
Russia and Asia
The Emerging
Security Agenda

Stockholm International Peace Research Institute

SIPRI is an independent international institute for research into problems of peace and conflict, especially those of arms control and disarmament. It was established in 1966 to commemorate Sweden's 150 years of unbroken peace.

The Institute is financed mainly by the Swedish Parliament. The staff and the Governing Board are international. The Institute also has an Advisory Committee as an international consultative body.

The Governing Board is not responsible for the views expressed in the publications of the Institute.

Governing Board

Professor Daniel Tarschys, Chairman (Sweden)
Dr Oscar Arias Sánchez (Costa Rica)
Dr Willem F. van Eekelen (Netherlands)
Sir Marrack Goulding (United Kingdom)
Dr Catherine Kelleher (United States)
Dr Lothar Rühl (Germany)
Professor Ronald G. Sutherland (Canada)
Dr Abdullah Toukan (Jordan)
The Director

Director

Dr Adam Daniel Rotfeld (Poland)

sipri

Stockholm International Peace Research Institute

Signalistg. 9,
S-1769 70 Solna, Sweden
Cable: SIPRI
Telephone: 46 8/655 97 00
Telefax: 46 8/655 97 33
E-mail: sipri@sipri.se
Internet URL: <http://www.sipri.se>

Russia and Asia

The Emerging Security Agenda

Edited by

Gennady Chufrin

sipri

OXFORD UNIVERSITY PRESS

1999

OXFORD

UNIVERSITY PRESS

Great Clarendon Street, Oxford OX2 6DP

Oxford University Press is a department of the University of Oxford.
It furthers the University's objective of excellence in research, scholarship,
and education by publishing worldwide in

Oxford New York

Athens Auckland Bangkok Bogotá Buenos Aires Calcutta
Cape Town Chennai Dar es Salaam Delhi Florence Hong Kong Istanbul

Karachi Kuala Lumpur Madrid Melbourne Mexico City Mumbai
Nairobi Paris São Paulo Singapore Taipei Tokyo Toronto Warsaw

and associated companies in Berlin Ibadan

Oxford is a registered trade mark of Oxford University Press
in the UK and certain other countries

Published in the United States
by Oxford University Press Inc., New York

© SIPRI 1999

The moral rights of the authors have been asserted

First published 1999

All rights reserved. No part of this publication may be reproduced,
stored in a retrieval system, or transmitted, in any form or by any means,
without the prior permission in writing of SIPRI or as expressly permitted by law,
or under terms agreed with the appropriate reprographics rights organizations.

Enquiries concerning reproduction outside the scope of the above should be sent to
SIPRI, Signalistgatan 9, S-169 70 Solna, Sweden

You must not circulate this book in any other binding or cover
and you must impose the same condition on any acquirer

British Library Cataloguing in Publication Data

Data available

Library of Congress Cataloguing-in-Publication Data

Data available

ISBN 0-19-829654-1

Typeset and originated by Stockholm International Peace Research Institute

Printed in Great Britain on acid-free paper by

Biddles Ltd., Guildford and King's Lynn

Contents

<i>Preface</i>	xiii
<i>Acknowledgements</i>	xiv
<i>Acronyms and abbreviations</i>	xv
1. Introduction	1
<i>Gennady Chufirin</i>	
I. Asia in the post-Soviet foreign policy of Russia	1
II. Research objectives	4
III. The period covered	5
IV. The structure of the volume	6
Part I. The Asian dimensions of Russian foreign and security policy	
Map of Russia in Eurasia	10
2. Russia and Asia: challenges and opportunities for national and international security	11
<i>Vladimir Baranovsky</i>	
I. Introduction	11
II. Factors in Russia's Asia policy	12
III. Russia's stakes in Central Asia	17
IV. Russia's perspectives on South-West Asia	21
V. Russia in South Asia	25
VI. Russia in the Asia-Pacific area	26
VII. Conclusions	31
3. Between Europe and Asia: the search for Russia's civilizational identity	33
<i>Igor V. Podberezsky</i>	
I. Introduction	33
II. Russia as European	34
III. Russia as Asian	37
IV. Russia as Eurasian	40
V. Russia's civilizational identity and its foreign and security policy thinking	46
VI. Conclusions	50

4. Domestic developments in Russia	52
<i>Nodari Simonia</i>	
I. Introduction	52
II. The nature of political power in Russia	52
III. The formation of bureaucratic capitalism and the emergence of new foreign policy actors	54
IV. The armed forces and the defence industry as factors in Russia's foreign policy	61
V. The Russian regions as foreign policy actors	71
VI. 1998: crisis of the ultra-liberal model	75
Part II. Russia's stakes in Central Asia	
Map of Central Asia	82
5. The emerging geopolitical balance in Central Asia: a Russian view	83
<i>Vitaly V. Naumkin</i>	
I. Introduction	83
II. The geopolitical forces in Central Asia	83
III. Threats to security	88
IV. Conclusions	99
Table 5.1. Quantities of drugs seized by the Tajik Ministry of the Interior, 1991–95	93
Table 5. 2. Immigration to the Russian Federation from Central Asia, 1996	96
Table 5.3. Immigration of Kazakhs to Kazakhstan, 1991–94	98
Figure 5.1. Existing and possible future oil routes from Central Asia	90
6. The policy of Russia in Central Asia: a perspective from Kazakhstan	100
<i>Konstantin Syroezhkin</i>	
I. Introduction	100
II. The course of Russian policy	100
III. Russia and Central Asia: mutual interests	106
IV. Conclusions	108
Table 6.1. Ethnic Russians and Russian-speakers in Central Asia, 1989	102
7. The policy of Russia in Central Asia: a perspective from Tajikistan	110
<i>Mouzaffar Olimov</i>	
I. Introduction	110
II. The role of Russia in the inter-Tajik conflict settlement	113
III. Military cooperation between Russia and Tajikistan	114
IV. Trade and economic ties	118
V. Conclusions	120

8. Russia's policy options in Central Asia	123
<i>Irina D. Zviagelskaya</i>	
I. Introduction	123
II. The progress of Russian policy	124
III. Political approaches	127
IV. Economic links	130
V. Problems of security	132
VI. Conclusions	136
Table 8.1. Russia's trade with the Central Asian republics, 1991–96	131
9. Central Asia, Russia and the West	137
<i>Martha Brill Olcott</i>	
I. Introduction	137
II. Working out the terms of the divorce	143
III. Accepting international direction	145
IV. The coming threats	149
V. What if things go sour?	152
Table 9.1. Foreign direct investment in the Central Asian countries, 1993–97	146
Table 9.2. Central Asian production of oil and natural gas	148
Table 9.3. Percentage change in real GDP in the Central Asian countries, 1993–97	150
Part III. Russia's perspectives on South-West Asia	
Map of South-West Asia	156
10. Russia's assets and liabilities in South-West Asia	157
<i>Vladimir I. Maksimenko</i>	
I. Introduction	157
II. The Caspian Sea Basin	160
III. Turkey	162
IV. Iran	165
V. Afghanistan	166
VI. The future of Iraq and the security threats in the Gulf	168
VII. Conclusions	169
11. Russian–Turkish relations	172
<i>Victor Nadein-Raevsky</i>	
I. Introduction: the historical development of Russian–Turkish relations	172
II. The newly independent countries of Central Asia	174
III. The oil pipeline routes	177
IV. Conclusions	179

12. Iran and Russia: neighbours without common borders	181
<i>Abbas Maleki</i>	
I. Introduction	181
II. The present situation	182
III. The Russian elites	183
IV. The Iranian elites	185
V. Cooperation at the international level	185
VI. Cooperation at the regional level	187
VII. Bilateral relations	192
VIII. Conclusions	195
13. Russian–Afghan relations	197
<i>Vyacheslav Belokrenitsky</i>	
I. Introduction	197
II. The stages of Russian disengagement	198
III. The extent of Russian involvement	199
IV. Russia's security concerns	201
V. Afghanistan and Russian policy in Central and South-West Asia	203
VI. Prospects for a settlement in Afghanistan and the future of Russian–Afghan relations	204
14. Russia and South-West Asia: a view from the region	207
<i>Duygu Bazoglu Sezer</i>	
I. Introduction	207
II. Russia's 'south' in historical context	209
III. Ethnic separatism in the southern Caucasus	210
IV. Islamic fundamentalism in the expanded Middle East	213
V. Encroachments by regional and extra-regional powers	214
VI. Neo-imperialist impulses in the 'near abroad'	217
VII. The Middle East: a partner in the search for a multipolar world order?	218
VIII. Conclusions	225
Part IV. Russia's perspectives on South Asia	
Map of South Asia	228
15. Russia's security and the geopolitical situation in South Asia	229
<i>Vladimir Moskalenko and Tatiana Shaumian</i>	
I. Introduction	229
II. Sources of instability	230
III. Russia and South Asia: geopolitical aspects	233
IV. The conflict potential of South Asia and Russia's security	236
V. Nuclear weapon proliferation	238
VI. The Kashmir problem	241
VII. Conclusions	243

16. Russia in South Asia: a view from India	247
<i>Vinay Shukla</i>	
I. Introduction	247
II. South Asia: Russia's strategic neighbour	247
III. Indian–Russian relations after the end of the USSR	251
IV. Russia and Pakistan	254
V. The nuclear dimension in the South Asian security calculus	256
VI. Russia's dilemma	258
VII. Outside players in South Asia	263
VIII. From special relationship to strategic partnership in the next millennium	265
IX. Conclusions	269

Part V. Russia in Asia–Pacific

Map of North-East Asia	272
------------------------	-----

17. Russia in the Asia–Pacific area: challenges and opportunities	273
--	-----

Vyacheslav B. Amirov

I. Introduction	273
II. The new Russia's posture in the Asia–Pacific area	275
III. The Russian far east	276
IV. Russia's place in the region: an agenda for the future	278
V. Final considerations	286

18. Sino-Russian relations after the break-up of the Soviet Union	288
--	-----

Chen Qimao

I. Introduction	288
II. The development of relations	289
III. The foundation of the relationship	292
IV. Problems	293
V. Conclusions: Sino-Russian relations in the future	297

Table 18.1. Bilateral trade between China and Russia, 1991–97	294
---	-----

19. Russia and China: what is in the pipeline?	301
---	-----

Yuri V. Tsyganov

I. Introduction	301
II. Strategic relations	304
III. Economic relations	308
IV. Arms transfers	310
V. Energy supply	312
VI. The Mongolian dimension	313
VII. Conclusions	315

20. Russo-Japanese relations and the security of North-East Asia in the 21st century 318

Tsuyoshi Hasegawa

I.	Introduction	318
II.	The new power configuration in North-East Asia	320
III.	The response of the major powers to the new international configuration	323
IV.	Omni-directional friendliness and interlocking bilateral dialogues	326
V.	Japan's multi-layered approach	329
VI.	Russo-Japanese relations and Asian security: future scenarios	332

Figure 20.1. Map of Japan, the southern Kuriles and Sakhalin 320

21. Russian-Japanese relations: back to the deadlock 337

Alexei Zagorsky

I.	Introduction	337
II.	Historical models of Soviet-Japanese cooperation	339
III.	Defence-related problems	340
IV.	The loss of motivation	342
V.	Revival of the dialogue	343
VI.	Development of energy resources: a genuine option?	346
VII.	Back to the territorial dispute	349
VIII.	Conclusions	351

22. Russia-US relations in Asia-Pacific 353

Mikhail G. Nosov

I.	Introduction	353
II.	From ideological confrontation to political pragmatism	353
III.	China: between Russia and the USA	357
IV.	Japan remains with the USA	364
V.	A Korean settlement: one purpose, two approaches	367
VI.	Conclusions	370

23. US-Russian relations in North-East Asia in the post-cold war period: a US perspective 373

Joyce K. Kallgren

I.	Introduction	373
II.	US foreign policy in Asia: priorities and constraints	374
III.	Russia in Asia: priorities and constraints	383
IV.	US-Russian relations	387
V.	Conclusions: East Asia and the road ahead	390

24. Russian policy and interests on the Korean Peninsula	394
<i>Alexander N. Fedorovsky</i>	
I. Introduction	394
II. The evolution of policy	394
III. The North Korean missile test	400
IV. Conclusions for Russian policy	401
Figure 24.1. Map of the Korean Peninsula	396
25. Russia and a new balance of power in East Asia: implications for stability on the Korean Peninsula	403
<i>Sang-Woo Rhee</i>	
I. Introduction	403
II. <i>Pax Americana</i>	404
III. The Japanese concept of <i>Pax Consortis</i>	405
IV. The dream of restoring China-centrism	406
V. The emerging balance of power	407
VI. Russia's role as balancer	407
VII. Conclusions: Korea in the new balance-of-power system	409
26. Russia and ASEAN: emerging partnership in the 1990s and the security of South-East Asia	411
<i>Victor Sumsky</i>	
I. Introduction	411
II. Background to the emerging partnership	416
III. The impact of the financial crisis on ASEAN	420
IV. The importance of Russian relations with Viet Nam	422
V. The South China Sea paradox and Russia's national interests	424
VI. Conclusions	425
Figure 26.1. Map of South-East Asia	412
27. Russia and great-power security in Asia	427
<i>Andrew C. Kuchins</i>	
I. Introduction	427
II. Russia: the 'sick man' of Eurasia	429
III. Russia and East Asian regional security	433
IV. The Sino-Russian strategic partnership	437
V. Conclusions	443
Table 27.1. Gross national products of Russia and selected countries, 1997	428
Table 27.2. Changes in Russian GDP, 1992–96	430

Part VI. Conclusions

28. The evolving security environment in Asia: its impact on Russia	447
<i>Jonathan D. Pollack</i>	
I. Introduction	447
II. The legacy of the cold war	451
III. Potential patterns of alignment in Asia and Russia's strategy	455
IV. Alternative security scenarios	468
V. The Russia factor in Asian security: some tentative conclusions	471
29. Asia as a factor in Russia's international posture	474
<i>Gennady Chufirin</i>	
I. Introduction	474
II. Relations with CIS states in Asia	477
III. Multipolarity and partnership	480
IV. Multilateral security	490
V. Conclusions: what next?	492
Appendix 1. Select multilateral economic and security-related organizations and initiatives in Asia, April 1999	497
<i>Shannon Kile</i>	
Appendix 2. Chronology of principal defence- and security-related agreements and initiatives involving the Russian Federation and Asian countries, 1992-99	500
<i>Shannon Kile</i>	
Appendix 3. Transfers of major conventional weapons by Russia to Asian countries, 1992-98	506
About the authors	514
Index	519

Preface

This volume supplements and extends the analysis contained in the SIPRI study on *Russia and Europe: The Emerging Security Agenda* (Oxford University Press, 1997), edited by Vladimir Baranovsky. It explores the evolution of Russia's post-cold war policy towards Asia against a backdrop of rapid changes in both the domestic Russian and the regional political situations.

The book brings together chapters by a number of distinguished scholars and specialists from China, India, Iran, Kazakhstan, Russia, South Korea, Tajikistan, Turkey and the USA. Their chapters express a wide range of views that reflect differing and sometimes rival perspectives on the central security challenges and tasks confronting Asia, as well as on Russia's evolving role there.

Long an important and active player in Asia, Russia has been going through a painful process of redefining its national interests and adapting its national security strategy to correspond to its reduced capabilities and status in the world. Although the process of adaptation is still going on, the main lines of Russia's Asia policy are increasingly clear.

The volume begins by examining the domestic determinants of Russian foreign policy and the 'state of the debate' within Russia with regard to defining the country's national interests in Asia. The chapters then examine the principal political, economic and military factors affecting Russia's policy towards, and its interactions with, four major Asian subregions—Central Asia, South Asia, South-West Asia and the Asia-Pacific area—with special attention to its relations with the USA within the Asian regional context. One of the primary aims in this part of the volume is to identify current and potential conflict issues in Russia's relations with the countries in these subregions and to examine possible approaches to their resolution. The study concludes by considering the implications for regional and global security arising from the new dynamics in Russian-Asian relations.

I would like to thank Professor Gennady Chufrin, SIPRI Project Leader, for his diligent efforts in producing this stimulating and timely volume. He received significant support in carrying out the project from Shannon Kile, SIPRI Researcher. Eve Johansson ably accomplished the formidable task of editing the volume. Finally, I would like gratefully to acknowledge the generous financial support provided by the John D. and Catherine T. MacArthur Foundation.

Adam Daniel Rotfeld
Director of SIPRI
September 1999

Acknowledgements

The idea for this study was proposed in 1997 by Dr Vladimir Baranovsky, formerly a SIPRI Project Leader and currently Deputy Director of the Institute of World Economy and International Relations (IMEMO), Russian Academy of Sciences, in Moscow. Financial support for the study was provided by a generous grant from the John D. and Catherine T. MacArthur Foundation.

This volume is the product of cooperation between SIPRI and specialists at several leading research centres in China, Iran, Japan, Kazakhstan, South Korea, Russia, Tajikistan, Turkey and the USA. The results presented here benefited not only from the insights of the authors commissioned for the volume but also from the frank and open discussions that took place during the conferences and workshops organized within the framework of the project.

I would like to express particular thanks to the Japan Institute of International Affairs and the *Asahi Shimbun* newspaper for hosting in Tokyo in February 1999 a conference examining the evolving security environment in the Asia–Pacific region and Russia’s changing role there. I am grateful to the Japan Foundation and *Asahi Shimbun* for providing financial support for the meeting and for the publication of the conference proceedings.

Three workshops were held in Moscow within the framework of this project. The first took place in March 1998 in cooperation with IMEMO. It sought to assess the impact of the political and economic transition under way in Russia on the country’s evolving foreign and security policy agenda in Asia and to identify key issues in Russia’s relations with the countries of Central, South and South-West Asia. The second (October 1998) and third (March 1999) workshops, which focused on Russia’s security role in Central Asia, were organized in cooperation with the Russian Centre for Strategic Research and International Studies. Special thanks go to the Dartmouth Conference Regional Conflicts Task Force sponsored by the Kettering Foundation and to Dr Harold Saunders personally for bringing together Central Asians, Russians and Americans to discuss this subject.

I am grateful for the contribution to the project made by my SIPRI colleagues. Shannon Kile consistently provided valuable help in successfully carrying out this project. Siemon Wezeman and Pieter Wezeman made useful comments and suggestions on those sections in the volume that deal with arms transfers. The editor of this volume, Eve Johansson, suggested numerous substantive improvements and lent her meticulous eye to polishing the manuscripts. The maps were prepared by Billie Bielkus. Anna Helleday and Monica Rasmussen provided invaluable support in ably handling the financial aspects of the project. Computer support was provided by Sten Wiksten, and Ingvor Wallin was diligent in ensuring communications between SIPRI and its various partners.

Gennady Chufrin
September 1999

Acronyms and abbreviations

ANZUS	Australia, New Zealand and the USA [treaty]
APEC	Asia–Pacific Economic Co-operation
ARF	ASEAN Regional Forum
ASEAN	Association of South-East Asian Nations
BJP	Bharatiya Janata Party (India)
CBM	Confidence-building measure
CIS	Commonwealth of Independent States
CPC	Caspian Pipeline Consortium
CPF	Collective Peacekeeping Force
CSCAP	Council for Security Cooperation in the Asia–Pacific
CSCE	Conference on Security and Co-operation in Europe
CTBT	Comprehensive Nuclear Test-Ban Treaty
DPRK	Democratic People’s Republic of Korea
ECO	Economic Cooperation Organization
G7	Group of Seven industrialized nations
GDP	Gross domestic product
GNP	Gross national product
GUAM	Georgia, Ukraine, Azerbaijan and Moldova
IAEA	International Atomic Energy Agency
IMEMO	Institute of World Economy and International Relations (Moscow)
IMF	International Monetary Fund
KEDO	Korean Peninsula Energy Development Organization
LDP	Liberal Democratic Party (Japan)
MRD	Motorized Rifle Division
MTCR	Missile Technology Control Regime
MW	Megawatt
NATO	North Atlantic Treaty Organization
NGO	Non-governmental organization
NPT	Non-Proliferation Treaty
OIC	Organization of the Islamic Conference
OSCE	Organization for Security and Co-operation in Europe
PFP	Partnership for Peace
PKK	Kurdish Workers’ Party
PMC	Post-Ministerial Conference (ASEAN)
R&D	Research and development
SAARC	South Asian Association for Regional Cooperation
SAM	Surface-to-air missile
SSBN	Nuclear-powered, ballistic-missile submarines
TMD	Theater Missile Defense
UAE	United Arab Emirates
UNSCOM	UN Special Commission on Iraq
UTO	United Tajik Opposition

Definitions

Central Asia is defined for the purposes of this volume as consisting of Kazakhstan, Kyrgyzstan, Tajikistan, Turkmenistan and Uzbekistan.

South-West Asia is defined as Afghanistan, Iran, Iraq and Turkey.

South Asia is defined as Bangladesh, Bhutan, India, the Maldives, Nepal, Pakistan and Sri Lanka.

North-East Asia is defined as China, Japan, Mongolia, North Korea and South Korea.

South-East Asia is defined as Brunei, Cambodia, Indonesia, Laos, Malaysia, Myanmar, the Philippines, Singapore, Thailand and Viet Nam.

Asia-Pacific includes South-East Asia and North-East Asia plus Australia, Canada, New Zealand, Papua New Guinea, Russia, Taiwan and the USA.

1. Introduction

Gennady Chufirin

The unravelling of the Soviet Union unquestionably caused Russia, its principal heir, serious loss to its status as a global political, economic or even military power. Not only did Russia cease to be a superpower; it also lost many of the characteristics of a country with genuine global interests and the capabilities to pursue them. Political and economic crisis continued to plague Russia throughout the post-Soviet period, severely limiting its options in international affairs, including security issues. Many attributes of Russia as a great power were either waning rapidly (such as its nuclear weapon capability) or becoming increasingly symbolic (such as its permanent membership in the UN Security Council) or frankly illusory (such as its attempts to transform the Group of Seven industrialized nations, the G7, into the G8 by joining it). Instead both the immediate national interests of post-Soviet Russia and the major challenges and threats to its security came in fact to be concentrated mostly in the areas bordering Russia. The geopolitical changes which accompanied this process or were its immediate result could not but have a fundamental impact on Russian foreign policy goals and priorities.

I. Asia in the post-Soviet foreign policy of Russia

Remaining a major Eurasian nation, at least in geographical terms, Russia retains strong national interests in Asia. Those interests have even tended to become more assertive than in Soviet times because of the new Russian geopolitical and geo-economic realities. Indeed, giving the Asian dimension a more prominent role in its foreign policy (and in its domestic policy as well) came quite naturally to the new Russia, for several principal reasons: (a) the fundamental political, social, economic and demographic changes under way in Russia itself; (b) the rapidly growing role of Asia in contemporary international relations, both political and economic; and (c) the many threats and challenges to Russia's national security which Asia contained—a situation that called for a well thought-out strategy of current and long-term political, economic and security responses.

After the end of the cold war the international political and security situation improved insofar as the threat of global nuclear confrontation has been reduced to an unlikely possibility. The military expenditures of most major international actors were reduced, as were the sizes of their armed forces, including their nuclear component. International and national security was no longer understood in terms of military balances alone but was extended to include economic,

environmental and other non-military factors. These positive changes in international relations helped to substantially reduce Russia's concerns about its military security and justified a radical reduction of its armed forces in the Asian part of the country, along the border with China in particular.

The end of the cold war did not, however, signify the advent of an era of no conflict either in relations between the major powers or in interstate relations in general. The end of bipolarity in international relations and its substitution by quasi-unipolarity—the dominance of the USA—did not exclude the possibility of major challenges to international peace and security emerging. International stability became increasingly undermined by the sharpening of territorial, religious and ethnic conflicts at the intra-state, local and regional levels which had previously been contained by the rigidities of the global confrontation.

These negative developments in international security in the post-cold war period were particularly obvious in areas close to Russia's eastern and southern national borders, such as South and East Asia, where, contrary to global trends, military expenditures increased in absolute terms by 25 and 27 per cent, respectively (at constant 1995 prices) over the 10-year period 1989–98.¹ After the outbreak of a major financial crisis in the second half of 1997 most of the East Asian countries revised their procurement programmes but did not cut their military expenditure.

It was also in Asia that the problem of the proliferation of weapons of mass destruction continued to be very acute after India and Pakistan conducted their nuclear tests in May 1998. The situation on the Korean Peninsula, where open conflict over the North Korean nuclear weapon programme threatened at the beginning of the 1990s, continued to cause grave concern, this time with North Korea's missile programme, especially after it launched a rocket over Japanese territory in August 1998. Also in Asia another major threat to regional and global security, connected with the spread of radical Islam in Afghanistan and a possible spillover to Tajikistan and Uzbekistan, achieved alarming proportions by the end of the 1990s.

Among the serious security challenges and risks emanating from the east and south of Russia were the completely or partially unresolved territorial problems with some of Russia's neighbours, the expansion of drug trafficking and the illegal transfer of arms across its territory, the massive smuggling of goods from a number of neighbouring countries, and the growth in illegal immigration to Siberia and the Russian far east. These left no doubt that safeguarding its security in Asia and actively promoting political relations with Asian countries had to be among Russia's highest national priorities.

In Soviet times the USSR's national interests in Asia were perceived to be influenced mainly if not exclusively by ideological, political and military considerations. In the post-Soviet period they came to be increasingly influenced by economic motivations. An increase in the impact of economic factors on

¹ Sköns, E. *et al.*, 'Military expenditure', *SIPRI Yearbook 1999: Armaments, Disarmament and International Security* (Oxford University Press: Oxford, 1999), pp. 270, 283–88.

Russia's foreign policy in Asia and on its objectives and priorities there was largely seen as an obvious response to the deterioration of Russia's geo-economic position after the collapse of the Soviet Union, including the loss of the most convenient communication routes to the West and the need to compensate for this by expanding access to potential markets in Asia. The collapse of the Soviet central planning system resulted among other things in a partial, and sometimes quite substantial, reorientation of the business and trading ties of a number of economic regions away from the domestic market to the markets of neighbouring countries. This is particularly relevant to developments in Siberia and the Russian far east, where the increase in border trade, investment activities and long-term production agreements has been accounted for mostly by the countries of East and South-East Asia. Russia's economic interests in Asia are enormous, if only because Siberia and the Russian far east have between 60 and 100 per cent of the country's natural resources, such as oil, natural gas, non-ferrous metals and timber. These resources also provide the dominant part of Russian export earnings and budget revenues. Their exploration and use depend to a great extent on the ability of Russia to establish and promote business relations with its counterparts in Asia and Asia-Pacific and to obtain there much-needed investment and technical expertise as well as access to their markets. These processes have begun to develop fairly actively in the post-Soviet period but their scope and intensity are not yet substantial.

The influence of cultural and civilizational factors on Russia's national interests and foreign policy goals in Asia may be less obvious, but these factors are no less important for the future of Russia as a major power than political, security or economic ones. As is known, Russia's history has been most closely bound up with its cross-continental expansion, mainly in the eastern and southern directions—an expansion that is sometimes interpreted outside Russia as imperialism and inside Russia as nation-building. It is logical, therefore, that in the present-day Russia an idea of Eurasianism—a unique vision of Russia as a civilization that combines elements from both its European and its Asiatic heritage—is gaining ground in the attempt to help formulate the national interests of Russia as a state located at the junction of Europe and Asia.

Admittedly in a pragmatic sense this idea is interpreted differently by its different proponents—by some as a political formula to be used in justifying Russia's important national interests both in the West and in the East, by others as a basis for an economic strategy of using Russia's unique geographical position between Asia and Europe and the opportunities that position may offer, with trade routes across its territory, to the country's best advantage. Others present Eurasianism as a quasi-national idea which embodies the continuity between Russia and its predecessors—the Russian Empire and the Soviet Union—and thus enhances its international status. In the absence of any other national idea or even of a surrogate for a national idea, Eurasianism attempts to serve as a unifying ideology at a time when Russia is facing a grave threat of further disintegration along ethnic and confessional lines.

In order to protect its national interests in Asia as well as to respond in timely fashion and decisively to a variety of security threats coming from this area, Russia has to use skilfully whatever means and opportunities it has at its disposal. On the one hand it is restricted in its efforts to do so because of its sharply reduced economic and military potential in the post-cold war period. Therefore, even if it wants, it can no longer conduct its foreign policy from a position of strength but has to search for compromises in relations with its counterparts in Asia. The same constraints also prevent it from pursuing a broad approach to regional affairs and force it to concentrate its efforts in a few carefully chosen areas and on relations with those states that are critical to its national interests.

On the other hand, since Russia is no longer seen as an ideological or military threat by its neighbours, it is now attracting their interest because of its still vast natural resources and the availability of sophisticated technologies, including military ones, left over from Soviet times. Moreover, Russia has come to be regarded by these countries as a useful if limited counterbalance in regional affairs. The role Russia is prepared to play in the political and security affairs of Asia and Asia–Pacific is not only its concern but also of particular interest to its numerous neighbours there. These include the former Soviet republics of Central Asia as well as the USA, China, Japan, Turkey, Iran, India and other states.

A realistic assessment of these factors, favourable and unfavourable alike, requires serious changes in foreign policy tactics and priorities. Only after major changes will Russia be able to set out on an active course of pursuing its national interests in Asia and Asia–Pacific and expect to achieve positive results. In order to make them it also has to ensure the maximum degree of complementarity of political, economic and other methods employed for these purposes.

II. Research objectives

In 1992, in the wake of the dissolution of the Soviet Union, the Stockholm International Peace Research Institute (SIPRI) launched several research projects that examined Russian foreign and security policy in the post-Soviet period. In 1997 it published *Russia and Europe: The Emerging Security Agenda*,² a comprehensive analysis of Russia's policy in Europe. Over the following two years it published two more books, *Russia and the Arms Trade* and *Russian Arms Transfers to East Asia in the 1990s*,³ containing the results of research on Russia's international arms and military technology transfers, which served as one of the important instruments in its security strategy. In

² Baranovsky, V., SIPRI, *Russia and Europe: The Emerging Security Agenda* (Oxford University Press: Oxford, 1997).

³ Anthony, I. (ed.), SIPRI, *Russia and the Arms Trade* (Oxford University Press: Oxford, 1998); and Sergounin, A. A. and Subbotin, S. V., *Russian Arms Transfers to East Asia in the 1990s*, SIPRI Research Report no. 15 (Oxford University Press: Oxford, 1999).

1998 SIPRI initiated another research project addressed now to more general issues of Russia's foreign and security policy in Asia. The main objectives of the research were defined as: (a) to trace the historical pattern of continuity and change in Russian thinking about and policy towards Asia in the post-cold war period after the collapse of the Soviet Union; (b) to analyse the views of the major political forces in Russia on the country's national interests in Asia and identify the principal domestic constraints that affect Russian strategy there; (c) to explore the main conflict issues in Russia's relations with the Asian countries, possible approaches to resolving them, the prospects for building a cooperative security system in Asia and the ways in which Russia can participate in this process; and (d) to explore the role of Russia in the evolving Asian security environment not only at present but also in the foreseeable future.

The project addresses these and related issues from two perspectives—that of Russia and that of its neighbours. It therefore explores not only Russian foreign policy activities and the motivations that set them in motion but also other countries' evaluations of the current Russian stand in Asia and their perceptions of its future role in this part of the world.

Analysing the events and processes that are already in place and trying to foresee future developments, the project also proposes alternative scenarios of political and security-related developments that may take place in Asia depending on possible internal changes in Russia itself and in the policies of its neighbours.

III. The period covered

The research covers the period largely up to the end of March 1999. International events since then, especially the 78-day NATO bombing campaign against Yugoslavia started on 24 March 1999, without UN Security Council authorization, and the adoption of the new NATO Strategic Concept at the Washington summit meeting of 23–24 April 1999, which extended the alliance's activities beyond its borders, have undoubtedly influenced Russia's foreign and security policies in many substantial ways. On the domestic front, on the eve of national parliamentary and presidential elections, tensions have continued to grow, resulting in further political instability. In May 1999 Prime Minister Yevgeny Primakov, regarded as the principal architect of post-Soviet Russian policy in Asia, and then in August his successor, Sergey Stepashin, were dismissed from office by President Boris Yeltsin. Also in August, Russian troops became involved for the first time since the 1994–96 Chechnya war in heavy fighting in the northern Caucasus. Started as a counter-insurgency operation against Islamic separatists in Dagestan, attempting to establish an Islamic state there, and actively supported from neighbouring Chechnya, it developed later into a full-scale military action which spilled over into Chechnya itself and led to Russian troops being sent there.

None of these developments, international or domestic, altered Russia's main strategic course in Asia as worked out during the second half of the 1990s and analysed in detail in this volume. Some of them may even have added new arguments in its favour.

