From Greater Europe to Greater Asia?
The Ukraine Crisis’ Asian echoes and the implications of Russia’s tilt towards China for Europe and Japan

Japan NIDS Delegation Visit,
Royal Higher Institute for Defence, 4 June 2015
2014 - milestone year for Ukraine, European geopolitics and East-West relations

Return of war and logic of territorial divisions based on sheer military force in Europe

Effects of Ukrainian crisis throughout European and Eurasian space

Several Ukrainian crises (at least 3): (Euro)Maidan (11/13-02/14), Crimea (03/14), and Donbas - distinctive meaning: street revolution, illegal annexation, and new secessionist conflict

Ukraine crisis elicits completely ≠ narratives/perceptions from Russia and the EU/US

Reflects persistent failure of successive pol administrations to build a functioning pol & eco system that can serve as a base for UKR prosperity + “victim of geopolitics”

Cost of having to choose between “Look West” & “Look East” Policy: not a zero-sum game anymore

Convergence between of opposition to Yanukovych and support for pro-EU orientation

EU convergence process challenging “brotherly” status of Ukraine

Russian policy towards UKR centred on ensuring UKR remains within Russia’s sphere of influence

Annexation of Crimea, “little green men”, support for separatists in the East, “humanitarian aid” convoys that do not respect borders, swift breach of the Minsk agreements, support of separate elections in breakaway regions of Luhansks and Donestk
Ukraine Now: in Trouble, at War

- Political instability, fragile law enforcement, ↑ societal divisions, ↑ culture of violence, gangsterism
- Economic outlook for Ukraine “worse than any time since 1945” (WB), exodus of foreign investors, heightened risk of default, hryvnia devaluation, grave disruption to basic services
- Limited Western desire (ability?) to help financially
- Wide-ranging legislative programme of reforms, anti-corruption drive
- Central government remit does not extend to the whole of the country’s territory
- Russian-sponsored Russian-speaking Ukrainian insurgency in the East
- Donetsk & Luhansk regions outside national state institutions (<> self-appointed “people’s republics”)
- On-going “Anti-Terror-Operation” by UKR Gov. forces against “separatists” & “Russian terrorists”
- “Humanitarian disaster” in Donbas, widespread destruction of housing, industrial assets and key infrastructure, extensive depopulation (over 1 million refugees and IDPs)
- Acute vulnerability to Russian pressure: energy, economic sanctions, restrictions on migrant workers
- Deep societal divisions, dissatisfaction, restlessness and fear of fully-fledged war
- Is the pro-Western course firmly set?
- ↑ pro-Ukrainian statehood, also in the East
- Has Russia made a major strategic blunder, having “won” Crimea, but “lost” the Donbas?
- Other regions (Odessa, Kharkov etc.) susceptible to political subversion & instrumentalisation
- Donbas remains violent; real risk of renewed war
Ukraine Crisis
The war between Ukraine and pro-Russian rebels, which began soon after Russia annexed Crimea in 2014, is the worst crisis in East-West relations since the Cold War.
War and Humanitarian Crisis in Donbas

Photos taken by freelance photojournalist Jonathan Alpeyrie during fighting in Debaltseve, January-February 2015
Intra-Ukrainian & Russo-Ukrainian Deadlock

- Minsk I (09.14) and II (02.15) flawed, cease-fire deal “violated on a daily basis”
- Existing frontline cemented as de facto frontier, also as result of measures introduced by Kyiv
- Russia does not want/need formally incorporate 2 regions, insists on federalisation of Ukraine
- Rebel political structures reject regional autonomy, seek full int. recognition of “Novorossiya”
- No obvious solution, prospects for negotiated political resolution of the conflict (very) slim
- ↑ radicalisation of belligerents; lack of negotiating partners with potential for reaching agreement
- Whether re-integration will ever happen depends not only on the political will of the Ukrainian elite but also on the readiness of UKR society in the region and the rest of UKR to support such a process
  + Russia’s further actions with regard to the region
- “Frozen conflict” as most likely outcome: Expect Donbas to evolve into another Transnistria?
- Equivocal endogenous support for self-appointed “people’s republics”
- How “indirect” are Moscow “hybrid” war methods in UKR?
  - “No regular Russian troops fighting in east Ukraine” (Moscow)
  - “Moscow supports pro-Russian separatists with troops and military supplies” (West)
- What degree of control/influence by Rus. political and security service over rebel structures?
  - Deepened Rus. command and control of insurgents (U.S./NATO)
  - Operating under joint command structure (“combined Russian-separatist forces“)
- What are Russia’s final intentions/objectives in Ukraine?
- Do they let room for a negotiated political resolution of the conflict?
The East-West Diplomatic Impasse

