

Article and Book Reviews

Rise through the Turn¹

Review of the book “Turn to the East:
The Development of Siberia and Eastern Russia
in Strengthening Russia’s Foreign Policy toward Asia”
(ed. by I.A. Makarov), Moscow 2016

The subject of Russia’s Asian policy is itself interesting. At one end of the spectrum, it reflects the tradition of Russian elites to search for a correlation between Asian and European development paths and for ways to reclaim the lands of the Russian East. At the other end of the spectrum, the problem is a part of the international debates about the shift of global economic power toward Asia, debates in which geoeconomics are closely linked to geopolitics. These particular complex and diverse processes in the Asia-Pacific region seem to shape the future world system. And it is not only due to China’s economic rise but also to India’s development, Japan’s efforts to become a “normal” country and free itself from the burden of World War II, the alarming situation on the Korean Peninsula, the “rebalance” of the U.S. policy in the region, the ongoing Taiwan issue, stiff economic competition and militarization in the region, territorial disputes, and increased regional integration. The success or failure of Russia’s turn to the East depends on country’s involvement in exactly these processes, which is directly connected to understanding, precise evaluation and forecasting the new global rising power development.

S.A. Karaganov, dean of the School of International Economics and Foreign Affairs of the National Research University Higher School of Economics, presents his opinion on the history of the “Asian vector” in the introduction. As he sees it, Russia’s turn to Asia has a lengthy intellectual origin. It is hard to argue with that. The European moral and cultural orientation has been dominating the intellectual discourse for a long time. However, it is hard to fully agree with Karaganov’s hypothesis about Russia’s Asian studies community being partially responsible not challenging that view. As he argues, this community was engaged mainly in cultural, linguistic and civic issues instead of developing into a think tank that could pursue the idea. In reality, there were enough researchers of Chinese economic reforms, Korean conglomerates or *chaebols*, and changes in Japan’s foreign policy. Hundreds of articles and dozens of monographs by Russian academics are dedicated to the growing significance of the Asia-Pacific region. The question is whether the voices of those authors were heard. That said, Karaganov is right in setting out another thesis – that the principal reasons for postponing the turn to the East had a political nature, not an intellectual one. This is why “orientalists” and any other advocates of a more sensible geopolitical balance were often a minority. Western-centred approaches prevail among elites, and, as is faithfully stated by Karaganov, here we find deep historic roots – Petrine, Catherine the Great and all consecutive modernizations rested chiefly upon European practice, even the Russian “golden age” of 19th century was of a European character.

¹ This edited volume has been published at a time when political clichés such as the “turn to the East” and “Asian vector” have become widespread and even popular. Nevertheless, *Turn to the East: The Development of Siberia and Eastern Russia in Strengthening Russia’s Foreign Policy toward Asia*, edited by I.A. Makarov, has its own history and is by no means a tribute to the current situation.

The search for an answer to the question of who is to blame at a first sight seems to be abstract and unessential. In fact, it is the starting point for further analysis and the route to answer another Russian eternal question – what to do?

Before any discussion about ways to integrate Russia into Asia, it is worthwhile to find out with what bundle of knowledge about itself and its role in the region the country is starting the journey. And what are the perceptions about this region guiding Russian authorities and business and intellectual elites? Obviously, biased opinion is not the best guide. With regard to Asia's image in Russia, I find Karaganov's conclusion about the negative role of those with "barbarous manners" and the new "Eurasians" – with whom the communist ideology followers, focusing on the Chinese model, basically align – to be crucial.

Antagonism to the West, progress and modernization often underlies discussions about the turn to the East that blur the overall situation. Meanwhile, the situation in Asia (and for the theorists supporting these views the region is limited to China) is seen as rose coloured. It appears that supporters of this line cause most of the damage to Russia's policy in Asia as they pull the country not into the real Asia but toward the fictional one and restrict alignment with Asian countries within ideological (read anti-western) boundaries. Taking into account infirm grounds and rainbow-chasing of this scenario of the turn, it brings great disillusion that "scenarists" tend to assign to intrigues of the liberals and the West. The ideologization of the turn washes away its essence, economic and humanitarian specifics, making the whole concept just a declarative issue.

