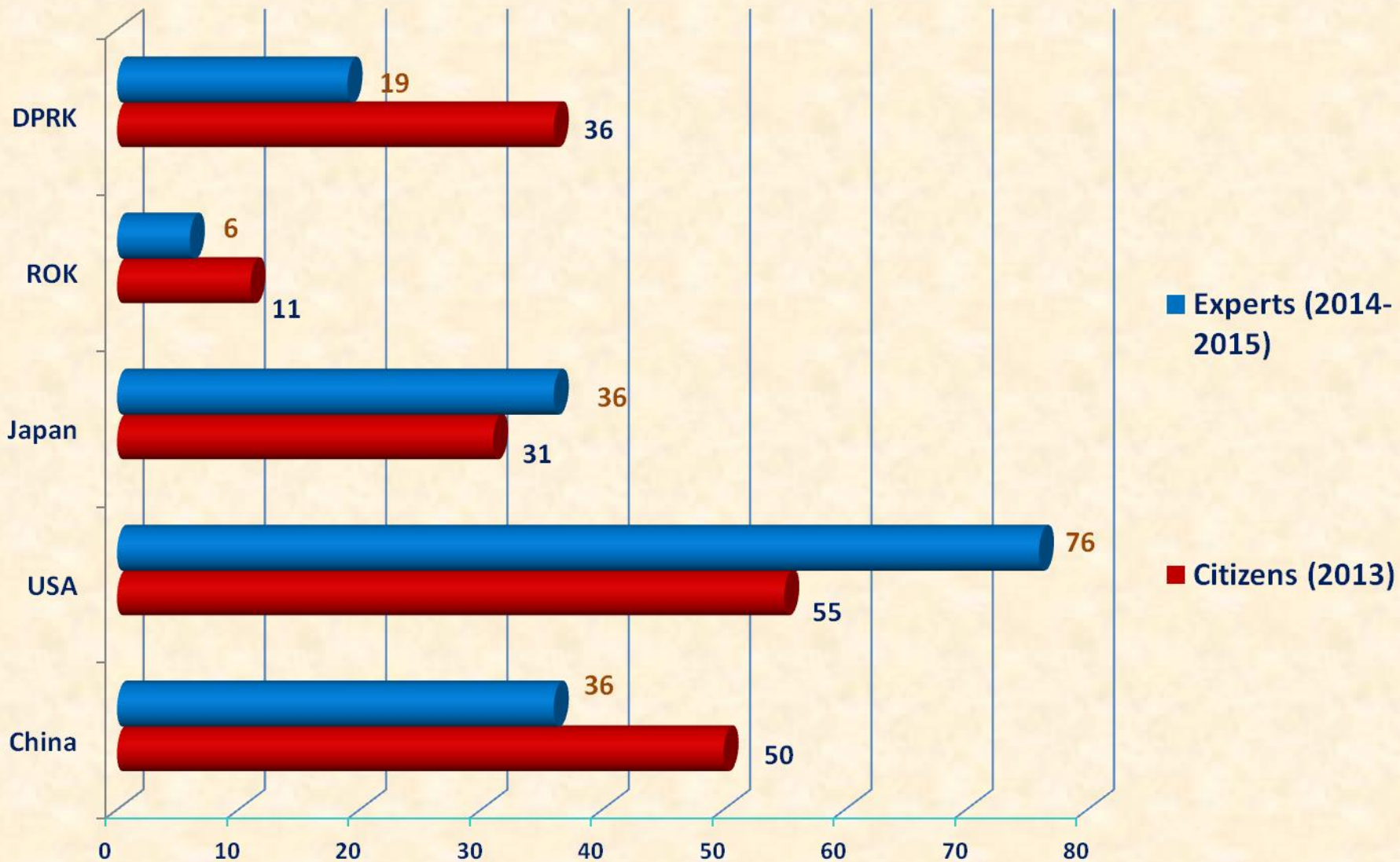
- **General obstacles to Russia active integration into the Pacific** (*orthodox cultural tradition, political and cultural reverence for the West, traditional pro-European orientation of Russian economy and business, peripheral status and low demographic, social and political weight of Russia pacific regions in the country*)
- **Fear of China on the base of:**
  - Different mentality;
  - China size and growing power;
  - History;
  - Anti-Chinese propaganda.

**Resulted in** ambiguity and ambivalence in attitude and in politics: draw to yourself but do not let to come close

**Authorities:** declare close economic cooperation but put various barriers for Chinese investments and use of Chinese man-power in Russia.

