The Kangaroo, the Bear, and the Dragon

Australia-Russia-China Relations in the “Asian Century”

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Abstract: With Australia and Russia increasingly seeing their future in the Asia-Pacific, neither can reach its full economic potential except under the guidance of Beijing’s control of ports on its “Maritime Silk Road.” Cold War clichés of the “Yankee lapdog” and the big bad “Russian bear” continue to dominate how Canberra and Moscow view each other. Yet when it comes to the future of Australia-Russia-China relations, one must look beyond Moscow, Beijing, and Canberra, but rather at Vladivostok and Darwin, symbols of an as-yet unrealized goal to shift emphasis onto each country’s sparsely-populated regions bordering the Asia-Pacific. With the dawning of the “Asian Century,” how does the United States change the geopolitical dynamics of the region, and how do China, Russia, and Australia react to “America’s Pacific Century”? Rather than a capitulation to America’s aggressive posture in the Asia-Pacific, China and Russia have consolidated the integration of their economies and militaries to counter such penetration. This emerging rivalry creates a challenge for Australia to balance its military alliance with the United States and its economic

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reliance on China. The necessity of finetuning this balance should be Canberra's primary foreign policy issue.

Keywords: Australia-Russia-China relations; Asia-Pacific geopolitics; the United States; "Asian Century".

There has been precious little scholarly attention on the Canberra-Moscow-Beijing relationship in the 21st century, its challenges, and future prospects. Cold War narratives of a Russian enemy still apply as an expression of this. It is clear that there is a resurgent Russia as a powerful and influential military and economic global actor along with a rising China. Australian politicians, business leaders, and academics have for years been loudly proclaiming the advent of an "Asian Century," and that Australians need to get on board, so to speak. Yet, invariably, Russia is omitted from such thinking with all attention focused on the bipolarity of China and the United States as dominant powers in the Asia-Pacific — despite the fact that nearly 77 percent of Russia, the world's largest country, lies in Asia. China, Japan, and the Korean peninsula, as Russia's neighbors, are also Australia's three most important export markets. The development of the Russian Far East provides an outlet for Australia to engage with Russia through Darwin. The slow development of Darwin and the sanctions placed on Russia by Australia can be detrimental to potential trade. However, will potential trade between Russia and Australia be tolerable to Washington, and would it have to be done through the nexus of China's economic power in the Asia-Pacific?

China-Russia Partnership in a Multipolar World

The implosion of the Soviet Union and George H. W. Bush's announcement of a "New World Order" on September 11, 1991 assumed that a unipolarity had now been established, led by the United States which would ensure its dominance in the United Nations, NATO and other international organizations.¹ What was not envisaged, however, was that

¹"George Bush Sr. New World Order Live Speech Sept 11 1991," YouTube, December 3, 2011, https://www.youtube.com/watch?v=byxeOG_pZ1o.

“the Russian bear” would not always remain “caged.” Rather, Russia has seen a resurgence along with strategic cooperation with Beijing in the framework of a multipolar “BRICS” order,² where the United States ceases to be the sole superpower and major economic force as it was in the short-lived unipolar world, though it will remain a powerful military power nevertheless.

Although for much of the 20th century there were strained relations between Beijing and Moscow because of the Sino-Soviet split along an ideological division, Sino-Russian relations in the 21st century have been conducted in a respectful manner with an emphasis on economics and mutual geopolitical interests. The past decade, in particular, has witnessed Beijing and Moscow take a common stance on such key contentious regions as Syria, Ukraine, and North Korea, which has been in stark contrast to that of Washington’s. It remains to be seen as to whether China-Russia relations will be challenged with a potential Russian push into the Asia-Pacific, which is increasingly under China’s dominance; however, in the interim, both states see the greatest threat to regional economic prosperity coming from the United States.

With Moscow and Beijing concluding two partnership agreements in 1994 and 1996, a *Treaty of Friendship and Cooperation* in 2001, it was the achievement of comprehensive strategic partnership of cooperation in 2012 that established the values of mutual benefit, mutual trust, and equality for China-Russian bilateral relations. However, even this impressive agreement was quickly superseded by the 2014 Strategic Partnership that was signed shortly after Crimea was annexed by Russia to the wrath of Washington. The 2014 Strategic Partnership saw the plans for the “Power of Siberia” gas pipeline that aimed to “strengthen the China-Russian energy partnership” and further integrate the two neighboring countries. The Chinese-led “Silk Road Economic Belt” and the “21st-Century Maritime Silk Road” initiatives were also integrated with Russia’s Eurasian Economic Union. This integration demonstrates the mutual

²BRICS is the acronym for the association of five major emerging national economies: Brazil, Russia, India, China, and South Africa. This association incorporates half the world’s population, making it a significant economic bloc.

economic interests between Moscow and Beijing, which sets out to challenge Western capitalism.

