

Gateway or Garrison? Border Regions in Times of Geopolitical Crisis

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Abstract Russia's border regions have had moments as open 'gateways' to cooperation. More often, however, the border has been viewed as a 'garrison': an outpost of state power. This chapter places the Russian Far East in the broader context of Russia's pursuit of economic development and security concerns, noting that Russian foreign policy is not necessarily uniform: there are elements of compartmentalization/disaggregation along geographical vectors. The chapter broaches the question that informs all case studies in this volume: has Russia intensified its diplomatic and economic outreach to its eastern border areas and beyond because of the recent breakdown in relations with the West—or would such a shift have taken place anyway, given the economic pull of the Asia-Pacific region?

Keywords Russia • Russian Far East • Policymaking • Asia-Pacific region
• Geography of foreign policy

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Russia's border regions have had moments as open 'gateways' to cooperation, as seen in the development of cross-border cooperation and trade across the Russian–Norwegian border after the end of the Cold War. More often, however, the border has been viewed as a 'garrison': an outpost of state power, rather than a gateway for trade and interaction.

In many ways, the Russian Far Eastern city of Vladivostok exemplifies the broader regional dynamics, opportunities and challenges that this book seeks to explore. For centuries, the territory where Vladivostok now stands was under Chinese control—a remote source of ginseng and sea cucumbers. In the mid-nineteenth century, the Russian Empire began asserting its presence in the region. From the founding of Vladivostok in 1860 up until 1909, the city was subject to a free port regime, attracting people not only from the European part of the Empire but also a substantial colony of foreigners: in the late 1800s, nearly half of the city's population hailed from outside Russia. After the 1917 Revolution, Vladivostok was one of the last strongholds of the White Army and part of the semi-independent, short-lived Far Eastern Republic. With the establishment of Soviet power in 1922, however, the formerly internationally-oriented city was gradually closed off from the outside world, culminating with the 1951 decision to ban the entry of foreigners (a regulation in force until the end of the Soviet period). Starting with Nikita Khrushchev's visit to the region in the late 1950s, Moscow began investing in urban and port facility development in Vladivostok. However, the city remained a closed naval base. With the breakup of the Soviet Union in 1991, local residents and external observers alike predicted a new boom for the city, with a transformation from a closed garrison to an open gateway to the Asia-Pacific. More than a quarter of a century later, these high hopes for Vladivostok, as well as the wider Russian Far East, are still far from met.

Russia's Far Eastern Federal Okrug consists of nine federal subjects: three ethnic autonomies (the Sakha Republic, the Jewish Autonomous Oblast and Chukotka Autonomous Okrug) and six 'regular' regions (Amur, Kamchatka, Khabarovsk, Magadan, Primorye and Sakhalin). With its 6,169,300 km², it is the by far biggest federal okrug in terms of territory: in fact, the Far Eastern Federal Okrug makes up one-third of the total territory of the Russian Federation. However, with only 6.2 million inhabitants, it has the smallest population among the okrugs. The Far East's post-Soviet history thus far has been primarily one of severe economic dislocation, dramatic population decline (since 1991, the overall population has dropped by more than 20 per cent—but the Chukotka region, for

instance, has lost almost 70 per cent) and rampant crime and corruption. And yet, the Russian Far East is a land of economic promise: vast natural resources and close proximity to major markets.

The need to develop the Far Eastern part of the country has been long recognized as an important issue for Russian authorities (see Stephan 1994; Kotkin and Wolff 1995; Thornton and Ziegler 2002; Lee and Lukin 2016). This recognition has been linked to the economic potential and untapped resources of the region, as well as to concerns that an underdeveloped and sparsely populated region could, in the long term, fall victim of Chinese expansionism (Lukin 2007). Over the last few years, developing the Russian Far East has become a growing political priority, with the clear objective of enabling Russia to benefit from closer cooperation with the fast-expanding East Asian economies (see, for example, Baklanov 2012; Karaganov 2012; Hill and Lo 2013; Bordachev and Kanaev 2014; Karaganov 2014; Lo 2014). To this end, Moscow has adopted a range of political strategies and investment plans aimed at developing infrastructure and generating growth in the Siberian and Far Eastern federal okrugs. Through developing the eastern regions, Russian authorities seek to tie the western part of the country closer to the Asia-Pacific, thereby facilitating a ‘turn to the East’ (Jeh 2015; Jeh et al. 2015).