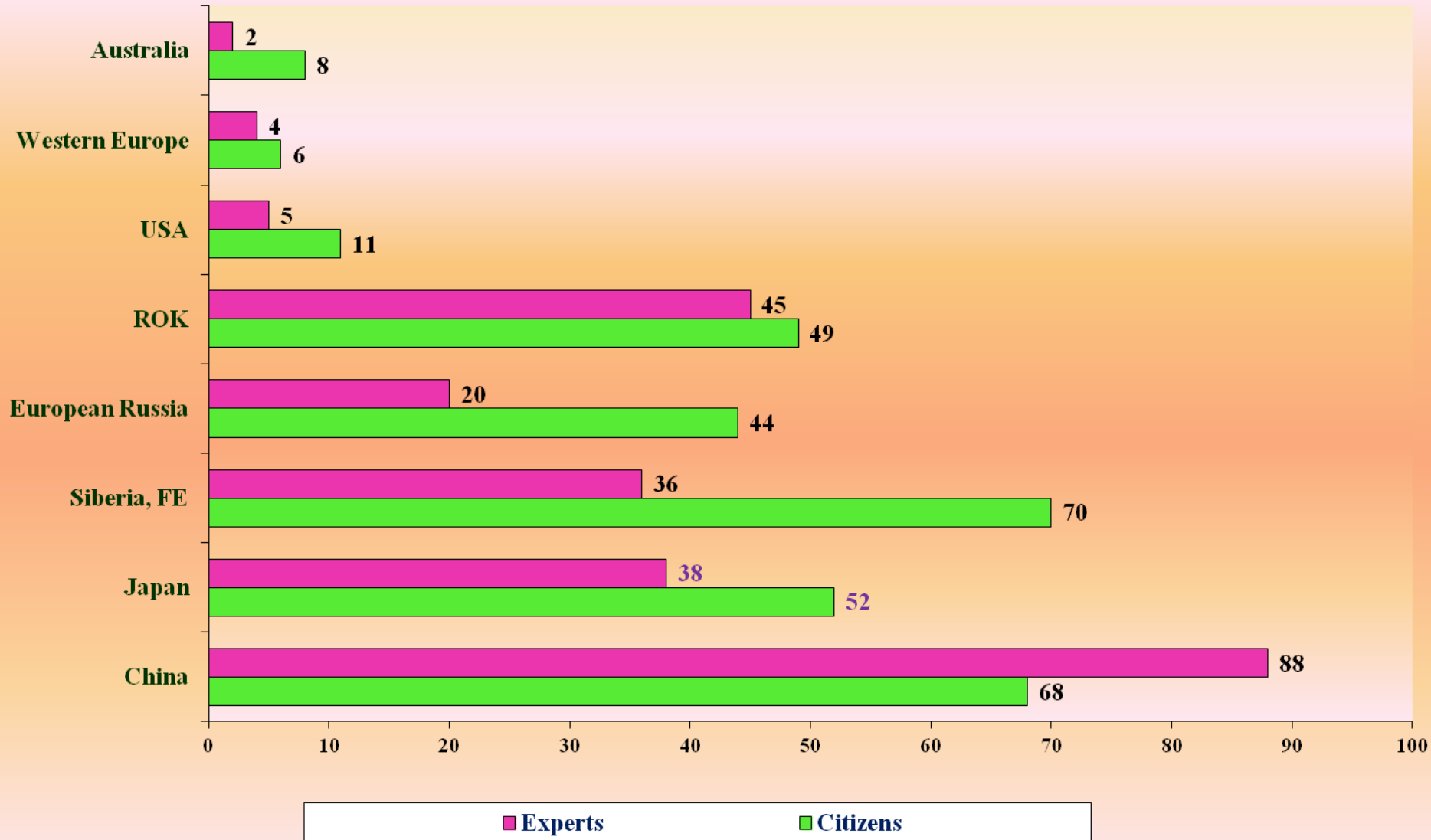
**Public view:** China is the **biggest threat** and the **most desirable economic partner**

# There are threats to Russia security from following countries: (citizens of Pacific Russia in percentage)



# Economic and social interests: countries and territories of the first priority to develop relations

(according to opinion polls of 2013-2015, in percentage)