Thus if anything else the conflict in the North Caucasus called for a proactive Russian policy in relations with the Muslim world and for an upgrading of Russia's cooperation in the security field with those Commonwealth of Independent States (CIS) countries—Kyrgyzstan, Tajikistan and Uzbekistan in particular—which also experienced the threat of Islamic extremism in the 1990s.

Moreover, the new posture of NATO in international affairs only strengthened Russia's existing resolve to promote closer relationships with Asian countries and to build strategic partnership with the major regional actors on the principles of multipolarity. The need for an active policy in Asia arose originally for a variety of reasons, NATO's eastward expansion being at best only one of them; but following the Yugoslavia crisis and the NATO Washington summit meeting the development of a sustainable, safe and cooperative security environment in Asia became for Russia as a Eurasian state far more than a mere balancing act; it was unequivocally recognized as a vital part of its comprehensive security policy, to be pursued in a consistent and creative manner in the long-term national interest.

IV. The structure of the volume

Part I of this volume, which is the result of the project, assesses the major domestic and external factors which have a fundamental impact on the formulation of Russia's security interests and concerns in Asia in the post-cold war and post-Soviet period. Along with an analysis of major trends in international security in the 1990s, this part also deals with the analysis of foreign policy making in post-Soviet Russia. Special attention in this context is paid to the process of devolution of power from a single centre, which had an unquestionable monopoly of all major decisions on foreign policy and national security in Soviet times, to a number of such centres representing different—sometimes fiercely competing—interests of various government agencies, business groups, regional elites, the army and the defence industry. One of the chapters in Part I is devoted to an in-depth analysis of Russian cultural and civilizational values, which influence the pragmatic policies of Russia in this part of the world.

Analysis of the diverse Russian national interests and security concerns in different parts of the vast Asian continent necessitated a subregional approach, and this is undertaken in Parts II–V of the volume. The security situation in each of major subregions of Asia—Central, South-West, South and East Asia⁴—is characterized by a unique combination of political, economic, ethnic and socio-cultural factors which have a fundamental impact on relationships

⁴ The subregions of Asia are defined on p. xvi.

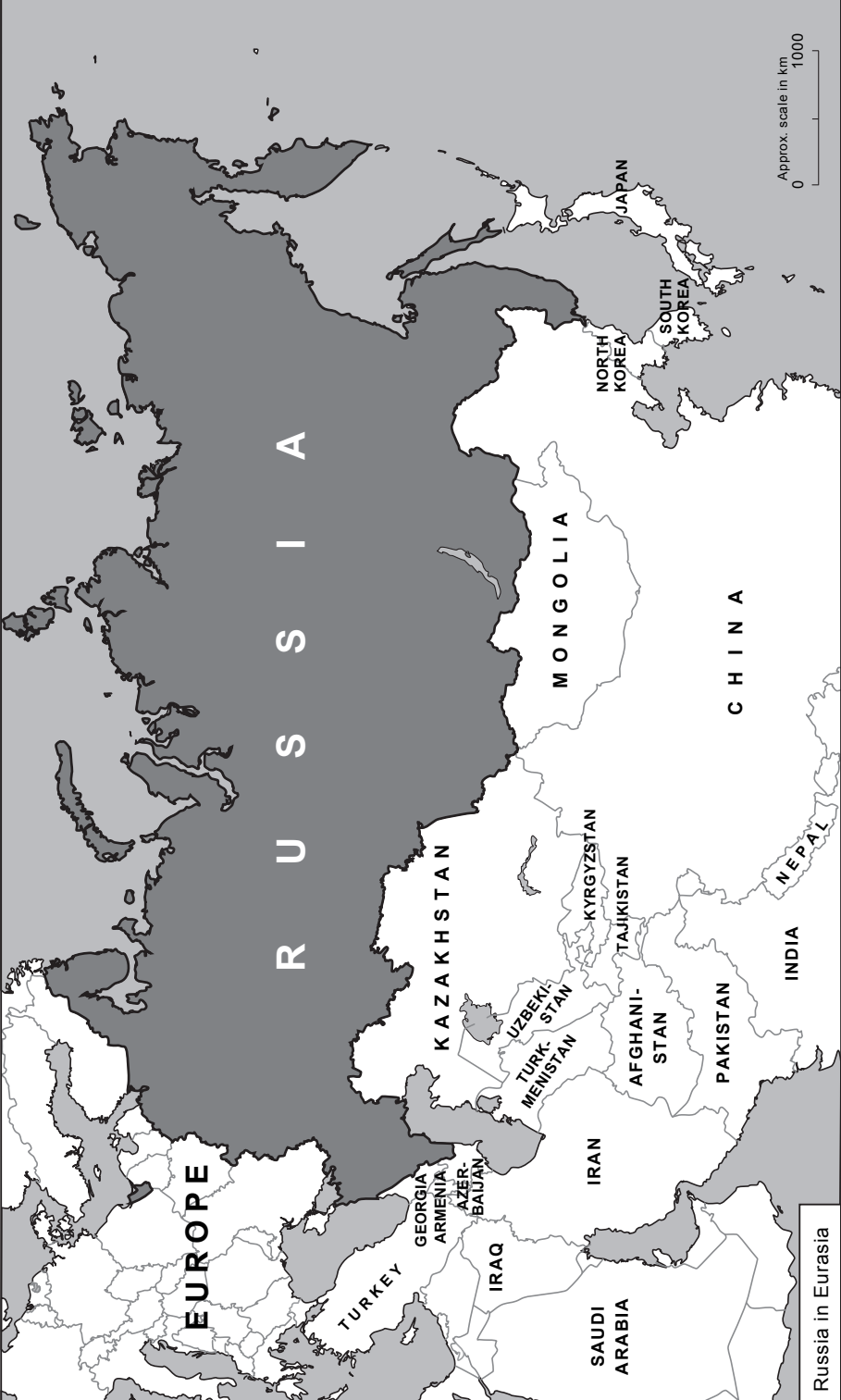
within each subregion, between the sovereign states constituting it, between separate ethnic, confessional and political groups, and between these diverse components of the subregions and the outside world, Russia in particular. Although the security situation in these subregions is highly complex it is dominated in each case by a few major issues, such as the 'Islamic factor' in Central Asia, the re-emergence of Iran and Turkey as major actors in South-West Asia, bitter rivalry between India and Pakistan in South Asia, the continuous tensions on the Korean Peninsula, and the uneasy relationship between China and its neighbours in East Asia. The volume analyses the security relationship between Russia and the Asian states in all major subregions of the continent, taking into account these 'core' issues, and proposes alternative scenarios for the possible future development of this relationship.

This part of the volume also includes several case studies of Russia's political and security relationship with a few major international actors in Asia and Asia-Pacific which are central to Russian national interests. In Central Asia these include Russian relations with Kazakhstan, the largest country in the subregion with the largest Russian population and the longest border with Russia, and Tajikistan, where militant radical Islamic forces have been most active and where Russia maintains a forward military deployment. In South Asia special case studies are included on Russian-Indian relations and in South-West Asia on relations with Turkey, Iran and Afghanistan. In Part V of the volume, which describes relations between Russia and major actors in East Asia/Asia-Pacific, 'matching' chapters by Russian and other (US, Chinese and South Korean) scholars deal with China, Japan, the USA and South Korea.

Finally, Part VI of the volume summarizes the major conclusions reached in the preceding parts and offers an overall picture of Russia's place in the security environment in Asia that has been emerging there after the cold war and the collapse of the Soviet Union.

Part I

**The Asian dimensions of Russian foreign
and security policy**



Russia in Eurasia

2. Russia and Asia: challenges and opportunities for national and international security

Vladimir Baranovsky

I. Introduction

Exploring Russia's security relations with Asia is both a fascinating and an ambitious task. Russia's interaction with Asia is poised to become one of the defining elements of world politics at the turn of the century and, at the same time, one of major uncertainties of the international system that has been undergoing fundamental transformation since the end of the cold war.

On Asia's part, two factors substantiate this. First, Asia is steadily gaining prominence in the world arena and this is likely to profoundly reshape the configuration of forces and correlation of power among major players in the international system. Second, the contours of an emerging security landscape in this vast area still remain blurred.

If in Europe the main lines of future international developments seem more or less clear, this is by no means the case in Asia. Spectacular economic growth in some parts of the continent has not been paralleled by the emergence of a stable political environment. Gripped by a high level of uncertainty and instability both domestically and internationally, Asia has substantial potential for sub- and inter-state conflicts while it lacks norms and institutions for channelling disagreements. Most of Asia is characterized by features that encourage instability, such as political fragmentation, uneven distribution of natural resources, uneven levels of economic development, a historical legacy of mistrust, animosities and conflicts, and the failure of attempts at reconciliation. Unsettled as it is, Asia is likely to remain a meeting-ground for competition among the major powers for resources and influence on regional politics.

On Russia's part, the systemic crisis accompanying its transition from the communist system will continue to grip the country at least for some years to come. It will, however, retain considerable influence on security developments along its borders, especially if its current decline is followed by recovery.

Long an active player in the Asian setting, Russia in the post-cold war era has been going through a painful process of redefining its national interests and tailoring the national security strategy to its reduced status and capabilities. Although the policy community in Moscow continues to be preoccupied with Russia's relationship with the West, its interaction with Asia is acquiring increasing importance in its own right. Itself affected by and contributing to the

transformation in Asia, Russia has been steadily bringing the Asian factor to the forefront of its security thinking and foreign policy.

Yet both Russia's thinking about and its policy on Asia are in flux. Russian policy thinkers and decision makers have been slow in adapting and responding to the unprecedented change in the international environment. Intellectual and bureaucratic inertia means that Russia still sees its presence in Asia as mainly designed to affect the balance of its relations with the West—especially in view of the perceived need to counteract NATO's drive eastwards by securing more cordial ties with major Asian powers, such as China.

Assessing Asia as such, rather than as a function of its success or failure in other geopolitical dimensions, remains a formidable task for Russia. This is even more so since thought patterns and concepts developed for the realities of Euro-Atlantic politics are simply inadequate for understanding the intricacies of the Asian landscape and its Russian component. Furthermore, there is a need to look at the foundations of Russia's geopolitical interests and strategy in the region beyond the immediate pressures and responses. Russia's security interaction with Asia has to be viewed from the longer-term perspective, in decades rather than years.

This approach is also essential when discerning patterns in Russia's thinking about and policies towards the major subregions of Asia, such as Central, South and South-West Asia and Asia-Pacific.¹ In each, Russia is facing a plethora of immediate challenges; none of them, however, can be adequately assessed and responded to unless both comparative and global perspectives are taken fully into account. Russia's attitudes towards, role in and interaction with the four major subregions will also have a significant impact on its evolving security agenda in a broader sense—that is, on Russia's overall international standing.

II. Factors in Russia's Asia policy

A number of general factors will inevitably have a crucial impact on Russia's security interaction with the external environment, in Asia and elsewhere. The most significant endogenous variable will be Russia's success (or failure) in building a viable political system and a functioning market economy. Among exogenous factors, globalization and the revolution in information technologies may in the long run represent the most serious challenge to Russia's role in the world arena.

Some fundamental factors, however, are specific to the Russia-Asia security interaction and differ in substance from those that relate to Russia's policy thinking and policy making concerning Europe or the USA. On the one hand, they arise from Russia's civilizational self-identification and its domestic developments. On the other hand, they are determined by the ongoing transformation of the international environment in Asia and Russia's perception of these changes.

¹ The subregions of Asia are defined on p. xvi.

Searching for identity

At the dawn of a new millennium, the discussion of the identity of Russian civilization seems once again to be developing into one of the important variables of Russia's approach to Asia. For centuries, the debate over whether Russia should connect its destiny with either Europe or Asia or invent its own, 'third' Eurasian path has determined or influenced the ideology and policies of the major actors in the country. Since perestroika, and especially since the collapse of the USSR, the debate has flared up with renewed vigour.

It is by no means only a theoretical debate: on the contrary, the most important aspects of both domestic developments and Russia's external interactions are strongly influenced by the ongoing controversy over its civilizational characteristics. Russia's perception of and attitude towards Asia depend intrinsically on the degree to which its own identity, culture and mission are or are not associated with Asia. More specifically, substantive components of 'Asianness', 'Eurasianness' and 'Europeanness' all have a place in Russia's civilizational self-identification; their peculiar mixture is a special case well worth analysis. The same applies to the relevance of each of these three for and their specific weight in the country's socio-economic and political system.

At the same time, the link between Russia's culture and mentality, its historical legacy and its self-identification, on the one hand, and its national interests and ambitions in the international arena, on the other hand, may be strong but does not necessarily predetermine its attitudes and policies towards the external world. The relationship between 'civilization' and foreign policy does not amount to the former commanding the latter. The non-European characteristics of Russian civilization do not necessarily preclude rapprochement with the West, nor do the Asian components of its identity predetermine an 'Asia first' policy.

Domestic politics

It cannot be denied that Russian culture (in a broad sense) provides some keys to the understanding of today's and tomorrow's interaction between Russia with Asia. The relationship, however, is exercised via specific concepts and theories of Russia's identity that have been brought to the fore of Russia's policy making. Some of them tend to overemphasize Russia's specificity; indeed, pointing up Russia's 'Asia predicament' has become a distinct trend in the recent development of the country's political mentality. To understand why this happens and why it is happening right now, the interplay of foreign policy and domestic politics in Russia has to be considered.

Russia's domestic transformation has unleashed forces that have both the will and the power to influence the country's external course through formal and informal channels. There is a growing trend for foreign policy to be used for domestic needs. Russian officials are, however, also quickly discovering that domestic realities, such as the hostility of public opinion and/or of opposition

groups, may significantly curtail the government's room for manoeuvre, change the country's image abroad and send the wrong signals to its partners. As regards Russia's relationship with Asia, two basic sets of domestic factors are at the core of foreign-policy decision making.

First, the larger part of Russia lies in Asia, providing a combination of both security concerns and opportunities to overcome them. The Asian part of Russia is characterized by underdeveloped industry, low population density, dire infrastructure and poor communications which make the country vulnerable in the sense of security risks. At the same time Siberia and the Russian far east, with their enormous natural resources, have the potential for sustained economic growth that can boost the national economy as a whole. Whether and to what extent Russia is able to realize this potential and to build upon it in its policy with respect to Asia is an open question.

Second, the growing role of regional elites in the economic and political development of Russia is one of the most striking aspects of its post-communist transformation. Indeed, the debate on 'federalization' is by no means over. The future of Russia as a single state is at stake in the face of significant centrifugal trends and a wide range of dangerous issues, from distribution of property and control over resources to ethno-territorial conflicts within the country, compounded by mass movements of refugees and migrants. Meanwhile, the ongoing devolution of power in Russia has already produced a considerable redistribution of political influence in favour of regional elites, with provincial leaders taking over some of the authority that was previously the domain of the central government and pursuing their own interests and policies, more often than not with disregard for Moscow's position.

This is especially discernible in the Asian part of Russia, more remote from and less effectively controlled by the 'centre'. Moscow's control is weakest in the territories east of the Urals, where the interplay between the interests of central and regional elites is becoming an increasingly strong factor shaping Russian policy towards Asia, often undermining the country's ability to hammer out a uniform position. In fact, the overall phenomenon of growing interdependence of foreign and domestic affairs in Russia is especially pronounced with respect to Asia, although their impact on each other is still poorly understood. Notably, the regional leaders in Siberia and the Russian far east are voicing increasingly frequent complaints about Russia's fixation on relations with the West. They advance policies that would promote reorientation towards Asia, thus allegedly providing considerable benefit for their regions.

At the same time, there are notorious examples of attempts by regional elites to exploit and dramatize local sensitivities about 'external risks' emanating from the neighbouring Asian countries, as in Primorskiy Krai (the Maritime Province) with respect to China. This may considerably complicate Russia's 'grand strategy' since Moscow, if it is to secure the loyalty of the regional elites, must take into account their perceptions of what Russia's short- and long-term aspirations on the international scene should be, where the focus of

Russian foreign and security policy should lie, and what instruments Russia should employ in pursuit of its national interests.

By and large, while the emerging balance of power between the central government and the regions is becoming one of the strongest factors in the formulation of foreign policy, the Asian dimension of Russian foreign and security policy making will be considerably influenced by the diffusion and redistribution of power within the Russian polity. The 'Asian components' of Russia's domestic development represent both a huge potential asset for Russia's policy with respect to 'outer Asia' and a matter of serious concern.

Assessing the situation in Asia

Among the fundamental factors affecting Russia's current and future stance in Asia, the changes in the global and regional security environments have a prominent place. Russia's relations with Asia will depend to a great extent on its assessment of and adaptation to these changes.

The end of bipolarity allowed Russia to shed the burdensome obligation to maintain and promote its ability to confront the USA across the whole spectrum of international politics in Asia. At the same time, Russia could not ignore the fact that the new realities are also associated with new risks. The gradual erosion of the balance of power that emerged after World War II and accelerated dramatically with the end of the cold war is opening new prospects not only for cooperation between the states but also for their realignment, competition between them and rivalry in the search for a better place in the evolving international system. This cannot but introduce additional elements of instability and uncertainty in international developments and leaves Asia fully exposed to these risks if not even more exposed than other regions.

Besides, the end of the cold war ushered in an era in which the very concepts of power and security are being reviewed. On the one hand, less emphasis is being put on military strength in nations' calculations and the 'non-traditional' dimensions of security are gradually gaining prominence and requiring growing attention. On the other hand, the use of force by states and non-state actors is by no means a thing of the past. To a significant extent Asia represents an opposite trend; in particular, the most complicated nuclear issues are located in Asia.²

² During the cold war, the major nuclear focus of international developments was clearly located in 2 areas—relations between the 2 superpowers, and Europe. The INF Treaty (Treaty on the Elimination of Intermediate-Range and Shorter-Range Missiles) of 1987, START I (the 1991 US–Soviet Treaty on the Reduction and Limitation of Strategic Offensive Arms) and START II (the 1993 US–Russian Treaty on Further Reduction and Limitation of Strategic Offensive Arms), and the US and Russian initiatives on tactical nuclear weapons have radically transformed the situation by marginalizing the importance of the nuclear factor. In Asia, the trend is in the opposite direction. China is the only 'official' nuclear state and is increasing its capabilities in nuclear-weapon ballistic missiles; India and Pakistan have chosen to declare their nuclear capabilities; Israel is the only threshold country remaining; Iraq and North Korea have violated their non-proliferation commitments; Iran is suspected of activities prohibited by the 1968 Non-Proliferation Treaty (NPT); and a number of states have a latent capability to produce nuclear weapons quickly. Delpech, T., 'Nuclear weapons and the "new world order": early warning from Asia?', *Survival*, vol. 40, no. 4 (winter 1998/99), pp. 57–76.

Thus, the evolving international setting in Asia requires Russia's special attention to evolving constraints, challenges and opportunities, as well as to both traditional and new security risks emanating from the region. Among them are the spillover of ethnic strife across interstate borders, disputes over territory, illegal immigration and flows of refugees amidst growing demographic imbalances in Russia proper, the spread of religious fundamentalism, arms smuggling, trans-border organized crime, drug trafficking and narcotics production, the proliferation of weapons of mass destruction and means for delivering them, environmental degradation, and so on.

Aggravating Russia's concerns about the prospects of defusing these threats is the inability of major and minor actors alike to move closer to establishing effective regional security forums and codify a framework of rules for both domestic and international conduct. In contrast to Europe, Asia has few institutionalized avenues for dispute resolution and no permanent mechanisms for enhancing mutual confidence and security—a deficiency which is especially worrisome in the light of the region's potential for instability and conflict.

Furthermore, post-Soviet Russia has found itself in a radically changed international environment in Asia. On the one hand, following the break-up of the USSR, a number of strategically located new players have emerged in Russia's immediate Asian vicinity, with no experience of statehood and exposed to external influences. On the other hand, with the end of the East–West rivalries some regional powers, no longer restricted by or benefiting from the cold war bipolarity, have engaged in a realignment drive and are revising their strategies with respect to Russia. Russia may, reasonably, be concerned that this volatility will evolve into a confrontational pattern that would have a seriously destabilizing impact on international developments.

At the same time, Russia views as potential assets the perceived commonality of its interests with those of some of its Asian neighbours and the possibility of forging short- and long-term alliances on specific issues, especially in view of its present weakness and the disappointment of its expectations of rapprochement with the West. Equally attractive for Russian strategists are the unique opportunities offered by Asia's rapid economic growth and explosion of trade, the maturity and capacity of Asia's arms markets, and its technological advances. Similarly, the experience of some countries in Asia offers a model of development embracing modernization without concomitant Westernization—a course that might be seen as preferable by a considerable part of the Russian public. It is indicative that debate continues to rage over the need for Russia to adopt the 'Chinese model'—giving priority to internal stability through economic and political domination by the government over pluralistic democracy, human rights and openness to the world.

How this combination of challenges and opportunities will affect Russia's prospects in Asia is far from clear. Notably, Russia's perceptions of the new international environment in Asia vary across a very broad spectrum, as do assessments of Russia's ability to adapt to them.

One approach tends to dramatize the changes as extremely unfavourable to Russia, which is allegedly doomed to be downgraded to a second-rank country, either marginalized from the mainstream of economic and political developments in Asia or even open to increasing external pressures with no real chance of resisting them. What follows from this scenario is a possibility or even likelihood of a hostile reaction by Russia to developments in Asia which might be viewed as adverse to its interests, thus provoking additional tensions in the continental international system.

The alternative reading of Russia's future in Asia does not underestimate the challenges emanating from the new economic, political and security realities on the continent, which are formidable, but focuses on Russia's potential to become an organic and even vitally important part of them, first as a geopolitical provider of stability from the Eurasian 'Heartland' to the volatile southern edge of Asia, second as the possessor of important natural resources that will be in increasing demand by the dynamic Asian economies, and third as a global 'balancer' mitigating North-South rivalry in the emerging international system and eventually even as a partner of Asia in the process of redistribution of global influence.

In any case, the prevailing trend in Russian thinking seems to assign a salient role to Asia in the country's quest to ensure stability along its periphery and regain its status as a major power capable of projecting influence well outside its borders.

III. Russia's stakes in Central Asia

Two factors determine the critical importance of Central Asia in Russia's foreign and security policy thinking about Asia. The first is the legacy of Russian imperial and Soviet history: numerous political and psychological complexes persist which are associated with the fact that this area was, until very recently, a constituent part of the USSR. Second, Central Asia, which for several decades was practically non-existent in the global geopolitical landscape, is now open to various external influences and might generate developments that require Russia's most serious attention.

Assets and challenges

Like other former colonial powers, Russia intends to build its future relations with the region on the assets accumulated during the tsarist and Soviet eras when it dominated the Central Asian space. These assets include: (a) insider knowledge of local politics and bonds to indigenous elites; (b) extensive military engagement, ranging from the total dependence of the newly independent states' military machines on Russian hardware, advice and technical support to the deployment of Russian troops on their territories; (c) the multiple production and trade contacts which remain; (d) the heavy reliance of many Central

Asian industries and government agencies on the technical expertise of Russian specialists; (e) a large, although diminishing, Russian diaspora; and (f) the almost universal command of the Russian language in the region.

Because of these many assets, Russia treats Central Asia as an area of its vital national interest and a stage for reinstating itself as a major power. Apart from that, Central Asia plays a significant role in Russia's security-related calculations. It is both a treasure-trove of important natural resources and a crossroads of many strategic routes via which goods and raw materials can be transported, not least between North and South, and between Europe and Asia. The poorest area in the former USSR, the Central Asian states are desperate to bolster their development by opening up to foreign investment. Obviously, Russia stands to benefit from this if it secures a share in the most lucrative deals and controls the penetration of other major powers into the region, which it tends to consider as its exclusive sphere of influence. The major puzzle is how it will proceed to achieve these goals.

For the time being Russia's policy is driven by the security risks and challenges originating in or coming through Central Asia rather than by the manifold opportunities that the area represents. Among the risks and challenges are: (a) the instability of political regimes based on regional and clan loyalties; (b) a dearth of experience of statehood; (c) disparities in levels of economic development within the region; (d) a complex pattern of ethnic and religious differences, with ample potential for the growth of intolerance; (e) rampant corruption; (f) the heavy dependence of rural households on narcotics production and the involvement of economic and political interests in drug trafficking; (g) the absence of essential infrastructure; and (h) potential susceptibility to Pan-Turkism and the penetration of influences hostile to Russian interests.

Incentives and obstacles for involvement

All these factors are seen as both necessitating and complicating Russia's engagement in Central Asia. Furthermore, to the extent that the costs of its continued entanglement in Central Asia outweigh the benefits, Russia may choose to curtail the scope of its involvement. Some analysts argue that this involvement is driven by inertia rather than by future-oriented strategy, that Central Asia should be viewed as a burden rather than as an asset, and that it diverts Russia's attention from more promising channels of interaction with the external world.

This pattern of thinking was more typical of Russia's initial post-Soviet period than it is of the present. Russia now seems more oriented to expanding its presence in Central Asia. Moreover, it seems to hope that its influence will be relatively unchallenged for years to come and more enduring than was anticipated earlier. Having failed in their attempts to limit Russia's influence in the region, Iran and Turkey, lacking the power and resources to build on their historical and cultural bonds with Central Asia, apparently prefer not to

provoke Russia's hostility; rather, they are now seeking Russia's support for the policies that are high on their strategic agendas. It is also expected that the West, while having a stake in the development of Central Asia's natural resources, will be ready to accept Russia's de facto role of guardian of regional stability.

The attitudes of the Central Asian newly independent states towards Russia appear basically favourable to it and allow the expectation that Russia will be viewed as a strategic partner and eventually an arbiter in the disputes between them. Deriving their legitimacy in part from their long-standing ties to the government in Moscow, the incumbent political regimes often desperately need Russia's support to consolidate the fragile statehood of their countries. Moreover, only Russia seems to be willing and able to play this role. At the same time, the fear of Central Asia's secular elites that by enhancing ties with such countries as Iran they risk paving the way to power for their Islamic political opponents plays into Russia's hand.

Of crucial importance is the fact that the Central Asian states are landlocked. Since the routes passing outside Russia are both insecure and underdeveloped, these states need the Russian territory and infrastructure to export their natural resources, the only possible effective foundation of their eventual economic growth. Equally important for Central Asia's economic development is unhindered access to Russian markets. Similarly, Russia is able to provide the expertise, financial assistance and hardware that would enable the Central Asian states to maintain and upgrade their military capability.

However, shared interests notwithstanding, the prospects of relations between Russia and Central Asia remain in many respects unclear, especially in the long run. Thus, there is a great deal of disagreement between Russia and the Central Asian states over strategically important economic issues, such as the dispute between Russia, Kazakhstan and Turkmenistan regarding sovereignty over and exploration of oil reserves in the Caspian Sea. Another problem that has the potential to generate serious tension is that of the Russian diaspora in Central Asia. The impact of Russian minorities on the internal politics of individual Central Asian states, the way Russia and indigenous elites and the wider public view the future place of ethnic Slavs in Central Asia, and their eventual role in the promotion of Russia's national interests can all affect the character of Russia's relations with Central Asia. The issue of the Russians living in Kazakhstan deserves special attention, since it can both tie Kazakhstan into Russia's orbit and provoke crisis.

When dealing with Central Asia, Russia has to assess the stability of the incumbent regimes, the credibility of the opposition in each of these countries and the way in which the major domestic actors view cooperation with Russia. Whatever basic interests they share, there are no guarantees that close ties between Russia and Central Asia will survive the emergence of a new generation of leaders. Some of them at least might be less inclined to treat their northern neighbour as respectfully as their predecessors did. There are also different schools of thought in Russia about the character and extent of Russia's involve-

ment in the domestic politics of Central Asian states. In particular, the question is widely debated whether Russia should seek to support the development of pluralism and the rule of law or should try to preserve the incumbent autocratic regimes, at least as long as they can maintain domestic stability and are loyal to Russia.

Another source of uncertainty for the interaction between Russia and Central Asia is related to the volatility of the political systems in the region. It is by no means a homogeneous entity but is fraught with intra-regional tensions, for instance, between Tajikistan and Uzbekistan, and may confront outsiders with difficult choices. If any of the Central Asian states were to seek to acquire hegemony, Russia's response might vary between hostility towards an undesirable competitor for influence, on the one hand, and preferential treatment for the strongest regional actor, in the hope that it would respond by demonstrating loyalty to Russia, on the other. Interestingly, it seems that both policy patterns are being seriously considered and even tested with respect to Uzbekistan, the first pretender to the status of a regional great power. There may also be other candidates for special attention from Russia, such as Kazakhstan (because of its proximity and large Russian diaspora) or Tajikistan (often viewed as a vitally important outpost in terms of geopolitical strategy).

There is a striking disparity in the approaches to and interests behind the drive for integration on the part of Russia and the Central Asian states. This disparity is basically related to different speeds of economic reform and levels of national wealth, but also to the broader vision of the substance and goals of eventual integration. In this regard, a litmus test of Russia's future posture in the region will be whether Russia, still gripped by severe economic crisis, is prepared to underwrite the cost of rapprochement with the former Soviet underdeveloped periphery. For the Central Asian states, access to vitally important resources from Russia is at stake and is to be paid for by their involvement in the framework of the Commonwealth of Independent States (CIS).

However, adjusting to Russia's dominant role in this structure is not necessarily the only available scenario for the newly independent states in Central Asia. Attempts by them to challenge 'big brother' are becoming more frequent. The emerging intra-regional cooperation without Russia's direct involvement is at present only rudimentary, but Russia might become increasingly concerned with what has the potential to evolve into a pattern that develops independently from Russia and competes with a pan-CIS framework.

Meanwhile, most of the Central Asian states have manifested a clear interest in developing cooperation with other major powers. Their motives lie both in the economic and in the political spheres; one of them is certainly related to their desire to become less dependent on Russia and to have broader options on the international arena. Whether, and to what extent, the involvement of 'other outsiders' in Central Asia is compatible with Russia's perceived interests in the region will most probably be a major concern for Russia and might eventually push it to seek the means to prevent or counterbalance such developments.

Russia's prospects in Central Asia will also be significantly affected by developments in neighbouring Afghanistan. These are examined in the next section. The explosive potential of Central Asia and its immediate environment represents a serious challenge to Russia. However, the 'main lines' of Russia's policy are still to be defined and conceptualized. Failure to do this or significant delay in doing so may undermine Russia's future posture in and relationship with Central Asia.

IV. Russia's perspectives on South-West Asia

South-West Asia is of special relevance for Russia for at least three reasons: (a) its proximity to the Transcaucasus and Central Asia, both of which are viewed by Russia as critically important zones of its vital interests; (b) its volatility and susceptibility to external influences; and (c) its pivotal role in a broader strategic context, especially with respect to developments in the Middle East. The region is also increasingly important in the eyes of Moscow in the context of the post-cold war dynamic. Facing centuries-old rivals in a drive to fill the vacuum left by the disappearance of the Soviet Union, Russia seeks to forestall a further deterioration of its geo-strategic position by enlisting the support of non-traditional allies and exploiting contradictions between the powers involved.

Russia's interaction with three major countries in South-West Asia—Turkey, Iran and Iraq—is developing along these two mutually complementary lines of thinking. However, each of three cases has its own specific features.

The importance of Afghanistan goes beyond the South-West Asian region.

Turkey

Relations between Russia and Turkey are one of the keys to future developments in this part of Asia. The end of the East–West confrontation, Russia's loss of world-power status, and the emergence of independent states in Central Asia and the Transcaucasus cleared the way for Turkish activism in the areas where the tsarist and Ottoman empires competed until the very beginning of the 20th century.

Post-communist Russia has been particularly alarmed by Turkey's efforts to reinstate itself as a major actor in what Russia still regards as its special zone of influence. This alarmism seemed well grounded since Turkey was suspected of having good opportunities to play on its historical, linguistic and religious ties to peoples of Turkic origin and/or Muslim faith. Russia's apprehensions about 'cultural imperialism' originating from Turkey have focused especially on its support for the Muslim peoples in Russia proper. The vociferous activity of Caucasian minorities in Turkey during the war in Chechnya was interpreted in Moscow as indicating that they had some influence over Turkey's policy.

Another Russian concern is connected with attempts by Turkey to divert the transport of oil and gas from the Caspian region to routes passing through its

territory, which would seriously undermine Russia's prospects of controlling vitally important supplies to Europe. In addition, Turkey is attempting to restrict the passage of Russian sea traffic through the Bosphorus and the Dardanelles, ostensibly on safety and environmental grounds. Many Russians see in this not only efforts to support Turkey's economy but also a manifestation of enduring existential rivalry, exemplifying a continuity of conflict in Russian–Turkish relations.

More importantly, Russia sees Turkey's aspirations for a higher geopolitical profile, especially in the post-Soviet geopolitical space, as being encouraged and even orchestrated by the USA and other Western powers. This connection enhances Russia's suspicions that it is being encircled by a coalition of hostile interests.

