

## RUSSIAN DIPLOMATIC OVERTURES: PART I- THE PACIFIC

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*Asia is the largest continent, comprising a third of all dry land and more than half of world's population. Its role is constantly growing and, I am sure, will grow in the future. - Margaret Thatcher.<sup>1</sup>*

This article explains why Russia is eager to avoid any major diplomatic crises in Asia. Instead, their subtle approach triangulates Russian interests by interlocking the Korean peninsula (North and South), Vietnam and the Philippines to further their mid-to-long term strategy.

Although Russia's "Far-East" policy has existed since the days of the Czars and has not changed much since, it has carefully stepped around its ally and opponent China. As Czar Alexander II (1818-1881) noted, "Our policy in Asia is becoming even more important, and I foresee that it is there the worlds' future

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<sup>1</sup>Margret Thatcher, March 2003, "Statecraft: Strategies for Changing World" Published by Harper Perennial, ISBN 978-0-06-095912-, [accessed 07.04.2018]

destinies will be decided .”<sup>2</sup> As a result, Russia’s approach is consistent, well-balanced and opportunistic in approach.

During the last four years, Russia has been gradually building a ‘joint’ relationship with both North and South Korea. Russia’s relationship with North Korea goes back to Soviet Union times. In fact, the Soviet Union was the first country to recognize North Korea in 1948.<sup>3</sup> Right after the collapse of Soviet Union, President Yeltsin decided that Russia needed to build a greater relationship with South Korea given the technological advancements they offered. In 1992, a relationship with South Korea was established and mutual trade agreements were signed. In the meantime, President Yeltsin decided not to prolong the already existing agreements with North Korea that were in place since the times of Nikita Khrushchev.<sup>4</sup>

In 40 years, North Korea and Russia did have some cross-border trade exchange, not so much goods as much as sourcing cheap labor. North Korea still supplies workers to Russia’s vast lumber industry. North Korean labor in Russia is considered the cheapest amongst other *gastarbeiters* (immigrant workers), that arrive to Russia from other places such as Central Asia, Ukraine and Moldova. Besides letting North Korea send their workers to Russia, all existing diplomatic relationships between the two were dormant or frozen for about 40 years.

Russia did realize their diplomatic slippage when they faced a crisis during the North Korean denuclearization negotiations between 1994-1996.<sup>5</sup> As soon as Vladimir Putin took office in 2000, the relationship with Russia was restarted. North Korean *Realpolitik* never forgot what they perceived was a “diplomatic betrayal” by Russia. As a result, North Korea ignored all the advice Russia offer and unilaterally withdrew from the Nuclear Nonproliferation Treaty (NPT). In order to regain the trust of North Korea or because Russia knew that North Korea will never be able to repay the accumulated debt borrowed from the Former Soviet Union, 90% of the \$11 Billion debt was forgiven.<sup>6</sup>

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<sup>2</sup>Alexander II of Russia, (1818-1881), Quotes. Available online at Sbornik Citat: <http://www.wisdomcode.info/ru/quotes/themes/61771.html>, [accessed: 07.04.2018]

<sup>3</sup>AgitPolk, Articles: “Otnoshenia Rossii I KNDR: proshloe, nastojashee I budushee, published July, 2017, available at: <https://agitpolk.ru/1988-rossiyakndr/> , [accessed 07.04.2018]

<sup>4</sup>Khmylev V.L 2010 “Sovremennye meshdunarodnye otnoshenia” Published at [www.textbooks.studio](http://www.textbooks.studio), available at: <https://textbooks.studio/uchebnik-mejdunarodnie-otnosheniya/otnosheniya-rossii-severnoy-yujnoy.html>, [accessed 07.04.2018 ]

<sup>5</sup>Ibid (iv)

<sup>6</sup>BBC news (Russian Service).Published September 2012, “Rossia na 90% prostila KBDR dolg v 11 mlrd dollarov”, Published at BBC.com; available at:

The Russians are pragmatic in that they don't give away money owed unless they absolutely knew that something else could be offered in exchange. One example is that North Korea was the first country to recognize Crimea as a part of the Russian Federation.<sup>7</sup> Today, Russia is planning to build a bridge to connect to North Korea<sup>8</sup> which bypasses China. Currently all of the overland goods move through China. The curious debt game extends to the Southern side as well. Russia owed South Korea \$2.2 billion back in 2002. By 2010, the Hyundai *chaebol* opened factories to include one specializing in engines.<sup>9</sup> Also, the fifth largest South Korean Company, Lotte Group has invested \$2 billion in Russia as well.<sup>10</sup> With regards to inter-Korean dialogue, Putin is adamant that the Democratic Republic of Korea be treated as a sovereign state, and any contradictions between the two must be resolved in civilized manner.<sup>11</sup>

