



# The Asia-Pacific Journal: Japan Focus

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## War in the Caucasus and the Global Repositioning of China, Germany, Russia and the US

M K Bhadrakumar

A geopolitical convulsion measuring six points on the Richter scale is bound to produce aftershocks. The reverberations of the conflict in the Caucasus are beginning to be felt. We may be unwittingly bidding farewell to the "war on terror". In any case, the international community has lost interest in Osama bin Laden.



The United States has spotted a promising new enemy on the horizon and an engrossing war may be offering itself, with infinite possibilities.

Needed: a new war doctrine. As often enough, Britain may be putting it all together. British Foreign Secretary David Miliband said in Churchillian tones, "The aggressive Russian force beyond South Ossetian borders has been something that really shocked many people ... The sight of Russian tanks in Gori, Russian tanks in Senaki, the Russian blockade of the Georgian port of Poti, is a chilling reminder of times that I think we had hoped had gone by." US Secretary of State Condoleezza Rice, on a visit to the Georgian capital Tbilisi, promptly echoed Miliband, recalling the Soviet intervention in Czechoslovakia in 1968.



**Russian troops advance in South Ossetia on August 9**

But, that is looking ahead. For a start, Poland has met with success, finally, in locating a guarantor for its historically indefensible kresy (eastern borderlands) along the line from Dniester to the Dnieper River. Last Friday, the United States and Poland reached an agreement of "mutual commitment" whereby the two countries will come to each other's assistance "in case of trouble". At first glance, it may appear doubtful Warsaw can do much if Venezuela's Hugo Chavez causes trouble for Washington. But that's a minor detail. What matters is that the US has appeared as a lone ranger in the strategic space between Germany and Russia. And it happened as an offshoot of the conflict in the Caucasus.

### Missiles in Poland

The deal provides for the US augmenting Poland's defenses with Patriot missiles in exchange for the placing of 10 US missile defense interceptors on Polish soil. Poland, in other words, received security guarantees from Washington in return for its consent to the deployment of the US missile defense system in the central

European country.



**US Patriot Missile**

Polish Prime Minister Donald Tusk felt elated enough to proclaim, "We've crossed the Rubicon." He underscored that the US was stepping into a historic role that the North Atlantic Treaty Organization (NATO) was simply incapable of fulfilling. "Poland and the Poles do not want to be in alliances in which assistance comes at some point later - it is no good when assistance comes to dead people. Poland wants to be in alliances where assistance comes in the very first hours of any possible conflict," he explained.

The "mutual commitment" clause is a direct reference to Russia, even though Washington and Warsaw have played down any connection. Russian President Dmitry Medvedev denounced the US-Polish deal as a threat to Russia. He added caustically that "any fairy tales about deterring other states, fairy tales that with the help of this system, we will deter some sort of rogue states, no longer work." The chairman of the Russian parliamentary foreign affairs committee, Konstantin Kosachev, warned the agreement would spark "a real rise in tensions in Russian-American relations". Russia's deputy chief of the general staff, General Anaotoli Nogovitsyn, said, "Poland in deploying [the US system] opens itself to a nuclear strike. That is 10%." He said the US-Poland deal "cannot go unpunished".

But Washington is proceeding according to a plan. It swiftly seized the cascading anti-Russia rhetoric to press ahead with the deployment of the missile defense system in Poland, overriding Moscow's objections and disregarding the fact that the US and Russia are still notionally negotiating. In Cold War-style, behind the smokescreen of rhetoric, Washington took unilateral advantage. And a third positioning area for the missile defense system has become a reality.

#### **Germany remains neutral**

The US-Poland deal harks back to Britain's historic role as Poland's guarantor against German "revanchism". From Washington's perspective, Germany's reluctance to be drawn into the US's containment strategy toward Russia is growing by the day. German Chancellor Angela Merkel's consultations with Medvedev in Sochi on Friday reveal that Bonn is trying to be even-handed - urging Moscow to embrace diplomacy while resisting Washington's demands to confront Russia.