With the crisis in Russian–European/North American relations precipitated by Russia’s annexation of Crimea in 2014 and subsequent involvement in eastern Ukraine, Moscow has, with increasing urgency, been pushing the idea of turning the Russian Far East into a new gateway (see Kaczmarek 2015; Lukin 2015; Lukyanov 2015; Trenin 2015). However, little systematic, empirically based research has been done on Moscow’s ‘post-Crimea’ emphasis on the Russian Far East and the development of relations with East Asia. This volume seeks to address this gap by exploring the scope and practical consequences of Russia’s ‘turn to the East’, as well as the extent to which such a reorientation has been driven by its worsened relations with the West.

We present seven case studies that analyse post-2014 change at two geographical levels: the internal dimension, with the dynamics of Russian Far East political and socioeconomic development (Chaps. 2, 3, 4 and 5); and the external dimension of patterns of regional political relations and commerce in the East Asian neighbourhood (Chaps. 6, 7 and 8). These two geographical levels are not always easy to separate, but the approach allows us to examine how Moscow’s political, economic and security-

related policy initiatives are received not only by the region itself but also by Russia's key partners in East Asia.

In Chap. 2, Helge Blakkisrud shows how the Russian authorities have struggled to come up with a viable model for organizing centre–region relations in general and interaction with the Far East in particular. To achieve the ambitious goals the Kremlin has set for itself as regards turning the Far East into Russia's gateway to the Asia-Pacific, a new ministry was introduced in 2012—a hybrid reflecting Moscow's centralized take on policy formulation, as well as the difficulties of micro-managing politics in a distant region. Blakkisrud's chapter analyses the preliminary experiences with the work of the new Ministry for the Development of the Far East and its interactions with the rest of the institutional set-up (including other sectoral ministries, the office of the Presidential Plenipotentiary to the Far Eastern Federal Okrug and the regional governors). In this way, the chapter explores the broader issues of centre–periphery power relations and the challenges faced by Moscow in attempting to enact policy over a great distance. Blakkisrud finds that, over the past few years, the new development model for the Russian Far East has become institutionally anchored. The question remains, however, as to whether the model Moscow has produced will prove capable of dealing with the fundamental problems facing the Russian Far East.

Chapter 3 picks up on these questions from a regional perspective. Tamara Troyakova explores how the political and economic 'turn to the East' has manifested itself in specific politics and policies in Primorskii Krai, the federal subject that is home to the city of Vladivostok. Ever since the breakup of the Soviet Union, the entire Russian Far East has been struggling to attract investments and to stem the outflow of people. Troyakova examines how the authorities have attempted to meet these challenges by developing new institutions and initiatives. In particular, she focuses on local experiences of introducing special economic zones (Russkii Island, established in 2010), advanced special economic zones (ASEZs) (two in 2015, one in 2016) and the Free Port of Vladivostok (2015). Her chapter discusses the gap between formal declarations and the actual implementation of the various development mechanisms. According to Troyakova, progress has been sluggish because of a combination of factors: lack of coordination among various branches of the government and the new institutions they have set up, continued rampant corruption and an unattractive investment climate.

In Chap. 4, Jiyoung Min and Boogyun Kang explore Moscow's efforts to turn the Russian Far East into a new 'economic bridge' between Europe and Asia. They survey key milestones thus far, such as the establishment of the Ministry for the Development of the Far East in 2012, the adoption of a state programme for 'Socioeconomic Development of the Far East and the Baikal Region until 2025' in 2013 and the approval of the federal law 'On Advanced Special Economic Zones in the Russian Federation' in 2014. Ever since 2013, the Far Eastern Federal Okrug has been suffering from a downward economic cycle. Min and Kang compare the performance of this federal okrug against the seven other macro-regions in the Russian Federation, and ask whether the introduction of ASEZs could help to turn the negative trend. The chapter provides a detailed analysis of the implementation of the new development strategy, with a discussion of the pros and cons of ASEZs as an investment platform for cultivating export-oriented industry. Min and Kang conclude that the success of the ASEZs will hinge on their ability to attract extensive inflows of capital—domestic and foreign, and that in a short time-perspective, given current financial constraints, it is difficult to be optimistic regarding Far Eastern development.

Next, in Chap. 5, Malin Østevik and Natasha Kuhrt examine the place of the Russian Far East in Moscow's security-policy deliberations. They start by surveying Russian security policy since the onset of the current 'pivot' to the East—which, they hold, commenced around 2012—before going on to investigate any changes since 2014. Østevik and Kuhrt take a broad approach to security, taking into consideration local, national and international factors as well as economic security. Their chapter analyses various security-policy influences, ranging from the deployment of Russian armed forces in the Far East, to bilateral and multilateral engagements in the Asia-Pacific region and Russian–Chinese attempts at coordination in global politics. The authors find that factors local to the Russian Far East are particularly salient for understanding Russian security policy in the Asia-Pacific. Despite all the official statements on the primacy of the Russo-Chinese strategic partnership and the growing centrality of the Asia-Pacific region in world affairs, security concerns related to the social and economic underdevelopment of the Russian Far East have prevented the 'pivot' from being grounded in broad regional engagement. Further, Østevik and Kuhrt find that current security-policy trends are rooted in the period before the 2014 crisis with the West, and cannot automatically

be attributed to the deteriorating relationship between Western countries and Russia.