Just like it did with North Korea, Russia forgave Vietnam's \$9.5 billion debt – also accumulated from the times of the Former Soviet Union.<sup>12</sup> Back in 1979, the Soviet Union occupied the naval base in Vietnam's Cam Ranh Bay. By 2001, the base was closed. As part of its re-expansion, Russia began considering a return back to Vietnam during 2014. By 2016, Russia opened discussions with Vietnam about its return to Cam Ranh Bay. Just like in the case of the

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[https://www.bbc.com/russian/international/2012/09/120918\\_korea\\_russia\\_debt](https://www.bbc.com/russian/international/2012/09/120918_korea_russia_debt),

[accessed 07.04.2018]

<sup>7</sup>RT News, "Severnaya Korea priznala Krym rossijskim:reakcia krkymchan" published October, 2017, available at: <https://russian.rt.com/russia/video/439607-kndr-priznala-krym-rossiiskim-reakciya>, [accessed 07.04.2018]

<sup>8</sup>Adam Taylor, Published March, 2018 "Russia wants to build a bridge to North Korea. Literally", published at Washington Post, available at:

[https://www.washingtonpost.com/news/worldviews/wp/2018/03/24/russia-wants-to-build-a-bridge-to-north-korea-literally/?noredirect=on&utm\\_term=.25dd42d8f79a](https://www.washingtonpost.com/news/worldviews/wp/2018/03/24/russia-wants-to-build-a-bridge-to-north-korea-literally/?noredirect=on&utm_term=.25dd42d8f79a) , [accessed

07.04.2018]

<sup>9</sup>A.Nepomnyashij, Published May, 2010, 'Hyundai pervoj sozdast polnocennoe shtampovochnoe proizvodstvo; published in Vedomosti.ru; available at:

<https://www.vedomosti.ru/business/articles/2010/05/14/hyundai-pervoj-sozdast-v-rossii-polnocennoe-shtampovochnoe-proizvodstvo>, [accessed 07.04.2018]

<sup>10</sup>A.Gubskij, Published December 2017. 'Investicii Lotte v Rossii bolee 2 mlrd", published at Vedomosti.ru, available at:

<https://www.vedomosti.ru/business/characters/2017/12/24/746335-investitsii-lotte>, [accessed 07.04.2018]

<sup>11</sup>V.V Putin Speech at Valdai. Published at Russkoe Agentstvo Novostei October, 2017;

available at: <http://xn--h1akeme.ru-an.info/новости/владимир-путин-любые-противоречия-с-кндр-надо-решать-цивилизованно/> ; [accessed 07.04.2018]

<sup>12</sup>BBC News. September 2017, "Komu i pochemu proshaet dolgi Rossia", Published at BBC News Russian Service, available at: <https://www.bbc.com/russian/features-41430127>, [accessed 07.04.2018]

Philippines (our next location), Vietnam prefers ‘neutrality’ yet granted permission for Russian warships to enter its territorial waters to harbor there.<sup>13</sup>

Given the global marketplace, Vietnam delicately balances between superpowers like China, the U.S and Russia. According to the IMF, Vietnam’s economic growth is 7% and incrementally rising every quarter.<sup>14</sup> The significance of this is that by next year in 2019, Vietnam might surpass China’s economy; partly due to strategic Russian investments. Concerning China in particular, Vietnam competes directly as an emerging market yet weathers territorial disputes with them in the South China Sea. This does not mean that the U.S. is out of the picture as it has big plans of its own concerning Vietnam.<sup>15</sup> The potential however, still exists with Russia. As a 2015 signatory, Vietnam’s inclusion into the Russian-dominant Eurasian Economic Union (EAEU) allows them to establish a Free Trade Zone, meaning zero import customs fees on about 90 % of the goods exchanged.<sup>16</sup>

Elsewhere in the Pacific, Philippine President Rodrigo Duterte granted the Russian Navy (March 2017) permission to enter its territorial waters and with advance notification moor off its coast or enter its harbors.<sup>17</sup> Until then, the Philippines is only of two countries (the other Brunei) that had never purchased Russian weapons. According to RIA Novosti, the October 2017 agreement between Russia and the Philippines changes that. The Philippines will buy mainly military equipment along the lines of grenade launchers and similar

