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Putin enters the dragon's den

By M K Bhadrakumar
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Within a fortnight of his announcement to stand in the Russian presidential election in early 2012, Prime Minister Vladimir Putin will be heading for Beijing. The Kremlin attaches importance to political symbolism, and the Chinese leaders never cared to hide their warm feelings toward Putin. The talks in Beijing on October 11-12 will attract huge attention internationally.

Energy cooperation, which is an important vector of the Sino-Russian strategic partnership, will inevitably form the focal point of the visit. But as the rare "double veto" over Syria at the United Nations Security Council this week signifies, the Sino-Russian partnership is assuming a new flavor. The two countries have never had such a shared concern over the Middle East or displayed such a common will to preserve their interests in the region.

Putin is traveling to China against a much bigger backdrop of Russia's relations with the West, especially the United States. Not only has the US-Russia "reset" ground to a halt, things are actually looking down as if the clock has been rewound to an earlier, pre-Barack Obama, era.

Across the board, the Obama administration is resuscitating contentious issues - principally, missile defense, Caspian rivalries, a "greater Central Asia" strategy, and so on. These issues also happen to impact on China's core interests, and the big question is to what extent Moscow and Beijing will regard it useful or expedient to coordinate their stances.

Bigger expectations

However, energy cooperation tops Putin's agenda, and it is indeed the lubricant that could accelerate the complicated Sino-Russian partnership. Differences over pricing have stalled a trillion-dollar deal for the sale of Russian gas to China. Whether Putin garners the promising trends in the protracted negotiations to strike a deal is one point of great interest to the world economy.

A gas deal would give big impetus to the partnership, but Russia has bigger expectations, since as a leading Moscow scholar on energy dialogue with China, Professor Igor Tomberg, wrote recently, "Selling raw materials has nothing to do with strategic partnership."

In an article in the Foreign Ministry journal International Affairs, Tomberg wrote:
For Gazprom [Russia's energy leviathan], intensive participation implies not only supplies of resources but also technological and financial participation in the formation of the national market. That means not only gas supplies but also participation in gas distribution networks (buying assets and constricting new facilities), trying to get control over least operational management of the domestic gas distribution networks.

He pointed out that Russian energy companies had so far been able to enter the Chinese national market only "very slowly and episodically". In a radical suggestion, Tomberg hinted that Moscow could be flexible on the pricing of gas supplies provided access was given to China's domestic market, "because the profit-making center moves from the [Sino-Russian] border deeper" into China. He acknowledged that "this is a colossal task not only politically but also technically", and would demand a comprehensive "harmonization of interests of the two countries in energy security".

Significantly, Tomberg was writing a "curtain-raiser" on Putin's visit to Beijing and he added, "Moscow sees significant interest on behalf of its Chinese partners and experts in wider interaction." Specifically, he suggested, "Russian and Chinese experts could work together in the following directions: coordination of energy strategies of the two countries, forecast and scenarios; market infrastructure development; energy efficiency and alternative energy sources."

The commissioning of the Nord Stream gas pipeline to Europe and the imminent commencement of construction work on the South Steam pipeline places Russia on a solid footing. However, new tensions have appeared in the politics of Caspian energy.

Azerbaijan has hit the jackpot with new massive gas findings that overnight improve the prospects for the US-sponsored trans-Caspian pipeline projects that could enable Europe to directly access the region's energy reserves and to reduce the current level on dependence on Russian supplies.

Simply put, Europe is likely to gain leverage in the price negotiations with Russia and in keeping Russian energy companies at bay from aggressively entering the European energy market for acquiring assets or getting a share in the distribution network. Moscow would see a hidden US hand in the renewed push by the European Commission to assert a common policy for all member countries in their energy dealings with Russia.

Stalking horse

However, these rivalries are nowhere near as acute as the serious dispute over the missile defense (anti-ballistic missiles - ABM) deployments by the US. On Wednesday, the Obama administration announced that the US would base Aegis cruisers on Spain's coast. This comes close on the heels of the proposed deployments of ABM components in Romania, Bulgaria and Turkey.

Two years back, while launching the "reset" with Russia, Obama promised to overhaul the ABM plan - at least, as Moscow understood it - but he is now proceeding with the ABM plan with a view to completing the shield by 2020.