КИНОКОМПАНИЯ МВ СИНЕМА ПРЕДСТАВЛЯЕТ

# КРИМИНАЛЬНЫЙ БЛЮЗ

СЕРГЕЙ СТЕПАНЧЕНКО ИГОРЬ БУТМАН



В РОЛЯХ:  
МИХАИЛ ВЛАДИМИРОВ СЕРГЕЙ ЛЕГОСТАЕВ МИХАИЛ ДЕРЖАВИН ЛАРИСА БЕЛОБРОВА ЕВГЕНИЙ ЛИЕ  
ВЛАДИМИР ЗАЙЦЕВ МАРИЯ КАЗАКОВА ЕВГЕНИЙ КУЛИК СЕРГЕЙ ЧЕКРЫГИН ЛИНДА НИГМАТУЛ  
АВТОР ИДЕИ МАКСИМ ВОРОНКОВ АВТОР СЦЕНАРИЯ АНДРЕЙ МАРКОВ РЕЖИССЕР-ПОСТАНОВЩИК МАКСИМ ВОРО  
ОПЕРАТОР-ПОСТАНОВЩИК ВАСИЛИЙ ГРИГОЛЮНАС ХУДОЖНИК-ПОСТАНОВЩИК ИВАН АНОХИН КОМПОЗИТОР ИГОРЬ ВУ  
ХУДОЖНИК ПО КОСТОМАМ ГАЛИНА НЕХОРОШЕВА ЗВУКОРЕЖИССЕР ИВАН НЕХОРОШЕВ ХУДОЖНИК-ТРИМЕР ИРИНА ГУ  
РЕЖИССЕР МОНТАЖА АЛЕКСАНДР ИВАНОВ ИСПОЛНИТЕЛЬНЫЙ ПРОДЮСЕР ВАЛЕРИЙ ГЛУХОВ  
ГЕНЕРАЛЬНЫЕ ПРОДЮСЕРЫ ИГОРЬ БУТМАН МАКСИМ ВОРОНКОВ

ВОСТОЧНЫЙ БАНК AQUANIKA ColumbusNova Вибро Global ТРАНСАЭРО MVS GROUP

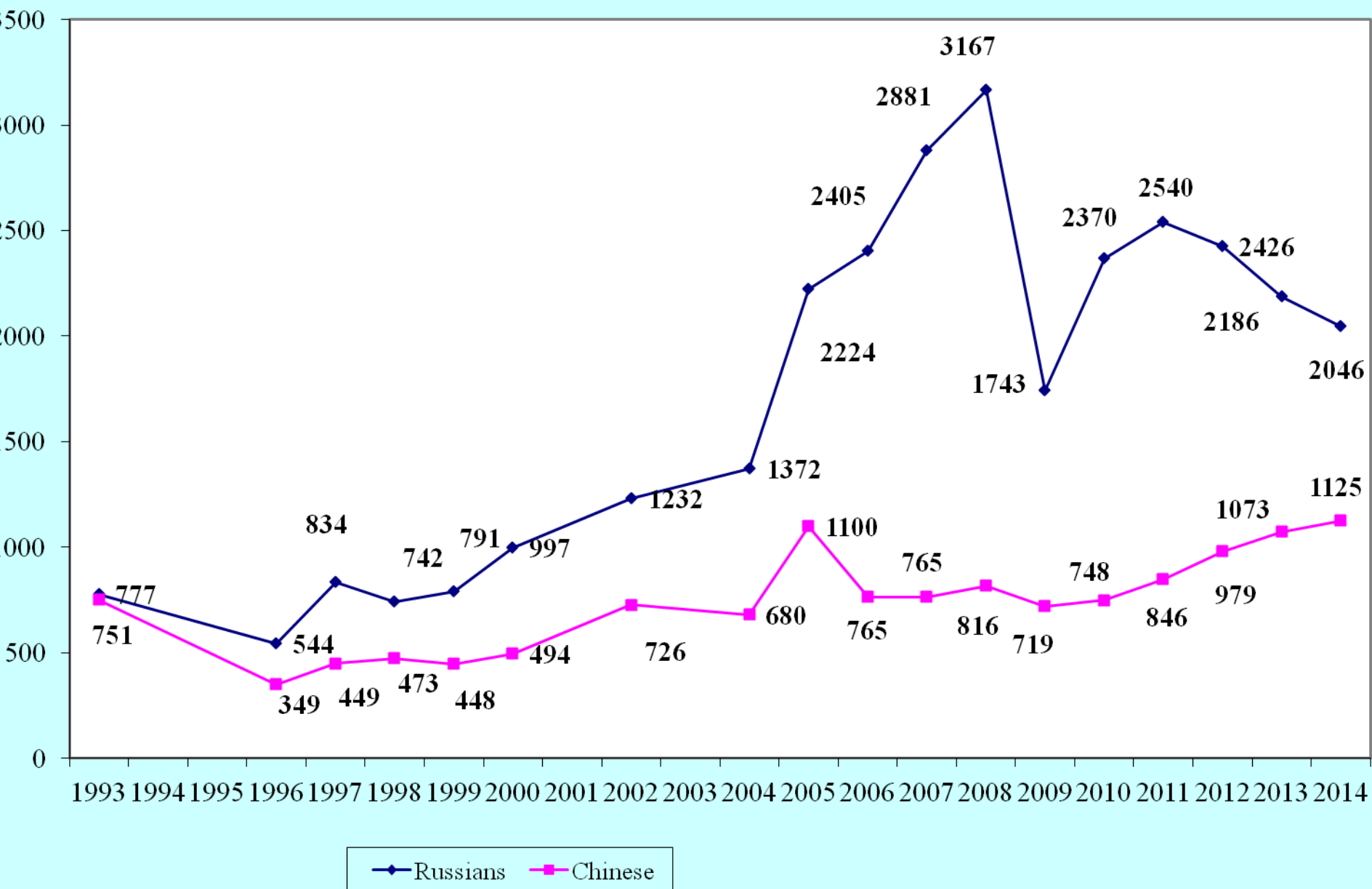
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# China in Siberia and RFE development: dreams and realities