- Shattered the West’s notions about Russia, the motivations and limitations of its behaviour
- Why has Kremlin dismissed the future of UKR as an independent, viable state in its own right?
- RUS as a revisionist/revanchist power?
- Does the West continue to misunderstand the significance of Ukraine to Russia?
- Surfeit of complacency, failure to capture the depths and consequences of RUS mistrust towards EU/disappointment in the West/increased focus on “Euro-Asian” identity
- NATO/EU expansion as threatening Russian security interests (red line argument)
- Marking failures in “shared neighbourhood” paradigm/lessons for EU about the limits of engagement
- UKR crisis as the logical outcome of long-term processes?
- Obj.: structurally impede UKR “western choice”, make example out of it (//Georgia), “reunify” post-Soviet space under Russian leadership (“sphere of natural influence”)
- RUS actions towards UKR guided by interests, symbols and values
- ↑ exclusionary values dynamics; Kremlin’s anti-Westernism on emotional level; revived CW narratives
- Russia will not change its policy towards UKR; not underestimate the importance of not “losing face”
- Unchanged (so far) by sanctions and Western criticism (ever more reckless)
- Where now for EU-Russia relations? Pressing need for reviving/reconceptualization
- How to return to dialogue?
Challenge Western Institutions and Norms?

**Challenge**
- Test US/NATO credibility as guarantor of order; test Art.5 to Baltic states – legitimise U.S. as European power
- Zero-sum - EU AA incompatible with EEU?
- 1994 Budapest Memorandum: NPT regime (statehood guarantees for denuclearization)
- Break 25 years post-Soviet territorial status quo settlement

**Response**
- **NATO** - Russia as "strategic adversary"; solidarity and reassurance; ↑ defence spending
- **EU** – Russia “no longer a strategic partner”; sanctions holding; Germany as game changer
- Norms and values bottom line; Russia loss of soft power
Lost Ukraine and EEU?

Pax Russica and CIS System?

Eurasian Pushback?

- Unease at use of force vs. state with internal divisions ... KAZ
- Exploit opportunities to frustrate or drive up costs of integration with Russia to gain concessions
- Not want to be dragged into political battle between Russia and the West – use China to hedge and balance
- China brand has greater normative appeal – and money (SREB and AIIB)
Sanctions Regime (and the spill-over of its effects)

- Targets RUS 3 weakest points: critical dependence on European energy market, on Western capital markets, technologies including offshore drilling, LNG plants, telecoms etc.
- Impact of sanctions significant on both sides,
- Due to expire Summer 2015, likely to be extended – What next?
- Successful in undermining RUS economy but did not stop support for the separatists in Donbas
- Effects on RUS FP → accelerating campaign of “import substitution” and search for new partners
  → Boosting Russia’s new “Eastern Policy”
  → Shifting RUS FP axis from the Euro-Atl. to the Asia-Pac. (cf. ‘pivot’)
- Political/ideological narrative of RUS as an (Eur)Asian power
- Not a direct consequence of UKR crisis (prior), but necessary acceleration of it
- Kremlin became more anti-Western on an emotional level” + vital need to circumvent out casting
- UKR crisis (and eff.) finalising transition of RUS comfortable thinking of itself as an Asian country
- Still, Asia remains a fairly tale for Russia (no overarching strat goals)
- One only major partner in Asia: China
- Russia’s “Asian Pivot” essentially (solely?) driven by/building upon Sino-RUS “special” relationship
- Immediate translation: “Hard-a-starboard” towards China to try to compensate losses in Europe, and to hedge and balance the West
China’s Soft ‘Nyet’ to Russia’s Ukr Intervention