Germany's point person for Russian affairs in Berlin, Andreas Schckenhoff, has said neither the European Union (EU) nor Germany proposed to take sides. Foreign Minister Frank-Walter Steinmeier told Die Welt newspaper, "If the EU wants to play a role in reaching peace, it needs open channels of dialogue to Tbilisi and to Moscow." The Germans do not hide their compulsions. To quote Der Spiegel, "Calls from some EU member states, particularly those in Eastern Europe, to deal harshly with Moscow by scrapping talks with Russia on a new strategic partnership have put Germany in a tricky position. Germany is heavily dependent on Russian energy and remains an advocate of closer European ties with Moscow."



### **Fighting in South Ossetia Capital**

Last Wednesday's emergency meeting of the EU foreign ministers in Brussels brought out the schism in Europe over the "Russian question". Britain, the Baltic states, Poland and Sweden pitched for denunciation of Russia, but the EU merely adopted the German proposal for augmenting the strength of the contingent of European "monitors" in Georgia from 100 to 300 and to provide humanitarian relief.

Steinmeier dissociated from the US saber-rattling by counseling Europe should "look into the future and take a role in further stabilization". France, Italy and Finland backed Germany. The EU consensus not to resort to sanctions against Russia or even finger-point at Moscow came as a setback to the US. Rice arrives in Brussels on Tuesday for urgent meetings with her NATO and EU counterparts.

#### **US pressure on the EU**

Rice is sure to try to rally European opinion and to make a strong pitch for Georgia's membership of NATO. But major European powers apprehend Moscow will take NATO's further expansion into the territory of the former Soviet Union as a grave provocation. If Washington succeeds in overcoming their reluctance, US diplomacy registers a signal victory. Moscow seems to estimate Europe may ultimately succumb to US pressure. Its decision to go slow on withdrawing troops from the Georgian hinterland needs to be seen in this perspective.

Rice's mission to Brussels is a defining moment. If it succeeds, the US containment strategy towards Russia will have been taken a huge step forward. On the other hand, if Rice fails, Washington might as well abandon hopes regarding the alliance's expansion for the foreseeable future.

In short, the war in the Caucasus is straining the US's transatlantic leadership. The Europeans do not have threat perceptions regarding post-Soviet Russia. With the continent's economies showing weak growth, Europeans view Russia as providing strong stimulus. (German exports to Russia registered a 50% increase in 2008.) Even right-wing think-tanks like the Konrad Adenauer Foundation in Germany have drawn a red line that the US is pulling Europe needlessly into its strategies aimed at extending its influence into the Baltic and Caucasus regions "by bringing additional pro-American oriented countries into the [NATO] alliance".

#### **China strains to be neutral**

However, the European powers are not the only ones facing a hard time over taking a stance on the Caucasus. China is similarly placed. Chinese President Hu Jintao received Russian Prime Minister Vladimir Putin on August 9 in Beijing and hosted a dinner in his honor. Yet, Chinese accounts of the meeting left out any reference to the Caucasus. (The Georgian assault on South Ossetia began on August 7-8). Hu told Putin, "China and Russia are forging ahead with the partnership of strategic cooperation toward their established goals, and the development of both countries is faced with opportunities and challenges at the same time."

Hu stressed three aspects of Sino-Russian strategic cooperation: promoting multi-polarity and democratization in international relations; enhanced Sino-Russian political cooperation both bilaterally and within the multilateral framework; and economic cooperation in a spirit of "mutual benefits and a win-win outcome". Putin, on the other hand, drew Hu's attention to "Russia's friendly policy toward China" and signaled Moscow's keenness to "elevate the practical cooperation with China to a new height".

Something was amiss. It seems Putin briefed Hu about Moscow's concerns in the Caucasus and Hu listened. At any rate, on the very next day, when a Chinese Foreign Ministry spokesman made his first comments, he merely expressed China's "grave concern over the escalation of tension and armed conflicts" and called on the "relevant parties to keep restraint and to cease fire immediately".