Russia's concerns, however, seem to be mitigated by a number of factors. Turkey obviously lacks the resources to pursue an ambitious expansionist mission. Estranged from the European Union and under international pressure for its human rights record, it faces serious problems in playing the role of a bridge between Central Asia and the West and an agent of Westernization and 'civilization'. The recent advance of fundamentalist trends in the country has undermined its attractiveness as a social model of 'moderate Islamization', and this is not unimportant for Russia in view of the considerable weight of the Muslim population in Russia.

The weakness of successive governments has undermined Turkey's ability to promote its strategic agenda abroad. This has afforded an opportunity to Russia, among others, to display an array of 'sticks and carrots' to influence Turkey's behaviour. In the first category were rapprochement with Iran, unambiguous (if tacit) encouragement of the Kurdish movement, and the formalization of a Russian military presence in Armenia and Georgia. Among the 'carrots' was Russia's offer to sell military equipment to Turkey, an initiative serving two purposes—to mitigate the decline in Russia's defence industries and to acerbate Turkey's rift with the USA.

Russia and Turkey have seen several ebbs and flows in their relations in recent years. However, the initial phase of their adaptation to post-cold war realities is coming to a close. The pattern of relations between them is somewhat reminiscent of their long-standing rivalry in earlier periods: traditional geopolitical considerations seem likely to endure for many years to come. At the same time, there are considerable incentives and possibilities for positively oriented interaction. The link between the historical legacy and the current and future dynamics in Russian–Turkish relations will be determined by a number of factors: the divergence and convergence of their interests with respect to some contentious issues of regional and international politics; their accommodation in areas of mutual interest; and the symmetry in their relations with external actors influential in the region, such as the United States and the European Union.

Iran

Iran is another key actor in South-West Asia and the object of the most serious attention on the part of Russia. Defying the patterns of history and geography, it emerged as Russia's potential ally in the post-cold war era for several reasons.

First, in terms of its immediate political concerns, Russia could not but appreciate the fact that Iran has consistently abstained from challenging Russia's interests in Central Asia and the Transcaucasus, pursuing a pragmatic policy and not proselytizing for its model of Islamist political organization. This approach has apparently been welcomed in Moscow, especially in the light of apprehensions that Iran's ideological and religious zeal might ignite major unrest throughout Eurasia. Iran's modest attempts to develop ties with the former Soviet republics do not seem to have caused much concern in Russia. Russia considers Iran to be a useful broker in the Tajik civil war, where it has chosen to work in consonance with Russian mediation rather than to seek to exploit its bonds with the Shi'ite Tajik tribes. Similarly, Iran aligned itself with Russia on the burning issue of the delimitation of maritime boundaries and exclusive economic zones in the Caspian Sea, where control over substantial reserves of oil is at stake.

Second, ideological differences notwithstanding, Iran offers Russia a ground for carving out a zone of strategic and economic influence which Russia hopes will outlive the present regime in Iran. Thus, Russia is attempting to develop both economic and military relations with Iran, exemplified by the decision to sell nuclear reactors and military hardware amid international criticism.³

Third, Russia judges its links with Iran to be both a counterweight to Turkey and a trump card in its relations with the West. Afghanistan could be another possible focus of Russian–Iranian interaction: both parties are interested in preventing Pakistan from filling the emerging vacuum there. More generally, a strategic connection with Iran might be an important asset for Russia if Iran emerges once more as a powerful regional actor, as seems likely.

Iran's present stand towards Russia stems from its strategically weak position. This is the product of: (a) the USA's policy of containment, imposing extensive sanctions on Iran for its alleged support for international terrorism and involvement in subverting US-backed regimes; (b) the alienation by Iran of most of its neighbours; and (c) Iran's economic difficulties and technological backwardness. Against this background, Russia and its Central Asian partners offer Iran an escape route from hostility and a prospect for upgrading its international status.

It is too early to say whether the Russia–Iran axis will prove to be a tactical expedient or a long-lived phenomenon. There is still a need for a proper assessment of domestic developments in Iran that could identify the influence and sustainability of social and political groups that advocate closer ties with Russia. The relation between Iran's continuing economic crises and its foreign

³ On this cooperation, see chapters 10, 12 and 14 in this volume.

policy is another unclear variable that might affect the country's relations with Russia. Still more important are the relative weight and dynamics of the US/Western factor with respect to both Russia and Iran; in particular, an eventual rapprochement of Iran with the USA might significantly affect the overall balance of power and interests in the region.

Iraq

Russia's stance towards Iraq is rooted in considerations that are in a way similar to those that feature prominently in its policy on Iran. Widely viewed as a pariah state, Iraq is under UN-imposed sanctions, the object of the US 'double containment' strategy and ruled by a government repulsed by virtually all its neighbours. Desperate to break its isolation and to snub the USA, Iraq offers Russia an opportunity to fill the vacuum with little external competition.

An important bilateral issue is Iraq's substantial debt to Russia, inherited from the time when Iraq was a Soviet client. Moreover, the cash-starved Russian defence industries would welcome the prospect of renewing cooperation with a state whose military capability is built on Russian standards, as would many other Russian industries, especially in such fields as nuclear energy, oil exploration and machine building.

Russia cannot, however, simply ignore or evade the West's opposition to its contacts with Iraq as it can in the case of Iran. Russia is under legal obligation, in accordance with UN Security Council resolutions, to observe the sanctions on Iraq, which can be lifted only with the consent of the USA. Consequently, Russia has pursued two objectives in parallel—to conclude numerous deals with the Iraqi leadership, awaiting their implementation as soon as legally permissible, and to push in the Security Council for the lifting of sanctions.

Admittedly, Russia's access to Saddam Hussein allowed it to play a role in a number of political crises, and this by and large has served to promote Russia's international status. The US–British missile and air strikes on Iraq in December 1998 seriously undermined Russia's ability to play such a role but at the same time created a serious excuse for its eventual rapprochement with Iraq. Still, Russia has to pursue a prudent line in its contacts with the regime of Saddam. First, Russia's being perceived as too heavily involved on his side would ignite strong criticism both inside and outside Russia. Second and more importantly, the basic features of the situation in and around Iraq may change radically in the post-Saddam era. The incumbent regime may one day be toppled under attack from the internal opposition reinforced by external pressures and/or instigation. It remains an open question which political forces might succeed the regime and whether they would lean more towards Russia or towards the United States. In any event, the next administration would be free not to honour the commitments undertaken by the deposed dictator, thus undoing what Russian foreign policy makers claim as successes. Worse, Russia might be deprived of any influence over Iraqi affairs and marginalized for years to come for having supported the regime of Saddam Hussein.

Afghanistan

Of the South-West Asian countries, Afghanistan is involved in the Russian–Central Asian geopolitical and security connection in many ways.

First, this involvement goes via Tajikistan, where Russia has been a prominent player and mediator in the civil war. Several Tajik opposition groups are based and trained in border areas in Afghanistan, which creates incentives for and risks of Russian political and military engagement in that country.

Second, Afghanistan itself is torn by internecine warfare waged by coalitions of different ethnic and regional groups which are supported in various forms by external powers and interests. Russia's support is sought by some parties to the civil war in Afghanistan, and given the recent successes of the Taleban movement these appeals may fall on fertile ground in the Russian leadership—a prospect that threatens to drag Russia again into the Afghan quagmire, although the form of this involvement may vary.

Third, because Tajik and Uzbek minorities are powerful forces in the Afghan strife, there is a danger of the conflict spilling over into the neighbouring states which have their own serious potential for destabilization. The Central Asian states' covert assistance to their ethnic kin in Afghanistan may provoke retaliation by their opponents across the borders. Both scenarios may confront Russia with a significant security dilemma if there are appeals for military assistance.

Finally, Afghanistan is a major source of narcotics for the whole world. Routes for drug trafficking from Afghanistan go via Central Asia and Russia. Russia has a vital interest in the suppression of drug-related activities, and there seems to be no realistic alternative to its involving itself in the Afghanistan–Central Asia connection.

V. Russia in South Asia

Central place in Russian foreign and security policy in this part of Asia is traditionally accorded to relations with India.

Following a brief pause after the break-up of the USSR, Russia and India resumed their manifold relationship, building on the assets accumulated over several decades of cooperation. For Russia, India appears both a rare and strong ally and a promising trading partner, given its size, population, geo-strategic location and potential for economic development. India has leaned towards Russia while maintaining a symmetry and displaying pragmatism in the delicate geopolitical quadrangle of the major actors in the region—China, Japan, Russia and the USA. In an era of massive realignment, Russia appreciates India's continuing insistence on its non-aligned status and its caution and restraint in the development of ties with the USA, especially in the area of arms transfers. The poor convertibility of the Indian currency still deters the expansion of trade, as do many factors on the Russian side. Even so, mindful of the unprecedented opportunities for export, Russian arms producers have been aggressively exploring India's procurement programmes.

India's ascendance to the status of a declared nuclear weapon power has produced mixed feelings in Russia. The emergence of a powerful counterbalance to China might seem an attractive prospect to Russia, as well as India's potential to deter Pakistan, which is largely viewed as threatening Russia's interests because of the connection with Afghanistan. However, the very fact of India 'going nuclear' may be seen by Russia as devaluing its own nuclear arsenal, which is almost the sole remaining symbol of its great-power status and an important bargaining chip in the international arena. Furthermore, Russia may worry that the 'nuclearization' of South Asia, as well as India's intransigence about acceding to agreements on nuclear non-proliferation and arms and technology transfer control, will undermine the fragile regional balance of power.

It seems clear, however, that both powers assign each other considerable roles in their respective foreign policy calculations. In particular, their rapprochement is generated by India's search for higher international status and Russia's desire to prevent further erosion of its global role (and, eventually, compensate for the loss of status). A strong partnership between the two could have a considerable impact on their relations with third countries and the security environments in which they operate; in this respect, Russia and India have to advance their security-related cooperation without fostering a sense of insecurity among other actors. The appeal by then Russian Prime Minister Yevgeny Primakov in December 1998 for a 'strategic triangle' of China, India and Russia to be established (whatever the chances of this pattern being implemented might be) reflected these challenging and contradictory tasks.

VI. Russia in the Asia-Pacific area

The huge Asian land mass bordering the Pacific and extending to the Indian Ocean is becoming an area of increased strategic significance for Russia. A substantial part of Russia's territory lies in this area, where it faces three principal world powers—China, Japan and the USA. They represent a unique combination in terms of Russia's security interests. China and the USA have nuclear arsenals that can reach Russian territory; Japan and the USA are the largest economies in the world; China is the most populous nation on the planet.

General constraints

The past 30 years have witnessed a remarkable transformation of the international landscape in the area, with a multitude of countries opening their economies to foreign investment and competition and enjoying a period of robust growth and development. If sustained into the next century, these trends hold the promise of spurring Russia's economic growth and increasing the importance of its energy resources and transport routes.

The impressive economic development of the region has so far tended to have a stabilizing effect and helped to forestall violent interstate conflicts. However, the Asian financial crisis of 1997–98 has clearly shown the fragility and struc-

tural vulnerability of the economic changes in the region. Furthermore, it is not at all assured that increases in national wealth will not be accompanied by a chain of incremental growth in defence expenditure, military build-up and an arms race, generating instability. Such instability may derive from the ample potential for conflict among and within the regional states, stemming from: (a) the division of nations (China and Korea) and uncertainty over the prospects of their reunification; (b) disputes over territories and maritime zones; (c) historical animosities and distrust; (d) the absence of an institutionalized security architecture; (e) the volatility of internal politics and the significant domestic vulnerabilities of some governments; (f) disparities in economic development among densely populated nations; (g) threats of uncontrolled migration; and (h) deep-rooted ethnic and religious tensions.

Two variables feature prominently in the calculations of all actors throughout the region. One is the emergence of China as a political, economic and military superpower in the next century and uncertainties as to its future international behaviour. The other concerns the USA's military presence and heavy involvement in East Asian affairs, which have proved to be stabilizing factors, deterring armed conflicts, but may change. Both factors indisputably affect Russia's global perspectives, making its engagement in the region imperative. The character and extent of this engagement will depend both on Russia's domestic performance and on its interaction with other actors in the region.

China

Almost eight years into the new era in relations between China and the USSR/Russia, the balance between the two powers has shifted dramatically away from Russia. First, China has enjoyed a long period of robust economic growth, while Russia's economy has contracted for several years in a row. Second, Russia's territorial space is substantially less than that of the USSR and risks further fragmentation, while China is certain to preserve its integrity and even recover some of the territories it lost during the colonial age. Third, China has consolidated its international position, while Russia has seen its status noticeably reduced. Fourth, China has bolstered its military might, whereas Russia's armed forces have fallen into a state of disarray. Notably, these trends have proved steady in recent years and there is little likelihood that Russia can restore its strength vis-à-vis China at any time soon. Hence Russia finds itself in a strategically weak position with respect to China, and this makes it critical for Russia to review its short- and long-term strategy.

The major issues confronting Russia are: (a) how to consolidate its assets in relations with China at a time when it has to chart a course from a position of weakness; (b) how to expand ties with China without further reinforcing China's military posture by, for instance, the unrestrained sale of weapons, military equipment and technology; (c) how to strengthen the Russian far east and Siberia economically and demographically, thus increasing the capacity of these areas to resist eventual pressure from China; and (d) how and where to

search for allies in the light of China's possible hegemonic inclinations in the future without encouraging those very inclinations.

These objectives, challenging as they are, will be all the more difficult to accomplish given that there is no consensus in Russia on the foundations of policy with respect to China. There is a striking discrepancy between the general optimistic connotation of the official policy line, on the one hand, and confusingly mixed feelings and attitudes below the governmental level.

Officially, the policy of Russia towards China is very positively oriented and relations between them are excellent. However, the reaction across Russia's political elites to China's ascendancy as a regional and potentially global power and their perception of China's ambitions and inclination for constructive or destructive behaviour vary across quite a broad spectrum, from excessive hopes of the 'strategic partnership' between the two countries (which would eventually contribute to Russia's re-establishment as a world power) to dramatic alarmist assessments of China becoming a major external threat to Russia.

The changing configuration of Sino-Russian relations will have considerable implications for certain concrete international problems, such as nuclear non-proliferation, a new arms control agenda, military activities in the Pacific and maritime territorial disputes. At the same time Russia could face the difficult task of taking sides if crisis develops, for instance, if the Chinese missile build-up or other activities threaten Taiwan and the USA backs countermeasures.

Japan

In view of China's rise to prominence in East Asia, it is all the more disturbing for Russia that its relations with Japan remain unsettled. Worse, with a sensitive territorial dispute yet to be resolved and a comprehensive bilateral peace treaty still to be concluded after 50 years of estrangement, there are considerable obstacles to a rapprochement between them. The expansion of ties in all fields is hostage to the issue of sovereignty over the four islands of the Kuril chain, with public opinion in both countries remaining overwhelmingly hostile to a compromise. Moreover, there are few constituencies in either country that advocate a breakthrough.

Apparently, Russia also continues to proceed from certain traditional perceptions. It views Japan as an economic giant while failing to appreciate fully that the country has risen to the status of a global power and one of the central variables in the Asia-Pacific security equation. At the same time Russia remains ambivalent about the USA's military presence in and security guarantees to Japan. Furthermore, as Russia's foreign policy is still largely formulated by the elites in Moscow, it comes as no surprise that the needs and interests of the regions of Russia that are located closer to Tokyo than to Moscow tend to be neglected.

For its part, Japan seems to be the hostage of excessively sceptical assessments of the prospects for and benefits of economic links with Russia. At the same time, close ties with the USA having been the central element of Japan's

security during the whole post-World War II period, its current and future relations with Russia are still quite often assessed through the prism of the alliance with the USA. It is true that both these factors have started to erode, but recent developments have shown that changes require time and will not come easily.

All these factors undermine the prospects of and limit the options for harmonization of their strategic interests—a regrettable situation since, if the Kuril Islands problem is put aside, there are no significant grounds for ‘existential distrust’ and geopolitical antagonism between the two countries. Furthermore, the end of the cold war has brought worrying changes in the world arena to both: to Russia they have brought about significantly eroded status, whereas Japan is facing diminished US interest and the rise of neighbouring China.

Thus, Russian–Japanese rapprochement seems quite possible in the long run, although via gradual and incremental change. For more dynamic development, innovative thinking seems necessary. This may be precipitated by a new generation of leaders and/or some dramatic changes in the international environment. It seems, however, that a breakthrough on the territorial dispute is probably only possible as part of a broader agenda acceptable to both sides.

The USA

Virtually every facet of Russia’s interaction with the actors in Asia–Pacific both influences Russia’s overall relationship with the USA and is affected by it.

The USA in the post-cold war period has shifted the focus of its strategy in the region from countering the Soviet military threat and preparing for a possible confrontation to coping with regional instability. No longer a trouble-maker in the eyes of Washington, Russia might play a role by committing itself to non-proliferation, the peaceful settlement of disputes, military restraint and cooperation in the war against drugs. Overall stabilization of Russia’s relations with China and Japan would also contribute to stability in the region. The expansion of trade and cooperation between Russia and East Asia will hardly disturb the USA, which does not consider Russia a formidable competitor. On the contrary, this might strengthen Russia’s position vis-à-vis China, thus counterbalancing the forthcoming rise of the latter, which could eventually become a matter of serious concern for the USA (despite its recent attempts to build what is increasingly viewed as a kind of special relationship with China).

As for Russia, the post-confrontation logic should move it towards a grudging recognition that the USA is an important stabilizing factor in the Asia–Pacific area. Like most other actors in the region, Russia has reason to be concerned that a US withdrawal may lead to a reconfiguration of forces and a remaking of the regional balance of power at a time when Russia stands only to lose, not to benefit, from such a transformation. It still resents the USA’s dominant role in the region. Worse, the growing negativism with respect to the USA (even if it is more apparent in the general political atmosphere in Russia than officially expressed by the government) may affect the prospects for Russian–US inter-

action in Asia–Pacific. The challenge lies in steering the course of Russian–US relations between the reefs of Russia’s suspicion and overblown ambitions and the USA’s propensity for unilateralism and temptation to keep Russia permanently weak.

By and large, the Asia–Pacific dimension of the Russian–US relationship is evolving as a result of the ongoing shifts in domestic, regional and global politics. The issue of nuclear and ballistic missile non-proliferation might become the major unifying element in the US–Russian relationship with respect to Asia. The two countries seem, however, to diverge in their assessments of its importance and in defining practical ways of achieving non-proliferation. At the same time the air strikes against Iraq in December 1998 provoked a strong reaction in Moscow as a manifestation of the USA’s orientation towards non-cooperative behaviour, both regionally and globally.

The Korean Peninsula

In developments on the Korean Peninsula the Russian factor is significantly less important than it was, although it is there. It is highly doubtful that Russia can realistically expect to restore and build on its erstwhile ties with North Korea; however, it will certainly try to prevent being further sidelined, as it was in the negotiation of the 1994 deal to supply nuclear reactors to North Korea in return for the scrapping of its nuclear programme.⁴

Russia can also count on the growth of its ties with South Korea, which it considers economically beneficial and politically advantageous. At the same time, rapprochement with South Korea might be also articulated as a signal to Japan pointing to a possible alternative to Japan’s role as an investor—a stragem which, however, does not appear to be working. In similar vein, Russia’s efforts to penetrate the South Korean arms market have achieved limited success largely owing to the USA’s almost exclusive role as foreign supplier to the South Korean armed forces.

While it remains to be seen whether Russia will gain from the reunification of North and South Korea, it definitely has a stake in a peaceful, gradual and controlled merger of the two countries if this materializes. It is also interested in a broader dialogue and in participating in it, rather than being excluded from the four-party negotiations for a peace treaty between the two Koreas, the USA and China.⁵ At the same time the alleged development of the North Korean nuclear potential and the August 1998 missile test, combined with possible counter-measures, could move the whole problem into a broader international context with seriously destabilizing results. This could be an additional reason for considering the involvement of Russia expedient.

⁴ Goodby, J. E., Kile, S. and Müller, H., ‘Nuclear arms control’, *SIPRI Yearbook 1995: Armaments, Disarmament and International Security* (Oxford University Press: Oxford, 1995), pp. 654–55.

⁵ On the negotiations for a peace treaty to succeed the ceasefire agreement that ended the Korean War, see chapter 22, section V, in this volume.

South-East Asia

In South-East Asia Russia has relatively modest immediate stakes and even more limited means of engagement. However, they do exist and, given the regional states' ongoing enhancement and modernization of their military capabilities, Russia manifests a strong interest in promoting its arms sales to the region.⁶ In the longer run, it may consider as attractive the possibility of establishing and consolidating its presence in the area, which has growing strategic significance and at the same time remains volatile and open to external influences and competitions.

South-East Asia has shown both impressive economic results and vulnerability; alongside examples of relatively successful conflict management (as in Cambodia) there have been political 'earthquakes' (as in Indonesia). Friction over territorial issues has tended to be suppressed rather than resolved; political regimes based on traditional loyalties and authoritarianism are fragile; the forces of protectionism remain potent and the establishment of a free-trade zone is continuously delayed; the rise of China and the disquiet among regional actors over its ultimate ambitions undermine mutual trust and transparency; and there are complex ethnic and religious tensions, coupled with extremes of wealth and poverty. All these are formidable factors for instability in South-East Asia.

On the other hand, the region is making efforts to institute cooperative regional security structures, particularly through the ASEAN Regional Forum (ARF),⁷ which involves almost all the states in the region as well as significant external powers. This is an opportunity for Russia to become more involved in regional developments than would have been possible a decade ago. Since Russia is not seen as potentially assertive in the region, it might be perceived by local actors as an attractive counterbalance to other external influences. It may also build on some assets inherited from the Soviet era such as the large naval facilities at Cam Ranh Bay in Viet Nam.

VII. Conclusions

The Russian factor is by no means insignificant in the ongoing transformation of the Asian security landscape. With all their differences, the four subregions of Asia all provide considerable possibilities for Russia's involvement. Russia is to play a role in Asia both in the process of realignment and in efforts to establish security patterns on the continent.

Russia's involvement, however, cannot be considered in isolation from the changing configuration of actors and interests in Asia. The speed and substance of its adjustment to novel realities in Asia will have profound and long-term implications both for its future posture and for the evolving regional and inter-

⁶ See, e.g., Sergounin, A. A. and Subbotin, S. V., *Russian Arms Transfers to East Asia*, SIPRI Research Report no. 15 (Oxford University Press: Oxford, 1999).

⁷ On the membership of the ARF, see appendix 1 in this volume.

national balances. In turn, depending on the process and outcome of Russia's domestic transformation, Asia can either benefit from or be adversely affected by Russia's revival or demise. Interests that Russia will strive to protect and instruments to be employed in their pursuit will be determined in this process.

Russia's policy in Asia will have an impact on broader developments in the world arena. This impact is discernible even now, when Russia remains weak, Asia is volatile and the implications of globalization and multipolarity for the emerging international system are unclear. In the long run, the influence of Russian-Asian interaction over international security at large has every chance of increasing.

3. Between Europe and Asia: the search for Russia's civilizational identity

Igor V. Podberezsky

I. Introduction

At the turn of the century and millennium the problem of the civilizational identity of Russia is one of the most important and at the same time controversial questions. Some Russians claim that Russia is a European country; a few think that it belongs to Asia; the majority are in favour of its finding a 'third way' of its own. Many see the present situation of civilizational ambiguity as responsible for a serious imbalance in the general principles of Russian thinking.

After the collapse of communism in Russia the 'class paradigm' is being replaced by the 'civilizational paradigm' as a method of analysis and a new 'civilizational' approach is dominant in Russian thinking. Instead of Marx and Lenin, the most quoted authors are Arnold Toynbee, Samuel P. Huntington and Nikolay Danilevsky, the proponent of the distinct Slav cultural heritage and author of *Russia and Europe* (1869), which blamed the 'perfidious West' for all Russia's misfortunes.¹ National security concepts are formulated in civilizational terms and other paradigms are considered deficient. The 'universal' approach is under attack because, from the point of view of some Russian theoreticians, it denigrates Russia by viewing it (along with some other non-Western, mainly Asian, civilizations and societies) as a local and implicitly defective version of the fully developed world civilization best represented by the European countries and the USA.

Its opponents claim that the civilizational approach cannot be applied to Russia, that Russian spiritual life is internally contradictory and not homogeneous enough to make a fully-fledged civilization. Russia, they argue, has none of the qualities that pertain to a 'normal' civilization. It lacks a system of common values and symbols which can unite its citizens irrespective of confessional, class or ethnic identity; it has no unifying 'great idea' or 'great tradition' and at best can be considered as 'civilization by force'. An authoritarian—in Soviet times totalitarian—bureaucratic empire was the substitute for civilization, forcing some kind of normative and hierarchical order on different ethnic, confessional and cultural groups.

To this those who believe that there exists a self-sufficient and self-sustained Russian civilization answer that somehow Russia has proved able to solve all its

¹ E.g., Toynbee, A., *War and Civilization* (Oxford University Press: Oxford, 1950); Huntington, S. P., 'The clash of civilizations?', *Foreign Affairs*, vol. 72, no. 3 (summer 1993), pp. 22–49; and Danilevsky, N., *Russia and Europe* (St Petersburg, 1869) (in English).

problems and contradictions, to provide socio-political stability, to ‘organize’ vast territories populated by different peoples of European and Asian origins into some kind of unity, and to withstand aggression from without, mainly from the West. In general, they argue, Russia has its own civilizational code and Russian civilization like all others is programmed for immortality. It is quite able to transform and reproduce itself and can curb its own marginal and radical elements, although these are more numerous and aggressive than their counterparts in the West and sometimes threaten the very existence of the Russian state and civilization. Here again the state plays an outstanding positive role.

The problem of civilizational identity is not purely academic. Quite the opposite: many Russians feel humiliated by the sudden disintegration of the Soviet Union and blame the West for it.² They are inclined to seek compensation in arguments about the exceptional civilizational role of Russia. The question of civilizational identity has become the central issue of practically all political debates; all public and political figures and all people of any standing in today’s Russia are forced to state clearly their position on this issue. Different answers to the questions ‘Who are we?’ and ‘Where are we going?’ divide Russian society no less deeply than social inequality and political sympathies or idiosyncrasies. ‘Civilizational factors’ influence ideologues and politicians of all social and political groups and determine priorities in the formulation of national interests and foreign policy.

The importance attached to the problem of Russian civilizational identity, the intensity of the search for identity and the nervousness, sometimes even hysteria, which characterize the debates about it all reveal that the debaters are not sure of themselves and that most probably this identity has either been lost or suffered a serious shock, a trauma which the Russian mentality cannot get over.

Many Russian thinkers and philosophers, as well as politicians, were and still are convinced that all Russia’s peculiarities and anomalies can be explained by its history, in particular its ‘meeting with Asia’, and by its geography, its intermediate position between East and West.

II. Russia as European

Some observers note that preoccupation with the past is characteristic of the Russian mentality. Appeals to the past and historical precedent are considered convincing in political discourse and very strong arguments in any debate. Many Russians assume that the past is full of mystic might and wisdom and has all the answers to today’s problems.

No Russian politician using the civilizational approach ever fails to mention that the Russians, along with the Czechs, Poles, Serbs and some others, are Slavs, that is, East Europeans, and that Russian is an Indo-European language. Therefore, they say, the ‘European legacy’ belongs to Russia by right. Chris-

² See, e.g., Stroyev, Y., ‘V poiskakh suti i smysla’ [In search of the crux of the problem], *Nezavisimaya Gazeta*, 29 July 1998, p. 3; Arbatov, A., ‘Vybor bez vybora’ [Choice without alternative], *Nezavisimaya Gazeta*, 8 Apr. 1998, p. 13; and interview with Sergey Glaziyev, *Nezavisimaya Gazeta*, 30 Sep. 1998, p. 8.

tianity, furthermore, was the most important factor in the making of European civilization. Both Russia and Europe belong to Christendom and this is a solid basis for the identification of Russia with the West, argue the defenders of Russia's Europeanness.

From the late 17th century to 1917, during the imperial period of its history, Russia was perceived as part of Europe although with some peculiarities. The period left its mark on Russian stereotypes of thinking and behaviour. Many Russians assimilated Western values and ideas. Those with a pro-Western orientation were called *zapadniki* (Westernizers). They believed that the movement from Asia to Europe which started with the reforms of Peter the Great (1672–1725) was irreversible. Scholars belonging to the Westernizers' camp assessed the imperial period as one of the most glorious in Russian history, when the might of the Russian state reached its highest point and Russia played an important and often crucial role in the concert of Europe. Along with other colonial powers it participated in the conquests in the East and its arts and sciences were at least comparable to those of the West. For these scholars Peter the Great remains the most important figure given to Russia by Providence.

Vladimir Solovyev, the prominent Russian philosopher (1853–1900), wrote that Peter the Great saved Russia from becoming 'pure East'. The Petrine reforms, he argued, were not new for Russia: they merely meant the continuation of Kievan Rus. 'All the good and original that we have had in the sphere of thought and creativity emerged only as a result of Petrine reform: without this reform we would have had neither Pushkin nor Glinka, neither Gogol nor Dostoyevsky, neither Turgenev nor Tolstoy'.³ The Petrine reforms had unequivocally transformed Russia and Moscow Rus was done with, 'buried and will not rise again'.⁴ The 20th century showed that this prognosis was at least premature.

Westernizers noted with regret that there was still 'too much Asia' and 'too little Europe' in Russia, and that Westernization was superficial and had had an impact only on the upper strata of Russian society. Basic European values had not been not assimilated and internalized. Nevertheless the majority of today's Russian intelligentsia (which is now supposed to include all professionals and all who have received higher education) are still of this breed, profess Western values and ideas, and in their self-identification do not see themselves as being set apart from the West.

The pro-Western orientation met opposition as early as the time of Peter the Great but he, like a typical despot, fought it with executions and exile. However, in the 19th century anti-Western views found expression in the religious–philosophical movement of the Slavophiles, bitter opponents of the *zapadniki*. The most prominent were Ivan Kireyevsky (1806–56), Alexey Khomyakov (1804–60) and the brothers Konstanin and Ivan Aksakov (1817–60 and 1823–86, respectively). They claimed that unlike the West Russia did not know

³ Solovyev, V. S., *Sochineniya* [Selected works in two volumes], vol. 1 (i) (Pravda Publishing House: Moscow, 1989), p. 287.

⁴ Solovyev (note 3), p. 430.

class divisions and struggle, that its peasant community had preserved collectivist values and that this was a blessing for Russia since it ensured an organic unity in Russian society as opposed to a mechanistic or 'Western' unity. The Slavophiles differed in their evaluation of the role of the Russian state and Russian mentality, but all based their views on Orthodoxy, especially stressing its anti-Catholic and in general anti-Western stand. Their way of theorizing and arguing and the terminology they used were purely European: they were strongly influenced by German Romanticism; but their aim was to repudiate the West and to glorify Russian and Slavic values and lifestyles as opposed to and superior to those of the West. Russia was not the West and never would be.

Although anti-Western, the Slavophiles were not pro-Eastern. 'Back from Europe' did not mean 'back to Asia'. Quite the opposite: they declared that their main aim was the restoration of the Orthodox Byzantine Empire, this time under the aegis of Russia, and the return of Orthodoxy to Constantinople which, as Dostoyevsky said, 'Sooner or later will be ours' because 'Constantinople is Orthodox, and everything Orthodox is Russian'.⁵ This meant war with the Ottoman Empire, that is, with the Muslim world. The ideological justification for these wars came in the form of Pan-Slavism, of which the main aim was to unite all Slavic peoples, first of all those suppressed by the Turks in the Balkan Peninsula, under the leadership of Russia. The very name Slavophiles was the expression of these hopes.

The Slavophiles' fight with the Westernizers was uncompromising. In some new forms it continues now: today's reformers and their opponents often, sometimes unknowingly, use arguments that were used more than a century ago. Some extremists among the opponents of reform, today's successors to the Slavophiles, are inclined to see in Westernization the realization of the old diabolical plan to deprive Russia of its true values (mainly Orthodoxy) and to subjugate it to the evil forces personified by Freemasons, Zionists and Jesuits. In today's Russian nationalistic mythology these three are viewed as skilful manipulators of all historical events and the worst enemies of Russia.⁶

Only a few tried to reconcile Westernizers and Slavophiles. Dostoyevsky was one. He wrote that 'world responsiveness' to impulses, the ability to absorb values and ideas from all over the world, was the distinctive feature of 'Russianness.' Russia, he argued, was destined to unite all mankind. 'Yes, the destiny of the Russian is all-European and universal. To become a genuine Russian . . . perhaps simply means to become brother of everyone, to become

⁵ Dostoyevsky, F. M., *Polnoye Sobraniye Sochinenii* [Complete works], vol. 24 (Nauka: Leningrad, 1982), p. 173.