Moscow has been quick to react. A Foreign Ministry statement denounced the Spain deal and threatened to abandon any cooperation with the US. It alleged that the US made the Spain deal "without collective discussion" and it constitutes a "significant build-up of US missile potential in the European zone". The statement said: Not only do we see no readiness on the part of the US administration to address Russia's concerns about the key issue of guaranteeing that the future system will not be aimed at Russia's strategic nuclear arsenal, we also note the tendency to increasingly expand the deployment areas of the US anti-missile systems. If this continues, then the chance ... to turn anti-missile defense from an area of confrontation to an area of cooperation may be lost.

The missile defense issue is poised to become much more then a dispute between Russia and the West. The US is bringing Japan and South Korea into the ABM shield. Interestingly, the North Atlantic Treaty Organization (NATO) formally conveyed to New Delhi in early September an invitation for India to become a "partner" in its ballistic missile program and the Indian defense establishment is actively considering the NATO invitation with an eye on checkmating China's capabilities.

China can be expected to increasingly share the Russian perception of the ABM as the US's stalking horse to neutralize its defenses. As the nascent US-Russian rapprochement and exploratory talks on ABM begin to unravel, Moscow and Beijing would see the need for calibrating their political response to a common challenge.

On the other hand, Russian and Chinese security concerns overlap almost in toto apropos the recent move by the Obama administration to revive the "greater Central Asia" strategy. Washington now calls it the "Silk Road" project and has expanded its scope to include the US's European allies by linking it to the stabilization of Afghanistan, where NATO plays a key role.

The "Silk Road" project has much the same orientation as the "greater Central Asia" strategy of the George W Bush presidency - namely, to roll back Russian and Chinese influence in Central Asia. Prima facie, Moscow and Beijing will be hard-pressed to counter Obama's project since it enjoys European backing and is ostensibly linked to the stabilization of Afghanistan.

Washington hopes to build an international consensus in favor of the project at a forthcoming conference on Afghanistan scheduled to take place in Istanbul, Turkey, on November 2.

Meanwhile, there are growing signs that Uzbekistan is willing to play host to NATO in the alliance's agenda to expand its influence in Central Asia. The US is all set to begin a vastly expanded military cooperation with Uzbekistan, including arms supplies. Suffice to say these recent trends added to the prospect of a permanent US military presence in Afghanistan are challenging the regional interests of both Russia and China.

Up in the air

As a Moscow commentary put it on the 10th anniversary of the US-led war in Afghanistan, Obama's "withdrawal deadline of 2014 seems to be up in the air". Indeed, the new commander of the US-led coalition forces in Afghanistan, General John Allen, has openly admitted in an interview with CBS that the 2014 deadline may not be observed. "The plan is to win. The plan is to be successful. So while folks may hear that we are departing in 2014 ... we're actually going to be here for a long time."

He added that the number and composition of US forces remaining in Afghanistan beyond 2014 had not yet been finalized. "NATO and its allies, I don't think, are ready to leave this very volatile region ... I do think that US forces will be there for a very long time."

Moscow feels the need to come up with a viable counter-strategy. Putin's recent suggestion of forming a "Eurasian Union" can be seen in this light. Putin estimates that ultimately what could forestall the West's foray into the Russian backyard of Central Asia is expanding Russia's common economic space with Kazakhstan and Belarus. The project is likely to be a major template of his new presidency, assuming - as is likely - he gets the job.

China has so far politely sidestepped the idea floated by Putin, while the People's Daily broadly commended that the "swap" of the "tandem" in the Kremlin would "ensure that Russia continues to maintain stability and achieve steady development in order to regain its status as a great power".

But it added that, at the same time, Russia's 20-year record testifies that the political transition of a country is an "equation with several unknowns" and the "equation" will have more than one answer, being a "complex systemic project without a smooth road to go on or an existing mode to apply". Meanwhile, another commentary in the Communist Party newspaper estimated cautiously:
A Russia that follows Putin is in China's interests for now. In the long run, it may bring challenges to East Asia, but this is hard to say now. The Russian revival is unstoppable and its relations with China will be more complex. Being more adaptable to the Putin-led route of development and maintaining the strategic and cooperative partnership between China and Russia should be the basic goals of China's Russia policy.