Besides economics, the growing military quasi-alliance between Russia and China has been most significant. Whilst Sino-Soviet relations were tainted with border skirmishes and the threat of war, China and Russia have seen the necessity of a common defense plan against potential U.S.-led aggression. With Beijing vocalizing its support for Russia's annexation of Crimea and its campaign against U.S.-backed terrorist groups in Syria, Moscow has verbalized its support for the

Based on shared national interests, China and Russia have established a strategic partnership that rivals the United States.

Chinese position on the South China Sea and called for the international community to respect the notion that it is a regional issue. This increasing support for each respective geopolitical issue has seen China and Russia conduct joint military drills in the South China Sea in 2016. According to senior officers at China's Central Military Commission and Russia's Defense Ministry, since both sides are faced with a more complex international security environment, closer cooperation has been considered a necessity. This comes especially with the U.S. deployment of the Terminal High Altitude Air Defense (THAAD) missile system in South Korea that received criticism from not only Moscow and Beijing, but the wider South Korean public who recognized that this move would antagonize Pyongyang.

Regardless of the motives, morality, and benefits of Russia's and China's involvement on the world stage, their actions in Syria and the South China Sea have reminded the world that Russia and China are part of a select few world powers able to project serious and sustained military force around the world. They are of course two of the only five permanent members of the United Nations Security Council (UNSC) with veto powers. They have some of the world's most significant aerospace/space industries, rivaling the United States. After the United States, Russia is the world's second largest arms exporter and China is projected to overtake the United States economically in the near future. Russia has more natural resources than any other country and China remains energy hungry despite an economic slowdown. Russia, through its port in Vladivostok, will be making a

serious pivot into the Asia-Pacific whether China and the United States dominate this region.

Canberra's Approach to Dealing with Moscow and Beijing

Since World War II, Australia has been aligned with America in its foreign policy and engaged itself in the wars in Vietnam, Korea, Afghanistan, and twice in Iraq. This has essentially meant that when Washington has declared economic sanctions, Australia has followed suit, as its sanctions on Syria, Iran, and Russia demonstrate. Australia is anything but a neutral country, especially when one considers the economic opportunities to be had with strong ties to Russia that have been sidelined. As it stands, Australia has lost more by its imposition of sanctions against Russia than what Russia has lost with Australia. Although Australia has recognized that the world is no longer unipolar and the importance of the rise of China, these same efforts must be made with Russia as the 21st century becomes increasingly multipolar and the rise of BRICS countries challenges the Western-led economic system. Rather than choose sides on this economic rivalry, Australia can choose neutrality for economic gain.

The Russian annexation of Crimea, the downing of MH17, and Australia's alignment with Washington's foreign policy, provide context for the current Canberra-Moscow relationship. After the outbreak of the war in Donbass on April 6, 2014, then U.S. Secretary of State John Kerry said it "did not appear to be spontaneous" and called on Russia to "publicly disavow the activities of separatists, saboteurs and provocateurs" in a phone call with his Russian counterpart Sergei Lavrov.³ In an opinion piece in *The Guardian* on April 8, 2014, Russian Foreign Minister Sergei Lavrov wrote that it was Europe and the United States, and not Russia, that were destabilizing Ukraine.⁴ The back and forth accusations between Russia and the United States continued, with Australia naturally standing with Washington despite these events occurring half a world away from Australia's position in the Asia-Pacific. However, the real blow to

³"Ukraine Crisis: Protesters Declare Donetsk 'Republic'," BBC News, April 7, 2014, <http://www.bbc.com/news/world-europe-26919928>.

⁴Sergei Lavrov, "It's not Russia that is Destabilising Ukraine," *Guardian*, April 8, 2014, <https://www.theguardian.com/commentisfree/2014/apr/07/sergei-lavrov-russia-stabilise-ukraine-west>.