- **Academic view:** China is
  - “a key lever to develop RF eastern regions” (M. Titarenko);
  - “the strategic partner and active participant in the modernization of the RFE” (Li Yongquan)
- **Official declaration:**
  - It is important to use China potential "for the purpose of Siberia and the Far East economic development" (V. Putin, 2012)
- **Strategic planning:** represented by the minimum in plans and strategies of RFE and territories' development
- **Real participation:** very limited. *Program of cooperation between Eastern Siberia and the Far East and northeast China until 2018 failed.*

# Russia-China cross-border movement (thousands)



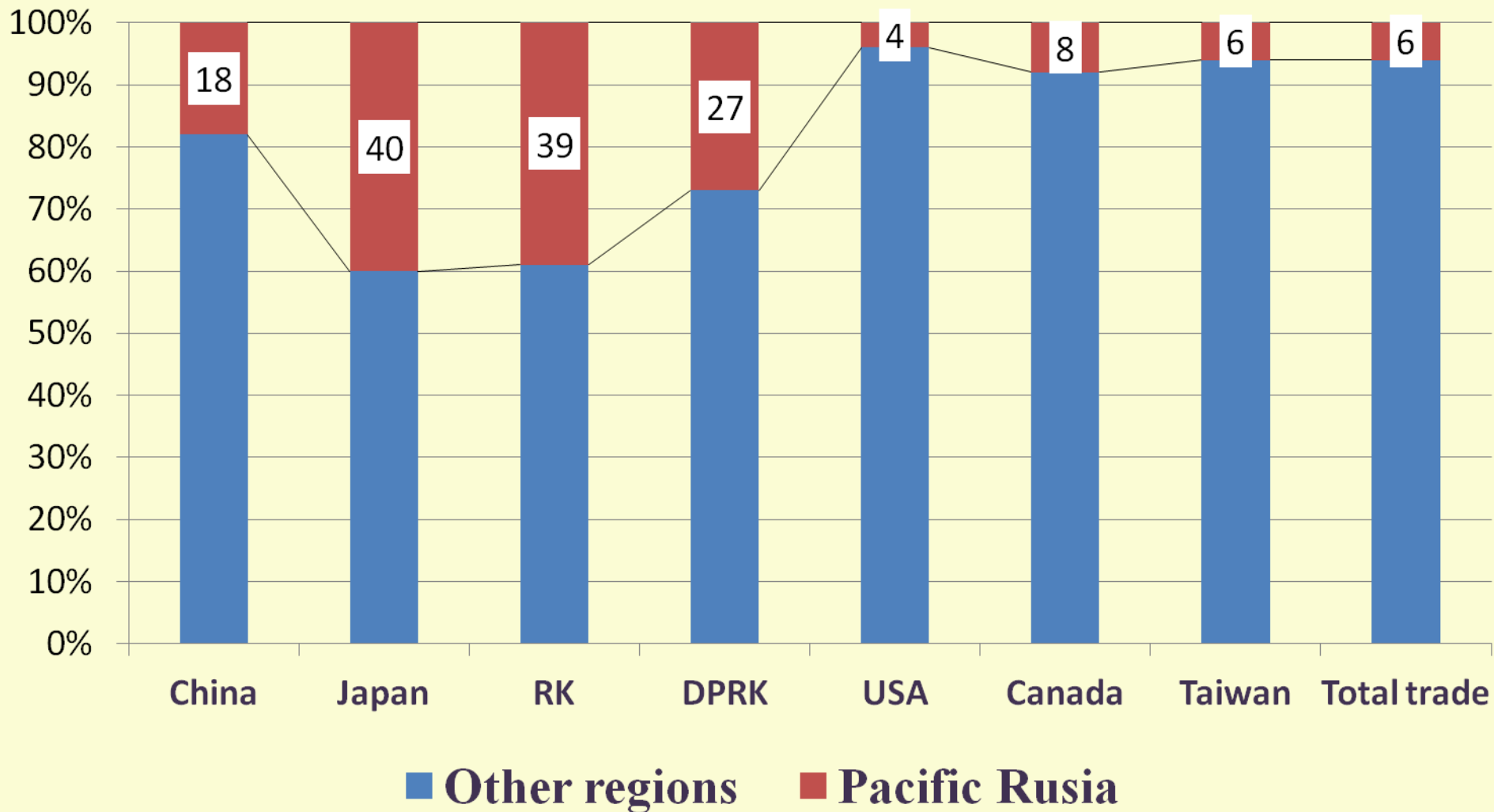
A map of the Pacific region of Russia, showing the Far East and Kamchatka. The map includes labels for the Sea of Japan, Kuril Islands, Japan, and various Russian cities like Vladivostok, Khabarovsk, and Yuzhno-Sakhalinsk. It also shows neighboring countries like Mongolia and China, and bodies of water like the North Pacific and Bering Sea. A scale bar at the bottom right indicates 500 kilometers and 500 miles. A blue box in the bottom left corner contains the text 'Pacific Russia'.

## **PR position in Russia-China relations is weak:**

- **Limited share of PR territories in bilateral trade**
- **No urgent threats to Russia sovereignty, territorial integrity, and security coming from China (strategic partnership, border settlement)**
- **Low political influence of local authorities along both sides of the border on Moscow and Beijing**
- **Low interest of leading industries and financial capitals of both countries to CBIRR**

**Pacific Russia**

# Pacific Russia shares in Russia's trade with North Pacific countries and territories (2014, in percentage)



# Dreams of the future

- **“Co-junction” as**
