

# *The Kremlin looking east: Russia's interests in the Asia-Pacific*



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*Driven by its own national, economic, geopolitical and strategic interests, including a desire to counter-balance United States influence and become a global power, Russia is pursuing diplomatic and economic opportunities across the Asia-Pacific, such as access to local economies, investment and militaries, including airfields and ports. That engagement has significant potential to boost the Russian economy and influence across the region. Russia's increasing regional involvement, though, could lead to regional power struggles and, sooner or later, Australia might find itself in direct competition with Russia in Australia's backyard.*

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There is no doubt about Russia being a European and Asian country. Eurasianism has been a popular theme over centuries, underlining the size and presence of the geographically largest country in the world, and the role of a bridging power between the two continents. Recently, President Putin has been using this concept of 'Eurasianism' to find a tone uniting the more than 100 ethnicities across the country and to establish a narrative underscoring the country's connection to both regions. The latter became very apparent in an opinion piece President Putin published in various news outlets across the region prior to last year's Asia-Pacific Economic Co-operation meeting in Danang. On a side note, this took out two full pages in the Canberra Times<sup>2</sup>.

It is important to remember that Russia has also a Pacific coast. Russia may not be a Pacific country in the same sense we perceive countries such as Japan or Australia as Pacific countries but, aside from its coastline, Russia has historic relations with the countries in the Pacific Ocean, let alone interests in the region.

The Kremlin aims to return to the global power stage. This has become evident with its recent involvement in Syria, the Middle East more generally, increasingly across the African continent and increased focus on the Asia-Pacific region. With regard to the Pacific, while the main focus remains on Northeast Asia, relations across the Pacific are increasing. Moscow has become an Association of South-East Asian Nations (ASEAN) dialogue partner and participated last year in the 4<sup>th</sup> ASEAN meeting of defence ministers.

It is often claimed that the Kremlin has only undertaken a pivot to its east following the derailing relations with the European Union and others over the illegal annexation of Crimea in 2014. Russia, however, has been aware of its

Asian part and relations with eastern neighbours for much longer.

History professor Mikhail P. Pogodin from Moscow University, was a Pan-Slavist and imperialist who thought Russia was superior to the people and nations of Eurasia. He wrote in 1856: "Leaving Europe alone, in expectation of more favourable circumstances, we must turn our entire attention to Asia, which we have almost entirely left out of our considerations, although it is precisely Asia that is predestined primarily for us" (Hauner 1990).

## **Russia's Recent Re-orientation to the Asia-Pacific**

A more visible foreign and security policy re-orientation to the Asia-Pacific, however, occurred more recently. That should not lead to the assumption that Russia, and the Soviet Union prior to its fall, did not have flourishing relationships with the Asia-Pacific region. Moscow's recent stronger focus coincided with the United States pivot to the Pacific and Asia – after all, one of Moscow's main concerns is to counter-balance United States influence in its areas and regions of interest. The recent development of relations with the West hitting rock-bottom only accelerated the focus on the Asia-Pacific. Anatoly Antonov, former Russian deputy minister of defence and currently Russia's ambassador to the United States, highlighted at the Shangri-La Dialogue on 5 June 2016 Russia's interest in the Asia-Pacific. He said Russia was looking for partners in the region to create "an equal and indivisible security environment" serving everyone, and that it wanted to "enhanc[e] [its] military ties with the Asia-Pacific countries in order to strengthen peace and stability"<sup>3</sup>.

The main motivating factors for taking a stronger stand in the Asia-Pacific are the increased demand for natural resources and energy from the region's growing population; emerging investment possibilities; and increasing

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military budgets – all of which are creating both new markets and security demands.

Russia has been investing more in its Far East military capabilities, particularly the Pacific Fleet. Its global presence capabilities thus enhanced, the Kremlin now has the ability to be more involved in the region, especially when vital national security interests are at stake.

Russia is the second-largest arms seller in the world – 23 per cent of the total global market in arms sales is taken up by the Kremlin, and following Russia's Syria campaign, the demand for Su-24 and SU-34 combat aircraft allegedly doubled.

The Asia-Pacific has become the largest market for arms. Between 2011 and 2015, 43 per cent of all arms exports to the Asia-Pacific came from Russia. Standing out was Vietnam which increased its arms imports by *circa* 700 per cent from 2006 to 2016, jumping to position eight on the global arms importers listing (Stockholm International Peace Research Institute data<sup>4</sup>).

