

**REEMERGENCE OF RUSSIA
IMPLICATIONS FOR THE ASIA-PACIFIC REGION**

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Russia has reemerged as a major player in international affairs. Hence in the context of Russia's relations with the Asia-Pacific region, it may be worthwhile to enquire into the following—

1. What are the factors that have contributed to Russia's reemergence?
2. What is the state of relations between Russia and the West and what are their implications for the Asia-Pacific countries?
3. What are Russia's key interests and priorities in the Asia-Pacific and what are the likely priorities of Russia in the next decade or so.

Focus on Russia's relations with the South East Asian countries in the Asia-Pacific region. .

There are a variety of factors that seem to have contributed to this development.

- (a) centralization of political power which has effectively enhanced the powers of the president,
- (b) weakening of the role of the political parties, including the Communist party, which offered strong opposition to the former president Boris Yeltsin.
- © making even the Duma (the Russian Parliament) less effective to oppose the president.

Firstly, with concentration of power with the Kremlin, Putin was able to pursue an assertive policy both in domestic sphere and also in Russia's foreign policy issues.

Secondly, Russia has become economically strong.-- relatively high GDP growth rates about 8.1 pc in 2007.

Mainly two factors—namely huge hard currency earnings by export of oil, natural gas (Petro dollars) and Earnings from export of defense equipments.

Russian state sector companies and Russian energy giants such as Gazprom, Rosneft investing in the energy sector to acquire assets such as oil fields and pipelines. Russia has followed a policy to reduce the share of foreign companies such as British Petroleum in joint ventures in Russia.

Equally significant is that Russian companies have increased their share in companies abroad

The Russian state, energy giants and the new class of Russian Oligarchs have been working in tandem to achieve the objective to make Russia energy super-power in the World.

Putin's emphasized on increasing the production of arms and military equipments and modernization of defense sector.

Thirdly, Russia has been actively associated and working in several regional organizations with the former Soviet republics, present Commonwealth of Independent States—Collective Security Treaty Organization, Eurasian Economic Community etc.

Russia—West- Growing Conflict of Interests

Ups and downs in Russia's relations with the West after the Soviet break-up. At present Russia's relations with the West are witnessing a downward phase.

What are the factors that are impacting on Russia's relations with the West.

Firstly, from Russian perspective NATO's Eastward expansion policy .

Secondly, Russia's relations with the European Union often affected even as the EU is the largest partner of Russia for trade and economic relations.

Thirdly, Russia's building nuclear power plant with Iran at Bushehr and supplying nuclear equipments to Iran has created great resentment in the West. Linked to this Iranian issue is the US proposal to set up a 'Missile-Defense Shield' in Europe.

In response Russia has even threatened to put anti-missile units in Kaliningrad in the Baltic region targeting Europe.

Fourthly, differences between Russia and the West on issues - Russia opposed the US hegemony as a sole super-power in international affairs.

Putin strongly advocating for building a multi-polar world order.

Implications of Russia-West relations for South East Asian countries?

Russia more inclined to the Eastern countries to promote its own political and economic interests by strengthening ties with the ASEAN countries-as a part of "Look East" policy. Gazprom, Rosneft etc might intensify their efforts to push exports of energy products to the Asian countries.

Possibility of more intense competition between Russia and the West in the South-East Asian market for energy and trade in the next 8-10 years.

For instance, Russia might invest in the energy sector of Indonesia, Malaysia not for meeting its own domestic needs but to enhance its influence in global energy market.

Likely competition between Russia and China, which has already made inroads in the South-East Asian market.

Russia- South East Asian Countries- Political Relations

Russia has multi-vectored interest in the Asia-Pacific region--geopolitical, political, economic etc

Russia's foreign policy is based on the concept of balance of power, which is fundamental to Moscow's view of the World. This has been reflected Russia's Foreign Policy to ASEAN countries.

Russia has priority to assert its position vis-à-vis the Western powers in this region.

Secondly, it is important to note that there is recognition on the part of the Russian policy makers about the growing strategic importance of Asia-Pacific and ASEAN countries in the world. Hence Russia's 'Look East' policy has been intended to promote its own national interest in this region.

Thirdly, Moscow firmly believes in close co-operation with the South East Asian countries.

ASEAN-Russia political and security cooperation is expected to strengthen given the convergence in interest in ensuring a peaceful region to pursue economic development and to combat the menace of terrorism and trans-national crimes.

To achieve Russia's foreign policy goals, Vladimir Putin pursued active political diplomacy with regard to these countries, which is evident from several visits during his presidency of Russia for 8 years since 2000 to May 2008.

Several high level Russian leaders have made several visits to reiterate Russia's policy priority towards the South East Asian countries.