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<sup>13</sup>BBC News, October 2016, “ Starye soyuzniki:Rossia mozhnet vosstanovit’ voennye bazy na Kube i vo Vietname” Published at BBC News Russian Service, available at: <https://www.bbc.com/russian/features-37591775>, [accessed 07.04.2018]

<sup>14</sup>S.Babones, November 2017, “Vietnam's GDP Is Just 11 Years Behind China, And Growing Rapidly”, Published at Forbes.com, available at: <https://www.forbes.com/sites/salvatorebabones/2017/11/09/vietnam-is-following-in-chinas-footsteps-in-gdp-growth-at-least/#65fe8abb7c3e>, [accessed 07.04.2018]

<sup>15</sup>The Washington Post, July 2018, “Pompeo points to Vietnam as example of improved relations”, Published at The Washington Post, available at: [https://www.washingtonpost.com/world/asia\\_pacific/pompeo-points-to-vietnam-as-example-of-improved-relations/2018/07/08/9af8d05c-8313-11e8-9e06-4db52ac42e05\\_story.html?utm\\_term=.b678714bdf06](https://www.washingtonpost.com/world/asia_pacific/pompeo-points-to-vietnam-as-example-of-improved-relations/2018/07/08/9af8d05c-8313-11e8-9e06-4db52ac42e05_story.html?utm_term=.b678714bdf06), [accessed 07.10.2018]

<sup>16</sup>RIA Novosti, May 2015, “Zona svobodnoj trgovli EAES i Vietnama: vozmozhnosti, riski i plany”, Published at RIA novosti, available at: <https://ria.ru/economy/20150529/1067199933.html>, [accessed 07.04.2018]

<sup>17</sup>RIA Novosti, March 2017, “Duterte razreshil rossijskim korabljam zahodit’ v porty Filipin”, Published at RIA Novosti; available at: <https://ria.ru/world/20170323/1490620864.html>, [accessed 07.04.2018]

tactical technologies.<sup>18</sup> As far as the current year goes (2018), visits to Moscow by the Philippine National Security Adviser and Defense Minister are already planned.<sup>19</sup>

To sum it all up Russia has very subtle yet effective tools of diplomacy regarding South-East Asian countries. There are at least three major organizational mechanisms or tools they have at their disposal: The Eurasian Economic Union (EAEU), the Eastern Economic Forum of Vladivostok (EEF), and the Organization for Cooperation of Railways (OCR). South Korea's luxury vehicle line called Genesis of Hyundai is the only foreign General Partner of the EEF<sup>20</sup> among other state owned corporations like Gazprom and Rosneft. In June of this year, the meeting of members of the Organization for Cooperation of Railways in Bishkek, Kyrgyzstan will ratify South Korea becoming a member. Vietnam already has a free-trade zone agreement with the EAEU. Even if the Philippine constitution disallows the permanent stationing of foreign military forces, my observation is that Russian Defense Minister Shoigu is entertaining a myriad of options in the Pacific and the Philippines will yet play a role.

That would not be wholly inconsistent with a quote attributed Shoigu in 2014, "We plan to increase the number of military bases in such countries as Venezuela, Nicaragua, Seychelles and Singapore."<sup>21</sup> This raises the prospect of a military-political-economic agenda not only in Asia but Africa and the Americas as well.

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<sup>18</sup>RIA novosti June 2018, "Rossia i Filipiny podpisali soglashenie o voenno-tehnicheskome sotrudnichestve" Published at RIA Novosti; available at:

[https://ria.ru/defense\\_safety/20180618/1522930715.html](https://ria.ru/defense_safety/20180618/1522930715.html), [accessed 07.04.2018]

<sup>19</sup>RIA Novosti, May 2018, "Ministr oborony Filipin v avguste-sentjabre planiruet posetit' Moskvu" Published at RIA Novosti, available at:

<https://ria.ru/world/20180514/1520526104.html>, [accessed 07.04.2018]

<sup>20</sup>Official website of Eastern Economic Forum, Under-General Partners, available at:

<https://forumvostok.ru/partners/general-partners/>, [accessed 07.10.2018]

<sup>21</sup>R. Gorevoi, January 2018, "Ne razorit li Rossiya stritel'stvo voennykh baz za granicej".

Published at Versia.ru; available at: <https://versia.ru/ne-razorit-li-rossiyu-stroitelstvo-voennykh-baz-za-granicej>, [accessed 07.04.2018]