

## Russia's Strategy in Southeast Asia

PONARS Eurasia Policy Memo No. 578

March 2019

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To great fanfare, in May 2016, Russia hosted the third ASEAN-Russia Summit at the Black Sea resort of Sochi. Commemorating the 20<sup>th</sup> anniversary of Russia's acceptance as an ASEAN dialog partner, this summit was intended to give new impetus to longstanding efforts by Russia and Southeast Asia to forge closer economic and security ties. Defying efforts by the West to isolate Russia, leaders from all ten ASEAN member states attended the summit.<sup>3</sup> Despite having recently skipped several high-level ASEAN summits, this time President Putin led the Russian delegation himself. He also met separately with the leaders of all ten ASEAN states. After the summit, Putin [proclaimed](#) that the two sides had reached agreement "on building a strategic partnership over the long term." Demonstrating that this was not just mere rhetoric, the two sides also [announced](#) a raft of new measures during the summit, on topics ranging from security relations to closer political and economic ties. However, Russia's ongoing Sino-centric focus, ASEAN's limited ability to act collectively, and Moscow's preference for bilateral relations will continue to predominate in its overall relations with the region.

### A Pivot Toward Eastern Relationships?

In the aftermath of renewed conflict with the West over Ukraine, Russia sought to [accelerate](#) its much-discussed "turn to the East" in a bid to avoid isolation and to circumvent Western sanctions. This initiative, which was first launched after the 2008 financial crisis, was intended to allow Russia to reduce its dependence on the West, while harnessing the dynamic growth of the Asia-Pacific region as a means for modernizing the Russian Far East and ultimately Russia itself. The first concrete action

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<sup>3</sup> ASEAN (Association of Southeast Asian Nations) is the region's principal multilateral economic and security organization, currently comprised of ten different member states, including Brunei Darussalam, Cambodia, Indonesia, Laos, Malaysia, Myanmar, Philippines, Singapore, Thailand, and Vietnam.

to this effect was Russia hosting the APEC (Asia-Pacific Economic Cooperation) summit in Vladivostok in 2012, followed by an acceleration in efforts to increase economic cooperation. While Russia has consistently placed the [highest priority](#) on increasing its ties with China, it also sought to diversify its relations with other Asia Pacific countries in order to avoid becoming overly dependent on Beijing. Southeast Asia [figured](#) prominently in this effort, as Russia sought to build upon its existing relations with countries in the region, especially [Vietnam](#), Indonesia, and Myanmar, to maintain its strategic independence. In a move reminiscent of its recent policy in the Middle East, it also sought to expand relations with countries long considered U.S. allies such as the Philippines, Malaysia, and Thailand.

The [pivot to Asia](#) came to include three components:

- a civilizational alliance against Western “universal values”;
- a geopolitical effort to provide a regional alternative to the U.S.-centered alliance system; and
- a geo-economic push to integrate Russia into Asia’s dynamic economy.

Given local power dynamics, China has inevitably played the largest role in all of these components and will continue to do so in the future. Nevertheless, the region’s other states have received increased attention from Russia as well. Overall, however, this pivot has proven to be relatively long on rhetoric but rather short on concrete actions, with numerous discussions of Russia needing to engage with a dynamic Asia but few efforts to move beyond limited economic cooperation.

While Russian rhetoric frequently [highlighted](#) the need to deepen relations with countries other than China, Russian foreign policy toward Asia has remained deeply Sino-centric. To the extent they have taken place, Russian efforts to expand relations beyond China have focused on East Asian countries and on India, with Southeast Asia very much in the bottom tier of Russian priorities in the Asia-Pacific region. At the same time, Russia’s interest in the region has been growing, in part for the potential [economic benefits](#) of expanded trade but primarily for geopolitical reasons. Increasing Russian influence in Southeast Asia can help Moscow to both balance its increasingly evident junior partner role vis-à-vis China and to negatively affect U.S. efforts to expand its reach beyond its traditional allies in the region.

### **Russia-Southeast Asia Relations: A Low Baseline**

Achieving greater integration with Southeast Asia will not be easy, however, as Russia is starting from a relatively low baseline. While its relations with the region have been gradually improving, Russia is still not that significant a player in Southeast Asia. Moreover, the region is beholden to Russian relations with China and is still of

secondary priority when compared to Russian efforts to maintain its position in Europe and the former Soviet republics and to increase its role in the Middle East.