Yet there is nothing more anti-patriotic and loss-prone than an intention to become "successful Asia" without moving a finger and hoping for selfless help from Asian partners, to such an extent that identity and personality are almost lost. To paraphrase M.V. Lomonosov, Russian powerfulness in the minds of those who support the "ideological turn" will increasingly defer to China, not Siberia or the Arctic Ocean. The rest of the Russian philosopher's phrase – that Russia's power "will reach main European settlements in Asia and America" – is left out of the equation. The global dimension of the turn to Asia is completely ignored.

Sometimes much more attention is attributed to the "riddles of Asia" rather than to how Asian business is actually done. And business games have been played differently for quite a long time already – no longer not according to the tractates of Sun Tzu but by global rules. Tea masters may also teach how to conduct business properly but according to the assumption that they have already struck several multi-million deals. The return to discussing the turn to Asia from an abstract cultural and civilizational perspective to the more "grounded" economic view is critically important. Hence, the authors' aim to highlight the thesis that an economic turn is not equal to civilizational turn is welcome.

Also important is the idea proposed by I.A. Makarov, editor of the volume, that this turn has an objective character and is not simply a reaction to the crisis in the relationship between Russia and the West. This thesis is developed in the first part of the book, which focuses on the internal state of affairs in the Asia-Pacific region, specifically the transformation of the socio-economic model of development. The authors try to make their analysis as topical as possible, for example, by investigating the new trends in China, Asia's leading economy. They discuss the structural reform declared shortly after the fifth generation of China's leaders came to power, led by Xi Jinping. The idea of this reform, according to the authors, is to give priority to expanding domestic demand and developing new sectors, including modernizing the manufacturing and service sectors. More attention should probably have been paid to the "Decision on Major Issues Concerning Comprehensively Deepening Reforms" adopted at the Third Plenum of the Communist Party of China's 18th Central Committee in November 2013. This document, which is essential for understanding the character of this new stage of Chinese reforms, could have been thoroughly analyzed.

It is worth noting that the bibliography contains exclusively English-language literature, which is often published in the West. Even though the authors used some papers written by Chinese colleagues, the research would only benefit from presenting the official Chinese stance and the viewpoint of China's expert community. In researching the Chinese economy, the authors do not cover such important topics as the reform of state-owned enterprises by granting them the status of market-based enterprises, attempts to solve the problem of bad debts, the stimulation of private capital investments into state projects and measures to facilitate market access (including for foreign investors). Perhaps they considered these issues to be part of China's domestic agenda, which has no significant influence on Russia-China relations. However, such a study could have assessed the opportunities and risks that are emerging from the current critical stage that the Chinese economy finds itself in.

The authors' key conclusion from their analysis of the regional economy is that the Asia-Pacific region currently faces a switch from being oriented toward exports to building up intra-regional value chains (an "Asia for Asia" model). This new paradigm also manifests itself in integration processes. The first part of the book discusses three mega-regional integration formats – the Asia-Pacific Economic Cooperation (APEC) forum, the Trans-Pacific Partnership (TPP) and the Regional Comprehensive Economic Partnership (RCEP). In his chapter, E.A. Kanaev does not endorse the pessimistic view of Russia and China's exclusion from the TPP but predicts that the signing of the agreement will lead to further polarization in the processes of economic regionalism. What is also possible is the thrashing in projects realization within Association of Southeast Asian Nations (ASEAN), and RCEP in particular. Nonetheless, Kanaev argues that TPP will stimulate cooperation in these other forums. Among other things, a natural response would be strengthened Russia-Sino collaboration.