Seventy per cent of Russian arms exports from 2011-2015 went to four countries, three Asian: India, Vietnam and China. The fourth was Algeria. Eighty per cent of China's arms imports are from Russia.

Russia's arms exports to the region are impacting the strategic environment there, and have the power to shift dynamics in the near future as Moscow can establish itself as an alternative to Washington or Beijing both when it comes to security provision as well as preferred go-to nation.

The Kremlin has been following its ambitious goal of returning to the global power stage, even if the choice of tools to do so are seen with a worrying eye in the West. One of the areas where Moscow has increasingly taken a stand has been in international mediator roles, *e.g.* Syria. Again, the way the Kremlin has been doing this should not be forgotten and critical analysis is vital.

Another potential area of getting involved, in the interest of fostering international security and stability, could be North Korea.

To highlight Russian interests and relations with the Asia-Pacific, an overview of selected countries from the northern end of the Pacific to the south, closer to Australia, will follow. It should be noted, however, that today's format will limit the extent to which I can dive into the relationships across the region as well as the depth thereof both in historic and intensity terms.

### **Russia and the Korean Peninsula<sup>5</sup>**

I have mentioned already the Kremlin's ambitions to play a bigger role internationally and influence global security. The Korean peninsula is not the top priority for the Russian government, and the Russian government usually is not in the first thought of those involved in finding a long-term solution to stability and security on the peninsula. So, Russia is often an overlooked player around the peninsula. Yet, it has geopolitical, strategic, economic and national policy interests that drive a greater engagement in current

security processes on the Korean Peninsula. Moscow has had a long historical, economic and political relationship with the Koreans; and, since the end of the Cold War, again increasingly with Seoul.

It is not only an illusion from the Kremlin that they should play a role in security discussions around the peninsula. Pyeongyang also values the neighbour to its north – it shares a border of 18km with Russia. According to experts, it sees Moscow as the *least unreliable* stakeholder among the involved parties around the peninsula. Hence, Kim Jong-un and other officials have not only increased their visits to China immensely lately, but also to Russia. The countries are connected through a long historical partnership, and Moscow remains one of the last economic partners to North Korea, a relationship with roots in the Tsar's times, when Russia had strong trade relations with the Korean peninsula.

It was the Soviet regime that installed the Kim regime after World War II. Pyeongyang existed beyond the Korean War thanks to Chinese ground support and immense Soviet airpower, with Moscow taking on most of the reconstruction aid after that. The Soviet Union and North Korea were bound through a friendship treaty, signed in 1961, that, until the mid-1990s, included a mutual defence clause. After some cooling of the relations, mainly due to Russia establishing functioning relations with Seoul, recent years have seen Pyeongyang and Moscow moving closer to each other again. However, the Kremlin continues to condemn the nuclear advances, as well as every missile launch attempt.

The ideal outcome of negotiations from Russia's perspective would be a stable Korean peninsula with the United States presence on and around it reduced, and regional nuclear proliferation ambitions halted. Stability would allow exploring more economic ties within the region, for once allowing bigger infrastructure and energy projects to be followed through, and potentially sparking investment into the Russian Far East, which is deeply in need of development, and, consequently, could please the Russian domestic audience.

There is another factor for the home front: an important narrative the Kremlin would like to foster is the alleged 'insufficiency' of sanctions – after all, North Korea managed to develop some sort of nuclear capability, and, regardless of decades of international sanctions, the regime has not imploded, despite analysts predicting it would multiple times. The Kremlin would be able to highlight that sanctions cannot influence, let alone lead, to regime change, an important message to convey since the country has become subject to sanctions itself in recent years. Furthermore, potential Russian international involvement in another region would offer another distraction from domestic policy issues such as the contested pension reforms or the manipulation of regional elections.

So, in summary, Moscow would appreciate being in a position that lets it influence security developments around the peninsula. It can continue to counter-balance United States influence in its immediate neighbourhood and beyond, can potentially develop economic ties and co-operation, and send an important message to its domestic audience.

<sup>4</sup><https://thediplomat.com/2016/02/vietnam-now-worlds-eighth-largest-arms-importer/>

<sup>5</sup>A more in-depth analysis by the author can be found here: <https://www.aspi.org.au/report/putin-and-north-korea-exploring-russian-interests-around-peninsula>.