Canberra-Moscow relations occurred on July 14, 2014, when Malaysian Airlines flight MH17 was shot down over eastern Ukraine, killing all on-board, in a region where Russian-backed rebels had recently downed Ukrainian military aircraft.⁵ Among the passengers were 38 Australian citizens and residents. The Australian press saw Russia as being at least indirectly involved. In a clearly pre-planned declaration gone awry, then Australian Prime Minister Tony Abbott awkwardly remarked at a press conference, "I am going to shirtfront Vladimir Putin. You bet you are. You bet I am," in comments that attracted global media attention.⁶ This came in the lead-up to the Group of Twenty (G20) summit in Brisbane, where Abbott and Putin ultimately cuddled koalas together.⁷

Whereas Australia was quick to condemn Russia as responsible for the attack, Chinese President Xi Jinping took a pragmatic approach, expressing China's condolences to the victims and called for a fair and independent investigation. Without similar expression like what China had called for, Abbott contemplated sending a battalion of Australian soldiers to Ukraine, according to former Australian Army officer James Brown.⁸ Brown claimed that Abbot wanted to make Australia a muscular middle power but that an Australian deployment would have made them targets for the Russian-backed rebels and could have "exposed Australian troops to substantial danger in pursuit of lofty objectives misaligned with national interests."⁹ Although all preliminary reports strongly suggest that the Russian-backed

⁵Max Fisher, "MH17 is the Third Plane This Week Shot Down over Ukraine under Mysterious Circumstances," *Vox*, July 18, 2014, <https://www.vox.com/2014/7/18/5914139/ukrainian-rebels-shot-down-two-planes-in-the-last-month>.

⁶Peter Hartcher, "Tony Abbott Shirtfronting Vladimir Putin? The US Put Their Money on Putin," *Sydney Morning Herald*, December 2, 2015, <http://www.smh.com.au/federal-politics/political-news/tony-abbott-shirtfronting-vladimir-putin-the-us-put-their-money-on-putin-20151202-gldupc.html>.

⁷"Tony Abbott and Vladimir Putin Cuddle Koalas at GOMA," ABC, November 15, 2014, <http://www.abc.net.au/news/2014-11-16/abbott-and-putin-cuddle-koalas-in-brisbane/5894576>.

⁸David Wroe, "Tony Abbott's Office Floated Sending Australian Troops into Ukraine Conflict, Defence Expert Claims," *Sydney Morning Herald*, June 13, 2016, <http://www.smh.com.au/federal-politics/federal-election-2016/tony-abbotts-office-floated-sending-australian-troops-into-ukraine-conflict-defence-expert-claims-20160612-gphbab.html>.

⁹*Ibid.*

rebels were responsible, inconclusive evidence and incomplete investigations remain, with counter reports such as those by Professor Michel Chossudovsky providing evidence that the Russian-backed rebels were not the culprits.¹⁰

A combination of the MH17 tragedy and Russia's annexation of Crimea after a referendum in March 2014 culminated the downward spiral of Canberra-Moscow relations. Abbott's government enthusiastically supported U.S.-led sanctions against Russia, which in turn responded by putting sanctions on Australia. This included a suspension of Australia's \$300-400 million agricultural trade with Russia.¹¹ For a government that depended on the support of its rural-focused coalition partner, the National Party, and that had so vocally criticized the previous government for the suspension of the live cattle trade with Indonesia, this was a symbol of its seriousness. The lack of media attention to the suspension of Russian agricultural trade, in contrast to the saturation coverage of the suspension of the Indonesian cattle trade, is telling. Meanwhile the Department of Agriculture and Water Resources announced that:

*On 29 June 2016, Russian President Vladimir Putin signed a decree extending the Russian ban on specified agricultural products for an additional 18 months, to 31 December 2017. This is the second extension to the August 2014 Presidential Decree on the 'Application of Certain Special Economic Measures in order to protect the National Security of the Russian Federation' imposing bans on the import of specified agricultural products originating from a number of countries, including Australia, United States, EU member states, Norway and Canada. There has been no change to the list of banned source countries.*¹²

¹⁰Michel Chossudovsky, "Support MH17 Truth: Machine Gun-Like Holes Indicate Shelling from a Military Aircraft. No Evidence of a Surface-to-Air Missile Attack," Global Research, September 28, 2016, <http://www.globalresearch.ca/support-mh17-truth-osce-monitors-identify-shrapnel-like-holes-indicating-shelling-no-firm-evidence-of-a-missile-attack/5394324>.

¹¹"Australian Farmers Seek Alternative Markets after Russia Bans Food Imports," ABC, August 11, 2014, <http://www.abc.net.au/news/rural/2014-08-08/russia-bans-agriculture-imports-australia-rural-reax/5657326>.

¹²"Russian Ban on Australian Agricultural Produce 2016," Australian Department of Agriculture and Water Resources, July 18, 2016, <http://www.agriculture.gov.au/about/media-centre/russian-ban-agricultural-exports#are-further-bans-anticipated>.