The authors in this book do not limit themselves to the problems of economic transformation. They also offer an analysis of a new configuration of regional security in Asia Pacific region. In their co-authored chapter, Kanaev and A.S. Pyatachkova state that the intensity of the conflict in the region is rising, which is not supported by an adequate evolution of solutions. The authors seemingly see no other options for promoting security other than cooperating at the bilateral level or during small meetings. Naming key threats to regional stability – North Korea's nuclear programme, territorial disputes in the South and East China Seas, piracy – the authors point to the inefficiency of multilateral formats. In their view, neither the ASEAN Regional Forum, the ASEAN Defence Ministers Meetings or the East Asia Summit (EAS) can tackle the security hazards and do not help harmonize relations among China, the United States and Japan – the key players in the Asia-Pacific region.

The authors correctly note that Russia, having joined EAS in 2005, has not been represented at this forum at the presidential level in recent years. Usually, Russia's critical view of EAS can be explained by the imbalance of interests of the key actors and competition between China and the United States, but it remains hard to understand whether Russia's independent participation is even possible in regional security, where the same factors play a role.

In the chapter on "The Demand for Russia in the Countries of the Asia-Pacific Region," such participation is considered possible. However, conclusions about countries' growing aspirations to balance and consolidate their economies to some extent contradict the authors' theses about the crisis in multilateral institutions that had been formulated a few pages earlier. On the one hand, ASEAN is now incapable of adding consolidation to its agenda; on the other hand, ASEAN's efforts to balance policies are mentioned. Perhaps what is meant here is the combination of multidimensional tendencies that still impede the creation of a mega-regional system of collective security. If the ultimate demand for Russia is driven by the necessity to create such a system by the example of Europe, then Moscow is unlikely ready or willing to

take the lead in this process. Co-sponsorship with China might lead to additional difficulties because of the well-known conflicts between Beijing and countries in the region. Given current circumstances, constructive cooperation with the United States is equally unachievable. Russia's self-sufficiency in all the above-mentioned spheres, which are problematic from a security perspective, has its limits. Moscow cannot contribute efficiently to settling the dispute in the South China Sea because it must keep an "equally spaced" stance regarding Vietnam and China. The authors' recommendation – to reduce tension and scale down the problem of freedom of navigation by offering the Northern Sea route or land bridges in Eurasia – appears too optimistic. Anyway, neither of these two projects will solve the dilemma of the Malaccan Strait, through which pass 82% of oil deliveries and 30% of gas deliveries to the Chinese market. Russia's opportunities in food and energy security, also discussed in this chapter, seem much more realistic.

A more detailed analysis of the economic aspects of Russia's presence in the region is presented in the chapter on "Present-Day Bilateral Cooperation between Russia and the Countries of the Asia-Pacific Region" by Makarov, Kanaev, A.S. Pyatachkova and A.S. Pestich. By giving a general overview of cooperation in trade and investment, the authors emphasize that economic indicators do not signify a considerable alignment with China, not to speak about the whole region. Especially, it concerns investment cooperation, which does not yet correspond to the size of economies in the region.

In a more detailed way, trends in cooperation are analyzed in paragraphs dedicated to specific countries (there is an analysis of Russia's trade and economic cooperation with China, Japan, South Korea, North Korea, countries in southeast Asia and India). The most attention is paid to Russia-Sino cooperation. The authors do not avoid discussing existing problems. In particular, even in case of signed contracts, China finds it possible to change the rules of the game. In addition, there is the risk of a slowdown in investment activity due to China's anti-corruption campaign. In several countries' profiles, however, relevant information is missing. For instance, in the passage on cooperation with India, it would be worth mentioning the impact of Narendra Modi's economic policy on Russia-Indian cooperation, or looking at the role of the new "Make in India" industrialization programme.