  - **geo-political project** (“We are talking about the beginning of the long-term development priorities coordination process in order to give a powerful impetus to **economic activity throughout the vast Eurasian space**” - Putin, September 4, 2015”)
  - **instrument to modernize Russia-China strategic partnership**
  - **a mean to develop cross-border and inter-regional relations to the north part of Eurasia**
  - **north-east part of Eurasian continent economic discovery**

# *Strategic approaches*

## Beijing

- Make Eurasia a the united economic and geo-political area
- New Eurasia is a platform to build a new world order (harmonious multi-polar world)
- Develop and modernize the country's North-West region

## Moscow

- Russia is:
  - independent polar in multi-polar world;
  - engine and core of Eurasian integration;
  - “bridge” between the “East” and the “West”;
- Siberia and the Far East development is a "national priority throughout the XXI century".

# *Russia-Japan relations*



## Current state of affairs:

- ❖ **Frozen political dialogue** on the background of an active policy of China and RK. Russia has no choice but to strengthen and deepen its relations with China and to support the Chinese and South Korean initiative.
- ❖ **Downturn in economic exchange** (7,6% in 2014 and 29% in January – September, 2015, including 41% in Russian import)
- ❖ **Limited scale of humanitarian exchange** (105 thousand Japanese in Russia (0.03% of all foreigners in Russia) and 89 Russians in Japan in 2014 (0.2% of the Russians outbound from the country))
- ❖ **Unresolved potential cross-border and inter-regional relations.** Decline in FEFD – Japan trade in January – September 2015 – 23.7%, in import from Japan – 54.7%.