Australia, as a part of the Indo- or Asia-Pacific security arena, can be affected by developments in Northeast Asia, not least because it has been a security guarantor to South Korea since the armistice agreement in 1953. Therefore, Canberra should have an interest in which players are actually involved in security developments up north, as a potential conflict could have vast impacts on Australia's security and economic interests.

### **Russia and Japan**

The relationship between Russia and Japan could fill an entire lecture, therefore it will be only touched upon here. The relationship has been characterised by conflict and dispute over the centuries. Today's relationship is mainly dominated by a territorial dispute over the Kuril Islands. It is a major obstacle to closer co-operation between Tokyo and Moscow; both are painfully aware of that. Heads of states and government officials continue to meet, exploring opportunities that would allow for moving closer together.

As Japan remains a close ally of the United States and a security partner of Australia, any such move would raise eyebrows in the respective capitals and in the region. A very recent development, therefore, deserves attention and inclusion in any strategic thinking addressing the Asia-Pacific. Earlier this month in Vladivostok, Russia held the annual Eastern Economic Forum that explores investment and business opportunities in its eastern regions and the neighbourhood. Last year's iteration saw statements highlighting closer co-operation between Seoul and Moscow, with both presidents affirming mutual co-operation. This year, most media reports focused on China and Japan attending the forum. In particular, the outcomes of the bilateral meetings between Prime Minister Abe and President Putin were interesting. They agreed to look into possibilities to foster joint economic projects across the disputed island territories without having to pre-set a legal environment solving the islands conflict. Both sides, however, agreed a legal resolution should remain the long-term goal. Finding a solution to the dispute would also allow Tokyo and Moscow to formally end World War II and sign a peace agreement.

Another important issue discussed during the Forum was the desire of both sides for closer defence co-operation. At the end of July of this year, Japan and Russia had a meeting between their respective foreign and defence ministers, the third such meeting held to date.

As Japan's strategic environment is significantly changing, it is exploring new possibilities. The possibility of a closer defence relationship with Russia should be studied and observed very well in Canberra (and Washington DC for that matter) as Japan has often been cited to be a like-minded country, and closer defence co-operation with Russia would certainly be a worrying development.

### **Russia and China**

The Eastern Economic Forum was held on the sidelines of an event that received a lot more attention across the world: Russia's largest military exercise in its history, Vostok-2018 (East-2018). Every year, Russia holds a large-scale strategic exercise in one of its military

districts. Last year was the western military district's turn and the exercise, Zapad-2017 (West-2017), involved troops from Russia, Belarus and Kaliningrad Oblast. It caused a lot of concern among Eastern Europeans and their North Atlantic Treaty Organisation allies. With Vostok-2018, the Kremlin did not only send a message based on scale; it involved troops from all three services – the drills assessed the readiness of ground, air and naval capabilities.

The most surprising factor was not the size of the exercise. It was that, for the first time, Chinese troops participated. While China and Russia have made a 180-degree turn and converted an historically long animosity into a strategic partnership, which has seen increasing joint exercises in recent years, China had never been invited to partake in these annual strategic-level exercises before. Instead, a past Vostok exercise still saw China as a potential adversary, echoing the troubled past the two states share.

Most of the last century was dominated by the Sino-Soviet border dispute that was only resolved in 1991, and Moscow perceived Beijing as an enormous threat to its national security that even saw military reinforcements and investments into the military districts bordering China as well as into the border force itself.

The transformation of the relationship has been significant. Former foes are now close to being friends. While the word 'alliance' has always been carefully avoided, the inclusion of 3000 Chinese troops in Vostok-2018 sends a message.

But China and Russia have not raised their partnership to alliance level yet; however, they have presented themselves to the world (mainly the United States, its North Atlantic Treaty Organisation allies and partners) as *potential* allies, arguing that world developments have pushed them closer together, basically being forced to bond against the rest of the world. As the People's Liberation Army has not had any combat experience in decades, it must have welcomed the invitation, not least for the opportunity to have access to vital lessons learned from Russia's experiences in its Syria campaign. It is not every day that Chinese officers gain access to the combat tactics and strategic thinking of Russian counterparts.

President Putin declared the strategic partnership now to be 'a trusting relationship', with President Xi chiming in, promising to 'push the China-Russia relationship to new heights'. A potential alliance between the two neighbours would not only affect the Asia-Pacific, but, first and foremost, the whole global security system. It would need to feature in any country's future defence and strategic thinking, but most importantly in that of the Pacific littoral states.

