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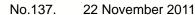
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# PUTIN'S RETURN TO THE PRESIDENCY AND ITS IMPLICATIONS FOR ASIA

#### Shigeki Hakamada

A good six months before the actual presidential election, it was virtually certain that Vladimir Putin would return to the presidency. Such is the strange "democracy" of Russia. The announcement was followed by Putin's call to create a Eurasian Union. The plan, unveiled in a newspaper article on October 4, is to achieve EU-style economic integration based on Russia's customs union with Kazakhstan and Belarus that would eventually encompass the whole Commonwealth of Independent States (CIS).

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One needs to note, however, that Russia is currently experiencing conflict, mistrust, or friction in its relations with Ukraine, Uzbekistan, Tajikistan and Moldova. Georgia withdrew from the CIS after fighting a war against Russia. Azerbaijan and Turkmenistan have been taking independent stances from Russia. Putin's recent remarks, which suggested his intention to annex South Ossetia and establish a Soviet-style alliance with Belarus, provoked a local backlash. Given the current state of affairs, Putin's plan for the Eurasian Union should be taken more as a reflection of his political ambition to reestablish Russia's leadership in the former Soviet Union region than as a realistic economic objective. It is also an expression of his wish to revive the Russian-led CIS as a potential rival to the EU and China. That is why Russia's move is being criticized as imperialistic within and outside the country.

Under the tandem government of Putin as prime minister and Dmitry Medvedev as president, Russia's military spending has been boosted despite growing budget deficits. Eyed as the most promising Russian leader after Putin and Medvedev, Finance Minister Alexei Kudrin was asked to resign by Medvedev in September after criticizing the expanding military spending, a fact later acknowledged by Putin. Such was Russia's resolve to continue to build up its military strength.

How will all this affect Putin's policy towards Asia, particularly Japan and the rest of the Far East? The most pressing issues facing Russia's Asia policy are the following: 1) restoring Russia's political, economic and military presence in the Asia-Pacific region lost after the collapse the Soviet Union; 2) building cooperative relations with an economically and militarily rising China while hedging against future threats; and 3) making effective use of a "US card" to play against China's military build-up and aggressive maritime moves, while countering the deployment of US missile defense systems. Stemming from these strategic calculations is a cautious view within Russia about America's declining presence in the Asia-Pacific region.

A notable thing about Russia's recent foreign policy is Medvedev's effort to improve economic and military relations with North Korea. Through a trilateral project to construct a gas pipeline that would pass through North Korea to South Korea, Russia is determined to reinforce its presence on the Korean Peninsula and in East Asia on the back of energy resources. The project also serves Russia's efforts to

manipulate China, with which talks on gas prices are stalled. However, whether the project will come to fruition remains to be seen, given that it entails similar risks exposed in the Russia-Ukraine gas disputes. North Korea for its part is counting on the Russian-led project to reduce its dependence on China – thus the project is a way for North Korea to manipulate China as well.

Putin tried to redress the balance against China by emphasizing the progress made in bilateral political and economic cooperation when he visited Beijing on October 11 and 12. It was his way of using the "China card" against the West. However, Russia does not conceal its vigilance against China, as was demonstrated by the announcement several days prior to Putin's visit to Beijing of the arrest of a Chinese spy. Russia's military build-up in Asia is of course targeted at the US, but it has been increasingly taking on a counter-China aspect in recent years. If China continues its expansionism and military build-up, there will come a time when Japan and the US seriously consider making use of the "Russia card."

As for relations with Japan, Medvedev has taken a hardline stance on the Northern Territories despite his reputation as being on the liberal side. The Japanese government was baffled when its optimistic expectations were betrayed. In an effort to erase his negative image as a "weak leader," Medvedev sometimes resorts to tough measures to court the Silovik (politicians from the security or military services). This has given rise to an optimistic view within Japan that the dispute over the Northern Territories will develop to Japan's advantage when Medvedev is replaced by Putin. This is nonsense. We should not forget that it was Putin who altogether rejected traditional peace treaty negotiations in 2005 by stating that the Southern Kuril Islands had become Russian territories as a result of World War II and that this was recognized under international law. We should not rush in dealing with issues pertaining to national sovereignty: we need to be prepared to fight a long battle. At the same time, I would like to add that it is highly likely that Putin will choose to visit Japan soon after the presidential election next spring in order to turn around soured Japanese public opinion for the sake of advancing bilateral economic cooperation.

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