# Russia and FEFD foreign trade (Jan.– Sept.2014 – 2015, \$ US million)

		Volume			Export			Import		
		2014	2015	Drop	2014	2015	Drop	2014	2015	Drop
<b>World</b>	<b>Russia</b>	598957.7	395676.6	<b>33.9%</b> (203281.1)	381541.2	261410.4	<b>31.5%</b> (120130.8)	217416.5	134266.2	<b>38.2%</b> (83150.3)
	<b>FEFD</b> (share in RF trade)	29610.2 (4.9%)	19911.1 (5.0%)	<b>32.8%</b> (9699.1) (+0.1%)	21298.5	15494.4	<b>27.2%</b> (5804.1)	8311.7 (3.8%)	4416.6 (3.3%)	<b>46.9%</b> (3895.1) (-0.5%)
<b>Japan</b>	<b>Russia</b>	22771.8	16191.2	<b>28.9%</b> (6580.6)	14343.6	11198.6	<b>21.9%</b> (3145.0)	8428.2	4992.5	<b>40.8%</b> (3435.7)
	<b>FEFD</b> (share in RF trade)	7401.4 (32.5%)	5644.8 (34.9%)	<b>23.7%</b> (1756.6) (+2.4%)	6026.7	5022.0	<b>16.7%</b> (1004.7)	1374.7 (16.3%)	622.8 (12.5%)	<b>54.7%</b> (751.9) (-3.8%)
<b>China</b>	<b>Russia</b>	66610.3	46834.6	<b>29.7%</b> (19775.7)	28692.0	21335.7	<b>25.6%</b> (7356.3)	37918.3	25498.8	<b>32.8%</b> (12419.5)
	<b>FEFD</b> (share in RF trade)	7708.9 (11.6%)	4858.5 (10.4%)	<b>37.0%</b> (2850.4) (-1.2%)	4015.7 (14.0%)	2965.6 (13.9%)	<b>26.1%</b> (1050.1) (-0.1%)	3693.2 (9.7%)	1892.9 (7.4%)	<b>48.7%</b> (1800.3) (-2.3%)
<b>USA</b>	<b>Russia</b>	22294.8	15906.5	<b>28.7%</b> (6388.3)	7875.3	7214.9	<b>8.4%</b> (660.4)	14419.5	8691.6	<b>39.7%</b> (5727.9)
	<b>FEFD</b> (share in RF trade)	708.5 (3.2%)	592.3 (3.7%)	<b>16.4%</b> (116.2) (+0.5%)	212.0	109.4	<b>48.3%</b> (102.6)	496.6 (3.4%)	483.0 (5.6%)	<b>2.7%</b> (13.6) (+2.2%)
<b>ROK</b>	<b>Russia</b>	20520.8	13335.4	<b>35.0%</b> (7185.4)	13430.9	9900.8	<b>26.3%</b> (3530.1)	7089.9	3434.5	<b>51.6%</b> (3655.4)
	<b>FEFD</b> (share in RF trade)	8040.0 (39.2%)	4702.4 (35.3%)	<b>41.5%</b> (3337.6) (-3.9%)	7160.0	4368.1	<b>40.0%</b> (2791.9)	880.3 (12.4%)	334.3 (9.7%)	<b>62.0%</b> (546.0) (-2.7%)

# Chances for success in Russia Pacific policy

## Pro

- *Integration - the general line of development of the Asia-Pacific*
- *Interest of Asia-Pacific countries to the resources of Siberia and the Far East*
- *The cultural "convergence" as a result of globalization*
- *Objective need for Russia to deepen and expand economic ties with the Asia-Pacific countries*
- *The interests of Pacific Russia development as a locomotive of Russian integration in the Asia-Pacific*

## Contra

- *Miserable level of Russia presence in APR*
- *"Asiatization" and nationalism in the East Asia, the European nature of Russia itself*
- *Inter-state conflicts (Kuril Islands, etc.)*
- *The attitude toward Russia in the region, negative image of Russia in the region (the legacy of the Soviet Union)*
- *Russia limited potential, its fear of close integration with the East*
- *The high cost of Pacific Russia "pulling" to the Asian standards for integration, Moscow fear of Pacific Russia drift towards Asia*
- *Russian leadership's overestimation of the geopolitical and economic importance of Russia in the Asia-Pacific*
- *The lack of critical intellectual mass to produce the "adequate" policy in the Pacific*