The Dutch bank, Rabobank, has predicted that the Russian economy will return to positive growth in 2017 and that Australia's July 2016 cattle slaughter was down 35 percent year on year with exports dropping 24 percent year on year in August.¹³ What this demonstrates is that the Australian sanctions on Russia have effectively made little difference to the country; instead, it is the Australian economy that has suffered. Although there was little trade between Russia and Australia in retrospect, with the Russian development in the Far East and opening up of access via the port in Vladivostok, Russia will inevitably begin to heavily engage with Asia. The sanctions could make not only Russia, but China as well, hesitant in trading with Australia further knowing Canberra is ready to place sanctions on them at the behest of Washington. Asian neighbors, especially China, will also see that those who do not fall into Washington's aegis and have Washington-imposed sanctions placed against them could also have Australian sanctions placed. This serves only to cause mistrust between Australia and its neighbors.

Economically, Australia and Russia represent an untapped market to each other. While both can be seen as natural competitors as large energy and mineral exporters, in other areas their economies have gone down different roads. Three decades of neo-liberal economic policy in Australia has seen the slow death of manufacturing and heavy industry. Australia has become dependent on imports for machinery, and most areas of technology, most significantly from China. This is a space also filled by Japan, South Korea, and Germany, but could represent an attractive market for Russia. Russia, in turn, could become an attractive destination for Australian service exports.

An independent Australian policy of engagement with Washington, Moscow, Beijing, and the wider region can only benefit Australia, than if it continues to play the policing role in the region on behalf of the United

Following the U.S. sanctions against Russia seriously harms Australia's economic interest.

¹³Jamie-Leed Oldfield, "Russia Global Beef Trade's Sleeping Giant," *Weekly Times*, October 4, 2016, <http://www.weeklytimesnow.com.au/agribusiness/cattle/russia-global-beef-trades-sleeping-giant/news-story/7c7af6e3ea930b5033f6aeb7eb4fe0c5>.

States. On the war in Syria, Canberra has taken a very different approach to Moscow and Beijing. Canberra's approach, in both rhetoric and deed, has been virtually indistinguishable from that of Washington. This long-focused Syrian policy has been to demand that a solution to the crisis can only depend on the removal of Syrian President Bashar al-Assad — essentially a demand for regime change. The projection for a regime change in Syria is once again aligned with Western imperialist ambitions and demonstrates Canberra's virtual foreign policy alignment with Washington.

Australia is a part of the U.S.-led coalition airstrikes against ISIS targets, though importantly, not when ISIS terrorists target Syrian government forces. Australia was one of a number of coalition forces that killed 82 Syrian soldiers in the city of Deir Ezzor in eastern Syria in September 2016.¹⁴ At the time of this writing, Deir Ezzor is completely surrounded and besieged by ISIS. Although Australia has expressed condolences to the families of soldiers killed, the repercussions of the attack led to ISIS capturing several positions from the Syrian army after ISIS launched an offensive immediately after the airstrikes concluded. This led to several political commentators and mainstream media outlets to suggest that this was an example of the West placing regime change in Syria above defeating terrorism. In response, many Sydney-siders, for instance, protested against the massacre of Syrian soldiers who were besieged by ISIS.¹⁵ In the very same city, the Russian air force has been playing a pivotal role in ensuring that the besieged city of Deir Ezzor does not fall to ISIS.¹⁶

This demonstrates that there is no serious attempt by the U.S.-led coalition, of which Australia is a part, to bomb ISIS terrorists when they come into conflict with the Syrian government. This is also proven when ISIS marched on the government-held ancient city of Palmyra

¹⁴Paul Antonopoulos, "Australian Jets Participated in Massacre of Syrian Soldiers in Deir Ezzor," *Al-Masdar News*, September 18, 2016, <https://www.almasdarnews.com/article/australian-jets-participated-massacre-syrian-soldiers-deir-ezzor/>.

¹⁵Paul Antonopoulos, "Sydney to Protest against Australia's Involvement in Deir Ezzor Massacre," *Al-Masdar News*, September 20, 2016, <https://www.almasdarnews.com/article/sydney-protest-australias-involvement-deir-ezzor-massacre/>.

¹⁶Leith Fadel, "Russian, Syrian Jets Hammer ISIS across Eastern Syria," *Al-Masdar News*, October 18, 2016, <https://www.almasdarnews.com/article/russian-syrian-jets-hammer-isis-across-eastern-syria/>.

on May 21, 2015, resulting in the destruction of much of its archaeological treasures. The U.S.-led coalition made no effort to help defend the city from ISIS despite the archaeological treasure trove that Palmyra is, with full knowledge that ISIS destroys sites deemed as “unislamic.” The ancient city was only liberated by Syrian government forces with the Russian air force playing a pivotal role, but with much destruction already made.¹⁷

From the earliest stages of the war, Moscow offered military, technical, and political support for the Syrian government as it fights a radical Islamist insurgency — be that ISIS, or other jihadist militant groups, including the Al-Qaeda franchise of Jabhat al-Nusra, and the Islamist Ahrar al-Sham group, the latter perplexingly and disgracefully labeled as “moderate opposition” by Western governments and media, including Australia’s. In contrast, China, like Russia, has consistently vocalized its strong support for an immediate and peaceful solution to the Syrian War without condition that the democratically elected Assad has to be removed from power.