⁶ Such views are reflected in anti-Semitic statements, which have become rather frequent recently. This is illustrated by the scandal involving Deputy Gen. Albert Makashev, a Communist Party member of the Russian State Duma, who made insulting anti-Semitic statements at a public meeting in Moscow on 7 Oct. 1998. Although these statements provoked a strong negative response both inside and outside Russia, the general repeated them in an interview with the Italian newspaper *La Stampa*, demanding the imposition of ethnic quotas on hiring to all government posts as well as in the fields of science, culture and the media. Radio Free Europe/Radio Liberty, *RFE/RL Newslines*, vol. 2, no. 221, Part I (16 Nov. 1998).

universal man. Oh, all our Slavophilia and Westernizing is only a great misunderstanding, although historically necessary. For a genuine Russian Europe and the fate of all Aryan tribes are as dear as Russia itself.⁷ His attempt to reconcile opposing civilizational orientations failed, just as, according to some views, President Boris Yeltsin's attempt to reconcile the opposing forces in Russia failed. Yeltsin declared 1997 to be the year of national reconciliation but it did not materialize. Russian society remains as split and divided as it was and the line of division is often the attitude towards Europe.

It can be said that in general the Russians feel more European than Asian in their roots. At the same time they clearly see the difference between themselves and other Europeans. Many are worried about how they look in the eyes of Europeans. Some perceive the difference between them and the Europeans as inadequacy and are too anxious to meet Western standards.

III. Russia as Asian

The question of Russia's 'Asianness' has not been looked at as thoroughly as the question of its 'Europeanness': there were no 'Easternizers' comparable to the Westernizers. Nevertheless its Asian legacy still affects the Russian mentality and is felt in both domestic and foreign policy. According to some analysts, Russia's political culture (in contrast to its artistic culture) became almost purely Asiatic as a result of Asian influence in the course of Russian history. In Russia, as in almost all of Asia, personalities are more important than institutions and unwritten tradition is more important than written law and legal procedures. Unlike Spain, which was conquered by Arabs and regained its European identity during the Reconquista, Russia, according to these analysts, was not able to part with its Asian legacy or to live down the trauma inflicted by the Mongol invasion. It emerged victorious from the 'Mongolian captivity' but by that time it had digested and absorbed too many Asian features and is not likely to part with them even now. The Asian imprint is quite evident in the Russian psyche.⁸

Most evidently the Asian legacy is manifested in the way Russia is governed and in the way its rulers rule (they are usually despotic) and the ruled obey them. Collectivist and authoritarian values dominate over liberal and democratic ones; private property is looked on with suspicion. Power is not an instrumental but an absolute value; the principle 'power for power's sake' is still valid. Power is perceived by many (often by those in power) as sacred. Few people recognize the rule of law and personal convictions are not respected. In the general perception the whole—the state, nation, country, Communist Party and so on—is more important than the part—a minority or the individual—and the interests of the latter must be sacrificed to those of the former. Hence the

⁷ Dostoyevsky (note 5), p. 147.

⁸ There is an old Russian saying, 'Scratch a Russian and you will find a Tartar', and Dostoyevsky is known for saying, 'I am as much a Tartar as I am a Russian'. Dostoyevsky (note 5), p. 189.

disregard for human rights, human dignity and human life itself which is clearly manifest even in post-totalitarian Russia. Attempts to give priority to human rights are often viewed as attempts to undermine Russian traditional values and met with suspicion as subversive and un-Russian.

It is not only political culture and the collective unconscious that betray the Asianness of Russia. Asia is evident enough on Russian territory: three-quarters of Russia are in Asia and parts have been populated by Asians since time immemorial. Kievan Rus was in close contact with Asia, during the Mongolian period politically it was part of Asia, and later Russia incorporated parts of the peripheries of the Islamic and Buddhist worlds. (Buddhism is the established religion of the Kalmyks, Buryats and Tuvinians whose eponymous republics are subjects of the Russian Federation.) Islam and Buddhism were professed by the autochthonous population long before the Russians came, and Muslims and Buddhists are proud of the fact.

After the disintegration of the Soviet Union new problems arose. The population of Russia became ethnically more homogeneous: now roughly 85 per cent are Slavs. Russian Muslims claim to number approximately 20 million, although this figure may be exaggerated.⁹ They live all over Russia and have communities and mosques in almost all the big Russian cities. The traditional Islamic territories are located in the northern Caucasus, the southern part of Siberia and the basin of the Volga River, where the Tatars and Bashkirs have their own republics. Ethnically almost all Muslims in Russia are of Turkic stock. Hence their orientation not to Tehran but to Ankara. The majority of Russian Muslims do not approve of extremism: some of their intellectuals talk of Russian Islam as 'Euro-Islam', tolerant of other faiths and confessions.¹⁰

From time to time leaders and intellectuals of the Russian Muslims talk about the restoration of the Kazan and Astrakhan khanates and their unification into one Turkic state. They have few followers, but such plans still cause alarm among Russian nationalists. Tatarstan, one of the republics within the Russian Federation, gained an exceptional degree of autonomy after long negotiations with Moscow in 1994 and thus set an example for other subjects of the federation.¹¹ Much more serious was the conflict in Chechnya, which rose in arms against Moscow in late 1994 and repelled federal troops. The conflict cost about 100 000 lives¹² but finally Chechnya was able to form its own power structures practically independent of Moscow. This conflict is often viewed as a trial of the endurance of Russian civilization and of Russia's ability to defend its territorial integrity. Some Muslims interpret the Chechnyan war as a *jihad*

⁹ Malashenko, A., *Islamskoye Vozrozhdeniye v Sovremennoy Rossii* [Islamic revival in modern Russia] (Moscow Carnegie Centre: Moscow, 1998), p. 9.

¹⁰ Asadulin, F., 'Kultura mezkhkonnessionalnogo obshcheniya' [Culture of inter-confessional communication], in *Mezhkonnessionalny mir i konsolidatsiya obshchestva* [Inter-confessional peace and consolidation of society], Conference of the International Association of Religious Freedom, Russian Academy of State Service, Moscow, 27–28 Feb. 1997, p. 90.

¹¹ Tatarstan did not sign the Federation Treaty of Mar. 1992 or the new Russian Constitution of Dec. 1993 but signed a separate agreement in Mar. 1994. Bashkortostan followed suit.

¹² Ignatenko, A., 'Islamizatsiya po-chechensky' [Islamization Chechen style], *Nezavisimaya Gazeta*, 20 Nov. 1997, p. 5.

(holy war) against the unbelievers. The most radical Chechen leaders tried to raise other Islamic nations of the Caucasus against Moscow and find support (moral, financial, even with volunteers) from militant Muslims abroad.

In general, however, the idea of an all-out war against Moscow is not popular among the Muslims of Russia, even in the Caucasus, and much less so in other territories with a concentrated Muslim population. Nevertheless some Islamic leaders are not satisfied with the way Russia treats its Muslim subjects and reproach the authorities for their lack of attention to the needs of Muslims.

As long as dissatisfied minorities do not resort to violence, the problems seem to be quite manageable. Post-totalitarian Russia has found some way of solving them, although once again the nationalists claim that the price was too high and too many concessions were made to ethnic minorities.

The relations of the Muslim leaders with the Russian Orthodox Church are not smooth. The Orthodox hierarchs often claim that they reach agreements with Islamic leaders easily, but the latter complain that the Orthodox Church is not considerate and sometimes openly hostile to Russian Muslims. (Russian Muslims always draw attention to the fact that they find the Russian Cross insulting.¹³)

If the Russian attitude towards the West can be described as a love-hate relationship, its attitude towards the East is less emotional and can be described as neither love nor hate. While the image of Russia in the West worries many Russians and the Russian Government, its image in Asia, even in Russian Asia, is of less interest.

There are politicians in Moscow, as well as a considerable part of the Russian public, who believe that the successes of some Asian countries in modernizing their economies without accompanying Westernization are more relevant for Russia than the experience of the Western countries. Russia's mistake, they argue, was in giving market forces free play, leading to internal instability, while Russia can maintain stability only through a coercive state apparatus. Furious debate continues over the 'Chinese model', by which the Communist Party retains all power while reforming the economy under its strict control, and over its desirability for Russia. This model is gaining in popularity while the idea of pluralistic democracy is gaining fewer and fewer adherents.

In the course of history a workable *modus vivendi* for living together with the Asians has been achieved at the empirical level and has helped in the post-totalitarian period. Almost all internal civilizational problems are being solved without resort to violent means, with the significant exception of Chechnya. There is no deliberate doctrine for dealing with 'Asia within Russia' but there is enough common sense, correct political instinct and inner 'Asianness' which up to now have allowed undue complications to be avoided. However, there is no guarantee that these unsophisticated instruments will suffice in the future. Some trends in the internal civilizational dialogue are rather alarming.

¹³ The distinctive feature of the Russian Cross is the presence of the Muslim Crescent under the Christian Cross, symbolizing the Russian victories over the khanates of Kazan and Astrakhan in the 16th century.

IV. Russia as Eurasian

The history of Eurasianism

The Bolshevik Revolution of 1917 proved the inadequacy of many assumptions about the Russian civilizational identity. Both the Slavophiles' and the Westernizers' approaches proved to be inadequate: they could not explain what had happened in Russia and to Russia. In 1921 Prince Nikolay Trubetskoy and Georgy Florovsky, young Russian émigrés in Europe, proposed what they thought to be a quite new paradigm which they called Eurasianism. The term 'Eurasia' as introduced by Alexander von Humboldt meant the territory of the Old World, Europe and Asia together, but these young émigrés used the name for other purposes.

In the Russian Revolution, and especially in the transfer of the capital from St Petersburg back to Moscow, the Eurasianists saw a rejection of the Western legacy and of all Europeanness. The Bolsheviks did not impose their will upon the Russian people, they argued: it was the Russian people who imposed their will on Bolshevism. Instead of Europeanness, expressed in internationalism, the Bolsheviks got 'Asianness', expressed in isolation, and rightly so. The Eurasianists believed that Russia was seen as a European country only by mistake and that the mistake was unwillingly and unknowingly corrected by the Bolsheviks. (They even saw the Mongolian legacy and another proof of the validity of their doctrine in Lenin's Asian facial features.)

Russia, they claimed, was the natural heir of the Mongolian Empire of Ghinghis Khan and remained its *ulus* (province) in territory, in aim (expansion), in military world-view and in the nature of its statehood. Instead of being ashamed of the fact, Russia should openly recognize it and behave accordingly. The Mongolian yoke was a blessing in disguise since the Mongols gave Russia the 'great idea' of world tsardom. Kievan Rus was seen as provincial and worthless. The 'window on Europe' opened by Peter the Great should be closed again and Russia should return to its Asian roots.

Neo-Eurasianism: a unifying 'great idea'

For almost 70 years the Eurasianists' ideas were of interest only to émigré historians of Russian thought, but after the collapse of the USSR Eurasianism experienced a sudden surge and became the most popular civilizational doctrine. Eurasian ideas in new form proved to be more acceptable to the majority of Russians than any other ideas.

For the Eurasianists, Western civilization is too hedonistic, economy-centred, scientific, ecologically irresponsible, neglectful of the spiritual needs of man and aggressive. Eastern civilization is seen as spiritual but too contemplative and inactive. Eurasian—that is, Russian—civilization, according to the Eurasianists, combines happily the advantages of these two civilizations and at the same time is free of their disadvantages. The Russian mentality is somewhere in

between East Asian Tao and the European Logos.¹⁴ Eurasia in the Humboldtian sense (that is, the Old World) is composed not of two components but of three—Europe, Asia and Eurasia, both geographically and spiritually.

The neo-Eurasianists claim that there should be an alternative to the 'Atlantic model'. Isolationism, according to them, has no future and goes against Russian openness to the world. Pan-Slavism in its new form is also worthless, as was proved at Belavezh where, in December 1991, the leaders of the three Slavic Republics—Belarus, Russia and Ukraine—signed the agreements dissolving the USSR.¹⁵ (Some Eurasianists see in this agreement an attempt to change 'space for time', to reduce the territory of the state and thus to increase its inner dynamism.) Only Eurasianism, claim its adherents, can succeed since it corresponds to the aspirations of the masses and has deep historical roots.

Russia, argue the Eurasianists, can no longer be accepted by the world community as equal to the USA in military might. Europe will never receive it as a fully-fledged member of the European community. Asia-Pacific will hardly agree to partnership with Russia on equal terms until all territorial disputes are settled, although Russia should do its best to improve relations with the countries of the region. Russia might try to play the role of leader of a 'southern community' composed of members of the Commonwealth of Independent States (CIS) and some developing countries of Asia, but this could destabilize the situation in all of Asia and in Russia proper, and the result will be the opposite of that desired. Russia could disintegrate completely, which should be avoided at all costs. The only acceptable way out of present difficulties is some form of reintegration of the former Soviet republics (except the Baltic states) with Russia as their natural leader and the creation of a new civilizational complex based on Eurasian ideas and values.

The key word in the new Eurasian discourse is 'geopolitics'. Geographical determinism has replaced the economic determinism of the communist period. Some analysts call it 'geographical mysticism' or even 'geosophy'. Geopolitics is everywhere: there is a Geopolitical Committee in the State Duma, the lower house of the Russian Parliament; political leaders of all movements from ultra-nationalist to communist philosophize about geographical space as the most important determinant of the nation's development; and the foreign policy of all states is interpreted almost exclusively in geopolitical terms. Some ideas are taken from Karl Haushoffer, a German theoretician whose ideas inspired the Nazis, others from the Russian Eurasianism of the 1920s. Contemporary Russian politicians speak of 'latitudinal' expansion replacing 'longitudinal' expansion, about heartland and rim-land, and about continental and oceanic spaces, but use these fashionable terms rather incoherently. From the early Eurasianists they took the concept of *mestorazvitiye*—place of development—which, they believe, determines the history, national psyche, social organization, type of economy, and domestic and foreign policy of any nation.

¹⁴ By Logos Eurasianists understand the supreme reason pervading the universe or rational thinking in general.

¹⁵ *Izvestiya*, 10 Dec. 1991, p. 1.

The Russian *mestorazvitiye* was characterized first of all by its position between Europe and Asia and by the vastness of its territory. According to some Russian analysts and politicians the task of holding together this territory and this multiplicity of races, nations and languages exhausted all the resources available, material, human, spiritual, moral and other. Russia simply could not afford changes. Chaos threatened all the time and to fight it Russia had to resort to authoritarian methods since only thus could the Eurasian space be organized ('organization' is another key word in the Eurasian lexicon, used as the antonym to barbarism and chaos). The introduction of democratic and liberal values, they argue, would mean the disintegration of Russia. According to them this is precisely what is being done deliberately by today's reformers, mostly Westernizers, who do not understand the Russian mentality and are serving the evil forces of the West with the sole purpose of destroying Russia.

Russian geography, according to contemporary Eurasianists, predetermined the development of Russia as neither a European nor an Eastern country but as a Eurasian superpower. This superpower suffered humiliating defeat in the cold war (sometimes called World War III) with the West because its national interests were betrayed by the reformers. The main task is to restore this superpower in the post-Soviet space, otherwise Russia will simply disappear from the map. Hence the idea of the 'Eurasian project', which is supposed to save Russia from imminent catastrophe. Either Russia must realize its destiny as a Eurasian superpower, correct the mistakes made in the course of ill-advised reforms, adopt a workable plan for the restoration of its economy and organize the post-Soviet space around Russia once again or it will contract to the size of the Moscow tsardom before Ivan the Terrible.

Sometimes this project is called the north Eurasian project, meaning that there are also south Eurasian projects. The Eurasian space, the Eurasians believe, if not organized by Russia will be organized by the Turks or the Chinese. The Chinese, they point out, are penetrating the Russian far east (the territory east of Siberia).¹⁶ This process so far has been quite spontaneous but it could change the civilizational identity of the Russian far east, as happened to Singapore on Malayan territory. The Turks (unlike the Chinese) have an ideological basis for the organization of the Eurasian space. The old idea of Pan-Turkism still has followers in Turkey. Some Turkish theoreticians use a terminology similar to that of Russian Eurasianists and talk about Turan, that is, a Turkic state from Turkey to the Pacific embracing all Turkic ethnic groups. This worries Russian nationalists and Eurasianists, who point out that peoples of Turkic stock populate vast territories in the Volga Basin (where they have two republics, Tatarstan and Bashkortostan), the south of Siberia and Yakut-Sakha. The creation of such a state would mean the dismemberment of Russia.

The Eurasianists accuse the West, and particularly the USA, of being ready to agree to the 'Turan project' at the expense of Russia, of short-sightedness and

¹⁶ Chufrin, G. (ed.), *Natsionalnaya Bezopasnost Rossii na Vostoke: Vyzovy i Otvety* [Russian national security in the East: challenges and responses] (Institute of Oriental Studies: Moscow, 1994), pp. 31–32.

of double standards. The short-sightedness, according to the Eurasianists, was revealed by the successful Western plot to break up the USSR, and now they see it in Western attempts to prevent Russia from organizing the Eurasian space. Only Russia stands between the Muslim and the Far Eastern worlds, and its withdrawal from the Eurasian space will inevitably lead to a war of these civilizations and global catastrophe. They accuse the West of cowardly refusal to face this problem. The double standard, according to the Eurasianists, is revealed by the fact that the West does not support the principle of ethnic self-determination in Europe but demands recognition and respect of this principle on the post-Soviet territory and even within the Russian Federation. This could lead to a redistribution of the post-Soviet space in favour of the Islamic or Confucian worlds and the West will lose much more by this than it can gain by supporting Russia and its Eurasian project.

Neo-Eurasianists see the main problem in Russia either as ethnic or as civilizational. Their nationalist wing claims that Russia (and Eurasia—for them the two are often synonymous) is 'neither East nor West' but a quite distinct civilization in which ethnic Russians must play the leading role and share it with no other ethnic group. They complain that undue attention is paid to other groups, particularly the Turkic, and advocate 'Russia for the Russians'.

More moderate Eurasianists favour super-ethnic unity: they believe that Russia is 'both East and West' and that the Turkic and Slavic ethnic elements, that is, the Muslim and the Orthodox, are the two most important components of the Russian state. Therefore they must find some kind of new symbiosis or even synthesis and thus restore the integrity of the Eurasian space and prevent it from returning to barbarism or being 'organized' by either Chinese or Islamic civilization. Some of them go as far as to declare the union of Orthodoxy and Islam against the Catholic and Protestant West. As mentioned above, however, relations between the Slavs living in Russia who are mainly Orthodox and the Turkic peoples of Russia who are mainly Muslim are not as smooth as the Orthodox think.

Even so the Neo-Eurasians are more attentive to the problems of the East than their predecessors of the 1920s or the Slavophiles and Westernizers long before, but they are inclined to view it as something hostile and speak of threats from the East, although the majority consider these threats to be less serious than those from the Western direction.

In today's debates about the Russian civilizational identity almost all participants, recently even liberal reformers, stress the need for a strong (meaning authoritarian or even totalitarian) state in Russia. Some Eurasianists say openly that in Russia, both before and after the revolution, there were no civilizational mechanisms to regulate the life of this conglomerate of nations and lands and provide norms accepted by all. The state, the bureaucratic apparatus, served as a substitute for a civilizational mechanism: only it could hold the conglomerate together and there was no other way to save Russia from disintegration.

On the other hand they have learned their history well and know that the state in Russia almost inevitably becomes a monster, a Leviathan, suppressing all the creative forces of the nation. If only the state can organize the Eurasian space, therefore, this Leviathan must be tamed and subordinated to some higher authority. This higher authority is seen not in God, nor in the law, but in the 'national idea' in which all Russian values and all aspirations of Russians should be concentrated and which should give them an aim in life. Functionally it may seem to be similar to the 'Great American Dream' but it plays a much more important role. There are eager expectations that as soon as the national idea is formulated Russia's aimless 'wandering in the desert' will be over and that it and all Russians will gain an objective to serve. Many are convinced that without such an idea the present decline cannot be followed by recovery. The early Eurasianists openly declared that the Eurasian state must be ideocratic, that is, ruled by one and only one idea. Neo-Eurasianists follow suit.

The thirst for a national idea should not be underestimated. Russia has always urgently needed a national idea to give sense to its very existence and justify all its actions. Once it was the idea of universal Orthodox tsardom, then communism. Now Russia is left without any such unifying idea and the state is perceived by many Russians (not only Eurasianists) as unacceptable morally and dangerous politically.

A great 'ruling idea' is supposed to curb all separatist and anarchic trends, to reconcile and unite all Russians and to restore the position of Russia in the international arena. It will be the yardstick to measure all actions of all rulers. The need for such an idea is felt by the present regime. President Yeltsin ordered one to be elaborated,¹⁷ although some see this as violating Article 13 of the Russian Constitution, which forbids the introduction of a mandatory and all-embracing ideology. Many Russians remember well that all forms of totalitarianism of the 20th century were characterized by ideological monopoly, but have to admit that pluralism has no historical roots in Russia and that only one idea, that shared and imposed by the state, is often taken as the truth while all others are seen as subversive.

At first glance only the Eurasianists offer a national idea which is attractive enough to the majority of Russians. Other ideas—Orthodox, communist, national (including ultra-nationalist), international, democratic, liberal and so on—all have some following but none has a mobilizing potential comparable to that of Eurasianism. It is formulated in civilizational terms and its aims and principles are perceived as suitably majestic: it is reminiscent of the idea of the Third Rome and satisfies national ambitions. Universal Orthodox tsardom and communism actually meant domination over the world: Orthodox and communist civilizations were assumed to be superior to all others. The aspirations of Eurasianism are less ambitious—equality with, not superiority to, other great cultural entities, that is East and West, which are still seen as hostile to Russia.

¹⁷ Ostapchuk, A. and Krasnikov, Ye., 'Kreml posetila ideya' [An idea visited the Kremlin], *Moskovskiy Novosti*, 21–28 Sep. 1997, p. 6; and Likhachev, D., 'Nam ne nuzhna natsionalnaya ideya' [We do not need a national idea], *Russkaya Mysl*, 5–11 Nov. 1998, p. 11.

Old phobias and idiosyncrasies therefore find place in Eurasianism and this makes it even more acceptable. It is so influential that no political movement in contemporary Russia, no political figure, can afford to ignore it and all claim that they express the Eurasian (geopolitical) aspirations of Russia in the best way possible.¹⁸

At the same time it must be stressed that Eurasianism lacks coherence. It means different things to different people, groups and movements. It remains a rather vague doctrine justifying some kind of Russian rule over the 'Eurasian space' and this attracts many people but not all. It is of such a nature that even diametrically opposed ideologies can use it liberally.

Official documents are rather cautious about using Eurasianist terminology and ideas but do not avoid them completely. In the National Security Concept approved by special presidential decree in December 1997, Russia is called a 'European-Asian power' and its 'unique strategic location on the Eurasian continent' is stressed as a determining factor of its internal and foreign policy.¹⁹ Analysts close to the official line are, however, more open and use Eurasianist and geopolitical notions freely. Sergey Rogov, Director of the Institute of USA and Canada Studies of the Russian Academy of Sciences, writes that Russia 'badly needs a holistic Eurasian strategy which must integrate the economic, technological, industrial, transport, information and foreign policies of Russia'.²⁰ The Council for Foreign and Defence Policy states that 'old geopolitical ideas' are still alive and old factors of power and influence are still valid on the 'periphery of the new post-industrial civilization' where Russia is. The Council stresses further that while the East can be a source of potential growth for Russia it is at present strategically vulnerable there.²¹

Even the communists are giving up some old Marxist dogmas and turning to a civilizational approach. They established the National Patriotic Union of Russia, which uses Eurasian rhetoric liberally. Gennady Zyuganov, leader of the Communist Party of the Russian Federation, writes: 'Geographical and historical factors are such that without obtaining territorial power, without guaranteed control over the vast space of Eurasia, our state and our people simply could not exist since they are surrounded by aggressive neighbours and have no natural borders'. The main task now is to restore control over the Eurasian heartland and to become the leader here once again, since this is the natural geopolitical status of Russia.²²

¹⁸ 'Evraziystvo: za i protiv, vchera i segodnya' [Eurasianism: for and against, yesterday and today], *Voprosy Filosofii*, no. 6 (1995), pp. 3–48.

¹⁹ 'Kontseptsiya natsionalnoy bezopasnosti Rossiyskoy Federatsii' [National security concept of the Russian Federation], *Diplomatiicheskiy Vestnik*, no. 2 (Feb. 1998), p. 4.

²⁰ Rogov, S., 'Kontury novoy rossiyskoy strategii' [Contours of the new Russian strategy], *Nezavisimaya Gazeta*, 11 Mar. 1998, p. 15.

²¹ 'Strategiya Rossii v XXI veke: analiz situatsii i nekotorye predlozheniya: tezisy Soveta po vneshney i oboronnoy politike' [Strategy of Russia in the 21st century: analysis of the situation and some suggestions. The theses of the Council for Foreign and Defence Policy], *Nezavisimaya Gazeta*, 19 June 1998, p. 8.

²² Zyuganov, G., *Geografiya Pobedy: Osnovy Rossiyskoy Geopolitiki* [Geography of victory: fundamentals of Russian geopolitics] (Moscow, 1997), pp. 88–89, 253.

On the other hand some prominent figures look at Eurasianism with suspicion. Even in the early 1920s it was seen by some emigrants as a form of Russian fascism and many analysts of liberal inclinations reject it today on the same grounds. Many Russian nationalists claim that the main trend of the contemporary world is not globalization but regionalization and that any union with the 'Asian element' is perilous. Alexander Solzhenitsyn, whose moral authority is still considerable in Russia, sees in Eurasianism only 'spiritual weakness', a betrayal of spiritual independence, and foresees the submergence of Russia in the 'Muslim sea' if it is taken seriously.²³

V. Russia's civilizational identity and its foreign and security policy thinking

The real East

Despite the heated debates about Russia's civilizational identity, until recently its Asian predicament was not given due attention. This neglect goes far back in time. The real East, that is, the Muslim world, China, India and others, was taken into account neither by Westernizers nor by Slavophiles nor by the early Eurasianists. Only much later was it taken into consideration, but it was not given very friendly treatment. Islam was viewed as the mortal enemy of Orthodoxy; the Confucian world was viewed with suspicion. Solovyev in his last works wrote about the 'yellow peril' and showed clear signs of Sinophobia: some of his followers saw in the Russian defeat in the 1905 war with Japan the realization of his most gloomy prophecies. Russians only became acquainted with India in the middle of the 20th century—all this despite the fact that Oriental studies in Russia have always been strong and in some fields excellent. There was and still is little demand for academic knowledge of the Orient, whether domestic or foreign.

This partly explains the confusion endemic in many deliberations about Russian policy towards the East. Even now in general usage 'the East' often means Russia itself, and many Russians rationalize the East–West opposition as Russia–Europe opposition, leaving the real East no room at all or seeing in it something supplementary. Some Russian politicians are inclined to see all Asian countries as natural allies of Russia in its confrontation with the West and overestimate Russia's ability to influence Asian affairs—hence Soviet ambitions to be the 'elder brother' and the leader of Asia in the fight against the 'imperialist West'. Today's Russian parliamentarians talk easily about alliance with China or Iran against the USA or the West in general, ignoring these countries' positions and their attitude to Russia. This ignorance of civilizational differences has led to many failures of Soviet foreign policy in Asia.

²³ Solzhenitsyn, A., *Rossiia v Obvale* [Russia in collapse] (Moscow, 1998), pp. 44–45.

Central Asia²⁴

In Russia's interaction with Asia the problem of its relations with the former republics of the USSR, which have emerged as new players in the immediate Asian vicinity of Russia, has acquired special importance, and normalization of relations with them was included in Russia's high-priority goals in the 1997 National Security Concept.²⁵ The task was not easy. These territories were conquered during the imperial period and at that time the idea of gathering all 'nations, races and languages' under the sceptre of the Orthodox Tsar justified expansion to the East, although the conquered Asian peoples were given some degree of home rule. Under the communist regime the socialist idea justified Moscow's rule: all the world was supposed to be moving towards socialism and Russia was helping the Asian outskirts of the former Empire to reach the highest stage in the development of mankind even ahead of many European nations. The mechanism for governing the Asian republics was rather effective: the local elite was held responsible for the loyalty of the population and in exchange was given a degree of real power. The authority of Moscow was unquestionable; the rest to a large degree was left to the local bosses. They successfully combined Marxist rhetoric with very traditional methods of regulating political and social life.

This situation suited the local elites in what were called the Muslim republics of the USSR. They did not demand more rights from Moscow and did not dream of independence. (Strictly speaking only the Baltic republics demanded it.) After the disintegration of the Soviet Union independence was imposed on local rulers against their will. Initially they saw this as betrayal by Moscow. However, they managed to retain power, except in Tajikistan. The former party leaders became the presidents of independent states and liked their new status. Some of them in search of a new identity turned to Islam but discovered that they were looked at with suspicion since they were stained with collaboration with the 'godless regime'. Now they have to resist Islamic radicalism, which is threatening their power. Some of them have therefore turned to Moscow again, sometimes against their will, impelled by their economic ties with and direct dependence on the former metropolis combined with fear of radical Islam. Those newly independent states which have rich natural resources, such as Turkmenistan, are more independent in their stand.

The populations of these Muslim republics are mainly of Turkic stock (except in Tajikistan: the Tajiks are Persians) and the idea of Pan-Turkism attracts some young people of the Central Asian republics and Azerbaijan. However, the ruling elites of these states are fairly cautious about close ties with Turkey. The new leaders prefer to balance between Russia and Turkey; from the point of view of Russian nationalists and Eurasianists the rivalry between the two will determine the fate of all Eurasia. At the same time the nationalists often talk of the insincerity and ingratitude of the former Soviet republics. This has a neg-

²⁴ See also chapters 5–9 in this volume.

²⁵ See note 21.

ative effect on the newly independent states: they treat all ‘Eurasian projects’, especially those coming from Russia, with deep suspicion. Kazakhstan put forward its own idea of Eurasianism by which all the Central Asian republics of the former USSR would retain their political independence while composing a common economic space with Russia.²⁶ Some circles in Moscow saw this as an attempt to turn Russia into a milch cow and the idea was rejected.

The leaders of the Central Asian republics understand that a worsening of their relations with Russia will jeopardize their position both in their respective countries and on the international scene, so as a rule they prefer to look for mutually acceptable decisions—almost always successfully. This is facilitated by Russia’s readiness to pay more attention to civilizational differences in its dealings with the former republics of the USSR. The same is true of its foreign policy towards other Asian countries.

Asia as a whole

New patterns of Russian thinking about the major Asian subregions also include civilizational factors. Russian scholars and diplomats assume that there are three great civilizations in Asia.

First comes *Pax Islamica*, the Muslim world, with territories in Western Asia, North Africa, South Asia (Bangladesh and Pakistan), South-East Asia (Indonesia and Malaysia), Central Asia (five former republics of the USSR), Azerbaijan and Russia proper. There are also an Islamic enclave in Europe (Bosnia) and growing Muslim communities in most Western cities. Russia’s relations with this world have both external and internal dimensions and are considered to be complicated and potentially dangerous.

Some Russian observers point out that *Pax Islamica* faces Russia both as an international entity (the Organization of the Islamic Conference, OIC) and as separate states; there is also Islam within the Russian Federation. Some Islamic forces assume that Russia is an aggressive power which established godless control over traditionally Muslim lands and until recently tried to expand its influence at the expense of the Islamic world by direct aggression, Afghanistan being the latest example. Muslim volunteers fought in the war in Chechnya and the ideas of Islamic extremism have some followers among Russian Muslims. Most Russian observers, however, are of the opinion that in general Russia has always managed to maintain more or less satisfactory relations with Islam both within the country and outside it.

Then comes *Pax Sinica*, the Confucian world or East Asia—China and territories populated by Chinese, Japan, North and South Korea, and Viet Nam plus some other territories where Confucian ethics play a leading role. This world has no unifying international organization like the OIC, so Russia has to deal with separate countries whose relations with each other are rather complicated but which have more or less similar perceptions of Russia. Russia’s relations

²⁶ Kazakh President Nursultan Nazarbayev proposed the creation of a Eurasian Union in Mar. 1994.

with them are not smooth either. There are some disputes over territory. In spite of the agreements on demarcation of their 4300 km-long joint border reached by Russia and China in the 1990s the territorial problem in their relations may not be completely closed. In China publications continue to appear stating that tsarist Russia in its time forced China to sign 'unjust treaties' and China lost about 1.5 million km² of territory. The implication, as seen in Moscow, is that sooner or later these treaties as well as recently signed agreements should be revised. Japan lays claim to the Northern Territories²⁷ and this complicates not only Russian–Japanese relations but also Russia's position as a member of the Pacific community.