In effect, the spokesman kept equidistance. He concluded by saying that China sincerely hoped "relevant parties" would resolve disputes peacefully through dialogue "so as to safeguard regional peace and stability". He was in no mood to judge the "disputes" as such. Meanwhile, on August 11, a group of Georgians held demonstrations in front of the Russian Embassy in Beijing, though the "crowd was persuaded to disperse and leave, and no extreme actions took place".

On August 13, a Chinese spokesman repeated that the "disputes be resolved peacefully through dialogue so as to achieve regional peace and stability". This has become the Chinese mantra regarding the Caucasus crisis. The Chinese spokesman repeated it on August 14, while he "welcomed" Moscow's announcement on halting military operations. Again, Chinese media accounts have been extensive but balanced.

What stands out, on the whole, is that Beijing has refrained from taking a position supportive of Russia. If anything, the only commentary offered so far in the People's Daily on August 12 called for a cessation of hostilities in the spirit of the Summer Olympic Games and disapproved of the Russian intervention, which, it said, "rapidly escalated the tension and raised international concerns and public anxiety".

It underscored, "Some analysts even showed the concern that military antagonism could evolve into a new version of the Cold War." There was some advice to the Kremlin: "War is not the way to settle conflicts. The only way to effectively resolve disputes is to disregard old grievances, cease hostilities and negotiate for peace. Only in the backdrop of peace and in the framework of constructive negotiation can a win-win deal be reached."

Significantly, Beijing does not figure in the list of capitals that the Russian Foreign Ministry has been in touch with during the past 10 days.

Reciprocity would have meant a Chinese endorsement of the Russian stance. Indeed, that was how Moscow reacted when trouble broke out in Lhasa in Tibet and China found itself at the receiving end of Western opinion, especially in the US's estimation. Evidently, China estimates it deserved whole-hearted Russian support, and any comparison between Tibet and the Caucasus is untenable. True, there are no analogies in international affairs. But the fact remains that Beijing

also affirms that the Sino-Russian relationship today is at an all-time high. A long-standing border demarcation has just been completed.

### **Beijing's compulsions**

Could the coincidence that three generations of the Bush family were joyfully holidaying in China last week and enjoying the Olympics have worked on the Chinese mind? It is hard to say. Looking back, Beijing should have a sense of gratitude to the Bush family. The George W Bush era has been an extremely productive eight-year period for China, notwithstanding what much of the world community might say. It is entirely conceivable that Beijing doesn't want to spoil the party.

Besides, there are calculations to be made. What is in it for China? Beijing will be extremely careful on issues concerning national sovereignty, separatism or anything that smacks of the right of self-determination. That's for sure. And in the Caucasian cauldron, all these dangerous elements are brewing. China will face a nasty predicament if Moscow endorses the independence of South Ossetia and Abkhazia - an eventuality that by no means can be ruled out if Rice succeeds in her mission in Brussels on Tuesday.

As Beijing would see it, Moscow has already entered a dangerous "no-go" zone by conducting military operations inside Georgian territory, by putting conditionalities on the withdrawal of its forces from Georgian soil and by loudly speculating on the (lack of) realism in laboring to preserve Georgia's territorial integrity.

In the Chinese perspective, independence of South Ossetia or Abkhazia is unacceptable, as separatism is evil and self-determination is a dangerous principle. Period.

Shades of Taiwan, Xinjiang and Tibet. There are other considerations. China would see that US-Russia relations are entering a turbulent period. On the contrary, there is reason to hope that neither Senator John McCain nor Senator Barack Obama, if elected president, would substantially alter the benign trajectory of the China policy set during the Bush era. Historically, in the highly complex matrix of US-Russia-China equations, it only worked to China's advantage if US-Russia relations frayed. A chill in ties with Russia almost reflexively prompts Washington to cultivate China. Some signs of it are already there.