In September 2015, Russia embarked on a full-scale air campaign against ISIS and other jihadist militant groups. Russia’s decisive entry into the conflict was a significant turning point, allowing the Syrian government to slowly but steadily reassert control over jihadist militant-held territory in Latakia, Aleppo, Palmyra, and other areas. Critics asserted that Russia was not focused on ISIS alone but on “moderate rebel” groups more broadly. But Russia’s targeting of the ISIS oil industry, for instance, demonstrated that the coalition air campaign had not been especially hard on the terrorist group as Russia single-handedly destroyed its primary revenue stream through its blood-oil trade with Turkey.¹⁸ In October, Russia established its control over the Hmeimim airbase in Latakia province. “Political commentators” and “experts” argued that Russian assistance to the Syrian government to fight ISIS would in fact strengthen it and that supposedly only a regime change could defeat terrorism in Syria, seemingly destined to repeat the failures of Iraq and Libya.

¹⁷Leith Fadel, “Breaking: Syrian Armed Forces Liberate Palmyra,” *Al-Masdar News*, March 27, 2016, <https://www.almasdarnews.com/article/breaking-syrian-armed-forces-liberate-palmyra-2/>.

¹⁸“Most Smuggled ISIS Oil Goes to Turkey, Sold at Low Prices — Norwegian Report,” *RT*, December 20, 2015, <https://www.rt.com/news/326567-is-export-oil-turkey/>.

The leadership coup within the ruling Liberal Party in Australia that saw Tony Abbott replaced by Malcolm Turnbull in September 2015 set the scene for a supposedly less belligerent relationship. The attacks in Paris in November 2015 by Islamist terrorists also allowed a potential warming of relations as Russia and the West were generally reminded of their common enemy. In scenes reminiscent of World War II, Russian bombs destined for ISIS had “for Paris” inscribed on them. When NATO member Turkey provocatively shot down a Russian plane near the Turkish-Syrian border for allegedly violating Turkish airspace, Australia did not rush to take sides, showing restraint from otherwise blindly following its Western allies in a rare demonstration of independence. However, Canberra has remained consistent with its Euro-American centric views by accusing Russia of targeting hospitals and other civilian facilities in Syria’s largest city, Aleppo, without providing evidence, at the same time that it is retaining close ties to states behind repeated atrocities in Yemen.¹⁹ Canberra following Washington’s line on Russia only serves to hinder any relationship building with Moscow. Rather, Australia should follow a neutral policy in Syria as China has.

Australia should remain cautious when joining in the U.S. tough line against China.

With the declaration of “America’s Pacific Century,” immediate containment methods against both Russia and China can be assumed, with Australia playing a leading role as one of Washington’s enforcers in the Asia-Pacific. With the ascension of Donald J. Trump to the U.S. Presidency in 2017, immediate hostilities against North Korea were made by Washington. North Korea serves as

a bulwark and buffer state for China in East Asia and is strategically located in the nexus between China and Russia, and U.S. allies South Korea and Japan. Australia in June 2017 imposed further sanctions on North Korean individuals associated with the country’s missile testing and nuclear program. The five individuals were in China, Russia, and Vietnam and had

¹⁹Mark Kenny, “Malcolm Turnbull Slams Russian ‘Contradictions’ while Admitting Australian Bombs in Syria,” *Sydney Morning Herald*, September 19, 2016, <http://www.smh.com.au/federal-politics/political-news/malcolm-turnbull-slams-russian-contradictions-while-admitting-australian-bombs-in-syria-20160918-grj532.html>.

travel bans and economic sanctions placed against them. Although North Korea is no direct threat to Australia, Australia's role as an enforcer for the United States in the Asia-Pacific is highlighted. Australian Prime Minister Michael Turnbull then called for China to "rein in" North Korea, as if assuming that North Korea is a satellite state of China.

The target is not necessarily North Korea itself, but rather China. The destruction of North Korea's socialist government serves to only isolate China further. When considering Trump's pre-election rhetoric against China and his antagonism to Beijing by engaging in a phone call with Taiwanese leader Tsai Ing-wen shortly after being elected, it is evident that Washington considers the greatest challenges to "America's Pacific Century" to be Russia's resurgence and China's rise. Trump's call to Tsai Ing-wen was the first by a U.S. President-elect or President since Jimmy Carter recognized China instead of Taiwan in 1979. Therefore, Australia serves to only hinder its relations with Beijing, despite being economically reliant on China, by engaging in behavior that unnecessarily provokes China and targets it.

