The Role of Russia in the Establishment of the Eurasian Economic Space

As is well known, Russia is indeed striving for the economic integration of all Eurasian countries. Given this fact, it is only natural for Russia to support the China-initiated project to create the “The Silk Road Economic Belt”. However, some of the countries geographically surrounding China fear that, having joined the “Silk Road”, they would ultimately lose independence as far as their infrastructure and economy are concerned. Russia is there to assist those countries willing to develop their infrastructure and foreign trade without the significant participation of China.

The One Belt and One Road project comprises of two individual subprojects: the “New Silk Road” (designed to unite the main railways and highways of Eurasia and Africa into a single network) and the “21st-Century Maritime Silk Road”, starting from South-East Asia along the southern Coast of Eurasia to Africa and Europe. In addition to the construction of various infrastructural facilities (new railways, ports, etc.), the project requires the creation of free trade zones among the participating states. It is assumed that any country participating in it will benefit. However, some states in the Asia-Pacific Region are treating the Chinese initiative somewhat skeptically. Bent on keeping their participation in the project to a minimum, they are doing all they can to prevent the growth of Chinese influence on their own domestic economic policies. This primarily applies to countries with already-developed economies that have something to lose, and that have their own far-reaching plans and a desire to dominate the region. India and Japan, China’s main competitors in Asia, are prime examples.

In May 2017, an One Belt and One Road forum was held in Beijing. High-ranking guests from over 100 countries, including Russian President Vladimir Putin (who pledged the support of the Russian Federation towards the New Silk Road), attended the event. Leader of the People’s Republic of China Xi Jinping opened the event. He stressed that the project is set to benefit all countries, and not simply increase Chinese influence. However, following the non-participation of their own representatives at the forum, both India and Japan are apparently somewhat wary of this position.

One of the reasons why India ignored the event was China’s active cooperation with Pakistan, particularly in the Kashmir area, which has been the cause for a long-standing territorial dispute between India and Pakistan. According to the Indian leadership, the operations of Chinese state-owned companies in the Pakistani-occupied areas of Kashmir speak to the recognition of the Pakistani right to these territories by the People’s Republic of China. However, this is not the main reason for the Indian dislike of the “Silk Road”.

In addition to Pakistan, China is actively increasing its influence in other countries bordering with India, including through the construction of infrastructure. In recent years, the People’s Republic of China has managed to build a gas pipeline in Myanmar, establish a railway communication with Nepal and start building a new port city in Sri Lanka, all the while gradually surrounding India with a ring of Chinese allies. Within the framework of the “21st-Century Maritime Silk Road”, China seeks to strengthen its presence at all important points along the sea route from the eastern extremity of Asia to Africa and Europe.

This is probably one of the main reasons for concern for both India and Japan. Shipping on this site is extremely important for these countries. Both countries actively trade with Europe and Africa, and Japan’s energy security can mainly be attributed to hydrocarbons delivered by sea from the Middle East. India and Japan are therefore not keen to witness all the sea traffic along the southern coast of Eurasia completely fall under Chinese control.
Nevertheless, despite these bottlenecks, both countries would want to join a common Eurasian economic space. If their own interests shall prohibit them from accomplishing this through China and the Chinese “Silk Road”, then Russia and the Eurasian Economic Union could become viable alternatives.

Already, Russia is assisting India to develop its domestic infrastructure. On land, India borders with a small number of countries, and for railway communication with other parts of the continent, the country would somehow have to cooperate with either China or Pakistan. However, China currently prefers to build railways within the country independently or with the help of the Russian Federation.

In December 2015, the Russian state company Russian Railways (RZD) and the Indian Ministry of Railways signed a Memorandum of Understanding on technical cooperation in the railway sector.

In October 2016, during the BRICS summit, RZD and the Indian Ministry of Railways signed a protocol on cooperation under the High-Speed Rail program. To begin with, Russian specialists expressed a desire to help their Indian colleagues modernize the Nagpur-Secunderabad Railway.

In February 2017, a representative office of RZD International (a subsidiary of Russian Railways established to work with foreign projects) was opened in New Delhi. Following this, the management of RZD International reported that in addition to the modernization of the Nagpur-Secunderabad Road, Russian Railways had initiated other projects in India related to the creation of high-speed highways, the development of urban transport, the training of personnel, and the supply of various equipment to the Indian side.

As for Japan, cooperation with Russia is even more convenient and profitable than with China. The Russian Federation can provide Japan with an alternative to both the dryland “Silk Road” and the sea route. The Russian Trans-Siberian Railway may become a land corridor for Japan. Although the Trans-Siberian Railway is included within the structures of the “Silk Road Economic Belt”, it passes through Russia, and does not depend on China. A freight train travelling on the route from Vostochny Port to Moscow via the Trans-Siberian takes only 20 days, and cargoes could be sent from Moscow on different routes throughout Europe.

At the end of May 2017, a business forum dubbed “New Opportunities and Perspectives of Euro-Asian Freight Transportation Development” was conducted at the Trade Representation of the Russian Federation in Japan, which was also attended by representatives of Kazakhstan, China and Mongolia. At the event, Kazuhide Yoda, General Secretary of the Trans-Siberian Intermodal Operators Association of Japan (TSIAJ), made a speech in which he highly appreciated the advantages of the Trans-Siberian Railway. He also pointed out that at the end of 2016, Japan successfully conducted a trial shipment of cargo from Yokohama to Vostochny Port by sea, after which it was reloaded onto a train and dispatched along the Trans-Siberian Railway. The senders were very pleased with the result, and many Japanese companies have now become very interested in the Trans-Siberian Railway.

An alternative to the “Silk Road Economic Belt” for Japan could be the Russian “Northern Sea Route”, which runs on the northern coast of Eurasia along the Arctic Ocean. Russia and Japan are currently actively developing plans for the joint development of this promising route, which is capable of linking the East Asian countries with Europe, bypassing the Chinese-controlled waters.

Another important country in the Asia-Pacific region is South Korea, which has enthusiastically embraced the New Silk Road project. As early as 2014, the then-president Park Geun-hye stated that her country was ready to connect with China through a railroad passing through North Korea. Such a plan still exists, but now, it is assumed that Russia will build this railroad. The new South Korean leader Moon Jae-in discussed this option at the G20 Summit in July 2017 with Russian President Vladimir Putin.

In conclusion, it can be said that although almost all the leading states of Eurasia are eager for economic integration, not all are ready to actively cooperate with China to reach this end. In such a situation, interaction with Russia to connect with the rest of Eurasia countries, a move that would also potentially provide them with other transport corridors and help with infrastructural development could become a viable alternative for them. This once again confirms the extremely important role of the Russian Federation in creating a single Eurasian economic space.

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