At the regional level, Russia's relations with Southeast Asia have been dominated by its relations with ASEAN, but its relations with the association remain relatively weak. Since gaining admission in 2011, Moscow has consistently failed to capitalize on its ASEAN membership either to deepen its engagement with the states of Southeast Asia themselves or to increase its involvement in the broader ASEAN-led Asia-Pacific regional integration process. Nor has Russia been all that significant a factor in the economic domain. While its trade in natural resources, energy technology, and transportation with Southeast Asia has been increasing steadily, Russia's economic relations with ASEAN remain relatively frail overall. In 2017, for example, Russia ranked eighth among ASEAN's major trading partners, with total bilateral trade accounting for just 0.7 percent of ASEAN's total trade turnover.

Russia has been [more successful](#) in increasing its security ties with some of the countries in Southeast Asia. It has succeeded, for example, in establishing a close security relationship with Vietnam, its long-time Cold War ally. Russia has also been a major supplier of advanced military equipment for the region, especially for Vietnam, Malaysia, and Indonesia. In areas other than arms sales, however, Russia's security relationship with countries in Southeast Asia still remains fairly limited. While the states in the region would welcome Russia's playing a greater security role, especially in soft-balancing against China and the United States, it continues to lack the economic, political, and military clout needed to effectively fulfill this role.

Despite these shortcomings, Russia plays a role as an important political actor in Southeast Asia. For one thing, unlike China, Russia does not pose a security threat to any of the countries in the region, has no territorial claims in Southeast Asia, and has avoided taking sides in Asian Pacific regional disputes. ASEAN members have also tended to see Russia as a [useful counterweight](#) to both China and the United States. Plus, Russia's views on regional security, including its support for multipolarity and non-intervention and consensus-based decision-making, align well with those of the states in Southeast Asia. Collectively, these factors have allowed Russia to credibly portray itself as both a neutral status quo power in the Asia-Pacific region and a potential honest broker for mediating the region's many ongoing disputes—characteristics which have made Russia an [attractive partner](#) for Southeast Asia despite its weak economic and security footprint.

### **Key Bilateral Relationships**

While Russia has taken a less active role in ASEAN, it has been making significant headway in developing its bilateral relationships with the various states in Southeast Asia. Economically, Russia has been [looking](#) to leverage its comparative advantages in

the areas of energy, armaments, and transportation to make inroads into Southeast Asia's growing export markets.

Russia has had the most success in rekindling its strategic relationship with Vietnam, its long-standing Cold War ally, and it has done well to expand its relationship with Myanmar beyond arms sales, to include both greater economic ties and a nascent strategic relationship. It has also made [real progress](#) in establishing solid security ties with both Malaysia and Indonesia. Russia's economic ties with the region have also been growing steadily. In 2014, total trade turnover between ASEAN and Russia reached \$22.5 billion, a nearly five-fold increase over its 2005 level. Trade has been driven primarily by energy and arms sales, with Indonesia, Malaysia, Vietnam, and Singapore constituting Russia's principal trading partners in the region.

Despite such progress, Russia has not developed a fully-fledged partnership with any of the states of Southeast Asia, not even with Vietnam, with which its relations are largely limited to instrumental ties in particular sectors rather than a close overarching relationship. Development of stronger security ties has been hampered by the substantial decline of Russia's military power in the Far East since the Cold War, which has rendered it incapable of balancing militarily against either the United States or China in the Asia Pacific. Economic ties have been hampered by Russia's lack of competitive product offerings outside its traditional areas of strength, its poor investment climate, and its lack of supporting infrastructure in the Russian Far East, including ports, pipelines and storage facilities. Russia's play to move the Philippines and Thailand away from their respective partnerships with the West has had limited effect beyond the rhetorical flourishes employed by the president of the Philippines during the short period of time when both he and President Obama were in power.

### **Regional Implications**

Southeast Asia remains an area characterized by deep underlying contradictions. Most states in the region continue to have unresolved territorial disputes with one another or with neighboring countries. The various disputes involving China over certain island chains in the South China Sea remain the most pressing of these problems. Thus far, however, the states involved have managed to avoid open confrontation, by focusing instead on engaging with China and enhancing regional cooperation. This has allowed the states of Southeast Asia to uphold their longstanding tradition of non-alignment and to maintain an "equidistant" position with respect to China, the United States, and the various other states in the Asia Pacific area.