With Beijing and Moscow engaged in a strategic partnership, the development of Russia's Far East will bolster this quasi-alliance and counter moves by Washington to make Asia-Pacific their "sphere of influence." As Australia is politically and militarily aligned with Washington, China's rise and Russia's resurgence will perhaps challenge decision-makers in Canberra to recognize that the 21st-century political and economic landscape is not unipolar or bipolar, but rather multipolar. A failure to recognize this reality will only be to the detriment of Australia, as global powers other than the West will be hesitant to engage with Australia economically.

Australia's Opportunities and Challenges in the "Asian Century"

As we enter the "Asian Century," Australia's relations with Russia's Pacific East, China, India, and other regional countries become increasingly important. The economic centers of Shanghai, Hong Kong, Tokyo, Seoul, Singapore, and Mumbai, along with the emerging centers of Jakarta, Bangkok, Manila, and Kuala Lumpur, and most likely Vladivostok, mean that if Canberra continues to view the world through a unipolar rather than multipolar prism, it can only be to the detriment of Australia and its

industries. As BRICS emerge as the leading economic financial bloc in Asia, Canberra must adjust its policies and rethink its foreign policy to avoid being an exact replication of Washington's. The United States has the advantage of cross-Atlantic trade with Europe, something that Australia's positioning does not enjoy. To apply Euro-American centric policy thinking to Australia's positioning in the Asia-Pacific region only serves to harm Australian industry as the rivalry between Western capitalism and the BRICS bloc emerges. The development of northern Australia, symbolized by Darwin, becomes more critical as the emergence of Chinese, Russian, and wider Asian economies continue to prosper.

Russia's population centers are heavily skewed toward its western "European" border in the Moscow-St. Petersburg axis, just as Australia's population is heavily concentrated in the southeast Sydney-Canberra-Melbourne axis. In an era that many have been keen to dub the "Asian Century," both countries have sought to develop their sparsely settled regions bordering Asia. Plans, policies, white papers and commentary on the need to develop the north in Australia and the east in Russia have in recent times dominated economic planning.²⁰ It is therefore not too much of a stretch to identify Darwin and Vladivostok as comparable as they start looking excitedly to economic opportunities in East Asia, particularly China. Vladivostok's hosting of the 2012 Asia Pacific Economic Cooperation (APEC) summit can be seen as evidence of this Russian eastward pivot, identifying that this neglect will now change.²¹ Russia's economic turn towards the Asia-Pacific region has only been accelerated by tit-for-tat economic sanctions between Russia and most of the West since 2014. Pacific Russia, like northern and Western Australia, is resource rich and has the potential to drive economic growth. In 2012, roughly three quarters of Russia's exports were extracted or primarily processed in Siberia and the

²⁰"Economic Development Strategy," Department of the Chief Minister, April 18, 2016, <https://dcm.nt.gov.au/strategies-and-plans/economic-development-strategy>; and Alexey Lossan, "Russia Developing Far East for Push to Asia," *Russia and India Report*, August 21, 2015, https://in.rbth.com/economics/business/2015/08/21/rusia-developing-far-east-for-push-to-asia_391441.

²¹Fred Weir, "Russia Turns its Gaze Eastward with APEC Economic Summit," *Christian Science Monitor*, September 4, 2012, <https://www.csmonitor.com/World/Europe/2012/0904/Russia-turns-its-gaze-eastward-with-APEC-economic-summit>.

Far East.²² Both are major global producers of commodities which have and do supply the raw ingredients for East Asia's industrialization. China and Japan are Australia's two largest trade partners and two of Russia's four largest trade partners.²³ In both cases, the significant chunk of trade consists of energy and mineral exports.

Russia identified the importance for the development of its Far East in the "Asian Century" and established the Ministry for Development of the Russian Far East in 2012 with the aim to economically and socially develop this region.²⁴ As of 2016, Chinese companies have invested \$2.4 billion in development projects in Russia's Far East, including the Power of Siberia pipeline which is to deliver 38 billion cubic meters of Russian natural gas to China annually.²⁵ Along with

Development of Darwin will greatly enhance Australia's economic status and its relationship with Beijing and Moscow.

significant Russian and Chinese investment in the Far East, and the establishment of the Ministry for Development of the Russian Far East, Moscow has made strong appeals for the migration of people to this vast area to boost its small population of less than 7 million people as of 2010.²⁶ Russian President Vladimir Putin has offered free land handouts in the Far East to Russians and naturalized citizens in May 2016. As he said, "We

²²Ekaterina Kuznetsova and Vladislav Inozemtsev, "Russia's Pacific Destiny," *American Interest*, Vol. 9, No. 2 (October 2013), p. 71.

