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Now we move to Russia. Igor Yurgens is the chairman of the management board of the Institute of Contemporary Development and a professor of the Higher School of Economics. Now that you are the key power in the Middle East, how do you look at Asia?

Igor YURGENS, Chairman of the Management Board of the Institute of Contemporary Development, professor of the Higher School of Economics, Russia

Overextension is a threat for the existence of the Russian Federation. Thank you very much for the invitation, and let me say a few words about our position in Asia. Russia is still in search for its Asian soul. It found its European soul many centuries ago, but then it felt offended by our European friends, felt betrayed in the sanctions period, especially after the Ukraine crisis, and rushed to Asia. Russia announced its Asian pivot, it announced a number of projects which would connect us to Asia, and when you analyse this connection, you see that 70% of it is a Chinese connection.

We are in a strange sort of embrace with China, because historically we are not actually that close. Our relationship now is definitely at its highest level; we do not have any territorial disputes, Mr Putin and Xi Jinping talk to each other as friends and so on, but historically and economically, the rush to Asia and the dash to China could be as difficult as our rush to Europe after the collapse of the Soviet Union, which ended up the way it is at the moment. Therefore, Russia is in search of its Asian soul and of its strategy.

Through all the previous speeches of my colleagues at the podium, you realise that Russia was not mentioned once except for the fact that its army is the fourth largest in the region. Apart from the army and some of the hydrocarbon and energy projects, we cannot contribute much to the Asian development. The ideal role for Russia in Asia would be a balancing one, role of mediator between our strategic ally and friend China and the rest of the Asian countries. To play this role we have to be more persistent in our Asian strategy, first of all to work it out, and secondly, we have to figure out what we want to do with our South Korean friends, Japan, Australia, New Zealand and other U.S. allies. We are in limbo at the moment, as far as I am concerned.

This pivot to Asia is nothing new. I participated in Mr Primakov's Commission on the Asia-Pacific Rim in 1986 when he was nominated by the Central Committee of the Party as the chair. Russia is one-seventh of the world's landmass, but we have less than 10% of our population in two-thirds of our territory, which is Asia. There were plans in the mid-1980s to relocate five to ten million people from the European part of Russia to this area simply to populate it. You cannot create an economic backbone or economic potential without people. We did not manage to do that, and then the collapse of the Soviet Union put an abrupt end to the activities of Mr Primakov's Commission on the Asia-Pacific Rim.

We came back to that in the 1990s, when we started working on the new project of infrastructural development and human relocation. It went nowhere because we had an abundance of oil and a strategic partnership with the EU, NATO and so on. Then, when that went sour, we reminded ourselves that we were Asians and we wanted to go to Asia with new force and new initiative. I hope that this time around we will be a bit more serious and persistent.

Recently, Vladivostok has been announced a free port, visa free and investment free, there are a number of serious investments in Sakhalin, LNG factory and oil refinery being built in the region around Vladivostok, and so on. Would that be enough to attract investment from Asia and to start serious economic cooperation, without which we will not be



playing any serious role in Asia? It is a big question. We are doing our best at the moment, and again it is not very strategic.

A newly-created plan has just been announced, called the Eurasian Economic Union, which comprises Russia, Belarus, Kazakhstan, Armenia and Kirgizstan. We wanted to be some kind of a Eurasian counterparty to the EU. It is a newly-born baby; a year has passed and we have already announced a new initiative to merge this Eurasian Economic Union with the economic belt of China's New Silk Road "one way, one belt" project. That is a gigantic task in itself, but we have already announced the synergy between the two integrations, a difficult project which I think is not very well thought through. The main purpose of this big infrastructural development, to which China claims it will dedicate a lot of effort and invest USD200 billion, is to shorten the route for Chinese goods to Europe and European goods to China and Asia through the territory of the Russian Federation and Central Asian States. However, when you talk to experts on infrastructure, they say that everything that sails is cheaper, and everything which flies is faster, and to use your landmass simply for the infrastructural development, with railways and highways is very expensive and dubious in terms of economic results. Here again I can sense more risks than immediate results.

Therefore, I would say that the Russian turn to Asia is inevitable and impossible at the same time. It is a very difficult task which Russia has to face. We started with the overextension of Russia, and I am afraid that, given our involvement in the conflict in Ukraine, and now our involvement in the conflict in Syria, we could overextend ourselves if we are excessively involved into the security and economic development of the Far East. We did not conceptualise our Asian pivot, and from my point of view it is superfluous so far.

146 million of our population and a seventh of the landmass is a great challenge in itself. It is too little people for too much of the territory. If we do not think hard how to be partners with the West and the East, we are in trouble. Ideally, we would be friends with everybody. That is what Dostoevsky said in his famous "Pushkin speech" – to be a real Russian is to be a friend of everybody. However, first of all it is impossible, and second of all, Dostoevsky ended up being an enemy of the West, having started as a friend of it.

Therefore, these are all the contradictions of our contemporary development. I hope that we will reset our relations with the EU, NATO and our Western partners. I hope that we will promote the idea of peaceful cooperation in Asia. Mr Medvedev – formerly the President and now the Prime Minister, at the Asia-Europe Summit today promotes the idea of a comprehensive, binding security treaty in Asia. It is a very vague idea from my point of view, because from what we have just heard at this podium, to be binding, comprehensive and secure is very difficult in Asia this time around. But alternatives are worse.

I asked my Asian colleagues here what Russians were to them, they said that we were Europeans, not Asians. But at the same time we are Asians in two-thirds of our country and we will try to be loyal partners to our Asian friends. We have to find our peaceful and proper role in Europe, and we have to come back with the same ideas to Asia; this balancing role of Russia would be ideal.