The final three chapters place these findings about the depth and nature of the Russian ‘turn to the East’ in an East Asian neighbourhood context. In Chap. 6, Indra Overland and Gulaikhan Kubayeva analyse the consequences of Russia’s turn to Asia for energy relations between Russia and China. The backdrop is several major breakthroughs in Russian–Chinese energy cooperation in the immediate aftermath of the introduction of the Western post-Crimea sanctions regime. In addition, China has been held to be discreetly providing financial backing to a cash-strapped Russian energy sector after the latter was cut off from receiving Western credits due to the same sanctions. Further, Overland and Kubayeva provide case studies of the major existing and potential Russian–Chinese energy projects: Transneft’s Eastern Siberia–Pacific Ocean (ESPO) oil pipeline, Gazprom’s Power of Siberia gas pipeline, Novatek’s Yamal LNG plant and Rosneft’s Vankor oil and gas field. They find a mixed picture; in the Vankor development, for example, the Chinese were eventually replaced by other investors. The chapter concludes that, in general, deals made from 2014 onwards are in line with trends that originated well before the annexation of Crimea and subsequent crisis in Russia’s relations with the West and that the scale of Chinese financial contributions to the sector is not as large as often argued.

In Chap. 7, Marc Lanteigne also looks for strategic convergence between Russia and China, but here in the field of security—specifically, within the Shanghai Cooperation Organization (SCO). His chapter explains the origins and initial policies of the SCO as it made the transition from the informal ‘Shanghai Five’ grouping to a more structured security community. Lanteigne analyses the internal and external factors shaping the SCO’s distinct security agenda and the divergence between Russian and Chinese visions about the future direction of the organization: while Russia wants to strengthen cooperation within hard security, China has been pushing an economic agenda. He also surveys the reactions of the SCO and its individual members to the annexation of Crimea and the conflict in eastern Ukraine. Lanteigne concludes that the case of the SCO underscores Beijing’s interests in retaining Russia as a valuable strategic partner while also maintaining a discreet ‘agree to disagree’ stance on Moscow’s post-Crimea strategic policies. Moreover, given the differing

power trajectories of Moscow and Beijing, and their divergent views on regional and global security priorities, he finds slim prospects for a formal alliance between the two.

Concluding the case-study chapters, in Chap. 8, Roman Vakulchuk takes the reader back to the broader scale, and examines Russia's trade relations with a wide range of countries in East Asia. The chapter seeks to grasp the scope of Russia's participation (or lack thereof) in the growing Asian markets. It provides an overview of the East Asian dimension of Russia's external economic relations covering the 2010–16 period and assesses the dynamics of investment, trade and infrastructure development before and after Crimea. Vakulchuk finds that exports, imports and FDI between the Far Eastern Federal Okrug and its major Asian partners declined significantly in 2015—and this negative trend continued into 2016. His analysis nevertheless indicates that, while the overall investment climate in the Far Eastern Federal Okrug has not improved significantly since 2014, the region has become more diversified and some new infrastructure has been put in place. In a longer-term perspective, these developments might contribute to attracting new investors.

The in-depth analysis of the internal and external dimensions of Russia's 'turn to the East'—and the interactions between the two and Russia's neighbours and partners in the Asia-Pacific—provides additional evidence of how Russia's foreign policy is not uniform, but varies according to geographical vectors. The compartmentalized/disaggregated nature of Russian foreign policy is a consideration we have explored previously in connection with Russia's approach to Arctic cooperation (Wilson Rowe and Blakkisrud 2014). The current volume explores both disaggregation and interconnectedness. Diplomatic and policy thinking may indeed be shaped by differing opportunity and threat perceptions unique to a specific border region, but there are also practical and strategic interconnections between the differing compass directions of foreign and security policies. When the going gets tough with Europe, does Russia react by intensifying its diplomatic and economic outreach to its eastern border areas and beyond? Did the sanctions regime provide an impetus for a pivot and a window of opportunity for the Russian Far East? These are the underlying questions that inform all the case-study chapters presented here, and to which we return in the concluding chapter.

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