Vladimir Putin's attendance of the Association of Southeast Asian Nations summit in December 2005 in Malaysia had been described as further evidence that Moscow preferred closer interaction with Asia over integration with the West because of shared values.

Russia is confident about active cooperation with the Asia-Pacific and ASEAN countries bilaterally, at regional level and within international associations.

This has helped the partnership to become an influential factor in regional politics.

Russia has paid emphasis on the establishment of a mechanism for regional cooperation between the ASEAN Regional Forum (ARF) and Shanghai Co-operation Organization (SCO) for effectively tackling issues concerning security and terrorism.

Russia-ASEAN Economic Relations

Russia's 'Look East' policy has strong economic interests and considerations. Russia's economic ties with the ASEAN countries are guided by the region's enormous economic potentialities; high and consistent record of economic growth rates; huge market potentiality in Asia with about half of the population in the world and about one-fifth of global trade.

Neo-liberals argue that three elements have transformed Russia into a predominantly regional player in the Asia-Pacific region.

Firstly, the changing character of Russia's Far Eastern regions and their relationship with the wider region of Asia.

Second element is a genuine commitment to strengthening relations with major Asian powers including those in the Asia-Pacific region.

Third element is the 'Economic Factor'--the contention being that economic instruments are often more effective than traditional political and military means in projecting influence.

Hence Russia has keen interest to increase trade and economic ties with the countries in this region.

Russia's aggregate trade turnover with the ASEAN, which was not significant in 2002, has almost doubled in the past six years. But this is only one-third of the potential of trade and technological cooperation.

With significant economic growth during the last few years, Russia wants to shift the focus to co-operation in the hi-tech areas; banking and finance; services sector.

Bilateral cooperation between Russia and South East Asian countries have great economic significance. For instance, the Russian authorities have bilateral cooperation with Malaysia to promote interaction in the areas of small and medium enterprises, science and technology, energy, minerals, transport, finance, agriculture, technical cooperation, tourism, information and communication technologies, environment protection and disaster management.

Besides promoting trade there are other economic issues which are of interest for Russia in the South East Asian region. For instance, according to Russian Think Tank, Russia could emulate many things from the experience of South East Asian countries-- methods of attracting foreign investment; the establishment of special economic zones and free trade zones; support to small and medium-sized businesses; and the creation of a common regional currency, the Asian Currency Unit (ACU).

For Russia energy is an important sphere of promising cooperation with the Asia-Pacific countries.

Russian energy giants Gazprom, Rosneft have calculated that Russia, which has the world's largest energy reserves, will supply some 110 billion cubic meters of gas to Southeast Asian by 2020, with the share of liquefied natural gas (LNG) growing consistently. They would also invest in the energy sector through joint ventures and also would like to acquire assets in energy related projects to sustain its role as Energy Super Power.

Russia has several years of experience in nuclear technologies, including in designing and using fast neutron reactors.

Russia is one of the world's leaders in the production of small nuclear power units, and its achievements could also be used in other countries. Several regional countries, notably Indonesia, Malaysia, Thailand and Vietnam, have announced their intention to develop a nuclear sector in their power industries. Russian experts are modernizing the Da Lat Nuclear Research Reactor and assembling equipment for the Hanoi gamma-ray unit. Russia would increase its efforts to have more collaboration in nuclear energy sector with ASEAN countries.

Russia is interested in the Asia-Pacific region to secure support for its entry into the World Trade organization.

Russia has renewed its interest in promoting defense production and exports primarily under Putin's presidency. Hence Russia has a major stake in exporting arms and defense equipments to the Asian region which includes many South East and Asia-Pacific countries. Russia would also seek new forms of cooperation such as establishing technical maintenance centers in Malaysia and Indonesia and so on.

Under the new leadership of Dmitri Medvedev as President and Putin as PM, there will be continuity in Russia's policies towards Asia-Pacific in general and South East Asian countries in particular in the next 8-10 years.

--Russia's political ties will remain strong both at regional level and at bilateral levels for promoting its strategic interests and for shared values.

This will help Russia for achieving its global objectives and security interests.

The Russian state and Russia's energy giants such as GAZPROM, ROSNEFT etc will work in tandem to increase Russia's role in the energy sector.

Russia will seek to strengthen co-operation with the ASEAN countries in hi-tech, service sector, financial sector for modernizing and diversifying Russia's economy.

ROSOBORON will also be expected to actively operate in the region to step up Russia's arms sale and defense equipments and establish new forms of cooperation.

Russia could be interested in getting qualified and skilled work-force from ASEAN countries for economic development of East Siberia and Far East region of Russia.