²³"Australia's Trade at a Glance," Department of Foreign Affairs and Trade, October 16, 2016, <http://dfat.gov.au/trade/resources/trade-at-a-glance/pages/default.aspx>; and "Russia (RUS) Exports, Imports, and Trade Partners," OEC: *The Observatory of Economic Complexity*, 2014, <http://atlas.media.mit.edu/en/profile/country/rus/>.

²⁴"New Cabinet Has Familiar Cast of Characters," *Moscow Times*, May 22, 2012; and "Ministry for the Development of the Russian Far East — The Russian Government," Правительство России, <http://government.ru/en/departments/239/events/>.

²⁵"China Invests \$2.4bn in Russian Far East," *RT*, July 5, 2016, <https://www.rt.com/business/349524-China-russian-region-investments/>.

²⁶"Население, учтенное при Всероссийской переписи населения 2010 года," Главная: Федеральная служба государственной статистики, 2013, http://www.gks.ru/free_doc/new_site/perepis2010/croc/Documents/Vol1/pub-01-01_02.pdf.

should work with regional authorities, so that land plots are allocated in areas with at least minimal infrastructure.”²⁷

The strong initiative for the Far East’s development is in striking contrast to Australia’s development of Darwin as a potential economic center for Australia and the wider Asian region. Whilst China has identified the potential, location, and importance of Darwin and even attained a lease on the Port of Darwin, no real vigorous efforts by Canberra to develop and populate the city or northern Australia have been made. Although Canberra has failed to materialize anything meaningful in Darwin, the Northern Territory state government recognizes the potential of Darwin and has set contingencies to develop the city into a leading economic center in the Asia-Pacific. Then Australian Minister for Trade, Mark Vaile, stated in 2000:

*Through its geographical proximity and historical connections, the Northern Territory has a valuable role to play, and many rewards to reap, in leading Australia’s economic integration in the Asia-Pacific. And, of course, Darwin has an important part to play in that process as a gateway to Asia. Darwin’s role as a gateway to Asia is well understood by the NT Government of Mr. Burke and his colleagues, particularly his Minister for Asian Relations and Trade, Mr. Manzie. Their regular high-level visits to countries in the region and showcase events like the NT Expo are excellent ways to capitalize on the economic recovery of our Asian neighbors.*²⁸

Although Canberra recognizes Darwin as the “Gateway to Asia,” it has done little to foster this potential. Darwin provides the shortest trade and transport route between any Australian capital and Asia, and has modern transport facilities in its international airport and the Chinese-leased Port of Darwin. Eight national capitals, 36 trading ports, 69 international airports and nearly half a billion people are within four hours

²⁷“Putin Offers Free Land for Citizens & Foreigners in Russia’s Far East,” *RT*, May 5, 2016, <https://www.rt.com/business/341892-far-east-land-infrastructure/>.

²⁸“Darwin and the Northern Territory — The Exports Gateway to Asia,” Australian Minister for Trade, Tourism and Investment, The Hon Steven Ciobo MP, October 18, 2016, http://trademinister.gov.au/speeches/2000/000714_gateway.html.

flight of Darwin, as compared to approximately nine from Sydney.²⁹ The Northern Territory government has identified that the development of Darwin will build the economy through sustainable growth, investing in education, reducing welfare and creating more jobs with new business opportunities.³⁰ Former Chief Minister of the Northern Territory, Adam Giles, identified Vietnam, Indonesia, East Timor, Japan, Malaysia and the Philippines as the main focus for Darwin's relations with the Asian-Pacific region in 2014.³¹ However, with the recent development of Russia's Far East, Darwin is in a unique position to engage economically with Russia through its port in Vladivostok.

The Chinese lease of the Port of Darwin is not the only case of China's endeavor to extend influence over Asian ports. Over the past years, China has either leased or developed a swath of ports in its drive for the "Maritime Silk Road," including Sri Lanka's Hambantota Port, Pakistan's Gwadar Port, a new port in East Africa's Djibouti, and Bangladesh's Anwara. It has also invested in a deep-sea port on Maday Island, Myanmar, Laem Chabang in Thailand, Sihanoukville in Cambodia, as well as Batam and Kuala Tanjung in Indonesia. Besides, it announced a "port alliance" between ten Chinese ports and five Malaysian ports.³²

With the potential of Darwin and Vladivostok to be economically engaged, all trade would have to be done through the nexus of the Chinese dominance in the Asia-Pacific and its lease on the Port of Darwin. Moscow has made serious efforts toward populating the Far East with Vladivostok serving as its prized asset to engage in the "Asian Century." However, although all the right rhetoric is coming from Canberra, no serious effort has been made to develop Darwin. So, while Russia is preparing to heavily

²⁹"Why Invest in Australia's Northern Territory," Investments in Australia's Northern Territory, <http://investnt.com.au/why-invest/index.shtml>.