There is also a demographic imbalance. Only 30 million Russians live east of the Urals, but there are over 1 billion Chinese across the border. The Chinese, Korean and Vietnamese presence is becoming more and more noticeable in the Russian Federation. The economic ties of some regions of the Russian far east with adjacent countries are sometimes stronger than their ties with the European part of Russia,²⁸ so that economically they depend more on their neighbours across the border than on Moscow. To this is added the problem of trans-border organized crime and drug trafficking. Many Russians, especially Eurasianists, therefore talk of the threat of sinification of Russian territories in the far east and Siberia.

Third is *Pax Indica*, the Indian or South Asian world whose relations with Russia are traditionally friendly. There is no common border with this world and there are no territorial or other disputes. However, India's relations with China and Pakistan are rather complicated and Russia has to take this into account in dealing with all three cultural worlds of Asia.

Russian analysts pay due attention not only to 'external Asia'. They argue that historically Russian culture has always developed at its frontiers with different civilizations. Since ancient times it has had contacts with other cultural worlds. Cultural syncretism and a combination of different civilizational principles make Russia unique, and this multiplicity is its asset, not a liability. However, the balance of different components is very delicate and Russia is vulnerable culturally and civilizationally. All actions both within Russia and on the international scene should be weighed thoroughly, otherwise this balance may break up. Undue stress on this or that component, Turkic or Slavic, Muslim or Christian, Western or Asian, may lead to instability.²⁹

Soon after the collapse of the USSR some analysts started to talk about the danger of the one-sidedness of 'Atlanticism', as the undue stress on relations with the West was called. Many sectors of Russian society accused the Minister of Foreign Affairs, Andrey Kozyrev, of inability to understand the special civilizational role of Russia and above all its position between Europe and Asia. The result, they said, was disregard of Russian national interests and what was taken

²⁷ The southern Kuril Islands, termed the Northern Territories in Japan, taken by the Soviet Union in the final days of World War II. See also chapters 20 and 21 in this volume.

²⁸ See, e.g., Chufrin (note 16), p. 38.

²⁹ Chufrin (note 16), pp. 8–14.

as serious concessions to the West, first of all to the USA.³⁰ Yeltsin was forced to replace Kozyrev and Asia began to come to the forefront of Russian foreign and security policy thinking, especially since Russia's attempts to enter the community of economically developed nations failed. Russian foreign policy makers began to pay more attention to the Eastern direction: sometimes Russia finds compensation here for disappointments in the Western direction. Russian 'Asianness' and 'Eurasianness' in all their forms help here, especially when it comes to confrontation with the West. At the same time some observers point out that Russia is overreacting in stressing its independent stand in the world arena and has established too close ties with the regimes in Iran and Iraq, thus alienating itself from the world community.

In general Asia has been steadily gaining prominence in the foreign policy of Russia, which is becoming more rational and pragmatic, and Russia is using the considerable influence it retains along its Asian borders more skilfully. This has been clearly reflected in the changing pattern of relations between Russia and its Asian neighbours. Relations with China, which for several decades before had been marked by mutual distrust and even hostility, took on a constructive character. As Chinese Prime Minister Li Peng expressed it during his official visit to Moscow in February 1998, the state of Sino-Russian relations could be described now as 'strategic partnership'.³¹ There was significant progress in Russian-Japanese relations, resulting in the Moscow Declaration 'On the establishment of a creative partnership between the Russian Federation and Japan' signed in November 1998 by President Yeltsin and Japanese Prime Minister Keizo Obuchi. Both sides confirmed in it their strong commitment to strengthening bilateral ties. A deeper involvement of Russia in Asia-Pacific affairs was reflected also in its admission as a full member to the Asia-Pacific Economic Co-operation forum (APEC),³² whose members account for some 50 per cent of world trade and about 20 per cent of Russia's foreign trade.³³

VI. Conclusions

In the painful process of redefining Russia's national interests and adapting the security strategy to reduced capabilities, the 'civilizational' method of analysis is a source of ideas which, many believe, will give Russia the orientation it lost at the beginning of the 1990s. The search for identity which colours Russian intellectual and political life will, however, most probably go on and nothing indicates that a final solution to the problem of identity will be found in the foreseeable future.

The importance of Russia's relations with the East may grow but Russia cannot get rid of its Western legacy, no matter what the Eurasianists and national-

³⁰ Plotnikov, V., 'Evraziyskiy soyuz po Nazarbayevu' [Eurasian Union according to Nazarbayev], *Nezavisimaya Gazeta*, 31 Mar. 1994.

³¹ Interview with Li Peng, *Nezavisimaya Gazeta*, 19 Feb. 1998.

³² For the membership of APEC, see appendix 1 in this volume.

³³ *RFE/RL Newslines*, vol. 2, no. 221, Part I (16 Nov. 1998).

ists say. Peter the Great's heritage cannot be done with and buried. Emotionally the Russians remain more attached to the West than to the East. They are inclined to judge themselves and their country, their successes and failures, by Western criteria. The resulting feeling of inadequacy which can sometimes be discerned in discussions of Russia's identity will not disappear. It was noticed long ago that Russia uses different sets of arguments, political and ideological, in its dealings with the East and with the West and here changes are unlikely.

Belief in the uniqueness of the Russian destiny will not disappear either. It is irrepressible. The opinion that civilizationally Russia will remain 'a house divided' seems to be well founded and clearly the oscillation between East and West will go on. At present the adherents of a 'special way' for Russia, neither Eastern nor Western, seem to have the upper hand. They dominate the domestic scene, and this dominance is expressed in the reorientation of foreign policy. Insistence on Russia's special civilizational status may lead to angry isolation, and many politicians and analysts are convinced that isolation will lead to catastrophic consequences, so that revisions of the present foreign policy course are quite possible and further heated debates can be expected.

The civilizational paradigm is not adequate to the questions facing Russia. Obviously it cannot bring about national reconciliation, since there is no civilizational consensus and the orientations of different groups are different and often contradictory. It cannot guarantee the adoption of a coherent national security concept, but as of now this concept cannot be formulated apart from this paradigm because it exerts too great a fascination on the national psyche. There may be a document with the title 'National Security Concept' but actual foreign policy decisions in interaction with Asia will be made most probably on an ad hoc basis. Inexplicable twists, turns and sudden improvisations are likely. Instinct, common sense and the almost subconscious self-image of Russia, in which its own 'Asianness', its emotional indifference towards the East and the ambivalent love-hate attitude to the West are all important, will prevail over the intellectual constructions of analysts and scholars. Policy makers and analysts are still ill-equipped for tackling the new challenges coming from Asia.

However, this theoretical inadequacy and the practical inconsistency of Russia's attitude to the East should not be overdramatized. Politicians and academics may sound dramatic in their declarations about Russia's relations with Asia, but empirically Russia has always found common language with the Asian civilizations both within and outside its territory. The chances are good that it will not lose this ability in the future.

4. Domestic developments in Russia

Nodari Simonia

I. Introduction

The system of international relations is shaped by the totality of states' foreign policies. In the long run the foreign policy of each country is determined by the state of its home affairs at the particular stage of its development. The state of peace means reasonable and mutually acceptable compromise among the members of the world community—compromise that takes into account the diversity of domestic situations of different countries and dampens its explosive influence. This is why in analysing the foreign policy of any state it is vital to recognize the roots that feed it.

Russia, which is still in the early stages of the formation of its new statehood, is faced with the choice of the set of values that will determine its further evolution. Both inside and outside Russia there is heated controversy between the proponents of a 'Western' and an 'Asian' orientation. There are also voices which stand up for some 'special' Russian way of development which, to be more precise, can be defined as a special synthesis of separate elements of Western and Asian development models with the Russian 'soil', but they are few and far between and their voices are usually lost in the noisy chorus of adherents of extreme positions.

The international community, and especially the West, has not yet managed properly to comprehend Russian realities. This is not an easy matter. The dynamism of change in Russia—not only in the political sphere but also in the social and economic spheres—is so intense that sometimes even a native observer might fail to keep pace with it. It is even more difficult to follow the correlation between these inner transformations and the zigzags in foreign policy.

It is impossible to cover all the aspects of this interdependence within the framework of this chapter. It therefore focuses on a brief analysis of the most important changes in Russian public life which have produced new foreign policy actors and the consequences for the adoption of an 'Asian' direction of Russian foreign policy.

II. The nature of political power in Russia

There is a myth that after the unsuccessful August 1991 coup democracy was established in Russia. This myth is supported by the simplistic idea that the presence of such attributes as regular parliamentary and presidential elections, numerous political parties, and a press and other media representing different

points of view means the existence of democracy itself. Outward appearances, however, hardly ever adequately reflect real content. The world has always had and still has dozens of states that have arrayed their traditional 'body' in a democratic 'suit' borrowed from the West. To prevent this suit from falling apart they have stitched it with strong authoritarian thread.

That is exactly the case of Russia.

It is true that in 1990–91 a young democratic movement was at the vanguard of the struggle for the transformation of the USSR, but there was neither the social nor the economic basis necessary for it to establish itself in power; there were no appropriate traditions, no appropriate mass psychology or even a more or less developed civil society. That is why, objectively speaking, Russian democracy paved the way to power not for itself but for quite a different public force—the economic *nomenklatura* responsible for economic management.

Previously the ideological *nomenklatura* had held complete sway. The events of August 1991 eliminated it once and for all. During the short prime minister-ship of Yegor Gaidar in 1992, the economic *nomenklatura* was in confusion. When Viktor Chernomyrdin replaced Gaidar in December 1992 it began to recover from the shock and strengthen its position on the federal level. Its triumphant march into the Russian regions needed more time, entering its final stage only during the 1996–97 local elections, which were mostly won by pragmatic managers irrespective of party affiliation.

Russia's peculiarity and its trouble is that power, which is democratic in its form and authoritarian in its essence, is never strong. The power that emerged after the collapse of the Soviet Union has from the beginning been weak and unconsolidated. The society lacked social and political consensus both at the party level and in the very top power structures—between the executive and legislative branches and between factions and groups within the executive. Even President Boris Yeltsin, in spite of the deliberately cultivated image of a 'strong ruler', seemed unable to overcome the divisions within and between powers and the political elite. Instead he manoeuvred and set different forces against each other. As a result a peculiar phenomenon developed or revived—the court cabal or 'shadow cabinet' familiar from pre-Revolutionary Russia. The composition of the shadow cabinet changed from time to time. In late 1997 and early 1998 Tatyana Dyachenko, the president's daughter, Valentin Yumashev, the head of the presidential administration, and some of his deputies obtained special influence in the presidential circle. Owing to their closeness to the president some of them achieved importance disproportionate with their real abilities, while the president's mood, sentiments, whims and state of health were becoming a critical factor of Russian domestic and foreign policy.

The initial euphoria following the 'victory of democracy' and the proclamation of radical economic and political reforms (the stage of 'romantic democratism') was evidence of the complete disregard for Russian realities, social forces and economic interests of the radical democrats and liberals in Russia and those Western circles who supported them.

The implications for foreign policy

All these factors were reflected in Russia's foreign policy. In the early years after the collapse of the USSR, the urge to join the club of democratic Western nations immediately, establish Russia's equality in partnership with the Group of Seven leading industrialized countries (G7) and so on prevailed.

Andrey Kozyrev, Russian Foreign Minister from January 1992 to January 1996, was ready to pay for formal great-power status by patiently following the lead of US foreign policy. For this reason Russia broke off practically all cooperation with developing countries, instead of placing those relations on a mutually beneficial commercial basis. Even the countries of the Commonwealth of Independent States (CIS), and especially the Central Asian and Transcaucasian republics, began to be seen as a burden, and Russian foreign policy blocked all integrationist tendencies on their part. The direct consequence of that one-sided orientation to the West was that cooperation with Asian countries, vitally important for Russia, was ignored. The emphasis was placed on obtaining financial aid from the West—from official sources and through private investment. Development aid, however, came to little. The West shifted the function of financial support to Russia to the international financial organizations such as the International Monetary Fund (IMF) rather than to official development aid. Multinational corporations and private Western businesses have been in no hurry to invest in Russia, fearing instability, the lack of clear and reliable legal infrastructure, the corrupt bureaucracy and so on.¹

Kozyrev's foreign policy did not correspond to the fundamental interests of the state. A reversion to a more pragmatic and more balanced foreign policy was inevitable.

III. The formation of bureaucratic capitalism and the emergence of new foreign policy actors

Bureaucratic capitalism is a specific form of capitalism during the catching-up phase. In fact it is a special version of 'primitive accumulation', initiated by the state bureaucracy and carried out with its active participation. It is especially typical for states with strong traditions of bureaucratic rule. The best-known examples in modern history were Kuomintang China (initially on the mainland and later on Taiwan), Indonesia from the mid-1950s and South Korea from the early 1960s. In the USSR the first elements of bureaucratic capital were already appearing at the end of the presidency of Mikhail Gorbachev² but the liberalization policies of Gaidar gave the impetus to the mass, practically unlimited

¹ Foreign direct investment (FDI) in Russia amounted to \$538 million in 1994, \$1710 million in 1995, \$1707 million in 1996 and \$3752 million in 1997. Astapovich, A. *et al.*, *Obzor Ekonomicheskoy Politiki v Rossii za 1997 god* [Survey of economic policy in Russia in 1997] (Bureau of Economic Analysis: Moscow, 1998), p. 422.

² The author warned of the danger of this development already at the beginning of 1990. Simonia, N., 'Gosudarstvo, kooperatsiya i byurokraticheskii kapital' [State, cooperation and bureaucratic capital], *Moskovskiy Novosti*, no. 9 (4 Mar. 1990).

formation of bureaucratic capitalism in all its manifestations. There was no malicious intent behind this. Most probably it was evidence of basic naivety and schoolboy dogmatism. Gaidar and his associates simply failed to take into account the obvious fact that no significant business stratum existed, so that only two social groupings could take advantage of the opportunities presented by a policy of unlimited liberalism in its classic form. The principal group was the economic *nomenklatura*, equipped with the necessary connections and know-how. The second included the representatives of illegal business (the 'shadow economy') who were already being widely cultivated during the period of Soviet General Secretary Leonid Brezhnev.

An important feature of the development of this form of capitalism in Russia was the fragmentation of bureaucratic capital resulting from the lack of a strong, consolidated state power. The serious antagonism between its various factions was in fact the essence of Russian politics in 1994–98 and found its reflection in changes and zigzags in foreign policy. It was typical that the presidential staff, the government and the media (both the pro-government media and most of the opposition) carefully disguised this fact, although for different reasons, deliberately overemphasizing the division between democracy and communism instead. For serious observers, however, it had become obvious long before that the process of commercialization of Russian society, including that of the greater part of the left-wing opposition, had gone so far as to be irreversible and that the real choices now were not between communism and democracy but between different options for further capitalist development.

This kind of social–economic development created the preconditions for: (a) the strengthening of authoritarian tendencies at the state political level; (b) the growth of statist sentiment in public opinion; and (c) the rejection of the earlier 'romantic' perception of the West in foreign policy and a search for strategic partnership in Asia and other regions. However, because of the factionalism of the bureaucratic bourgeoisie and the contradictions between its different groups, those changes proceeded unevenly and with varying success.

The factions of bureaucratic capitalism

Initially the factions grouped according to economic sector. The three main sectors were export-oriented raw materials, financial–trading, and industrial.

The first was the richest and most influential as it included the oil and gas industries and other extractive industries such as non-ferrous metals. The oil industry alone provides about half of the country's foreign currency revenues and 40 per cent of budget receipts.³ It had the strongest representation in the executive branch—Chernomyrdin, Prime Minister from December 1992 to March 1998, and Yury Shafrannik, Minister of Fuel and Energy from February 1993 to August 1996. This faction has its own commercial banks, created, like

³ Lapina, N., *Rossiyskiye Elity i Natsionalnye Modeli Razvitiya* [Russian elites and national models of development] (Institute of Scientific Information in the Social Sciences (INION), Russian Academy of Sciences: Moscow, 1997), p. 6.

the corporations themselves, on the basis of former Soviet ministries and departments. Some corporations (Gazprom, Lukoil, Rosneft and others) came to act as autonomous foreign policy actors, first within the CIS framework, in both oil-importing and oil-extracting republics, but also in some more distant countries in Eastern and Southern Europe, the Middle East and South-East Asia.⁴

The financial–trading faction presents a more motley, less consolidated combination of commercial banks and large trading corporations. Initially it included commercial banks not connected with production financing. At most their ties with production amounted to purchasing, with the help of state officials, suitable enterprises at give-away prices to maximize their own profits or for further re-sale, mainly to foreign investors. In economics this is called the comprador function. The dominant role in this faction, however, was played by the ‘authorized banks’, 10 or 12 commercial banks chosen by the government to transfer budget allocations to state enterprises, organizations and so on, which enriched themselves mainly by using that money—for instance, foreign currency receipts of Rosvooruzheniye⁵ and enterprises of the defence industry that export their own products—illegally to make a profit for themselves. A decisive role was played by the special connections those banks had with senior government officials. The base of this faction consisted of many medium-sized and small commercial banks engaged exclusively in financial speculation (‘making money out of the air’). In 1995 there were 2025 banks in Russia, but by 1997 numbers had been reduced to 1697 by bankruptcies and the retraction of Central Bank licences from more than 300 banks.⁶

This faction of bureaucratic capital is more oriented to cooperation with the West than the other two. It is second in wealth and influence to the raw materials faction. These two ruled Russia for six years and provided financial support to President Yeltsin in the 1996 elections. Yeltsin acted de facto as an exponent of their interests, granting them multiple advantages and privileges through his decrees and orders.

The core of the industrial faction was the defence industries, including their civilian production, which had suffered the greatest damage in the course of the reforms. Between 1990 and 1996, overall production of the defence industry was reduced by 53 per cent.⁷ This does not mean that the director corps was starving. The scale of capital accumulation was smaller here than with the other two factions, but the process was intensive, primarily as a result of the

⁴ E.g., Lukoil and Gazprom are active in Azerbaijan, Iran, Iraq, Turkmenistan and even Africa. Narzikulov, R., ‘Zimnyaya gazovaya politika’ [Winter gas politics], *Nezavisimaya Gazeta*, 17 Feb. 1998; Alison, S., ‘Russian energy sector dismayed by strikes on Iraq’, Reuters (Moscow), 17 Dec. 1998; Ivanov, A., ‘Gazprom i Lukoil dopyli do Afriki’ [Gazprom and Lukoil swim as far as Africa], *Finansovye Izvestiya*, 1 Dec. 1998; and *OGJ Newsletter*, 28 Dec. 1998.

⁵ The state company for imports and exports of armaments and military technology, established in Nov. 1993 to coordinate arms export activity by absorbing most of the associations and enterprises that had the right to export arms. See also section IV of this chapter.

⁶ Sarkisyants, A., ‘Sliyaniya i bankrotstva bankov: mirovoy opyt’ [Bank mergers and bankruptcies: world experience], *Mirovaya Ekonomika i Mezhdunarodnye Otnosheniya (MEiMO)*, no. 10 (1998), p. 31.

⁷ *Nezavisimaya Gazeta*, 5 Feb. 1996; and Ivanter, A., Kirichenko, N. and Beletskiy, Yu., ‘Schastye v dolg ne voronesh’ [You can’t borrow happiness], *Expert*, no. 1–2 (Jan. 1999), p. 11.

notorious ‘voucher privatization’, which enabled the directors of the industry to concentrate the shares of their enterprises in their own hands.⁸ Enriching themselves by ‘eating through’ fixed and current capital, they used state resources initially for their own profit and resorted to other machinations. Their prosperity contrasted seriously with the hardships of workers in manufacturing industry who had not been paid for many months. However, this faction also has separate branches and enterprises which managed to find their own niche on the world market and thus are in a better position.

It would be wrong to say that the industrial faction was not represented at all in the government and in circles close to the president. After the appointment of Oleg Soskovets in 1993 as deputy prime minister responsible for industrial policy, the defence industry, conversion, engineering, transport and metallurgy, an industrial lobby began to form and for the time being received the support of the man closest to Yeltsin—the head of the presidential security guard, Major-General Alexander Korzhakov. An intense struggle began, in the course of which the Soskovets–Korzhakov group tried to expand its influence to the areas of banking and oil, although with no visible success. The Communist Party also took upon itself the role of representative of the industrial faction’s interests in the State Duma (the lower house of the Russian Parliament), but the Duma is hardly the body where real power is concentrated.

There were three stages in the emergence of bureaucratic capitalism: between 1992 and June 1996; from June 1996 to March 1997; and from March 1997 to March 1998.

In the first stage the raw materials and financial–trading factions dominated. They were united by the threat of opposition and by the fear that if a strong and patriotic personality came to power it might deprive them of their autonomy and impose on them a mechanism for the redistribution of their profits and incomes in the interests of the national economy. At the same time the contradictions between them were sometimes sharp and fundamental: for example, in 1993–94 they were engrossed in a stubborn struggle over the restructuring of the oil industry. Representatives of the industries engaged in raw materials production, headed by Chernomyrdin and Shafrannik, stood for the creation of a small number of vertically integrated companies, able to compete on world markets. The State Committee for the Management of State Property (Goskomimushchestvo) and the State Committee on Anti-Monopoly Policy, controlled by the Gaidar–Anatoly Chubais group, advocated a subdivision of the industry into a multitude of smaller enterprises, supposedly to stimulate competition.

A tendency for the financial–trading faction to be squeezed out of leading positions in the government increased. The elections to the Duma at the end of 1993 clearly demonstrated the narrowness of the social base of the radical democrats and liberals, heralding the end of the short era of ‘liberal romanticism’. In early 1994 Gaidar and many of his ministers lost their posts in the

⁸ A detailed description of this process is given in Blasi, J. R., Kroumova, M. and Kruse, D., *Kremlin Capitalism: Privatizing the Russian Economy* (Cornell University Press: Ithaca, N.Y. and London, 1997).

government and in February 1995 on the Security Council as well. Chubais remained as the only representative of the financial–trading faction in the executive. This may have been because of the president’s tactics of checks and balances, but Chernomyrdin also needed a representative of the young reformers in the government in order to deter the onslaught of the industrial lobby and to maintain a reforming image for the West. In January 1996, however, Chubais was also removed from the government.

The oil and gas bloc sometimes acted not only autonomously but also contrary to the line of the Foreign Ministry, for instance, over the issue of the status of the Caspian Sea. In an attempt to block the creation of international consortia for the development of the oil deposits on the Caspian Sea shelf by Azerbaijan, Kazakhstan and other republics, the Russian Foreign Ministry came out with its own approach to the issue. However, the pragmatic Russian oil lobby (Lukoil, supported by Chernomyrdin and Shafrannik) correctly believed that it was better to have a share in the consortia to be created than to engage for years to come in long altercations between the foreign ministries of the republics involved, allowing the initiative to pass to the transnational corporations.

The turn to the CIS was also profitable for a considerable part of the industrial faction, as the breaking of many industrial links of the former integrated Soviet economic complex had been almost the main reason for a sharp decline of industrial production both in Russia and in many of the CIS republics.

The activity of the oil and gas and industrial complexes became apparent beyond the borders of the CIS, including in Middle Eastern countries (Iran and Iraq) towards which the USA was pursuing a policy of isolation. Here also it contrasted during the first half of the 1990s with the general line of the Foreign Ministry.⁹ Their autonomy was, however, only relative because it was far from completely detached from the state in the financial and legal senses. To a great extent it depended on the benevolence of officials, primarily Chernomyrdin himself, and on various benefits and privileges (customs, taxation and so on).

After changes among the top Foreign Ministry officials in 1995, the first steps were taken to overcome the fragmentation and general unconcentrated nature of Russian foreign policy. Since then it has concentrated increasingly on defending the national interests of Russia. There was a slow turn in Russia’s policy on Asia—an intensification of the Russian presence in the Middle East, the establishment of a strategic partnership with China in April 1996, the first steps towards a normalization of relations with Japan and the first serious efforts to create the preconditions for integration with individual CIS states.

The second stage of the struggle between the factions of bureaucratic capital and related political groups began between the first and the second stages of the presidential elections in June–July 1996. A serious, basic regrouping of the opposing forces took place. Yeltsin reintroduced Chubais into his administration and ousted the Soskovets–Korzhakov–Barsukov group from the presiden-

⁹ Razuvaev, V., ‘Malenkaya neftyanaya vojna’ [A small oil war], *Segodnya*, 8 Sep. 1995; and Trofimov, V., ‘Chem pakhnut kaspiyskii neftedollary’ [What Caspian petrodollars smell of], *Nezavisimaya Gazeta*, 10 Jan. 1996.

tial Olympus and the government. Seizing the opportunity, Chernomyrdin in his turn replaced active opponents from the industrial faction, headed by Soskovets, with more friendly and loyal ministers. This was accompanied by action to 'punish' those commercial banks that had supported the Communist Party or General Alexander Lebed in the election campaign or were too closely connected with Soskovets. The licence of Tveruniversalbank was revoked, while Unikombank, Inkombank and Kredobank faced difficulties. It is believed that Kredobank had something to do with pumping money into Chechnya under the 'flag' of the Committee for the Economic Reconstruction of Chechnya, headed by Soskovets.¹⁰ However, Uneximbank, one of the largest banks that had been closely cooperating with Soskovets, suffered no damage. Chubais had always favoured this bank, repeatedly standing out, for instance, against the revision of the results of mortgage auctions where Uneximbank won. Chubais allied himself with the bank's president, Vladimir Potanin, and managed to achieve the appointment of Potanin to the post of deputy prime minister in August 1996.

Confrontations within the government structures between the two effectively ruling factions of Russian bureaucratic capital continued with variable success until the spring of 1997, when they resulted in another major reshuffle of government structures. However, one other important change in the structure of bureaucratic capitalism had begun, and was to develop later—the gradual fading away of the clear borders between the factions and the first signs of a restructuring of bureaucratic capital on a clan-group basis.

This was connected with two new elements. The first was the transition to a new phase of the division of state property—the putting up of the most valuable pieces of property for auction and tender, as a result of which the diversification of the large commercial banks' investment activity deepened. Some banks found interests in oil and other raw materials. Raw materials companies, in their turn, became owners or co-owners of certain industrial enterprises and commercial banks. Second, there appeared signs of a coalescence between financial and industrial capital in the shape of the establishment of financial-industrial groups. That process was to some extent initiated from above, that is, financial-industrial groups were created by the decision of the government, but they also developed spontaneously. Initially the commercial banks either bought enterprises that were already profitable (in order to maximize their own profits) or bought with the intention of reselling more profitably later. In any case they did not buy enterprises in order to invest in them seriously and expand production. This was a manifestation of the initial, rapacious stage of the primitive accumulation of capital, the separation of property from its traditional owner. The productive or creative function was still missing. Truly modern, vertically integrated corporations essentially appeared only in the oil and gas sector.

The beginning of the third stage was marked by a major victory of the 'financiers'—to be more exact, the group headed by Chubais. Chubais returned to the

¹⁰ See, e.g., Galperin, L., 'Balans posle bitvy' [Balance after the battle], *Moskovskiy Komsomolets*, 14 Aug. 1996.

government as First Deputy Prime Minister and Minister of Finance. Boris Nemtsov, the liberal Governor of Nizhniy Novgorod Region, joined the government as the other First Deputy Prime Minister and Minister of Fuel and Energy. It was now possible to speak of a strong 'anti-raw materials' team of young reformers. Branch ministries were abolished, as were the positions of members of the industrial faction in the government. Chubais put Alfred Kokh at the head of the State Committee on the Management of State Property in order to gain control over further privatizations. Yevgeny Yassin, the Minister of the Economy, was replaced by his tougher deputy Yakov Urinson, one of whose main goals was the restructuring of the defence industry.

The new group of reformers set out under the banner of the fight with the natural monopolies. To suggest the size of the task they took upon themselves, it can be noted that these monopolies provide up to 70 per cent of Russia's budget revenues.¹¹ The task was ostensibly defined even more widely—to tackle '*nomenklatura* capitalism'. Chubais stated that he wanted to break the union of privatized bureaucracy and bureaucratized capital.¹² Events were to show that he was the last person who could set himself such a task. He himself was one of those he intended to fight. In reality the idea was merely to ensure the victory of one faction over the other. Gazprom, of which Chernomyrdin had been chairman, was one of the first natural monopolies tackled by the reformers.

The odds in favour of the young reformers seemed so great that many newspapers began to write about one-party government and the forthcoming fall of Chernomyrdin.¹³ The outcome was much more complicated. The reformers' bold but poorly considered actions encouraged a broad front to form against them, uniting a wide variety of forces from the raw materials producers and industrial factions to the power ministries. Chubais, moreover, probably relying on his powerful position in the government and on the goodwill of Yeltsin, almost stopped performing the function of a political representative. Before and immediately after the presidential election he publicly assured all those who had contributed to Yeltsin's victory that they would be appropriately rewarded; later he concentrated his efforts on close cooperation with one—Uneximbank and its International Financial Corporation (IFC)—and thus turned all other parties, including former allies, against himself. As a result the struggle then continued along new lines.

Major financiers (Boris Berezovsky, associated with a variety of businesses, including Logovaz and Aeroflot, and a television channel; Vladimir Gusinsky, owner of Mostbank and a great media empire; and others) virtually declared war on Chubais, using all the media resources they controlled. As a result of the 'book scandal', Chubais' position was seriously undermined and he lost many

¹¹ Interfax-AiF, 14–20 Apr. 1997.

¹² Kolesnikov, A., 'Yakov Urinson—razrushitel nomenklaturnogo kapitalizma' [Yakov Urinson: destroyer of *nomenklatura* capitalism], *Segodnya*, 8 Apr. 1997.

¹³ See, e.g., Koshkareva, T. and Narzikulov, R., 'Molodye reformatory gotovyat Nemtsova na zamenu Yeltsinu' [Young reformers are preparing Nemtsov to replace Yeltsin], *Nezavisimaya Gazeta*, 8 Apr. 1997; and Latynina, Y., 'Chubais izgnal is Minfina trgovtsev' [Chubais banishes traders from the Ministry of Finance], *Izvestiya*, 22 Apr. 1997.

of his associates in key executive posts. The anti-Chubais coalition was later actively and effectively, but without fuss, supported by the Prime Minister himself. In late December 1997 and early 1998 he carried out another government reshuffle. Chubais and Nemtsov remained first deputy prime ministers but without their 'armies', that is, without their key ministries. Chubais lost control over the media and the State Committee on the Management of State Property. Chernomyrdin had been given control over the defence industry and Rosvoro-zheniye in July 1997 (see section IV below). The position of Chubais' group was thus seriously weakened and Chubais found himself once again in the situation he had been in in 1994–95, when he was a symbol of democratic reforms, but this time with a seriously tarnished reputation.¹⁴

IV. The armed forces and the defence industry as factors in Russia's foreign policy

The demolition of the Soviet system of decision making also allowed the Russian armed forces and defence industry a degree of independence. General liberalization and commercialization did not leave the military sphere unaffected, but promoted unprecedented corruption and thus the formation of a military faction of bureaucratic capital. The 'honeymoon' of the democrats and liberals with the West had its negative side in the Russian Government's complete disregard for issues of military reform, reorganization and defence industry conversion. There was of course no lack of appropriate slogans and projects: only practical results were lacking. Besides, the new leadership of the armed forces found itself involved in the all-pervasive business of self-enrichment.

The armed forces

One of the hotbeds of corruption and embezzlement of state property was the Western Group of the armed forces. The Russian and foreign press revealed scandalous abuse connected with illegal sale of cigarettes, liquor and so on, the sale of military property, technology and even some types of weapons, and illegal use of transport by top military for their personal possessions. For six years in succession in Russia information emerged about abuse by the senior military of the free labour force represented by their soldiers for the construction of luxury villas and about budget money allotted for the maintenance of armed forces personnel being diverted for personal use. A considerable source of enrichment for the military bureaucracy was the division of military property, equipment and weaponry between the CIS member states consequent on the break-up of the USSR. This was accompanied by illegal transfers of large

¹⁴ 'Politicheskkiye kollizii v Rossi v dekabre–yanvare' [Political collisions in Russia in December–January], *Nezavisimaya Gazeta–Scenarii*, no. 2 (11 Feb. 1998), pp. 9–10.

quantities of weapons and ammunition.¹⁵ The situation was especially piquant when military deliveries were made to both sides involved in regional or local conflicts.¹⁶

Independent action by the armed forces within the CIS framework was favoured by the fact that the Gaidar Government, and especially the Foreign Ministry, not only lacked a considered strategy in that area but consciously ignored it. Thus, the initiative, almost by natural process, passed to the armed forces and real problems between Russia and other CIS members and conflict situations inside those states served as kind of springboard for the armed forces.