The chapter on the collaboration in Central Eurasia by T.V. Bordachev is interesting and rich in terms of content. This topic remains the focus of expert discussions, owing to the Eurasian Economic Union project and its integration with China's Silk Road Economic Belt. It was very important to provide not a description (which is a typical shortcoming in other chapters) but rather a detailed analysis with concrete suggestions. The chapter is partially based on "Toward the Great Ocean-3: Creating Central Eurasia" and concisely reproduces the report's most vivid recommendations. Obviously, a substantial part of Russian policy in Eurasia will be specified with time. Indeed, since this book has been published, "Toward the Great Ocean-4: Turn to the East" has been already released. Nonetheless, the conceptual approaches put forward in this book remain stable: it is the idea of strategic co-development of Central Eurasia, which Russia is about to realize hand in hand with its regional partners – primarily China.

Two parts of the book are devoted to the development of Russia's Siberia and Far East as one of the central ideas of the turn to Asia. The potential of Asian partners for the socio-economic enhancement of these vast Russian territories is the main idea behind strengthening the "Asian vector." At the same time, as the authors note, Siberia and the Far East may drive the country's economic and political development. A combination of economic and political strategies is critical for the authors, who say that a new paradigm for development is possible only after the former political dogmas have been completely abandoned, as many have hindered the full-scale integration of Siberia and the Far East in the Asia-Pacific region for many years. First

and foremost, the description of the basic elements of a new strategy highlight the necessity to stop treating the eastern regions only in terms of defence or as a home front in confrontation with the West or a safety net should a threat come from Asia and America.

The key elements of developing Siberia and the Far East are described in the book: measures to improve transport infrastructure, cooperation between Russia and Asian countries in the energy sector, and the role of Russian regions in providing water and food security in the Asia-Pacific region. One chapter is devoted to an overview of key infrastructural projects that will form the logistics system for Asia in the near future. In the authors' opinion, one priority is to involve Russia's eastern and Siberian regions in implementation projects.

The long, final part is dedicated to Russia's Arctic region. Such an in-depth discussion of challenges and opportunities in the Arctic is driven, according to the authors, by the fact that an appropriate mode of development for this strategic region has not been chosen yet. The future of Russia's Arctic is studied here in the context of extended international cooperation in extracting natural resources, developing transport corridors, conserving the environment and conducting scientific research. The prospects for collaboration largely depend on progress in setting out the Northern Sea route. That is why one separate chapter deals with the economic efficiency of this route compared to other sea routes. In the authors' view, the Northern Sea route will not become a real alternative to the Strait of Malacca or the Suez Canal. However, with the development of infrastructure, it could occupy a certain niche in bulk transportations between Asia and Europe.

On the whole, *Turn to the East* is a major contribution to the discussion of Russia's integration in the Asia-Pacific region. The authors of the book, which is the result of six years' work of the research group from the Higher School of Economics, try to avoid ideological disputes and do not give answers to all the questions raised by Russia's policy to turn to the East. Nevertheless, in analyzing the opportunities to develop the country's Siberia and Far East in the context of Asia's rise, the authors rely on three predominant methodological ideas that provide a real insight into the Asian vector. As indicated by Makarov in his foreword, they are as follows. First, the book covers both the external and internal dimensions of the turn. Second, the authors thoroughly analyze the real situation in the Asian markets, thus proceeding from the demand for Russia in Asian countries, not from Russian ambitions. Third, the research is multidisciplinary involving economists, specialists in international affairs, specialists in the region, historians and geographers. This list evidently misses lawyers. The role of experts in economic legislation in Asian countries is underestimated today, whereas esoteric practices, such as tea ceremonies or studies of Chinese symbolism, are overestimated. In real life, Russian business failures in Asia come from neglect of arbitration clauses or lack of knowledge of the contractual legal frameworks for the Chinese companies. Fiascos are not caused by Russians offering their business cards with one hand instead of following the tradition using both hands. As Russia's turn to the East is realized, new challenges and bottlenecks will arise. Debates on the Asian vector in Russian policy will definitely continue, and the role of such multidisciplinary research projects, based on carefully gathered, up-to-date materials, will keep growing.

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