- Offering Russia a helping (opportunistic?) hand, from the perspective of mutually reliable partners
- Impossible to alienate closest (only) “strategic” partner it still can rely on when it comes to clenching of fists against a common challenger
- China in a bind: competing diplomatic dilemma, competing pressures
  → Very cautious and intentionally ambiguous response
  → Did not criticise RUS openly, but also did not support Moscow’s line
  → Disapprove EU/U.S. sanctions logic, but will not resist it for the time being
  → “Implicitly” recognized Crimea as part of Russia, “having joined voluntarily, not forcibly” (...)
    but pointedly refused to take part in the construction of new transport corridor
- Concerned about diplomatic price to be exacted for RUS reckless actions
- RUS UKR policy fly in the face of China FP’s longest held tenets (“non-interference”, “anti-separatism”)
  // domestic nationality issues: Crimea as Xinjiang/Tibet? Donbas referendum as Taiwan/Hong Kong?
- Erode trust w/CA (Quid Kazakhstan?)
- Fears any kind of destabilisation in its immediate vicinity (open door to more intervention from U.S.)
- BUT distrust towards the U.S. remains (much) bigger
- Suspicion of U.S. meddling brings tactical views closer to one another
- Concerns about U.S. long term intentions in the Pacific much more important than Moscow misgivings
- Backed RUS over UKR in hopes of gaining similar support for problems of deep concern
Russia-China Relations After the Ukraine Crisis

- Sanctions → need for alternative markets, sources of capital etc.
- UKR crisis as a formidable accelerator of Sino-RUS cooperation
- Formation of the new type of RUS-PRC relation proceeds fast
- Enhanced trade expected to move relations further towards sound, truly “strategic” partnership
- 3 strategic spheres of development: energy, finance, and infrastructure and technology

1. ENERGY
   - A new gas pipeline, “Sila Sibiri”
   - 2 possible new pipelines from Western Siberia and from Vladivostock to north-eastern China

2. FINANCE
   - 3-year currency swap for 150 billion RMB
   - Hong Kong banks initially opened accounts for Russian firms and individuals – but stopped

3. INFRASTRUCTURE + TECHNOLOGY
   - Initial agreement for Chinese rail companies to build new stations for Moscow subway
   - Nov. 2014, Sberbank agrees for Huawei to install Chinese equipment

- Lifted ban in bids on large infrastructure projects, on selling most advanced military techno (S-400 SA missile systems...)
- Plan to transfer up to 50% of trade to national currencies? Oil & gas?
- $400 billion gas deal (Shanghai, 05/14) + “Power of Siberia” gas pipeline (> $55 billion)
- Unexpected blow: price beyond control
- Hardships on the investment track
Russia-China Relations After the Ukraine Crisis 2

- Focus on the economy. **(geo)politics equally important**
- Sound partnership shall have significant impact on the global balance of power
- Narrative of “global influence” of Sino-Rus. “strategic partnership of coordination”
- Seek world recognition as great powers with accompanying global/regional clout
- Give-and-take relationship: keeps either from being isolated, can rely on when it comes to clenching of fists against a common challenger
- Common distaste for U.S./West “global policeman” function
- UKR brought Kremlin’s anti-Westernism on an emotional level
- More accommodating to some of Beijing’s ideas about global and regional governance
- RF-PRC illiberal order as a systemic alternative to liberal, democratic US-led network?
- Expanding polit cooperation in 3 areas: co-management of CA; alternatives to BW institutions; on domestic political issues
- Short of a formal military alliance, institution networks, geopolit bargains, client states, diversified partnerships, social capital
- No Sino-Russian bloc in the offing, but getting way beyond of convenience” formula → more of a **“soft” alliance**
China’s stand on UKR show limits of unequivocal solidarity

PRC-RF relationship more complicated than might first appear:
- continually tightening “strategic partners” (common cause in UNSC, SCO, BRICs etc.)
- competitors for leadership in CA, historical lack of trust, ≠ geo-eco projects

Russian-led “Eurasian integration process” (EEU-CSTO) vs. FTA within SCO/“Silk Road Beltway”:
Can a protectionist Russo-centric EEU coexist with China’s expansive Silk Road vision?

SCO finality? Moscow opposed to (Beijing) idea turning it into economic organisation

EEU as a failing systemic alternative? EU, China brand has greater normative appeal
- and money (SREB and AIIB) → competition already lost in CA?