The armed forces during the first half of the 1990s were able to be a relatively independent actor in foreign policy. There were weighty reasons to justify this—concern for the security of Russia's new borders, Russia's need for a regional security system, and the preservation of old and acquisition of new military bases, tracking stations and so on. In the CIS area, furthermore, many new foreign policy problems had important military implications. The only problem was that the solution of those problems had to be found within the framework and on the basis of state foreign policy, and not by the generals on their own.

Finally, there was another source of mass enrichment—the trade in arms and ammunition on the territory of Russia itself. In recent years this trade has become so extensive that it has produced the strange (at first sight) phenomenon of repeated major explosions in military stores, intended to prevent the detection of theft. That there have been no human casualties in these explosions demonstrates unambiguously that they were planned. In the Far East Military District they had become almost an annual tradition and in February 1998 there were explosions in military stores in the region of Volgograd and in the suburbs of Saratov.¹⁷ An enormous 'contribution' was made by the protracted fighting in Chechnya after 1994. Unlike the Russian troops in Chechnya, local fighters never experienced any lack of modern Russian-made small or anti-tank arms.

There is a saying that 'fish starts rotting from the head'. This was never more true than it is of the role of former Defence Minister Pavel Grachev. Grachev displayed a strong inclination for commercial diversions. As early as February 1992, when he was chairman of the State Committee on Defence and First Deputy Commander-in-Chief of the CIS Armed Forces, he joined a group of generals, founders of a limited-liability company called *Aviakoninfo*, set up to sell construction materials, buy timber, run cafés and restaurants, and so on. The business was not a success because of interference 'from the top'. Soon

¹⁵ See, e.g., Anthony, I., 'Illicit arms transfers', ed. I. Anthony, SIPRI, *Russia and the Arms Trade* (Oxford University Press: Oxford, 1998), pp. 217–32. According to one (unnamed) senior officer from the Office of the Chief Military Prosecutor, the value of the illicit arms trade is comparable to the legal income of Rosvooruzheniye. *Profil*, no. 42 (16 Nov. 1998), p. 31.

¹⁶ Russia still recognizes the old government of Afghanistan. Nevertheless, it helped Ukraine to produce over 100 T-80 tanks which were delivered via Pakistan to the Taleban. Ivanov, N., "'Uspekhi" konversii' [The 'successes' of conversion], *Nezavisimaya Gazeta*, 8 Sep. 1998.

¹⁷ Shafurkin, A. and Serenko, A., 'Novye vzryvy na armeyskikh skladakh' [New explosions at army depots], *Nezavisimaya Gazeta*, 24 Feb. 1998.

enough, however, Grachev became Defence Minister, and in October 1992 he created a state company, Voyentekh, for the sale of vast surpluses of arms, military technology and army property.¹⁸ From 1993 'as an exception' Grachev allowed the air force to accept transport of commercial cargoes. Military transport aviation used to make several hundred such commercial flights a year. An approximate idea of the scale of that business can be given by the fact that for only three flights to Viet Nam in 1997 the air force earned a net profit of about \$300 000.¹⁹ Stories also circulated about malpractice in the navy in the process of writing off ships, the use of nuclear submarines and other matters.

The arms trade and military–technical cooperation

Perhaps the main part in the genesis of military bureaucratic capital was played by the official trade in arms and military technology within the framework programmes of military–technical cooperation with foreign countries.

In 1992, 12 special exporters were pursuing activities in that sphere. They worked very ineffectively, often breaking laws and regulations. Sometimes as many as 30 mediators circled around one serious contract. Then it was decided to reorganize the whole system of military–technical cooperation.²⁰ In November 1993 Rosvooruzheniye was created. Of the special exporters only MAPO (the Moscow Aircraft Production Organization) remained intact. At first Deputy Prime Minister Viktor Shumeiko tried to control Rosvooruzheniye and his nominee, Lieutenant-General Viktor Samoylov, was made Director-General. The initiative was joined by Soskovets, head of the Interdepartmental Coordinating Council for Military–Technical Policy (Koordinatsionny mezhvedomstvenny sovet po voyenno-tekhnicheskogo politike). However, the whole military–technical cooperation programme was subordinated directly to the president in 1994 and Korzhakov placed his people in key posts. Boris Kuzyk was appointed special assistant to the president on military–technical cooperation while General Alexander Kotelkin became Director-General of Rosvooruzheniye in October 1994.

The stormy history of the expansion of Russian arms sales, mainly on Asian markets, and the equally controversial enrichment of the actors in the business now began. Rosvooruzheniye practically monopolized the arms trade (up to 90 per cent)²¹ and when Grachev, who dreamed of bringing it once more under his own control, tried to intercept a contract with Malaysia for the sale of 18 MiG-29s in July 1997 Korzhakov immediately initiated a complex inspection of

¹⁸ *Profil*, no. 1 (12 Jan. 1998), p. 12.

¹⁹ *Kommersant-Vlast*, no. 2 (27 Jan. 1998), p. 25.

²⁰ On the organization of military–technical cooperation, see Anthony (note 15), chapters 5, 6 and 7; and 'The management of arms transfers', in A. A. Sergounin and S. V. Subbotin, *Russian Arms Transfers to East Asia in the 1990s*, SIPRI Research Report no. 15 (Oxford University Press: Oxford, 1999), pp. 44–69.

²¹ According to Kotelkin himself, the value of sales by Rosvooruzheniye increased from \$1.7 billion in 1994 to \$2.8 billion in 1995 (out of general sales by the defence industry as a whole of \$3.05 billion), and up to \$3.4 billion (of \$3.5 billion) in 1996. Interview with Kotelkin, *Vek*, no. 27 (July 1997).

Voyentekh which exposed its participation in shady deals and brought it to the verge of collapse. Grachev was 'excommunicated' from the arms business.²² From October 1995 Kotelkin virtually monopolized all cargo deliveries within the military–technical cooperation framework, having created a company, Cargotrans, on the basis of the transport department of Rosvooruzheniye.²³

The leaders of Rosvooruzheniye often gave themselves the credit for the survival of the defence industry. In March 1997, for instance, they announced that in 1996 Rosvooruzheniye's investment in the defence industry amounted to more than \$600 million.²⁴ Kotelkin interpreted the real contribution by Rosvooruzheniye to the defence industry rather differently: \$250 million in investment plus attraction of \$500 million in bank credits under the company's guarantees. A complex inspection of Rosvooruzheniye by the Attorney-General, Yury Skuratov, begun in the summer of 1996, revealed the scale of abuses by the company's leadership—enormous expenditure on the company itself against a background of debts to the defence industry totalling \$200 million, concealment of profits, illegal foreign currency deals and so on.²⁵

According to specialist observers, Rosvooruzheniye was by no means working as a charity in favour of the defence industry; rather it turned the latter into a source of enrichment. Valentin Trofimov, for instance, believes that its leadership chose to pay high rates of interest (20–25 per cent) to foreign agents' firms and 10 per cent more to a monopolistic transport company (in fact, to itself), and take between 7 and 10 per cent for 'services'. All this was a heavy burden for producers. Nevertheless, the narrow circle of lucky ones in the defence industry dared not grumble, as even the small sums they received from this trade were almost the only real money they could use to keep production and research and development (R&D) going. However, today the defence industry is dependent on external orders for 80 per cent of orders, instead of 20 per cent, as it was under the Soviet Union.²⁶

Following the removal of Korzhakov in the summer of 1996 a struggle started for his 'legacy'. In August 1997 the State Committee on Military–Technical Policy (Gosudarstvenny komitet po voyenno-tekhnicheskoy politike, GKVTTP), which had served as a connecting link between the President and Rosvooruzheniye, was abolished and control over exports of arms and military technology handed over to the Ministry of Foreign Economic Relations.²⁷ The government even tried to establish direct control over Rosvooruzheniye, but at the time this proved impossible owing to the interference of General Lebed, head of

²² *Profil*, no. 1 (12 Jan. 1998), p. 12.

²³ *Profil*, no. 3 (26 Jan. 1998), p. 62.

²⁴ *Delovye Lyudi*, no. 75 (Mar. 1997), p. 127.

²⁵ *Profil*, no. 3 (26 Jan. 1998), pp. 59–60. The head of the Omsk local office of Rosvooruzheniye states that out of \$230 million invested in production in 1996 and \$190 million in credits (not \$500 million) the Siberian military–industrial complex never received a single dollar. Interview with Vladimir Sosnin, *Moskovskiy Novosti*, 7–11 Sep. 1997.

²⁶ Gabovich, M., 'Sekretnaya trgovlya' [Secret trade], *Moskovskiy Novosti*, 31 Aug.–7 Sep. 1997; and Interview with Valentin Trofimov, *Moskovskiy Novosti*, 2–9 Oct. 1997, p. 12.

²⁷ Sergounin and Subbotin (note 20), pp. 57–60.

the Security Council.²⁸ An attempt to abolish the monopoly of Rosvooruzheniye in 1996, when several other enterprises and organizations were allowed to act as special exporters, had failed. Lacking experience, connections, know-how and information on the state of foreign markets, those enterprises were helpless and had once again to turn to Rosvooruzheniye.²⁹

The defence industry

Rosvooruzheniye was able to feed on the defence industry only thanks to the grievous state the industry had been in for six years. A sharp reduction in military expenditure—by 70 per cent over the two years 1991–92³⁰—along with the government’s neglect of the problems the defence industry was facing produced serious crisis. In the early 1990s the magic word ‘conversion’ was on everyone’s lips. Scholars and statesmen vied with each other to explain to the public how enterprises would be able to preserve their high-technology potential and their production thanks to conversion, but they failed to understand the real problems and difficulties connected with conversion. With very rare exceptions all the hopes and projects for conversion turned out to be myths. Production at converted enterprises proved to be two or three times more labour-intensive than that of civilian enterprises and their products five or six times more expensive. By the beginning of 1996 two-thirds of such enterprises were unprofitable.³¹

The government more or less kept aloof from active assistance to conversion, as financing from the federal budget illustrates.³²

As a result, after two or three years of unsuccessful efforts, the majority of enterprises stepped on to the road to deconversion. Naturally, this could not possibly succeed as the part of production that went to meet the state defence order was under-financed. The cumulative debt on the state defence order in 1992 totalled 7 billion roubles; in 1993, 920 billion roubles; in 1994, 4.2 trillion roubles; in 1995, 7.7 trillion roubles; and in 1997, 19.9 trillion roubles.³³

There was a peculiar division of labour: the president signed appropriate decrees and projects pertinent to the defence industry, while the government did not execute them and did not apportion money. This is not surprising. The government was dominated by representatives of the raw materials producers and of the fuel and energy complex, and the relationship between the latter and the defence industry after the break-up of the Soviet Union had changed in principle. Formerly the defence industry had been at the top of the pyramid and the fuel and energy complex was its foundation, feeding the defence industry with

²⁸ *Profil*, no. 38 (19 Oct. 1998), p. 31.

²⁹ *Delovye Lyudi*, no. 75 (Mar. 1997), p. 124.

³⁰ Sköns, E. *et al.*, ‘Military expenditure and arms production’, *SIPRI Yearbook 1998: Armaments, Disarmament and International Security* (Oxford University Press: Oxford, 1998), p. 223.

³¹ *Delovye Lyudi*, no. 75 (Mar. 1997), p. 124.

³² Only a fraction of the amount budgeted for defence industry conversion was disbursed in 1993–94, and none in 1995–97. Titova, E., ‘Byudzhetnye dolgi “oboronke” otlozheny na polgodia’ [State budget debts to the defence industry postponed by half a year], *Finansovye Izvestiya*, 30 Dec. 1997, p. iii.

³³ *Moskovskiy Novosti*, 1–8 Feb. 1998, p. 17.

cheap energy and necessary foreign currency. Now under conditions of relative autonomy the fuel and energy complex began to retain more of its profits, paying tax only with obvious reluctance and under severe pressure.

As a result of the abolition of the Soviet centralized management mechanism the defence industry turned into a chaotic set of different branches, open-type and limited joint-stock companies, separate enterprises, construction bureaux and organizations. Soon an elite group of enterprises and construction bureaux that had managed to find a niche in the world market stood out. They fell into two sub-groups, one which consolidated its position through cooperation with Western companies (for example, certain enterprises and construction bureaux in the aerospace industry) and one which consolidated its position with the help of military–technical cooperation and in competition with Western companies. Both groups improved the situation in their business affairs because of the external factor. However, in the latter group especially favourable conditions were developing for the formation of bureaucratic capital.

Most non-elite enterprises were vegetating and living in poverty. However, some of them became the objects of the aspirations, with various motivations, of different bureaucratic capital factions and large Western corporations.³⁴

The year 1997 was also the breaking-point in the struggle of different factions of bureaucratic capital for possession of the fattest pieces of the defence industry. The financial–trading faction delivered a weakening blow when the Ministry of the Defence Industry was abolished in March. However, by the summer of that year the initiative gradually began to pass to representatives of the raw materials producers. At the end of July a presidential decree gave the prime minister control of Rosvooruzheniye.³⁵ In August it was followed by a series of decrees that completely changed the defence industry system.³⁶ Rosvooruzheniye became a state unitary enterprise and two new intermediary organizations appeared on the stage—Promexport, which had to sell surplus Defence Ministry armaments, and Rossiyskiye Tekhnologii to deal in the sphere of military technologies. ‘In a further effort to weaken the Company’s [Rosvooruzheniye’s] grip on the arms market . . . [a] Kremlin decree granted the right to export weapons to two other state companies and to certain manufacturers . . . allowing more of the revenues to go to the Ministry of Defence and to arms manufacturers’.³⁷

One more exceptionally important aspect should be mentioned. In allowing two more intermediary organizations to be set up, Chernomyrdin acted as defender both of the interests of the defence industry and of the Defence

³⁴ Fairly typical examples of such intense opposition (in the course of ‘repeated’ privatizations, through sale of state shares of enterprises already incorporated) are the cases of Permskiye Motory in 1992 and Rybinskiye Motory in 1994. Municipal and regional authorities, arbitration courts at all levels, the Supreme Court, the government and the president found themselves involved in the struggle.

³⁵ ‘On measures to improve the system of management of military–technical cooperation with foreign states’, Presidential decree no. 792, 28 July 1997, reproduced in *Rossiyskaya Gazeta*, 2 Aug. 1997, p. 6.

³⁶ Sergounin and Subbotin (note 20), pp. 57–60.

³⁷ Freeland, C., ‘Yeltsin reasserts Kremlin control over arms trade’, *Financial Times*, 22 Aug. 1997; and *Expert*, no. 3 (26 Jan. 1998), p. 6.

Ministry (having granted them 'a piece each', not forgetting himself). The former head of the bank connected with MiG-MAPO, Yevgeny Ananyev, was made Director-General of Rosvooruzheniye in August 1997. *Delovye Lyudi* believes that this appointment was made thanks to the close ties of Ananyev with people from the presidential staff. As a result the people Uneximbank had long been counting on, such as Kotelkin, found themselves moved away from the direct management of the arms trade.³⁸ This is another angle on the developing 'anti-financiers' alliance. The positions of the financial faction were also considerably weakened by a scandal concerning deliveries (to be more exact, under-deliveries) of a batch of aircraft to India.³⁹

The struggle around the creation of new corporations resumed with new strength at the end of 1997, revealing a range of old and new conflicts—between construction bureaux and producers; among producers for leadership of future business corporations; between enterprises and Moscow commercial banks; between the banks themselves (for instance, between Uneximbank and Inkombank); between the legislative and executive powers; and between the centre and the regions which were striving to get their share in future corporations. Since the end of 1997 even the Mayor of Moscow, Yury Luzhkov, has found himself involved in the struggle.⁴⁰

Arms transfers to Asia

The crisis in the defence industry and the armed forces, their need for restructuring and the aspirations of military bureaucratic capital—all these factors encouraged the expansion of the trade in arms and military technology, and their main market after the loss of Eastern Europe was in Asia. Asia's share in total world imports of major conventional weapons in 1997 amounted to 49 per cent, while that of the Middle East was approximately 20–25 per cent.⁴¹ Those markets were not completely new for Russia: they had been the main markets for weapons from the USSR.⁴² The difference was that the USSR, like the USA, was guided in the process of arms deliveries abroad first of all by military and geopolitical considerations. Commercial interests have now come to the fore, although geopolitical considerations should probably not be ignored.

³⁸ *Delovye Lyudi*, no. 84 (Dec. 1997), p. 25; and Ryazskiy, Yu., 'Proshchay oruzhiye' [Farewell to arms], *Moskovskiy Komsomolets*, 14 Jan. 1998.

³⁹ For the detailed story of this illegal operation, see Nikitinskiy, L., 'Samolety, obligatsii i korobka' [Aircraft, bonds and a small box], *Moskovskiy Novosti*, 20–27 Sep. 1998, p. 12.

⁴⁰ Zusmanov, V. and Mikhailov, G., 'Kto vyidet iz vody s "Sukhim"' [Who will come out of the water with Sukhoi?], *Profil*, no. 7 (28 Feb. 1998), pp. 28–29; Interview with Mikhail Simonov, *Novaya Gazeta*, 2–8 Feb. 1998, p. 7; Onufriyev, A., 'MiG mezhdru proshlym i budushchim' [MiG between past and future], *Expert*, no. 12 (30 Mar. 1998), pp. 30–31; Isayev, M., 'Krutoye pike VPK i MAPO' [A steep dive by the military-industrial complex and MAPO], *Nezavisimaya Gazeta*, 6 Feb. 1998; and Rato, E., 'Deputaty zadumalis o voyennoy aviatsii' [Deputies ponder military aviation], *Segodnya*, 25 Feb. 1998.

⁴¹ Wezeman, S. T. and Wezeman, P. D., 'Transfers of major conventional weapons', *SIPRI Yearbook 1998: Armaments, Disarmament and International Security* (Oxford University Press: Oxford, 1998), pp. 298–99.

⁴² In 1991, the Middle East and Near East accounted for 69% and Asia for 17% of the USSR's arms exports. Anthony, I., 'Economic dimensions of Soviet and Russian arms exports', ed. Anthony (note 15), p. 77.

Rosvooruzheniye cooperates with 51 countries, but the main importers of Russian arms, as in the past, are China and India, which currently receive up to 70 per cent of Russia's military exports.⁴³ The first large military contract with China was signed during Gorbachev's rule, in 1989. In 1990 an agreement on fighter aircraft and air defence systems was signed, and cooperation was institutionalized by the establishment of an intergovernmental commission in November 1992. In June 1993 China's State Council agreed to a request from the Central Military Commission to allocate \$2.3–\$2.6 million for the period up to 1995 for the purchase of foreign (mainly Russian) military equipment and technologies.⁴⁴ In July 1994 the State Council approved imports worth \$5 billion from Russia, including an unspecified number of Su-30 MK and Su-35 fighter aircraft.⁴⁵ In December 1995 a further agreement was reached for the transfer of more Su-27 aircraft and Russia granted China a 15-year licence to produce Su-27-SK fighters without export rights.⁴⁶ With this and final confirmation of its order for two Sovremenny Class destroyers in July 1997, China was established as a major Russian client.⁴⁷

The largest contract with India, estimated to be worth \$1.8 billion, was signed in 1996 for delivery of 40 Su-30 MKs (at a time when even the Russian armed forces did not have them) and (reportedly) transfer of the technologies for serial production of a new Su-27 version after the delivery. Modernization of 125 MiG-21s has been ordered.⁴⁸ In December 1997 the ninth submarine for India was commissioned. The three-year long negotiations on the sale of the aircraft-carrier *Admiral Gorshkov* to India are coming to an end.⁴⁹ As of the end of 1997 the total value of contracts concluded with India amounted to \$8–9 billion.⁵⁰

Viet Nam was also a traditional client. In October 1993 its Foreign Minister held negotiations in Moscow on Russia's lease of the naval base at Cam Ranh Bay after 2000 following the expiry of the agreement now in force. In 1995 Russia delivered to Viet Nam six Su-27-UT fighter aircraft and in mid-1997 Rosvooruzheniye helped negotiate a contract for the delivery of four Su-27-UTs to Viet Nam. (Two aircraft were delivered in early December 1997; the other two were destroyed when a military transport aircraft crashed in Irkutsk on 6 December 1997.)⁵¹

⁴³ *Delovye Lyudi*, no. 75 (Mar. 1997), pp. 127, 147.

⁴⁴ Arnett, E., 'Beyond threat perception: assessing military capacity and reducing the risk of war in southern Asia', ed. E. Arnett, SIPRI, *Military Capacity and the Risk of War* (Oxford University Press: Oxford, 1997), p. 35.

⁴⁵ Sergounin, A. A. and Subbotin, S. V., 'Sino-Russian military-technical cooperation: a Russian view', ed. Anthony (note 15), p. 210.

⁴⁶ Sergounin and Subbotin (note 45), p. 213.

⁴⁷ Wezeman and Wezeman (note 41), pp. 295–96. For a comprehensive list of Russia's exports of major conventional arms to Asian countries, see appendix 3 in this volume.

⁴⁸ Anthony, I., 'International trends since the cold war', ed. Anthony (note 15), p. 33; and *Delovye Lyudi*, no. 75 (Mar. 1997), p. 131, and no. 84 (Dec. 1997), p. 113.

⁴⁹ Golotyuk, Yu., 'Rossiya prodayet Indii "Admirala Gorshkova"' [Russia is selling *Admiral Gorshkov* to India], *Russkiy Telegraf*, 24 July 1998.

⁵⁰ *Profil*, no. 7 (Feb. 1998), pp. 28–29; and *Segodnya*, 27 Nov. 1997.

⁵¹ Mazin, A., 'Chto mozhet predlozhit stranam Yugo-Vostochnoy Asii i Okeanii VPK Rossii' [What the Russian military-industrial complex can offer South-East Asia and Oceania], *MEiMO*, no. 6 (1997),

In the summer of 1994 Rosvooruzheniye achieved a sensational breakthrough to the countries of South-East Asia, hitherto mainly a market for Western arms manufacturers, when it concluded a contract with Malaysia for 18 MiG-29 aircraft for \$550 million.⁵² Since then military–technical cooperation with Malaysia has taken the form of a joint venture, the Airspace Technology System Corporation, which in October 1997 signed an agreement with MiG, MAPO and Rosvooruzheniye for \$34.44 million for the modernization of the fighters already delivered.⁵³ Following Malaysia's example, Indonesia, Myanmar, the Philippines, Singapore and Thailand started negotiations with Russia for the purchase of various types of weaponry, military technology and military–technical cooperation. Several agreements were concluded⁵⁴ but some have been delayed or cancelled because of the Asian financial crisis of 1997–98.

Russia is also opening up the second most important Asian market, the Middle East. The main customers for Russian weapons there are now Kuwait and the United Arab Emirates (UAE). In the 1970s and 1980s, Syria was one of the largest importers of weapons from the USSR, but because of its accumulated debts (between \$7.5 billion and \$11 billion according to different assessments⁵⁵) the cooperation came to an end. In January 1998 a government delegation was sent to Syria to renew military–technical cooperation and to form a permanent committee on cooperation. This is evidence of the geopolitical aspects of arms sales. Russia, moreover, wants to keep Tartus, the only remaining naval base available to it on the Mediterranean Sea. (Syria, incidentally, asks no payment from Russia for the use of this base.)⁵⁶

Russia continues its military–technical cooperation with Iran under an agreement signed by Gorbachev in 1989 believed to run for 10 years and to involve the transfer of T-72 tanks and SA-5 surface-to-air missile (SAM) complexes.⁵⁷ In 1992 Russia and Iran made a further agreement for the transfer of T-72 and T-80 tanks. By an oral agreement with US President Bill Clinton of September 1994, Russia promised not to renew arms deliveries to Iran after the existing agreement expires.⁵⁸ However, the international situation might change: the USA itself has already started 'ping-pong' diplomacy with Iran.

Another breakthrough is of indisputable interest—with Turkey, one of the links in the NATO system. Russia has started to participate actively in arms

pp. 79–80; 'Kurs na Asiyu' [The course to Asia], *Expert*, no. 40 (26 Oct. 1998), p. 4; and Dybskiy, K., 'Sibirskaya tragediya' [Siberian tragedy], *Segodnya*, 9 Dec. 1997.

⁵² Anthony (note 42), pp. 90–91.

⁵³ Manvelov, N., 'Skromnoye oboyanie "Rosvooruzheniya"' [Rosvooruzheniye's discreet charm], *Več*, 4–10 Apr. 1997; and *Delovye Lyudi*, no. 84 (Dec. 1997), p. 119.

⁵⁴ See, e.g., *MEiMO*, no. 6 (1997), pp. 80–81; Sautin, A., 'Rossiya podbirayet klyuch k filippinskomu rynku' [Russia is picking up the keys to the Philippine market], *Finansovye Izvestiya*, 16 Sep. 1997; *Segodnya*, 30 June 1997, 10 July 1997, and 2 and 15 Oct. 1997; *Nezavisimaya Gazeta*, 17, 23 and 24 Oct. 1997; and Earl, G., 'Indonesia picks Russian jets', *Financial Times*, 6 Aug. 1997.

⁵⁵ Golotyuk, Yu., 'Moskva vozobnovlyayet postavki oruzhiya na blizhniy vostok' [Moscow resumes weapon deliveries to the Middle East], *Russkiy Telegraf*, 14 Feb. 1998.

⁵⁶ Golotyuk (note 55).

⁵⁷ Anthony, I., 'Arms exports to southern Asia: policies of technology transfer and denial in the supplier countries', ed. Arnett (note 44), p. 296.

⁵⁸ Anthony (note 57), p. 297.

tenders there. This is not an easy process: there is resistance not only from the USA and other Western countries but also from forces inside Russia itself. The scandal surrounding the joint project to produce a battle helicopter in Turkey, at a cost estimated at \$3.5 billion, illustrates this. Russia offered the most profitable conditions for the production of a helicopter through a consortium with a Turkish company and the participation of an Israeli corporation. Ukraine is also interested in this project. However, as the helicopters are planned to be produced on the basis of the Black Shark (Ka-50) and Alligator (Ka-52), the Progress producing plant in Primorskiy Kray (Maritime Province) is against placing production in Turkey. A successful Russian tender for tanks also faced strong resistance from the West. Here Russia also proposed a version of joint production of tanks in Turkey based on the T-90-C. The total cost of the project is approximately \$4.5 billion. The tender attracted the attention of all the significant producers of this technology from the USA to China and Ukraine.⁵⁹

The arms trade has helped to untie some complicated knots in general economic cooperation with Asian and other countries, for example, in resolving the problem of debts. So, for instance, out of income of \$3.5 billion announced by Rosvooruzheniye for 1996, only \$2.1 billion were received in foreign currency. A further \$350 million were in non-convertible (clearing) currency and weapons worth \$800 million were delivered to pay off debts to other countries. Delivery of weapons against debt to a value of \$360 million was planned for 1997; by the end of the year weapons worth \$250 million had been delivered.⁶⁰ Similar 'weapons for debts' deals were already in place with South Korea, to which Russia has delivered tanks, ICM-3 (BMP-3) infantry fighting vehicles, SA-16 SAM complexes and more.⁶¹ In August 1997 the Russian–Chinese committee on military–technical cooperation also discussed the question of Russia paying off its debt with arms.⁶²

Delivery of weapons supports Russia's expansion onto the civilian markets of Asian countries. Many contracts are accompanied by the exchange of non-military products and technology. This is already the case in Russia's cooperation with Malaysia and some other countries.

Military–technical cooperation with Russia is welcomed in the overwhelming majority of Asian countries. This is clear not only with such traditional buyers of Russian weapons as China, India, Viet Nam or certain Arab states but also with countries which for decades have been clients of the West, especially of the USA. There are probably two main reasons for this. The first is the urge to diversify their sources of weapons in order to avoid one-sided dependence. The

⁵⁹ Golotyuk, Yu., 'VPK rasschityvayet na turetskiye zakazy' [Military–industrial complex counting on Turkish orders], *Russkiy Telegram*, 29 Jan. 1998; and Georgiev, V., "'Chernye akuli" v Turtsii' [Black Sharks in Turkey], *Nezavisimaya Gazeta*, 25 Feb. 1998.

⁶⁰ Felgengauer, P., 'Oruzheyiny export ne tak dokhodno, kak ob etom govoryat' [Arms exports not as profitable as people say], *Segodnya*, 26 Dec. 1997.

⁶¹ Karnakov, Yu., 'Rossiyskikh raketnikov mogut pozvat v Seul' [Russian missile specialists may be called to Seoul], *Russkiy Telegram*, 20 Nov. 1997.

⁶² 'Rossiya i Kitay proveli peregovory o voyenno-tekhnicheskoy sotrudnichestve' [Russia and China held negotiations on military–technical cooperation], *Finansovye Izvestiya*, 28 Aug. 1997.

second is more complicated. While the bipolar confrontation of the two superpowers continued, the USA willingly delivered weapons to those countries frequently even gratis. Now, however, former 'allied' countries in Asia and other parts of the world have lost their military–geopolitical significance for the USA. Many of them, furthermore, are becoming its economic competitors. That is why the USA and some other countries suddenly recalled problems with democracy and human rights in those countries which formerly hardly troubled them. Russia, in its turn, prefers not to interfere in the domestic situation in developing countries (the more so as it has quite enough work to do in this sphere at home). That is why Russia is a more comfortable and more understandable partner for Asian states than Western countries.

Arms exports are not the only important factor here. A more strategic factor is the Russian defence industry's need for integration into international military–technical cooperation. Many experts in Russia believe that at the present stage the Western defence industries are not the main channel through which such integration can be accomplished.⁶³ The West is not enthusiastic in this respect. All in all, it does not wish to participate in the restructuring of the Russian defence industry—there are no major projects in this sphere—and it remains a jealous competitor of Russia. Integration processes will therefore move and in fact have already started to move in the Asian direction. Asia in its turn cannot always rely on the West in such military–technical cooperation as Russia is ready for today regarding high-technology joint production, exchange of technologies and so on. Some Asian 'tigers' have expressed interest in and readiness to invest in the newest Russian technologies.⁶⁴

V. The Russian regions as foreign policy actors

Since the collapse of the USSR a new autonomous component has begun to form in the Russian statehood—the regions.⁶⁵ The change was born of Yeltsin's struggle against Gorbachev, during one stage of which Yeltsin put before the regions the slogan: 'Take as much sovereignty as you can eat'. In the very first year of his presidency Yeltsin had to meet the bills. The autonomies began to demand more and more sovereignty and more and more privileges. Yeltsin failed to stop the 'parade of sovereignties' with the Federation Treaty of 31 March 1992.⁶⁶

When later on in his struggle with the Supreme Soviet, headed by its speaker, Ruslan Khasbulatov, Yeltsin decided to seek the support of the regions, some of

⁶³ See, e.g., *MEiMO*, no. 3 (1997), pp. 114–17; and Gabovich, M., 'Sekretnaya trgovlya' [Secret trade], *Moskovskie Novosti*, 31 Aug.–7 Sep. 1997.

⁶⁴ *Passport*, Mar./Apr. 1997, p. 79 (in Russian).

⁶⁵ There are 89 subjects of the Russian Federation—the parts of which it is composed. They include 32 ethno-national territories (21 republics, 1 autonomous region and 10 autonomous districts) and 57 administrative entities (49 regions or *oblasti*, 6 territories or *kraya* and 2 federal cities (Moscow and St Petersburg)).

⁶⁶ Simonia, N., 'The development of Russia's statehood', in *Building Nation, State and Regime: Some Post-Communist Examples* (Slavic Research Centre, Hokkaido University: Sapporo, 1997), pp. 1–30.

them started to demand the transformation of Russia from a constitutional federation into a contractual one. Yeltsin continued to lean on the regions, paying for their support with subventions and privileges in taxation, export quotas on raw materials developed on their territories, and so on. All these were registered officially by special, sometimes secret, decrees or through bilateral treaties between the Russian Federation and its regions. Appointed governors served as a considerable support for the presidential power. However, in 1995–96, under pressure from the regions, Yeltsin began allowing the election of governors, until by 1997 this had become universal practice. Aware of their new elective legitimacy, governors then became more independent, asserting themselves regarding the distribution of budget money, the shares of their regions in tax revenues and so on. As a result the Council of the Federation changed from being the mainly decorative upper chamber of the Federal Assembly into a quite independent centre of power and influence. Finally the country found itself in a rather strange form of federation, representing a mixture of elements of constitutional and contractual federalism.⁶⁷

The granting of privileges and benefits to one group of subjects of the federation, the ethnic republics, caused resentment in other regions, the *oblasti* (regions) and *kraya* (territories).⁶⁸ In response there began a ‘sovereignization’ movement, manifested in projects to create Siberian, Ural, Yenisey, Far Eastern and other republics. This could not be regarded as separatism; it was used mainly as a means to put pressure on the centre in order to extract additional benefits and concessions. After 1996 Yeltsin started to ‘equalize’ (although quite selectively) the subjects of the federation, concluding bilateral treaties.

