

## Eurasia's Great Game: India, Japan, and Europe Play to Putin's Needs

by Dr. James M. Dorsey

BESA Center Perspectives Paper No. 1,310, October 15, 2019

EXECUTIVE SUMMARY: Eurasia's Great Game is anything but simple and straightforward. A burgeoning alliance between China and Russia that at least for now is relegating potential differences between the two powers to the sidelines has sparked a complex geopolitical dance of its own.

With India, Japan, and Europe seeking to drive a wedge between China and Russia, the Central Asian states, where anti-Chinese sentiment is rising, are quietly hoping that Asian rivalries will grant them greater maneuverability.

Indian PM Narendra Modi, on a recent visit to Russia during which he attended the annual Eastern Economic Forum in Vladivostok (established to attract Asian investment in the country's Far East), announced <u>a \$1 billion credit line</u> to fund development of the region.

Modi and Russian president Vladimir Putin also agreed to establish a maritime link between Russia's Far East capital, Vladivostok, and Chennai that would reduce transport time from 40 to 24 days.

The connection could serve as an extension of the Indian Ocean Corridor that links India to Japan and the Pacific and competes with China's "pearl of strings," a series of ports across Asia in which Beijing has invested heavily.

In contrast to Modi, Japanese PM Shinzo Abe, who has attended the forum since its inception in 2015, did not announce any major deals in response to Putin's insistence that "the development of the Russian Far East, strengthening its economic and innovation potential, and raising the living standards of its residents among others, is our key priority and fundamental national goal."

With the trans-Atlantic alliance fraying at the edges, Markus Ederer, the EU's ambassador to Russia and one of its top diplomats, appeared to recognize Putin's

priorities when he urged the bloc to engage on a massive scale with Russia on some of the most tricky political and security aspects in their relationship despite differences over Russian aggression in Ukraine and Georgia, human rights violations, and alleged interference in European elections.

In a memorandum to senior bureaucrats, Ederer suggested that 5G mobile communications, personal data protection, the Arctic, regional infrastructure, and the development of joint policies on matters such as customs and standards by the EU, Russia, Norway, and Iceland should be topics on the EU-Russian agenda.

Ederer said these were areas "where leaving a clear field to our competitors by not engaging would be most detrimental to EU interests."

He argued that a "pragmatic" move towards "enhanced co-ordination" with Russia was needed to combat "Eurasian competition" as China's influence grows.

The EU "would have everything to lose by ignoring the tectonic strategic shifts in Eurasia. Engaging not only with China but (also) with Russia...is a necessary condition to be part of the game and play our cards where we have a comparative advantage," Ederer asserted.

Modi, Abe, and Ederer see opportunity in what Thomas Graham, a former US diplomat and managing director of Kissinger Associates, describes as Russia's need for "diversity of strategic partners in the (Far East) to maintain its strategic autonomy (from China) going forward."

The EU, India, and Japan hope to capitalize not only on Russia's need for diversified investment but also Putin's need to address widespread anti-Chinese sentiment in the Far East that has turned against his government at a time when protest in Russia is accelerating. Putin's party just lost a third of its seats in the Moscow district council.

Public sentiment east of the Urals is critical of perceived Chinese encroachment on the region's natural resources, including water, particularly in the Trans-Baikal region.

A petition initiated earlier this year by prominent Russian show business personalities opposing Chinese plans to build a water bottling plant on the shores of Lake Baikal <u>attracted more than 800,000 signatures</u>, signaling a deep well of popular resentment and highlighting the pitfalls of the Russian alliance with China.

<u>Protests further erupted earlier this year in multiple Russian cities</u> against Chinese logging in the Far East that residents and environmentalists charge has

spoiled Russian watersheds and is destroying the habitats of the endangered Siberian tiger and Amur leopard.

The protesters, who also <u>denounced construction of housing for Chinese</u> workers, are <u>demanding a ban on Russian timber exports to China.</u>

Underlying the anti-Chinese protests are the kind of lopsided economic relations that Russia scholar Leo Aaron said fit the Marx-Lenin definition of colonial trade, in which one country becomes a raw material appendage of another.

"China is Russia's second-largest trading partner (after the EU) and Russia's largest individual partner in both exports and imports. For China, the Russian market is at best second-rate. Russia ranks tenth in Chinese exports and does not make it into the top ten in either imports or total trade," Aaron said.

He noted that three-quarters of Russia's exports to China were raw materials and resources as opposed to consumer goods, electronics, and machinery, which account for the bulk of Chinese sales to Russia.

Putin, presiding over a country in economic trouble, can't manufacture the maneuverability he needs on his own. He hopes India, Japan, and Europe will come to his aid.

Dr. James M. Dorsey, a non-resident Senior Associate at the BESA Center, is a senior fellow at the S. Rajaratnam School of International Studies at Singapore's Nanyang Technological University and co-director of the University of Würzburg's Institute for Fan Culture.