### **A differentiated US approach**

A differentiated approach towards Russia and China is already apparent in the US agenda regarding the deployment of the missile defense system. As a Russian commentator put it, "An analysis of America's global missile defense system shows that Washington is deploying its elements primarily in Eastern Europe rather than Japan, or other Asian countries or Australia. This is probably because Washington does not want to irritate China, which could respond by stepping up the development of its own missile program and increasing the number of intercontinental ballistic missiles on combat duty."

China doesn't quite bleep on the US radar as a strategic power of consequence for another 20 years. But Russia has been yesterday's threat and today's challenge, and its resurgence promises to make it a potential threat tomorrow.

As well-known Sovietologist Professor Stephen Cohen wrote recently, "Despite its diminished status following the Soviet breakup in 1991, Russia alone possesses weapons that can destroy the United States, a military-industrial complex nearly America's equal in exporting arms ... and the planet's largest oil and natural gas reserves. It also remains the world's largest territorial country, pivotally situated in the West and the East, at the crossroads of colliding civilizations, with strategic capabilities from Europe, Iran and other Middle East nations to North Korea, China, India, Afghanistan and even Latin America. All things considered, our national security may depend more on Russia than Russia's does on us."

Therefore, the US is not going to limit itself to Poland and the Czech Republic, but once it refines the technology of creating a missile defense deployment in Poland, it will be on the lookout for building more positioning areas, and for the next few years at least, Washington will have its hands full confronting Russia with dozens of positioning areas on its borders. The big ticket will be Ukraine's induction, a country which already possesses advanced missile technologies of the Soviet era. In short, Washington's preoccupations on Russia's western and southwestern borders for the foreseeable future suit China perfectly well.

### **Russia's energy policies**

But China also has to weigh the fallouts on Russia's future energy policies, which are of direct consequence to Beijing. As of now, Russia views Europe as the preferred market for its energy exports. This is despite Moscow paying lip service to Asian markets.

In real terms, Europe is competing with China for Russian energy supplies. This competition may begin to border on rivalry. According to the US Department of Energy, Europe's demand for gas will rise by more than 50% by 2025. There is simply not enough gas going for Europe to sidestep Russian supplies. (Russia already meets 30% to 50% of Europe's energy needs.)

Europe is now hoping to get Russia to feed the Nabucco pipeline, which was promoted by Washington in the first instance, ironically, as a project that bypasses Russian territory and reduces Europe's energy dependence on Moscow. Russian gas already reaches Turkey - Nabucco's hub - via the Blue Stream pipeline. Russia's Gazprom holds a 50% stake in the Baumgarten gas hub in Austria, which is the destination for Nabucco.

Curiously, a Nabucco spokesman was quoted last week as saying, "Nabucco was not planned to be an anti-Russian project, but to be a pro-European project. The main focus is to transport gas from alternate sources." China no doubt watches anxiously whether Nabucco undergoes a metamorphosis and becomes a Russian-European project. If that happens, Moscow would have even less interest in robustly developing China as an alternate market for its energy exports. The North Stream, South Stream and Nabucco - that will be far too much on the Russian plate.

Russia's energy policies in the coming period will largely depend on the political equations between Moscow and major European capitals. The stance that European countries adopt apropos NATO's further expansion will become a determinant of Russian energy policies. China, therefore, has every reason to probe how these equations are affected by the crisis in the Caucasus. Sino-Russian energy consultations are scheduled to be held in Moscow in October. As an energy guzzler, China will be a huge beneficiary if another Berlin Wall were to appear in Russia's relations with Europe at this juncture.

*Ambassador M K Bhadrakumar was a career diplomat in the Indian Foreign Service. His assignments included the Soviet Union, South Korea, Sri Lanka, Germany, Afghanistan, Pakistan, Uzbekistan, Kuwait and Turkey.*

*He published this article in Asia Times on August 19, 2008. Published at Japan Focus on August 21, 2008.*