Neither the regions’ demands for ‘equality’ nor the centre’s ‘equal’ attitude towards each and every one of them was entirely sincere. The development of the regions has always been uneven and today they are in genuinely unequal situations. Only 10 out of 89 subjects of the federation are net contributors to the federal budget; the rest are subsidized, that is, they depend on federal aid or redistribution of resources through the federal budget. Demands for equality come first of all from non-subsidized regions, which refuse to finance the development of other territories.⁶⁹ Starting from the genuine need to redistribute resources through the federal budget and bearing in mind the lack of any clear legislation on budget federalism, the government is acting quite in the Soviet manner: it demands that the regions transfer all their tax receipts to the centre, and then forces them to beg the federal ministries for transfers, resources for executing federal programmes on their territories and financial support from special funds.

⁶⁷ As the Chairman of the Council of the Federation, Yegor Stroyev, put it in an interview: ‘We are still unable to determine what exactly we are building—a federative state or a unitarian one’. *Kommersant-Vlast*, no. 7 (3 Mar. 1998), p. 23.

⁶⁸ *Passport* (note 64).

⁶⁹ In Nov. 1996 leaders of 10 ‘donor’ regions gathered in Nizhniy Novgorod to formulate recommendations on changes in economic policy. Soon after that Luzhkov organized a ‘round table’ in Moscow for leaders of the regional elite, who made a set of 20 demands aimed at preventing the country from falling into crisis. The government ignored these demands. *Ogonek*, no. 50 (Dec. 1996), p. 18.

Naturally, such a system is open to abuse. The actual volume of transfers between the different federal subjects in 1997 was between 30 and 90 per cent of what had been planned.⁷⁰ This whole system of redistribution is kept secret, even from appropriate committees of the Duma, and is frequently used to stimulate obedient and punish recalcitrant regions.

Here, and not in political separatism, lie the principal contradictions between the centre and the regions.

Now the question of the relationship between the federal centre and the regions in these processes arises. In today's Russia Moscow has three 'parts'. First, it is the centre of the federal administration, which is trying to get as much as possible from the regions and to give them as little as possible in return—the centre that in recent years almost left the regions to the mercy of fate. (As Yegor Stroyev, Chairman of the Council of the Federation, put it, 'this Moscow pot has long stopped cooking anything'.⁷¹) Second, Moscow is a federal city and subject of the federation but is using to the utmost its role as the capital in order to obtain benefits and privileges. In this role it is the object of envy and a model for imitation for other regions.⁷² However, there is a third Moscow—the economic centre of new Russian bureaucratic capitalism at the federal level. This is where the largest commercial banks, financial–industrial groups and scientific–technical and information centres are concentrated.

This third Moscow will have to be the main force for integration in Russia. Regardless of the subjective aspirations of different representatives of bureaucratic capital, the objective needs of bureaucratic state capitalism and especially of the financial–industrial groups are inciting them to involve the regions in the future all-Russian market. Initially, when the financial–trading faction tried a 'Bolshevik-type onslaught' to conquer the regions, the latter put up stubborn resistance.

Bureaucratic capital is forming rapidly at the regional level, has gained strength especially with the institution of elected regional governors, and is refusing to lose control over 'its own' natural resources and give everything to 'the federalists'. Even so, recently a more flexible, compromise policy towards the regions has begun to break through. Oil corporations and large commercial banks began to race one another to conclude general agreements on cooperation with the regions, territories and republics. This has meant a clear tendency towards the amalgamation of bureaucratic capital at federal and regional levels for mutual benefit. At the same time, naturally, because they have the financial

⁷⁰ Pismennaya, E., 'Pravitelstvo pytayetsya sdelat prozrachnym raspredeleniye sredstv mezhdru regionami' [The government is trying to make the distribution of funds between regions transparent], *Finansovye Izvestiya*, 3 Mar. 1998.

⁷¹ *Kommersant-Vlast*, no. 7 (1997), p. 22.

⁷² In 1997 Moscow with its population of 8.6 million had 10.9% of Russia's gross domestic product (GDP), about 5% of its industrial production, and an average per capita income of \$6122 per year as compared with \$1797 in Russia as a whole. It had the highest investment rating and it swallows about two-thirds of all foreign investment. *The Economist*, 6 Sep. 1997, p. 38; and Interfax-AiF, 1–7 Dec. 1997, p. 12.

opportunities, know-how and so on, the federal corporations and commercial banks are destined to play the leading part in this union.

Bearing all these tendencies in mind, talk on the part of some Western scholars and specialists of democracy in the regions confronting the 'imperial aspirations of the Moscow elite' and advice to the US Administration, based on similar analysis, to support the Russian regions seem naive.⁷³ If these tendencies do prevail, and it seems that they really may, then the conclusion of *The Economist*, that 'Dissolution is unlikely, but less unlikely than coup d'état or civil war',⁷⁴ will also turn out to be incorrect. Regions involved in large 'federal business' will hardly think about separation or even isolation from the centre. A coup d'état is much more likely, especially if the central executive power fails to defend the interests of this emerging and strengthening 'union' of federal- and regional-level bourgeoisies efficiently and effectively.

Ideas and apprehensions regarding regional separatism, expressed both abroad and at home, may be seriously exaggerated, as they are mostly based on exterior manifestations of regional leaders' activity—sharp statements regarding the centre, inter-regional activities and so on—or on the course of events in Chechnya, which is not typical for Russia. Even *The Economist* points out that, in spite of the sovereignization of Tatarstan, the right which it won to conduct its own 'foreign economic policy' has still produced only a trade agreement with Iran and small investments from Malaysia.⁷⁵ The same can be said of Primorskiy Krai and its permanently rebellious Governor, Yevgeny Nazdratenko, even though, unlike Tatarstan, Primorskiy Krai has direct land and sea outlets to Asia-Pacific. The scale of its foreign economic cooperation leaves much to be desired and it shows no serious signs of separatism. Real integration of the Russian far east in Asia-Pacific, which is vitally important for the whole of Russia, will be possible only in close coordination with efforts by the federal centre.

The best proof of this is the breakthrough in cooperation between Russia and Asia-Pacific (China and Japan) achieved in the autumn of 1997 after two summit meetings. President Yeltsin visited China and Japanese Prime Minister Ryutaro Hashimoto visited Russia. Preliminary agreement was reached on a broad list of economic projects, especially important being several for the supply of Russian gas, oil and electricity from Siberia and the Russian far east to China, Japan and Korea. Taking into account the growth of demand for energy in Asia and the fact that North-East Asia is one of the world's oil and gas 'havens', there is a possibility that Russia in the 21st century will become almost the sole exporter of oil within the Asia-Pacific region.⁷⁶

⁷³ See, e.g., Hamilton, L., 'Pay attention to Russia's reforming regions', *International Herald Tribune*, 16 July 1997.

⁷⁴ 'A survey of Russia', *The Economist*, 12 July 1997 (supplement), p. 16.

⁷⁵ See note 74.

⁷⁶ Simonia, N., 'Russia and energy security in the Asia-Pacific region', Paper presented to the 8th International Conference on North-East Asia, Yanago, Japan, July 1998.

VI. 1998: crisis of the ultra-liberal model

In March 1998, when Chernomyrdin believed that he had concentrated almost all the levers of executive power in his hands and obviously anticipated becoming president in the near future, Yeltsin, displeased with Chernomyrdin's rapid rise and increasing independence, dismissed the entire government.

This marked the turning point in Russia's development. The structural crisis that had hitherto been semi-latent entered its open phase. In the following four or five months it became obvious that the model of development formed over the preceding six years was a blind alley. In the socio-political sphere the favourite method of the president, manoeuvring and playing colleagues off against one another, ceased to work. The illusory relative stability was broken even at the highest level of the executive power. There appeared signs of split and demoralization in the apparatus of the presidential administration and even in the narrow circle closest to Yeltsin. For instance, although Yumashev and Berezovsky had jointly initiated the removal of Chernomyrdin, they immediately split over the question of who was to become the next 'pocket' prime minister. Defying Berezovsky, Yumashev pressed for Sergey Kiriyenko.

Even more importantly, the spring and summer of 1998 revealed the complete exhaustion of the socio-economic model established as a result of the action of previous governments with the active cooperation of the IMF. A central element of that model was macroeconomic stabilization, interpreted as the fight against inflation at any cost. The result was a rather strange 'market economy' in which the greater part of industrial production appeared to be cut off from the system of monetary payment and moved into the shadow economy of barter, which even by the more modest estimates exceeded 50 per cent of the economy,⁷⁷ and the use of surrogate money. The credit system was isolated from the 'real', productive sectors of the economy and instead of performing its main function of serving those sectors it acted (together with the exchange markets) as a mechanism for pumping abroad a considerable part of the value added in production. This happened thanks to the ultra-liberal foreign currency market created with the assistance of Western experts. This situation meant that the state was unable to collect taxes, and as a consequence led to an increase of the budget deficit.

Meanwhile, as IMF instructions excluded the possibility of covering the budget deficit by printing money, starting from 1995 the government switched to financing the deficit exclusively by loan. A giant pyramid of treasury short-term bonds was built up, which very soon turned from being a means of patching holes in the budget to being a powerful means to take money, including that received from the international financial organizations, out of the budget. The growth of the pyramid was accelerated by the fact that in 1996–97 the Central Bank opened the treasury short-term bonds markets for foreign investors who had been previously acting through dummy Russian structures.

⁷⁷ Ivanter *et al.* (note 7); and *Expert*, no. 1–2 (18 Jan. 1999), p. 11 (in Russian).

Kiriyenko became Prime Minister at the very moment when net returns from selling treasury short-term bonds came down to zero, and since then the net capital outflow has never let up, increasing monthly by 5 billion roubles. On the eve of the collapse of 17 August 1998 the treasury was paying out \$1 billion per week on old bonds and had stopped the distribution of new bonds.⁷⁸ Oil prices remained depressed. The state found itself on the verge of bankruptcy.

Kiriyenko, calling his government a technocratic one, tried to be above the fight among the factions of bureaucratic capital, started to talk about industrial policy and began to create a ministry of industry and trade. However, the crisis had gone too far and the contradictions between the social and political forces in the country had been greatly aggravated. In this extreme situation another regrouping of forces took place. The representatives of big bureaucratic business separated into two camps, which had different views of the way out of the crisis.

One (relatively anti-Western) group consisted of those who were against the domineering role of the IMF and the Western transnational corporations in determining the tactics for Russia's way out of the crisis and the strategy for its future economic development. It was a large but ill-assorted group, including those 'oligarchs' who could not exist and flourish without the hot-house conditions created for them by previous governments and/or were reliant on corrupt ties with top officials, as well as those corporations (Lukoil and Gazprom) which had already obtained strong positions but which wanted to preserve them, including partnerships with foreign capital, and gain new privileges from the state.

Naturally, there could be no absolute cohesion within that group. For instance, the raw materials exporters were seriously interested in devaluation of the rouble as it could bring them considerable profit even while prices on the world market were low, but for the big financiers devaluation could be fatal as it would undermine their ability to settle credits received in the process of constructing the treasury short-term bonds pyramid, in which they had actively participated. Nevertheless, at that point in time they were united by the intention to prevent events developing according to the 'Western script'. Boris Berezovsky acted as their informal (and temporary) leader.

The second, more 'Western-oriented', group included those who believed it necessary to follow the recommendations of the IMF and were ready to play the role of junior partner of the Western transnational corporations. The undoubted leader of this group was and still is Anatoly Chubais.

Kiriyenko, although he had officially proclaimed a policy of neutrality, was in reality inclined to cooperate with the second group, which naturally caused great discontent among the first. Open riot seemed unavoidable. On 22 July 1998 the heads of six oil companies issued a sharp criticism of the conditions attached to the next IMF credit, calling the economic policy of the international financial organizations, which in particular involved an increase of fiscal pres-

⁷⁸ Ivanter *et al.* (note 7), p. 8.

sure on the industries of the 'real economy', 'unreasonable and irresponsible'. *Nezavisimaya Gazeta* (controlled by Berezovsky) did not hesitate to threaten to 'sweep away' the government of Kiriyenko.⁷⁹

As the culmination of the crisis approached, Kiriyenko openly took the 'Western-oriented' course and the final decision on crisis measures proclaimed on 17 August was made with the direct participation of Chubais, preceded by consultations with Yegor Gaidar, the international financier George Soros and the leaders of the relevant US government agencies.⁸⁰

On the face of it the decision on simultaneous default and devaluation had to satisfy both exporters and the commercial banks, which were forbidden to make payments on their foreign debts. In fact matters were more complicated and worse. First, the default was announced only for three months, which was too short a time for banks to solve the problem of their debt: by the end of the period the majority of them were expected to go bankrupt. Second and more importantly, Kiriyenko and Chubais prepared a 'Western version' of restructuring, putting the country's finances on a sound basis and allowing for bankruptcies. On the eve of the default Chubais openly called on foreign banks to participate in the restructuring of the Russian banking sector.⁸¹ Not long after that, Nemtsov stated that Kiriyenko intended to apply a package of tough and radical reforms which Western leaders insisted on and which included the bankruptcy of politically influential but economically weak commercial banks and oil companies. It was envisaged that stronger companies, including Western creditors, could take control over weaker firms.⁸²

The leaders of the opposite camp learned of those plans. With the help of the presidential administration Berezovsky made another 'upheaval' and secured the removal of Kiriyenko. Nevertheless, as in March 1998, the operation was only a partial success: the attempt to return Chernomyrdin to power was frustrated by the Duma.

The approval of Yevgeny Primakov as Prime Minister on 11 September brought immediate relative political stability. This was the first government to enjoy the support not only of the President and his administration but of the Duma and the Council of the Federation, as well as broad sympathy among the general public (as was more than once established by opinion polls). This may be connected with the fact that for the first time the executive power was led by a man who had no connections with any faction of bureaucratic capital and was a consistent statist.

The general features of the course taken by the Primakov Government were apparent—the gradual dismantling of the existing neo-colonial and neo-comprador model; the focusing of economic policy on solving the problems of

⁷⁹ 'Neft i politikanstvo' [Oil and intrigues], *Nezavisimaya Gazeta*, 23 July 1998.

⁸⁰ Interview given by Kiriyenko and abstracts from Soros, G., [The end of capitalism], published in *Expert*, no. 1–2 (18 Jan. 1998), pp. 8, 10 (in Russian).

⁸¹ Krutakov, L., 'Chubais khotel sdal banki inostrantsam' [Chubais wanted to give away the banks to foreigners], *Moskovskiy Komsomolets*, 26 Aug. 1998.

⁸² Abstracts from an interview by Boris Nemtsov and comments on it, *Russkiy Telegraf*, 27 Aug. 1998; and *Expert*, no. 32 (31 Aug. 1998), p. 11 (in Russian).

the real economy; the restructuring of the banking system and industry in the interests of general economic development instead of self-enrichment; and the continuation of socially oriented economic reforms.

In order to develop this strategy fully, Primakov's Government had to solve the most complicated problem of debt, both foreign and domestic. The great difficulty here lay in the fact that the government was forced to solve this problem at the same time as developing a new strategy. For that purpose a number of long-term measures were undertaken.

The Russian Federal Property Fund established an Agency for the Restructuring of Credit Organizations, the goal of which was the creation of a new banking system, a return to normal working for the 18 largest banks, large regional banks, and the bankruptcy of approximately 720 banks which were beyond saving.⁸³ A new Russian Development Bank (RDB) was formed with capital from the 1999 development budget and the possibility of international financial groups participating in the bank's capital was envisaged. The RDB was created to accumulate means from foreign and home sources to provide credit for the 'real sector' regardless of forms of property—the main criterion was efficiency—using the mechanism of distribution of state investments on a competitive basis and provision of state guarantees.⁸⁴ In the course of setting up these two institutions the government resorted to consultations with the International Bank for Reconstruction and Development (IBRD) and the European Bank for Reconstruction and Development (EBRD). In its turn the Central Bank started to construct a post-crisis model of the home currency market instead of the former ultra-liberal one, with exporters being obliged to sell to the Central Bank 75 per cent of their foreign exchange earnings and with more effective regulation of exchange-rate fluctuations.⁸⁵

In spite of another 'mutiny of the oil generals' in October 1998, the government increased its efforts to restructure this most important industry. The main directions of these efforts were: (a) a reduction of the number of companies through the merger of Rosneft, Slavneft, Onako (and then probably of Tyumenskaya), forming a large national oil company in which 75 per cent of shares would belong to the state; (b) the formation of a working group to control oil exports and related matters;⁸⁶ and (c) partial rationalization of those enterprises that were seized by the 'oligarchs' during the division of state property but which they failed to 'digest' and which had become a burden to them.

Foreign investment was another matter where Primakov did not support either of the opposing groups. Russia's interests and its national economy were his priority. He expressed a negative attitude to speculative portfolio investments and stood for promotion of direct private investments. Here a serious breakthrough has already been achieved: on 9 December 1998 the Duma passed

⁸³ For details, see *Kommersant-Vlast*, no. 46 (1 Dec. 1998), p. 28; and *Segodnya*, 18 Dec. 1998.

⁸⁴ For details, see *Segodnya*, 23 Dec. 1998; and *Nezavisimaya Gazeta*, 30 Dec. 1998.

⁸⁵ For a more substantial analysis of these measures, see Makovskaya, E., 'Valutu tolko po nuzhdey' [Foreign currency only if needed], *Expert*, no. 37 (5 Oct. 1998), p. 6.

⁸⁶ *Finansovye Izvestiya*, 22 Dec. 1998; and *Moskovskie Novosti*, 22–29 Nov. 1998.

legislation enabling production-sharing agreements (PSAs) and thereby promising to change the landscape of oil industry investment in Russia.⁸⁷ This added impetus to foreign investment in the already functioning Sakhalin-1 and Sakhalin-2 projects. Negotiations with Exxon on the Sakhalin-3 project became brisker. The Sakhalin-4 and Sakhalin-5 projects were next in turn. All this meant that the prospects for the development of the Russian far east and for energy cooperation with the Asia-Pacific countries could be regarded with more optimism. Immediately after the first breakthrough the government started preparing other important bills on foreign investments (for example, 'On concessions', 'On free economic zones' and 'On accounting') for introduction to the Duma.

The large part of industry that was excluded from the money circulation process was less affected by the recent financial shocks. Combined with a considerable weakening of the leading bureaucratic capital factions, this created favourable conditions for the government to concentrate on industrial expansion. Tight as the 1999 state budget was, the government put into the 'development' budget 21.6 billion roubles—five times more than in previous years.⁸⁸ However, it was not by any means planning to save industry in general. The approach was strictly selective. Only efficient industries were to be supported—those which were promising from the point of view of export and competitiveness on the home market or strategically important.

Naturally, the government proceeded from an understanding that foreign participation in this restructuring was necessary and was ready to allow foreign investors considerable financial privileges. Thus, while adopting at the end of January 1999 a plan of financial support for the Rosselmash joint-stock company (a monopoly in combine construction), it took into consideration the intention of the US company John Deere to participate in joint production, and was ready to give the plant a four-year debt postponement plus another four-year instalment on its main debt and a 10-year instalment on accumulated penalties.⁸⁹ In the defence industry the government started the process of centralization of production, coordination of research and creation of vertically integrated corporations. The creation of a large holding in Rossiyskiye Raketnye Dvigateli (Russian Rocket Engines), where it was decided to leave 51 per cent of shares to the state and grant 34 per cent to Russian and foreign investors, and the decision on the merger of the Sukhoi Construction Bureau with the MiG aviation complex⁹⁰ were examples.

In general the new government strategy was a resolute rejection of unbridled liberalization, but it was also almost as clear a rejection of a return to centralized administration.

⁸⁷ *OGJ Newsletter*, 4 Jan. 1999.

⁸⁸ *Nezavisimaya Gazeta*, 30 Dec. 1998; and *Segodnya*, 27 Jan. 1999.

⁸⁹ *Izvestiya*, 29 Jan. 1999.

⁹⁰ *Izvestiya*, 17 Dec. 1998; and *Nezavisimaya Gazeta*, 20 Jan. 1999.

The implications for Russian foreign policy

What were the foreign policy implications of Primakov's coming to power ?

First and foremost, the question facing Primakov was how better to balance foreign policy orientations within the framework of a multipolar world concept.

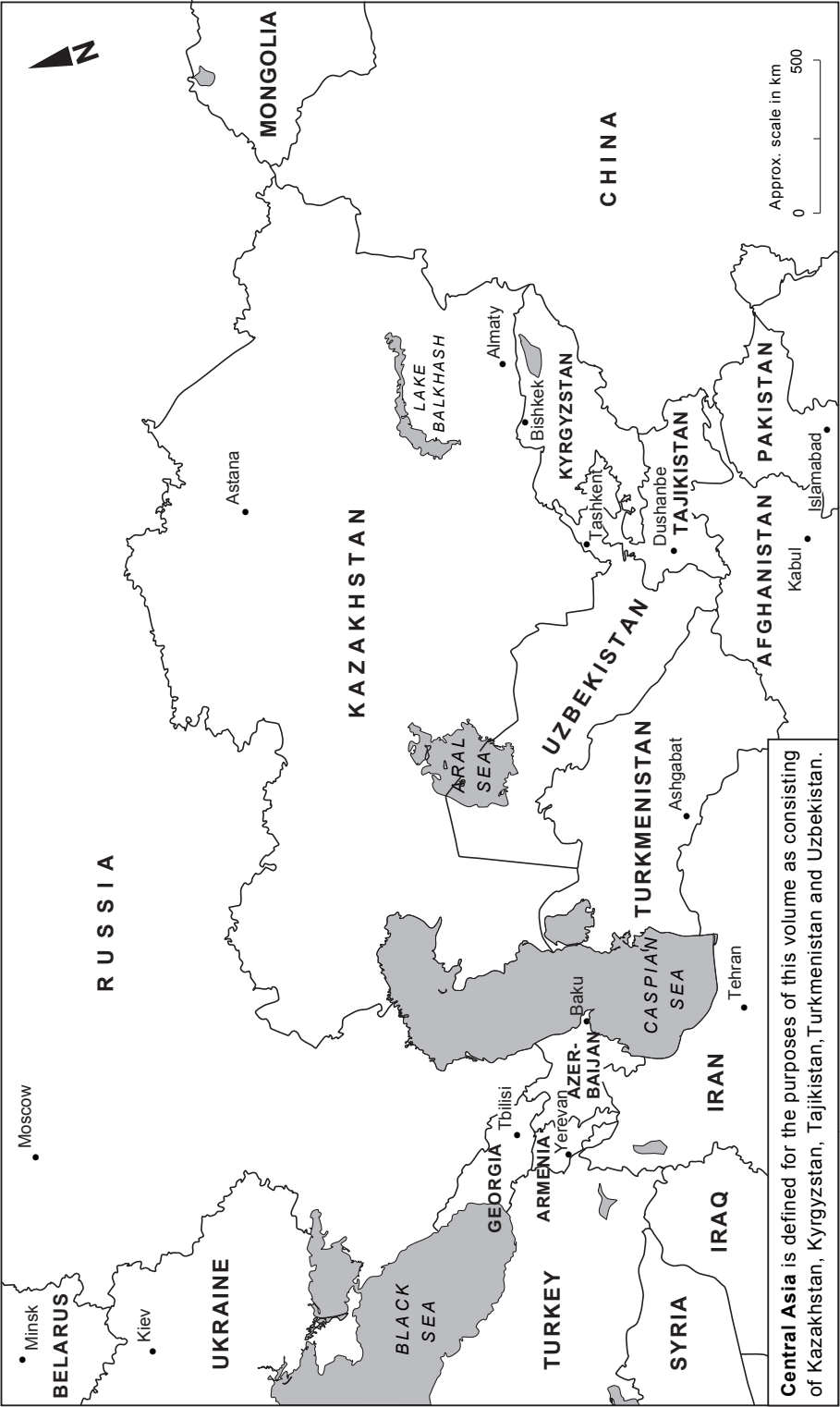
If a snapshot of the international situation could be superimposed on a map of the gross domestic product (GDP) of the larger countries, their military potential and so on, then the impression would be that a unipolar world is emerging. Nevertheless, if the international situation is examined objectively it becomes clear that there is long-term continuity in the tendency for the world to become multipolar. This tendency began with the collapse of colonialism and recovery from World War II. It was favoured by the emergence of the non-aligned movement, by increasing integration in Europe and by other processes that could not be confined in the framework of the cold war bipolar opposition. The break-up of the bipolar system gave it additional stimulus and widened the circle of countries participating in the process. Even former allies no longer needed to line up on one or other side of the barricades. However, the multipolar system is still far from taking final shape.

The goal of Primakov's foreign policy was in no way a reorientation from the West to the East but a better balance between the West and the East—a lifting of the level of relations with the East which was previously unreasonably low. Meanwhile the position of the West, and especially that of the USA, left much to be desired. Behind complacent assurances and good wishes, an urge to isolate Russia, including within the framework of the CIS, was easy to see, as well as a reluctance to intensify and expand cooperation in the sphere of high technology. (Such cooperation took place only in cases where the technological advantage was on Russia's side, and even then the USA presented it as a boon to Russia and when opportunity offered used it as a means of putting on political pressure.) Finally, the West's watchful attitude to and even disapproval of Primakov's very appointment as prime minister and a refusal or delay in giving his government even modest financial support, while all previous governments, in spite of rampant corruption and the squandering of credits, were quite regularly granted credits—all this and much more seemed as if deliberately intended to push Russia towards orientation to the East. It hardly corresponded to the interests of strengthening global and regional security.

Under Primakov's Government Russia attempted to halt the process of decline to the role of a second-rate regional power. Relying on a real tendency for a multipolar world to develop, and basing its policy in particular on cooperation with Asian and Asia-Pacific countries, Russia was led to turn back the negative tendencies of its socio-economic development and to occupy a worthy place in the future world order, not as another superpower but as one of the great equal powers of the future world.

Part II

Russia's stakes in Central Asia



Central Asia is defined for the purposes of this volume as consisting of Kazakhstan, Kyrgyzstan, Tajikistan, Turkmenistan and Uzbekistan.

5. The emerging geopolitical balance in Central Asia: a Russian view

Vitaly V. Naumkin

I. Introduction

The Central Asian states—Kazakhstan, Kyrgyzstan, Tajikistan, Turkmenistan and Uzbekistan—have unexpectedly and vigorously entered the community of independent states. The world’s political elite was still taking the measure of these new recruits among the successor states of the USSR, about which little was known, at a time when they were already confidently demonstrating their own identity and each was upholding its right to choose its own path, distinct from the others. Neither Russian, Turkish, Iranian or Western models have been emulated. The condescending attitude of foreign analysts towards the conservatism of the Central Asian regimes, which were initially encouraged to separate themselves more firmly from the past, gradually gave way to more deliberate assessments and a focus on stability—something that has been seriously upset only in Tajikistan, where the outbreak of the civil war in 1992 ruled out the creation of a prospering civic society based on a market economy and democracy.

Russia’s gradual withdrawal from the region, the vacuum of influence there and the mineral resources discovered in a number of the states have heightened many global and regional players’ interest in them. Having become the centre-piece of the interests of rival powers which have been using the opportunities for action in Central Asia to assert themselves, settle scores, advance their own interests or form their spheres of influence, the Central Asian states have brought to life again the long-forgotten schemes of the ‘Great Game’ of the last century, which at present exists rather in the writings of experts and journalists than in real political life.

II. The geopolitical forces in Central Asia

In the immediate future, the Central Asian states will scarcely be able to unravel the close ties linking them with Russia, even if the diversification of their external ties picks up speed. In the view of the US researcher Rajan Menon, ‘the dependence is asymmetric: Russia has far more scope for using trade as a means of political leverage than do governments of the southern Near Abroad’.¹

¹ Menon, R., ‘After empire: Russia and the southern “near abroad”’, ed. M. Mandelbaum, *The New Russian Foreign Policy* (Council on Foreign Relations: New York, 1998), p. 115.

In the 1990s, the geopolitical balance in Central Asia has been undergoing a slow evolution, the main catalyst of which is the confrontation of the interests of different external forces. That balance can be imagined as a set of overlapping planes, at the junction of which the region is situated.

First there is the plane of the *Islamic world*, to which the Central Asian region entirely belongs. (Northern Kazakhstan extends beyond the Islamic area but is part of a state that is integrated into the Islamic world and perceives itself, through the titular ethnic group, as part of it.) The degree of involvement in the Islamic world at the civilizational level varies from a high level in traditional centres of religious influence, such as the Ferghana Valley in Uzbekistan, to a low level in Kazakhstan, Kyrgyzstan and Turkmenistan. At the political level, affinity with the Islamic world is expressed in the membership of these states in the Organization of the Islamic Conference. The main limiting factor here is the policies of the Central Asian rulers who, while retaining Islam as an important component of the Central Asian identity and an instrument of external contact, are trying to prevent its becoming politicized or excessively influential. At the same time, within the framework of Islam the region is the target of expansion both from the outside and from the inside: many forces aspire to bring it or at least part of it into the orbit of influence of political Islam. This means primarily Tajikistan and Uzbekistan, whose governments regard Islamic extremism as one of the main threats to themselves.

There is also a general impression that Uzbekistan has been chosen by the USA to be used to counteract Islamism, which is forcing its way to the north from a broad band of countries—something which is increasingly perceived in Washington as a grave threat to US interests. In Uzbekistan President Islam Karimov is adroitly striking the anti-fundamentalist chord while not distancing himself too much from flirtings with Islam, which has been put under strict government control. (The USA equally sees in Uzbekistan a suitable force to counterbalance Russian influence in Central Asia and Moscow's imperial ambitions, in whose existence the West still believes.)

Second, there is the *Central Asian* plane proper. The region is an enclosed system clearly distinguished from the adjoining states and regions. This distinctiveness, however, is attenuated in the south by the presence in the neighbouring states of large groups of people belonging to the dominant ethnic groups in the Central Asian states (Tajiks and Uzbeks in Afghanistan, Turkmen in Iran) and by the presence in the Central Asian states themselves of people who belong to the basic ethnic groups of the neighbouring states but see themselves as native inhabitants with a historic title to the territory of their abode (such as Russians in Kazakhstan). It should be noted that the Tajiks, Turkmen and Uzbeks living in the Near and Middle Eastern states do not associate themselves with their counterparts from the Central Asian republics but possess an identity of their own.

The pattern of ethnic 'strip holding' and the novelty of these countries' present statehood favour regional solidarity: the Central Asian states cannot

separate themselves from each other with a 'Great Wall of China' because of the mismatch between the borders of settlement of ethnic groups and the state boundaries. This phenomenon is common to most regions of the world. In Central Asia it is combined with populations whose self-identification as citizens of a particular country is underdeveloped. Ethnic self-identification is often stronger. These factors work against solidarity, create problems and give rise to conflicts, so far latent but already rising to the surface of political life and even taking the form of armed confrontation.

At the civilizational level, the region exhibits a tendency towards unity. The basis for this is a common history, similar customs, a shared way of life and the very perception of belonging to a regional community shared by the ethnic groups such as the Central Asian Germans, Koreans or Russians. At the political level, regionalism is confronted by the particularism prevailing today. The keen desire of the Central Asian newly independent states to consolidate their independence can lead them to interpret any regional cooperation as a factor restricting that independence. However, to the extent that regional solidarity and cooperation can be an instrument to strengthen their independence or counterbalance cooperation with outside forces that are stronger and thus threaten to dominate, the governments of the region need them. The integration of the Central Asian states has already taken concrete organizational form in the Central Asian Union of Kazakhstan, Kyrgyzstan and Uzbekistan (and since 1999 Tajikistan).² Differences in levels of development, fears that Uzbekistan has hegemonic ambitions and a number of other factors will act as restraining factors.

Third, there is the *US and European* plane. After the break-up of the USSR the newly independent states inherited membership of the Conference on Security and Co-operation in Europe (CSCE) and a number of other European and transatlantic bodies, including (except for Tajikistan) the NATO Partnership for Peace (PFP). Particularly significant in the framework of the PFP was the formation of the Kazakh–Kyrgyz–Uzbek peacekeeping battalion in 1996 and the holding of manoeuvres jointly with NATO countries in September 1997.³ Although for objective reasons the Central Asian states can hardly integrate with Europe, their keen interest in developing relations with Western states—a potential source of financial and investment backing, up-to-date technologies and consumer goods—is encouraging them to step up their activity in this direction. Of special importance for the Central Asian states here is the participation of Western companies in the development of oil and gas deposits and the pipeline projects.