Ambivalence, rivalry and imbalance: compatibility/overlap of strat obj.?
RUSSIA’s strat obj.:
Eurasian project, structurally impeding “western choice” in the post-Soviet space (“sphere of natural influence”), re-gain world recognition as a great power with accompanying regional clout, “Great Power relationship” with China so as to achieve a new global balance

CHINA’s dual obj.:
Enhancing partnership with RUS (business, energy, challenging U.S. order)
// interest in not seeing the resurgence of a RUS empire → supporting independence of post-Soviet states (energy, market opportunities, friendly “Far-West”, Silk Road 2.0)

- Post-Soviet states: protective integration and regime security (bandwagoning and counter-balancing)
  high price of deciding between European and Eurasian “integration”;
  tit-for-tat game between Russia and the West, not a zero-sum game anymore
- w/Ukraine: China’s strat objs overlap significantly with those of the EU
- Beijing strongly rejected the tactics of the Ukrainian revolution
- Not ready to bandwagon RUS in new E-W conflict
- Backed RUS over UKR in hopes of gaining similar support for problems of deep concern
  // last thing Russia wants is to get dragged into territorial conflicts between China and its neighbours in East or South China Sea
- China needs to secure its interests in RUS + maintaining a co-operative relationship with the U.S.
  → positioning China as eventual middleman between the Kremlin and the West?
Russia-China Relations After the Ukraine Crisis 3

- As a result of UKR crisis, ↑ strength and comprehensiveness of partnership
- “Pivot to Asia” (2012) → de facto “Pivot to China” (2014)
- Moscow’s dependency on Beijing (will) keeps growing, i.e. bounding hand and foot to Beijing?
- Out of necessity: more and more accommodating to China
- Risk of becoming over-reliant on China
- In concrete terms of relationship, UKR crisis carry both challenges and opportunities:
  - For Russia, China cannot fully replace the West as a market and source of capital and techno, but cooperation can help to reduce the damage caused by sanctions. RUS economy will be in a worse shape, but China may provide with minimum level of wealth needed for Putin’s regime to stay in place
    → fortification of RUS economy against sanctions ↑ V. Putin’s regime security
  - For China, UKR crisis provides great opportunity to increase access to RUS natural resources, military technology, gain contracts for infrastructure projects and new markets for Chinese technology, and turn Russia into a “junior partner” in the relationship between 2 countries
    → China will be certainly strengthened as a result (secure many of its strategic interests)
- Profit-maximized eco relations from which both parties benefit within a win-win situation?
- Narrative of beneficial Sin-Rus. interdependence and complementarity (“friendship of equals”) vs. fear of Rus. turning into “resource subsidiary” of “China Inc.”
- China providing with money and goods but only in a way serving its own interests
- Russia welcoming much needed Chinese investments but fearful of security threats of overly ↑ Chinese economic footprint in RUS (cannot afford limitations anymore?)
- Allows Beijing to accelerate the process of transforming Russia east of the Urals and CA into its “near abroad” → undercutting in the east the policy goals Putin has proclaimed in the west
- Need for balance now a need for Moscow’s policy in Asia and elsewhere outside the West
- Develop infrastructures linking RUS to global markets, not to a single customer - Can RUS afford it?
- Balancing the West with China/with other Asian regional powers? India? Japan?
- Have to be more engaged diplomatically in the Asia-Pacific (and elsewhere)
- Bolt out the blue, need to find eco counterweight to China should push Russia towards closer co-operation with the U.S. in Asia (...)
- U.S. attempt to involve partners in isolating RUS: key risk to Russia’s Looking East Policy
- India? Inertia, centrifugal China force + Modi pivoting FP to closer collaboration with U.S.
- Japan?
Japan’s “Painful Choice” on the UKR Crisis

- UKR crisis as a ripple in the waters of improving JAP-RUS relations
- JAP strong interest in sustaining energy supply (//UE) // RUS diversifying export + modernization
- JAP values RUS as a balance vis-à-vis China (and vice-versa)
- Abe Gov. strong emphasis on renewing JAP-RUS ties (5 Abe-Putin meetings since 2012)
- Impossible to equivocate/found itself “forced into Western camp” (U.S.-JAP alliance, G7)
  + special echo of great power land grabs (// Crimea - Senkaku/Diaoyu)
    “Japan will never overlook any attempt to change the status quo by force” (Kishida, 03/14)
- Crim referendum “legally invalid” → cooperation talks “frozen” (03/14)
- 04/14: hanging on the sanction train (1st Russia sanction list)
- Ivanov’s visit to South Kurils/NT: reigniting dispute as quick back tool?
- 09/14: restricting RUS bank activities and stepping up controls on arms exports (sectorial sanctions)
- 12/14: sanctions list widened (freezing of assets)
- Toughening of Tokyo’s stance, emphasis on Japan’s co-operation with G-7/U.S.
- Closer in line but still one step behind wide-ranging U.S. and EU measures
- Uncertain balancing act: dialogue to be continued “for the sake of advancing bilateral relations”
- Worsening split between the West and RUS is putting Japan in a tough position with important field effect for overall diplomatic strategy
- What price? Changes to Japan’s resource/territorial discussions with Russia
Lessons for Asia 1