³⁰"Northern Australia Development," Department of the Chief Minister, <https://dcm.nt.gov.au/territory-economy/northern-australia-development>.

³¹"Darwin is Asia's Gateway to Australia': Interview with Adam Giles, Chief Minister, Northern Territory," Australian Institute of International Affairs, September 19, 2014, http://www.internationalaffairs.org.au/australian_outlook/darwin-is-asias-gateway-to-australia-interview-with-adam-giles-chief-minister-northern-territory/.

³²Geoff Wade, "Port of Darwin: This is about More than China's Economic Interest," ABC, November 24, 2015, <http://www.abc.net.au/news/2015-11-24/wade-the-darwin-port-is-another-link-in-chinas-expansion/6967640>.

engage with the Asia-Pacific economically, Australia lags in this potential trade, not only within the “Asian Century,” but with Russia’s Far East, where maritime trade between Darwin and Vladivostok would essentially be straightforward between the two port cities, potentially under the guidance of Beijing.

Canberra must distance itself from the U.S. strategy to contain Russia and China in the Asia-Pacific.

The only potential hindrance to this economic development between Darwin, Vladivostok, and the Chinese dominated maritime straits of Asia is Canberra’s unmoving alignment with Washington’s stance on Russia. The United States is re-aligning its focus to the Asia-Pacific with Australia playing an important role in its pivot to have a strong influence in this region which is increasingly coming under Chinese,

and potentially, Russian influence. Darwin’s strategic location has meant that the United States has identified this city as imperative and has suggested increasing the rotational force of 1,350 American Marines to 2,500 as it is both “important for both nations and for the credibility of the U.S. rebalance,” according to a report commissioned by the U.S. Congress.³³ This rebalance has culminated into what the U.S. Department of State has dubbed “America’s Pacific Century,” which seeks to contain Chinese and Russian influence in the region through its alliances with Australia, the Philippines, Japan, South Korea, and Thailand.

Whereas the United States verbally condemns Burmese, Vietnamese, and North Korean conduct, China and Russia engage in no such rhetoric and focus on trade deals.³⁴ With Australia in a military alliance with the United States but having China as a leading trade partner, Canberra must realize that its alignment with Washington means that it is part of an alliance that seeks to dominate Asia and contain Russia and China. This only hinders relations and trust with Asian countries, and serves to potentially

³³“Darwin’s Strategic Military Importance to Grow for US,” *NT News*, January 26, 2016, <http://www.ntnews.com.au/news/northern-territory/darwins-strategic-military-importance-to-grow-for-us/news-story/24c6e5f19a197b18a7e16afa872c7525>.

³⁴“America’s Pacific Century,” U.S. Department of State, November 10, 2011, <https://2009-2017.state.gov/secretary/20092013clinton/rm/2011/11/176999.htm>.

block trade opportunities with not only the wider region, but Russia's Far East. As time passes, Canberra will find it more difficult to maintain trade relations with China and its neighbors in Asia whilst balancing its alignment to a Euro-American centric foreign policy, and its Euro-American centric policies may only find itself missing on trade opportunities in the region because of sanctions.

Conclusion

Although Australia has loyally followed Washington's foreign policy since World War II, in the 21st century, Australia must walk a tight rope to appease its traditional military ally, the United States, whilst simultaneously being economically reliant on China. Canberra must also learn how to take advantage of trade opportunities that Russia can provide once its Far East opens to the Asia-Pacific. Therefore, it would be in the best interest of Australia to deescalate problematic situations and work through issues diplomatically rather than resorting to unnecessary rhetoric and placing sanctions on countries that resist U.S. imperialism.

A withdrawal of Australia's belief that an aggressive Washington-aligned foreign policy is a necessity will allow the country to be opened to new trade opportunities without suspicions attached. Darwin can serve to become a pivotal part of the Chinese-initiated "Maritime Silk Road" which will only become increasingly more economically important with Russia's integration into this system. As we advance further into the "Asian Century", it must be observed that economic integration can serve to alleviate conflict among states, and that military adventurism that dominated the 19th and 20th centuries has become redundant, except for resistant Western states attempting to consolidate their domination on world markets.