### **Russia and Southeast Asia**

Moving a bit further south, you will look without much luck for a Russian statement on the South China Sea. Russia claims that it does not have interests, nor is it involved in, the conflict, which is why the government refrains from publicly commenting on the dispute, let alone from taking sides. The Kremlin, however, has basically created a win-win situation for itself. It is the main arms supplier to both China and Vietnam, and benefits from the

ongoing dispute that has seen the ramping up of military capabilities on both sides. That plays handily into Russian overall strategic interests and pleases its arms industry.

Speaking of Vietnam, Hanoi and Moscow signed a new agreement in April 2018. The 'military co-operation roadmap' creates the path for bilateral strategic relations until 2020. Russia has agreed to deploy a rescue boat, train Vietnamese officers in Russia and increase the number of joint exercises. Vietnam, which is a traditional client of Russian arms, has also acquired a K-300P Bastion-P coastal defence system that could be deployed in the Spratly Islands.

### Russia and the South Pacific

Moving a bit further east and south, we have seen an increase in Russian military engagement across Australia's broader backyard. In December last year, a Royal Australian Air Force base in the Northern Territory was put on high alert as two strategic Tu-95 MS bombers came near to Australian air space, though without entering it.

They had begun their journey from an Indonesian airfield, where more than 100 Russian officers were present for joint military exercises between Moscow and Jakarta. While some analysts say they mainly gathered intelligence, the fly-over certainly did one thing: it sent a message on Russia's potential reach and strategic military capabilities. Those bombers, after all, can travel 15,000 km without refuelling.

Aside from Indonesia, the Kremlin also has increased its military ties with the Philippines. Last year, the Kremlin donated military equipment to the Duterte regime. And after numerous port visits from the Russian navy to the Philippines, Manila returned the favour and called port in Vladivostok last month. While the Philippines have had traditionally close ties with the United States, recent developments might indicate a change: Russia is attempting to sell two Kilo-class submarines to the country, with potentially more deals in the offing. The Filipino ambassador to Moscow, Carlos Sorreta, wrote on Facebook: "Russia is willing to provide brand-new equipment customised to the specific needs of the Philippines at favourable financial terms, with reasonable delivery times, full after-sales service, necessary training and without political conditionalities or limitations"<sup>6</sup>.

The Philippines also deployed its first-ever defence attaché to Russia earlier this year.

### Small Island States

Further south, the Pacific Islands States are among the beneficiaries of Russian engagement. Like the arms donations to Manila, Fiji also received a complimentary delivery of Russian arms. In 2016, 20 containers – allegedly only containing small arms intended to support the Fijian presence in United Nations peacekeeping missions – reached the island state. The Kremlin, however, also sent Russian soldiers to allegedly train the Fijians in the use of the small arms, which fired up speculation that the shipment included other weapons as well.

Other diplomatic facilitations have included visa-free travel arrangements between Russia and Fiji since 2013, Nauru since 2014, Vanuatu since 2016, and Samoa and Micronesia since 2017. Worrying are the diplomatic relations of Nauru with Abkhazia and South Ossetia, which the island state recognises. In return for the recognition, Nauru received aid from Moscow. As a consequence, representatives from those republics received an invitation to this year's Pacific Islands Forum.

### Conclusion

While the Kremlin is not a direct threat to Australia (yet), awareness and attentiveness are well advised. Aside from the fact that Moscow, through different measures, is challenging the very system that Australia is supportive of, the international rules-based order, Canberra should also realise that Moscow's increasing involvement throughout the Asia-Pacific and broader Indo-Pacific regions, can lead to regional power struggles. Russia is driven by its own national, economic, geopolitical and strategic interests. Engaging across the Pacific provides Moscow with diplomatic and economic opportunities, access to local economies, investment and militaries, e.g. potential access to airfields and ports. That engagement and Russian presence bear significant potential to boost the Russian economy. Looking at trade interests in Australia's backyard, sooner or later Australia might be in direct competition. And the fact that Australia is in a neighbourhood where many countries are potential arms clients of Russia, should definitely feature in Canberra's strategic thinking; particularly with Canberra's latest ambitions to boost Australian arms exports globally.

Given the waning United States diplomatic presence and the lack of Western interest in the region, Canberra should recognise that players such as China and Russia will fill those gaps. It should prompt the Australian government to greater long-term, sustained engagement with the Asia-Pacific.

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<sup>6</sup><https://www.businessinsider.com/heres-how-russias-making-itself-a-major-player-in-chinas-backyard-2018-9/?r=AU&IR=T>