Recently, however, Southeast Asia's ability to maintain this balance has been seriously undermined by two opposing trends: China's increasingly assertive behavior in the South China Sea, and the U.S. pivot to Asia in response. Changes in political leadership in the United States and in some regional states such as the Philippines have further

scrambled regional security relations. Some long-standing U.S. allies such as Thailand and the Philippines have begun to hedge their bets by developing closer relations with China.

These trends all have significant implications for Russia's involvement in Southeast Asia, since Moscow has long sought to maintain good relations with both China and Southeast Asia. The Kremlin's ability to maintain and expand relations depends and will continue to depend on maintaining stability in the region, and on the hopes that the region can avoid serious conflict and/or increased competition with China. Such a conflict would force Russia to have to choose between China and the other countries involved in such conflicts. The likelihood is that Russia would choose China if push came to shove, to the detriment of its relations with Southeast Asian states, which would then look increasingly to Washington for security.

In order to maintain this precarious balance, Moscow has been keen to reduce tensions and preserve regional stability. However, Russia's power in this regard is limited. The region knows that if Beijing elects to press ahead with its aggressive conduct in the South China Sea, Moscow lacks the hard power necessary to stop it. As a result, they are not willing to bank on Russia as a strategic alternative to China. Traditionally, most Southeast Asian states have looked to the United States as the only country powerful enough to provide that alternative. However, uncertainty about American foreign policy under President Trump has limited the extent to which key Southeast Asian states such as Vietnam and Indonesia have been able to shift toward the United States. As a result, Southeast Asian states are increasingly engaging in a bandwagoning strategy with China in the hope of avoiding a confrontation.

Recent developments involving China's maritime territorial disputes in the South China Sea have highlighted these concerns, as Chinese assertiveness has placed Russia in a difficult position. Moscow has increasingly been [forced to side](#) with China, its most important ally in the region, to the detriment of its relations with Southeast Asia. By holding bilateral naval exercises in the South China Sea and supporting China's position that its maritime territorial disputes should be solved bilaterally without assistance from outside states, Russia has moved closer toward China's position. This shift has created concerns in Vietnam and Indonesia about Russia's reliability and effectiveness as a regional counterweight. If Beijing refrains from further aggravating the situation in the South China Sea, Russia will have much greater room to maneuver in Southeast Asia, including its ongoing efforts to exploit tensions between the United States and its Southeast Asian allies over human rights abuses and economic ties to build closer relations with Thailand, the Philippines, and Myanmar.

Moreover, despite Moscow's increased interest in Southeast Asia and steady progress in expanding its ties with countries in the region, it still remains an area of secondary importance for Russian foreign policy. For Russia, the key regions remain its near

abroad, Europe, and, increasingly, the Middle East. Moscow's trade relations with Southeast Asia, although larger than they were a decade ago, still remain relatively limited, while its security relations are only really strong with Vietnam and, to a lesser extent, Myanmar. While the arms trade is the core of relations with a number of countries, these relations are contingent and vulnerable to shifts toward Western equipment whenever sufficient funding is available, as demonstrated by Malaysia's preference for Western aircraft for its MRCA (Mountains Recreation and Conservation Authority) acquisition, which was only thwarted by a lack of funding.

### What to Expect

At the regional level, the Kremlin will continue to do just enough to maintain its role in regional politics through regional organizations such as APEC and ASEAN. Thus, Moscow can be expected to continue engaging in ASEAN regional dialogs and to participate in ASEAN efforts to combat terrorism and transnational crime. However, Moscow's recognition of ASEAN's limited ability to act collectively, and its preference for bilateral relations, will continue to predominate in its overall relations with the region because its key goals in the region, including increasing arms sales and promoting economic ties, are best served through bilateral means rather than regional ties.

At the bilateral level, Moscow will try to play to its economic strengths—oil and gas exploration, nuclear energy, transportation, and most importantly arms sales—to carve out a niche for itself in the region's growing economies. This role will involve the purchase of both raw materials and manufactured goods, especially electronics and other items it can no longer buy from the West, as well as efforts to increase investment from the region in the Russian economy. Bilateral relations will continue to be hindered by the superficial nature of Russia's engagement in the region, as demonstrated by a lack of a focused and sustained Russian effort to build a presence in the region and to develop the institutional knowledge needed to better navigate local markets, political strictures and cultural norms. Bilateral economic ties will also suffer from Russia's lack of competitive products outside of its traditional areas of strength.