- Kremlin’s decision to annex UKR territory undermines the norms and standards of international behaviour at the very core of international law
- UKR crisis reveals capabilities and limits of existing rules of the road to deal with ≠
- Most institutionalized region of the world has few arrows in the policy quiver to respond to territorial aggression – worst possible lesson
- So as the U.S. focuses in its Asia policy on shoring up the ASEAN Regional Forum, East Asia Summit, ASEAN MoD Meeting +, the argument that establishing shared rules will enhance regional security has frayed a little at the edges
- UNSC & int. norms vulnerabilities matter in Asia
- Recognition by China of Crimea joining RUS: exception and/or precedent?
- Worsening split between the West and RUS is putting some Asian nations in a tricky position
- Curving Russia // China’s eventual path to revisionist power: Containing through involving/partnering vs. isolating/constraining by a strengthening logic of sanctions within the geopolitics of competing alliances in Asia ?
- Particularly relevant to Japan:
  - How to undermine underlying dynamics and address long-term challenges posed the effects of China further strengthening in Asia-Pacific through an ever closer partnership with Russia?
  - Costs-benefits analysis, in terms of national strategic interests, of Russia’s “constrained” strategy of undermining the effects of sanctions by developing relations with China?
Deepening Sino-RUS entente – with its unstated, but transparent goal of reducing U.S. global dominance – is easily the most important result of UKR crisis and preceding deterioration of RUS-Western relations.

The West and its allies need to take this seriously.

A closer RUS-China link present long-term challenges that need to be addressed.

As a main result, China is getting strengthened through the dynamics of closer partnership with Russia that help secure many of its strategic interests.

With ↑ strength and comprehensiveness of China-RUS relationship, “U.S. will see its principal 21st century competitor being able to rely on the resources and support of its 20th century adversary” (Dmitri Trentin)

//, under current circumstances, Moscow’s dependency on Beijing is growing.

In the long term, further developments could make RUS ever more dependent on China, turning Moscow into a junior partner in the relationship between the two countries.

Final score in the game Putin thought he would win could be China - 1, Russia - 0

Lessons for Asia 2
The longer RUS, isolated by the West and its allies, is let with no other option but to orient itself towards China, the more important the consequences will be. Some key elements such as arms deals and Chinese control over key resource deposits may become irreversible and have a lasting effect on Russia, European interests, and global security – even after Putin has left office.

- **Hyp. 1**: UKR crisis and spillover in terms of ↑ strength of China-Russia relationship may help Beijing become more unabashed about ways to deal with problems of deep concern?
- **Hyp. 2**: As time goes on, China might see merit in supporting RUS more steadily over UKR/conflict w/West, i.e. in exchange for Moscow's support of Beijing's maritime ambitions?
- **Hyp. 3**: UKR crisis is beneficial to China because it would distract the US, which would pay less attention to Chinese moves in Asia-Pacific, particularly the South China Sea?

With US leadership in the region being in question, this may lead to an arms race, with unpredictable consequences for regional and global security.

A cornered, more dependent RUS will give China more resources to prepare itself for the ultimate struggle for great-power status in Asia-Pacific.

Armed with Russian technology and Russian resources, China could become ever more assertive in its neighbourhood.
Ways ahead to undermine that conundrum?

1. to isolate Russia further by dissuading China from co-operating with (if possible?) by introducing sanctions against Chinese (and other any third-country) companies that do business with sanctioned Russian entities (that is, the military-industrial complex, oil and gas firms, and state-owned banks) → high risks, unpredictable effects

2. alternatively, to try to undermine the increasingly close RUS-PRC relationship by encouraging other Asian countries, e.g. Japan, to co-operate with Russia (i.e. not to uphold the sanctions regime) in order to decrease its dependence on China – i.e., giving Russia an alternative to China. → will address the long-term challenges presented by a closer Russia-China link
Discussion