² On the Central Asian Union, see appendix 1 in this volume. 'Almaty, Bishkek i Tashkent sblizhautsya' [Almaty, Bishkek and Tashkent come closer], *Nezavisimaya Gazeta*, 9 July 1994, p. 1.

³ This gave a limited military perspective to the Central Asian Union. Muratov, Zh., 'Amerikanskiy soldat i geopolitika' [An American soldier and geopolitics], *Delovaya Nedelya* (Almaty), no. 37 (26 Sep. 1997), p. 2; and Kozlov, S., 'Tsentralnoaziatskiy soyuz: stupen k Evraziyskomu?' [Central Asian Union: a step towards Eurasian union?], *Sodruzhestvo NG* [supplement to *Nezavisimaya Gazeta*], no. 6 (27 May 1998), pp. 9, 14.

Fourth, there is the plane of the *Commonwealth of Independent States (CIS)*. Whatever the questions as to the future viability of the CIS, the Central Asian states have so far retained and will probably continue to retain close ties with their CIS partners both on a bilateral and on a multilateral level.

The states of Central Asia hold different positions with respect to both the CIS and multilateral understandings. Turkmenistan is neutral and recognized as such by the United Nations. Uzbekistan, a major regional country, has a rather critical view of the CIS and of any initiatives intended to develop it in the direction of greater integration, and particularly of any ideas about the creation of supranational bodies. It even takes a negative view of such a body as the CIS Interparliamentary Assembly. Kazakhstan and Kyrgyzstan, along with Belarus and Russia (and since February 1999 Tajikistan), are members of the CIS Customs Union,⁴ which is marked by a somewhat higher level of integration and functions independently of the CIS. Kazakhstan's President Nursultan Nazarbayev, a proponent of closer rapprochement between the newly independent states, is promoting his concept of a Eurasian Union. Tajikistan, riven by a bitter internal conflict, is receiving military assistance from the CIS states.⁵

The 1992 Tashkent Treaty on Collective Security⁶ is one of the most significant multilateral arrangements in the CIS, but, like many other documents, it is inoperative.

Fifth, there is the *Turkic* plane. All the Central Asian states except Tajikistan identify themselves through the supra-ethnic category of Turkism. Some apologists of the Turkic identity are even inclined to include Tajikistan in the Turkic area of habitation as a country of which one part was historically part of Turkestan and of whose population a quarter are Turks (Uzbeks). The role of Turkism is enhanced by the importance of Turkey as one of the major partners of the Central Asian states; for Turkey, Turkism is a pivot of cooperation with them. Furthermore, Turkey is held up by the West as a development model for the Islamic newly independent states.

Sixth, there is the *Iranian* dimension. The only Persian-language country in Central Asia, Tajikistan, forms a cultural and civilizational continuum with Afghanistan and Iran, which suggests that it will gravitate naturally towards them, although this tendency is weakened by the contradictions between the Shi'ite Muslims dominant in Iran and the Sunnis prevalent in Tajikistan; by the hostile relations between the Pushtus and the Tajiks in Afghanistan; and by the differences between the Islamic-oriented regimes of Tajikistan's southern neighbours (Afghanistan, Iran and Pakistan). The greater part of Tajikistan's ruling elite has so far kept a secular orientation, although pressure from the

⁴ Treaty on Deepening Integration in Economic and Humanitarian Sphere, 29 Mar. 1996. For the text of the treaty, see *Diplomaticheskii Vestnik*, no. 4 (1996), pp. 56–60.

⁵ Formally until late 1998 troops were to be provided by Kazakhstan, Kyrgyzstan, Russia and Uzbekistan. However, Russia plays the most prominent part: its 201st Motor Rifle Division, officially designed for peacekeeping functions but in fact to a greater extent engaged in guarding vital economic installations, is stationed on Tajikistan's territory, while its border with Afghanistan is guarded by Russian border guards (the majority of whom are local inhabitants). See also chapter 7 in this volume.

⁶ For the text, see *Izvestiya*, 16 May 1992, p. 3.

Islamists, who by a whim of fate have found themselves in the same camp with the liberal democratic opposition to the regime, is becoming stronger. Gorno-Badakhshan, divided between Afghanistan and Tajikistan, is inhabited by the followers of a particular teaching of Islam, Ismailism, and the cross-border links between them, despite the gap in development levels, may increase as contradictions grow with the Sunnis surrounding them.

In spite of the frequently sharp political contradictions between the ruling regimes and suspicions of Iranian hegemonism, in the longer term the pull of solidarity inside the Persian-language area may intensify, since pressure from the Turkic world is tending to increase.

Seventh, there is the *Middle Eastern* plane. For the time being, talk of an expanded Middle East that may have absorbed or is gradually absorbing Central Asia is purely hypothetical; moreover, it is the idea of experts outside the region. The people of Central Asia do not feel that they belong to a Middle Eastern macro-region. However, the trend for links with the Middle East to grow is clearly evident. Not only has it become fashionable among the politicians of Middle Eastern states (particularly Arab states) to speak of Central Asia as part of the macro-region, but there is an evident inclination to treat the processes going on there as touching directly on the interests of the Near and Middle East. Saudi Arabia's interest in the Central Asian republics arises not only from a wish to support the Islamic renaissance there but also from the fact that many of its inhabitants originate from Central Asia, especially Uzbekistan, which as part of its fight against Islamic fundamentalism is sharply curbing Saudi influence and restricting contact.

In the present geopolitical reality, strategic analysts are turning again to the theory of the 'Heartland', introduced by Sir Halford Mackinder in 1904.⁷ He envisioned Russian control over the Eurasian land mass as the 'pivot of world politics'. Authors are to be found, in Russia, for example, who still apply this concept to Russia. There are also attempts to couple the idea of the 'Heartland' with that of the 'Great Game' which Iran and Turkey are believed to be pursuing, using the Turkic and Islamic bonds to attract certain Eurasian states. The old concept is also being tried on a new actor, China. 'Noticeably missing from many calculations is China, a country that constantly challenges the Heartland's principles because of its dual topography. China's western frontier (notably Xinjiang province) can technically be included within Mackinder's framework, but China's population and commercial resources are concentrated along the coast, giving the Chinese infrastructure a sea-oriented designation.'⁸ However, some observers believe that in the not too distant future China will begin a dash into Eurasia because a gigantic population surplus will force it to expand.⁹

⁷ Mackinder, H., 'The geographical pivot of history', *Geographical Journal*, vol. 20, no. 4 (Apr. 1904), p. 421.

⁸ Robbins, G., 'The post-Soviet heartland: reconsidering Mackinder', *Eurasian Studies* (Ankara), vol. 1, no. 3 (fall 1994), p. 35.

⁹ See, e.g., Strausz-Hupe, R., 'NATO: to make the world safe for democracy', *Global Affairs*, vol. 7, no. 4 (fall 1992).

China may increase its consumption of oil and gas significantly in the first decade of the 21st century, relying on Eurasian supplies, mainly from Russia and the Central Asian states. China has signed an agreement with Kazakhstan on constructing a 3000 km-long oil pipeline to Xingiang Province, and Turkmenistan is considering the construction of a gas pipeline to Kazakhstan and further on to Xingiang Province.¹⁰ Hundreds of thousands of Chinese illegal immigrants are already creating problems for Russia and Kazakhstan.

III. Threats to security

Security for the exploitation of energy resources

Energy (oil and gas) resources and related questions of communications seem to be playing a decisive role in the Central Asian–Transcaucasian game. The idea of transforming the region into an international transport corridor, which is willingly supported abroad, has seized the imaginations of Central Asia's inhabitants so firmly that it is seen almost as a substitute for development. As expected in the region, the disadvantages of being landlocked will be overcome as soon as the new oil and gas pipelines, roads and other communications are built. Turkey is trying to instil in the minds of the Central Asian states the idea that only the new Caspian–Ceyhan line will make it possible to bring Azeri oil and gas from Kazakhstan and Turkmenistan to the West.¹¹ This Transcaucasian corridor is endorsed by Azerbaijan, Georgia, Kazakhstan, Uzbekistan and especially the USA. The dream of a trans-Asian corridor has also become a guiding motif for Pakistan, which has long been eager to penetrate into Central Asia and is planning to use the new transit network to bolster its influence in Afghanistan with a view to enhancing its regional role eventually. Pakistani support has been largely instrumental in the Taleban military victories in Afghanistan which have contributed to the changing regional geopolitical balance.

Turkish analysts note that 'the deposits of the Caucasus and Central Asia may be regarded as an independent source of oil production only to the extent that it can be brought to the world markets independently of the Middle Eastern and Russian oil pipeline networks'.¹² The question of the transport of gas from Kazakhstan and Turkmenistan to Europe is being posed in a similar fashion. For Kazakhstan two possible routes exist, one through Iran and one over the Caspian seabed and then through Azerbaijan. Turkey is the consumer for Turkmenistan's gas, which makes the Turkish option attractive. In Turkey it is assumed that the West's desire to establish a system of gas transit from the newly independent states independently of the Russian and Middle Eastern

¹⁰ Dorian, J. P., Wigdortz, B. and Gladney, D., 'Central Asia and Xingiang, China: emerging energy, economic and ethnic relations', *Central Asian Survey*, vol. 16, no. 4 (Dec. 1997), pp. 461–86.

¹¹ On the alternative routes, see Chufrin, G., 'The Caspian Sea region: the security dimensions', *SIPRI Yearbook 1999: Armaments, Disarmament and International Security* (Oxford University Press: Oxford, 1999), pp. 217–23.

¹² Turan, I., 'Mediterranean security in the light of Turkish concerns', *Perceptions* (Ankara), vol. 3, no. 2 (June–Aug. 1998), p. 25.

networks will be to its advantage even if the US sanctions against Iran are lifted. However, far from all experts are convinced of the superiority of the Turkish option for transporting energy resources. The costs of laying the pipeline to Ceyhan will in all probability be extremely high and it would pass through conflict zones, especially Kurdish regions, with attendant risks for regularity of supply. Nonetheless, the USA's political backing for the Turkish route may be decisive.

Ensuring security for the production and transport of energy resources is an important task for the Caspian Sea states. How it is achieved will have a direct influence on the emerging geopolitical balance. In the view of a Turkish analyst, Ilter Turan, oil and gas shipments generate 'hard and soft security concerns' for the Central Asian and Transcaucasian oil producers, the consumers and those involved in delivery to international markets. Among the 'soft' threats he reckons the possibility of environmental disasters such as oil spills and major fires, since large oil tankers are accident-prone, pipelines are vulnerable to terrorist raids, there may be domestic and international instability in the territories through which the pipelines pass, and so on. As for the major 'hard' security concerns, 'sea lanes must be kept open and loading facilities must be protected against potential military aggression'.¹³

The protection of transit routes for energy supplies is seen by Turan as an integral part of the Mediterranean, not the Central Asian or Middle Eastern, security systems, since the Mediterranean countries are not only transporting agents but also consumers of Central Asian and Transcaucasian oil and gas. That part of the region where the energy resources are extracted is thus included in the zone of responsibility of the consumers. The participation of Western companies in developing the energy resources of the region and building transport routes also, naturally, creates the preconditions for Western countries to consider the security of the region and of oil supplies as having a direct bearing on their interests. The possibility of a Western military presence in the Caspian region to protect these interests in case need arises is a cause for concern for Russia as well as Iran.

External threats

The Indian and Pakistani nuclear tests and Iran's test of an intermediate-range ballistic missile in 1998 changed the situation in the Central Asian region, which now finds itself almost surrounded by powers which possess nuclear weapons and missiles. The Central Asian states have nothing to counter this potential threat which, although not directed against them, may still some day confront them with the task of containment, all the more so as further relations with the countries concerned are unpredictable. Kazakhstan, for instance, taking account of both the tragic experience of the distant past and present realities, at

¹³ Turan (note 12), p. 37.

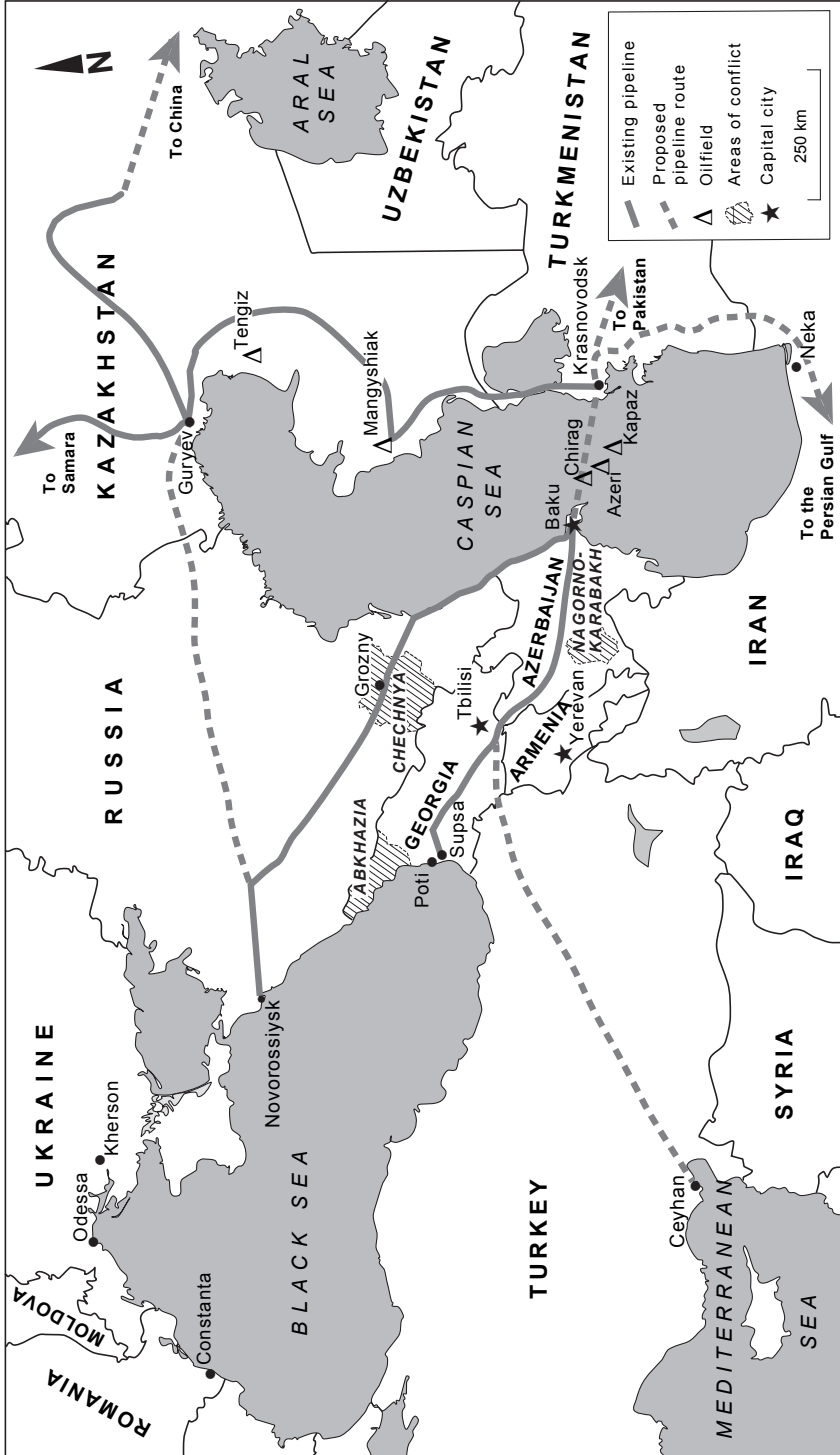


Figure 5.1. Existing and possible future oil routes from Central Asia

times feels a deep-seated mistrust of China's intentions. If they are to be able to counter threats, the Central Asian states can probably not do without the assistance of third parties. One question remains open: to what extent the Tashkent Treaty in the longer term can become an instrument of their defence and in what measure the emerging military-strategic cooperation with the West can be an alternative to cooperation with Russia and other CIS states. In the near term the Central Asian states will probably avoid taking steps that might be construed by Russia as hostile to its interests. In the view of Rajan Menon, 'the continuing heavy economic and military dependence of these countries on Russia and the instabilities that have shaken some of them, together with Russian proximity and preponderant power, account for Russia's influence'.¹⁴

The newly independent Central Asian states can hardly fear serious threats to their security from the outside. At present there are no territorial disputes between them and their neighbours, they are making no claims or demands of any kind on each other and there is no serious cause for conflict. The possibility of direct military aggression against them is therefore remote. However, since 1997 they have been facing a grave challenge in the shape of the Taleban movement, whose approach to their borders after a series of impressive victories in Afghanistan has made the Central Asian strategists ponder if an expansion of the Taleban further north, over those borders, is to be expected.

Initially, the Taleban's lightning advance to the north of Afghanistan in August 1998 excited a feeling that in the face of a possible expansion of militant Islam the Central Asian states would be forced to pool efforts with the other CIS states. It seems that the understanding reached shortly before, on 6 May 1998, by the presidents of Russia, Tajikistan and Uzbekistan on joint action to counter Islamic extremism¹⁵ provided reason enough. Leonid Ivashov, Head of the Chief Directorate for International Military Cooperation of the Russian Defence Ministry, went on record as saying that 'closer cooperation is being organized between the states involved in order to infuse the Collective Security Treaty with real content'.¹⁶ However, even integration-oriented Kazakhstan and Kyrgyzstan did not warm to this cooperation, while neutral Turkmenistan not only avoided expressing an attitude towards the events, but also demonstrated its neutrally benevolent, if not amicable, attitude towards the Taleban.

Uzbekistan, which, it had seemed, would be more concerned with the state of affairs evolving near its southern borders than any other state, had no wish at all to step up military cooperation with Russia and other CIS partners. Its defence minister took no part in the meeting of the CIS ministers of defence in Moscow in early September 1998. Uzbekistan was displaying calm. It looked as if even

¹⁴ Menon (note 1), p. 148.

¹⁵ 'Reformirovat SNG nachali s yuga: Rossiya, Uzbekistan i Tadjikistan obedinyautsya v politicheskuyu "troiku"' [The reform of the CIS started from the south: Russia, Uzbekistan and Tajikistan unite in a political 'troika'], *Nezavisimaya Gazeta*, 7 May 1998, p. 1.

¹⁶ Nikitin, A., 'Den telefonnoy diplomatii' [A day of telephone diplomacy], *Nezavisimaya Gazeta*, 15 Aug. 1998, p. 1.

the threat of the Taleban, who had captured the stronghold of Uzbekistan's ally, General Abdul Rashid Dostum, was not upsetting the cool, cautious attitude of President Karimov to the development of integration within the CIS framework. It was no accident that a message from Russian President Boris Yeltsin, passed on during a visit to Uzbekistan by then Russian Prime Minister Viktor Chernomyrdin, said, in part: '[we] are concerned about the position of the Uzbeki side on the issues of integration within the CIS framework and its approach to the function of the bodies and institutions of the Commonwealth. We regard any attempt of our partners to accuse us of imperial ambitions or of intervening in the internal affairs of our friends with sincere pain'.¹⁷ In February 1999 Uzbekistan decided to discontinue its participation in the Tashkent Treaty.

Internal conflicts

The leaders of the Central Asian states perceive a greater threat to their security in internal conflict situations than in external ones. The example of Tajikistan, as they have all admitted, has taught them a great deal. Attempts are being made in the region to pool efforts to create its own collective security system. Initiatives have been put forward by Kazakhstan and Uzbekistan. President Karimov's initiative for setting up a nuclear weapon-free zone in the region is worthy of note.¹⁸ It is interpreted by a number of political figures in the region as an attempt by Uzbekistan to uphold its status of a regional power under whose auspices alone work in that direction can proceed. Karimov's second book was entitled 'Uzbekistan at the threshold of the 21st century: threats to security and the conditions and guarantees of progress'.¹⁹

Non-traditional threats to security

Drug traffic

Besides traditional threats to the security of the Central Asian states, there are many new menaces, challenges and risks, prominent among which is the traffic in drugs. The Central Asian and Transcaucasian states are increasingly involved in the illicit production and transport of drugs. Government bodies are incapable of keeping the situation under control, especially where a country is plagued by conflicts or suffers from internal instability, as in Tajikistan. The situation is made still worse by the fact that drug dealing is often used to achieve particular political aims: the money received is used to finance illegal political and military activities, first of all to purchase arms, fund armed groups or support extremist groups working for the destabilization of society. According to Russian experts, 'drug dealing in the CIS countries has very close links

¹⁷ 'Poslaniye prezidentu' [Letter to the president], *Pravda Vostoka* (Tashkent), 31 Dec. 1997, p. 1.

¹⁸ The initiative was put forward in Sep. 1995.

¹⁹ Karimov, I., *Uzbekistan na Poroge XXI Veka: Ugrozy Bezopasnosti, Usloviya i Garantii Progressa* (Uzbekistan Publishing House: Tashkent, 1997).

Table 5.1. Quantities of drugs seized by the Tajik Ministry of the Interior, 1991–95
 Figures are in kg.

1991	1992	1993	1994	1995
10.9	21.4	113.2	321.5	1750.0

Source: *Segodnya*, 14 Aug. 1996.

with the criminal world and organized criminal groups on the one hand, and with separatist and extremist movements and their leaders on the other'.²⁰

Tajikistan is the best example of the tight connections between drug dealing and political struggle. It is one of the Central Asian centres for the production of drugs and for their transport from Afghanistan. Opium poppy and Indian hemp grow in areas which are basically out of government control. As might be expected, the civil and clan conflict in Tajikistan and the resulting emigration of many thousand Tajiks to Afghanistan have stimulated a radical growth in drugs circulation in and via Tajikistan.²¹ According to the Ministry of the Interior, about 200 tons of various narcotic substances were being transported annually in the mid-1990s through the territory of Tajikistan to Europe, equivalent to about 40 per cent of the illegal turnover in Russia. The law enforcement institutions are able to stop only a small part of the traffic (see table 5.1).²²

From Tajikistan, drugs flow to Kyrgyzstan, where the authorities are unable to maintain control of the borders and transport routes and where there are also plantations of Indian hemp and opium poppy. (In the Soviet period some farms in Kyrgyzstan grew opium poppy for medical purposes; for many years about 16 per cent of the world's morphine was produced from poppies grown there.) There is also wild ephedra, from which ephedrine is produced in clandestine laboratories. From Kyrgyzstan, narcotic substances are sent as semi-processed or end-products to other countries of Central Asia as well as to Russia and thence to Europe.

Turkmenistan is another important link in the drug traffic from Asia to Europe. It also has a long-standing tradition of drug consumption. The drugs used there are either indigenous or imported from Afghanistan and Iran. A worrying development is the dramatic increase in the area of opium poppy plantations on irrigated land in the Karakum area. Until recently, Turkmenistan was only a purveyor of semi-processed narcotics, but local processing is now on the increase.²³

²⁰ Chufrin, G. (ed.), *Narkobiznes: Novaya Ugroza Rossii s Vostoka* [Drug dealing: a new threat to Russia from the East] (Institute of Oriental Studies: Moscow, 1996), p. 59; translated as 'The drug trade: a new security threat to Russia from the East', Paper presented at the Third Meeting of the Council for Security Cooperation in the Asia-Pacific (CSCAP) Working Group on Transnational Crime, Manila, 23–24 May 1998.

²¹ 'O narkobiznese v Tadjikistane' [On drug dealing in Tajikistan], *Nezavisimaya Gazeta*, 5 Apr. 1996, p. 3.

²² Information provided to the author by officials of the Ministry of the Interior of Tajikistan.

²³ Information provided to the author by former Foreign Minister of Turkmenistan Avdy Kuliev.

Like all the the other countries of Central Asia, Kazakhstan has large-scale drug production, processing and transport. Mostly in the south of the country the opium poppy grows wild over extensive areas; Indian hemp and ephedra are also to be found. The pharmaceutical factory in the city of Shimkent is the largest facility in a CIS country producing narcotic substances. According to one source, illegal production of drugs goes on there.²⁴ The territory of Kazakhstan, like that of the Russian far east, is used for drug traffic from China. According to the Russian Ministry of the Interior, 93 per cent of marijuana arriving on the Russian drugs market comes from Kazakhstan, as does 85 per cent of the hashish and 73 per cent of the opium (either grown in Kazakhstan or delivered across its territory). The Kazakh–Russian border, 7000 km long, remains almost totally transparent, so that the drug traffickers operating there basically have no serious difficulty.²⁵

Environmental degradation

Environmental risks in the region are another threat. There are fears that future offshore oil production in the Caspian Sea may damage its biological resources, the stock of sturgeon in particular. There has already been a sharp fall in the number of sturgeon fit for commercial use. Thus, while 530 000 tons of fish were caught in 1970, over the five years 1992–96 the total ranged from 190 000 tons to 250 000 tons per year. The weight of the sturgeon caught fell over the same period from 23 000 tons to 6000–11 000 tons per year in 1992–96.²⁶ ‘The wholesale value of one ton of black caviar depends on the type of sturgeon, in the world market from US\$ 180 000 to US\$ 600 000, and the oil \$80 to 110.’²⁷

The unique Caspian ecosystem is being destroyed by the discharge of sewage and pollutants: in 1996, their discharge into the Caspian Sea, mainly from the Volga Basin, amounted to 1993 million m³.²⁸

The rise in the level of the Caspian Sea is of most serious concern for all the littoral states and calls for urgent joint effort on their part. Even now more than 650 000 hectares of land on the territory of Kazakhstan adjoining the Caspian have been flooded. ‘The projected rise of the sea to the 25-m mark (the Caspian is situated below sea level) will flood three million hectares of pasture, towns and cities, and industrial complexes.’²⁹

²⁴ Information provided to the author by an official of the Ministry of the Interior; and information from the Committee for State Security of Kazakhstan at a press conference in Almaty, 3 Nov. 1997.

²⁵ Chufrin, G. (ed.), *Narkobiznes na Yuge Rossii* [Drug dealing in the South of Russia] (Institute of Oriental Studies: Moscow, 1997).

²⁶ Blandy, C., *The Caspian: A Catastrophe in the Making. The Destruction of a Unique Ecosystem*, S32 (Conflict Studies Research Centre, Royal Military Academy, Sandhurst: Camberley, Sep. 1997), pp. 10, 16.

²⁷ Blandy (note 26), p. 10, citing Zilanov, V., ‘Kaspiyskoye more: ryba ili nef’ [The Caspian Sea: fish or oil], *Nezavisimaya Gazeta*, 12 Aug. 1997, p. 5.

²⁸ Rosgidromet [Russian State Hydrological and Meteorological Service], ‘On the state of the environment in the Russian Federation in 1996’ (Moscow, 1997) p. 7.

²⁹ UN Development Programme, ‘The shrinking state: governance and human development in Eastern Europe and the Commonwealth of Independent States. A UNDP regional report’, UNDP, New York, July 1997, p. 121.

In the view of German experts, the region could not cope with a new ecological disaster, given the inevitable dangers of a continued rise in the water level (by a possible 14 cm between 1998 and 2010 or 2020) and the deterioration of rusting drill structures. '[The region] still has no answer either to the drying up and poisoning of the Aral Sea due to the cotton monoculture of its two most important tributaries, the Amu-Darya and the Syr-Darya, nor for the area around Semipalatinsk, a former nuclear testing ground of the Soviet Union, which should be brought under control.'³⁰

The Aral Sea is the worst environmental problem for Kazakhstan—the drying up of the sea, the salination of the soil and the emergence of a dead zone, which in addition has been poisoned by pesticides in the past. Life expectancy in the regions adjoining the Aral Sea, where about 10 per cent of the population of Kazakhstan lives, is at present no more than 60 years. Although the disaster in the Aral zone is one of the most serious ecological catastrophes in the world and has drawn international attention, the measures taken have so far brought no improvement.

Radioactive waste disposal is also fraught with risk. The disposal sites in Kyrgyzstan near the border with Uzbekistan are a menace to the health of the population of Kyrgyzstan, and Uzbek experts have repeatedly expressed fears that during the spring flooding the overflowing waters can carry these wastes to Uzbekistan. Dangerous levels of radiation have also developed in Kazakhstan in the area near Semipalatinsk.

At present, because of falling industrial output in Central Asia and the Transcaucasus and the closure of factories, emissions of poisonous substances into the atmosphere have decreased; however, this is a temporary phenomenon and in no way the result of successful action by environmental ministries.

It is characteristic of ecological risks that measures to curb them are expensive and tend to go against the strategy of economic development: they may mean the abandonment of harmful industries or habitual ways of farming based on the use of plenty of pesticides, or the production of new kinds of energy raw material—one of the most serious global problems. Taking into account the obvious inability of the post-Soviet states to check environmental degradation, it can be concluded that in the foreseeable future environmental non-traditional risks will inevitably be increasingly important.

Population change

Changes in the ethnic structure of the population are among the non-traditional risks that are having their impact on the new geopolitical balance. The Central Asian states are witnessing a substantial change in this structure as a result of the emigration of Russians and some other ethnic groups (Germans and Jews). By the end of 1996, 2.4 million people had emigrated to Russia from the CIS

³⁰ Social Democratic Party of Germany (SPD), 'Zukunftsregion: Kaspisches Meer. Positionspapier der SPD-Bundestagsfraktion' [Region of the future: the Caspian Sea. Position paper of the SPD members of the Bundestag], SPD, Bonn, June 1998, pp. 26–27.

Table 5.2. Immigration to the Russian Federation from Central Asia, 1996

Country	Total number	Russians	Share of Russians in total (%)
Kazakhstan	172 860	123 627	71.5
Kyrgyzstan	18 886	13 301	70.4
Tajikistan	32 508	16 413	50.4
Turkmenistan	22 840	14 689	64.3
Uzbekistan	49 970	30 653	61.3

Source: Russian State Committee on Statistics, *Chislennost i Migratsiya Naseleniya Rossiyskoy Federatsii v 1996 g.* [Numbers and migration of the population of the Russian Federation, 1996] (Goskomstat: Moscow, 1997), pp. 33, 42.

member states, of whom almost 70 per cent had come from Central Asia.³¹ The major motives for the mass departure from the Central Asian states were loss of status, the domination of the titular ethnic groups, ethnic discomfort and ethnic conflicts.

The appearance of nationalistic and Islamic parties on the political arena in Tajikistan on the eve of the civil war and, more especially, the war itself sharply strained inter-ethnic relations. According to the Russian Federal Migration Service, of the 388 000 Russians living in Tajikistan in 1989, 300 000 had left the country by the end of April 1993.³² This has to a certain extent complicated the situation in the public services, education and industry, although the sharp decline in production has been the inevitable outcome of the war and persisting instability. The outflow of the population not belonging to the titular nation, as well as a considerable proportion of the Tajik intelligentsia nurtured on Russian culture, has deprived the country of an important stabilizing factor which was especially significant in the fragmented Tajik society with its regional, rather than national, self-identification and has led to a deterioration of relations with the local Uzbeks, who make up about 25 per cent of the population.

In Turkmenistan, ethnic Russian inhabitants were few; nevertheless, being employed in the oil and gas industry, they had provided 95 per cent of the national budget revenue.³³ Their attempts to leave Turkmenistan are mostly to be attributed to difficult socio-economic conditions. The rationing system, shortage of foodstuffs, low wages and lack of contacts in the countryside, where additional food can be had, put the Russians in a difficult position, unequal with the Turkmen. In every way possible the rigid authoritarian regime prevents the departure of Russian specialists, who still dominate the high-

³¹ Fedorov, Yu., *Doklad o Razvitií Chelovecheskogo Potentsiala v Rossiyskoy Federatsii: God 1997* [Report on the development of the human potential of the Russian Federation, 1997] (Interreklama Design: Moscow, 1997), p. 35.

³² Tishkov, V. A. (ed.), *Migratsii i Novye Diaspori v Postsovetstikh Gosudarstvakh* [Migration and new diasporas in the post-Soviet states] (Russian Academy of Sciences, Institute of Ethnology and Anthropology: Moscow, 1996), p. 194.

³³ Tishkov (note 32), p. 184.

technology branches. A ban on the sale of dwellings and restrictions on the export of property have been imposed.

In Uzbekistan, despite the stability maintained by Karimov, the emigration of the Russian population has been high. Between August 1992 and April 1995, 102 666 persons left the country for Russia, constituting 13.1 per cent of the forced resettlers and refugees in Russia during that period.³⁴ In Uzbek society, the most Islamized and traditional in Central Asia and ethnically comparatively homogeneous, Russians felt more acutely than in other former Soviet republics that they were aliens after independence. One of the leading factors in their departure from the country was their ignorance of the Uzbek language. The government, while promoting ethnic Uzbeks to key posts in the administration, is at the same time trying to retain Russian specialists. It may be expected that an active growth in the numbers of local skilled personnel and the policy of training specialists abroad will become an additional factor leading Russian-speakers to emigrate.

The main reasons for the exodus of Russians from Kyrgyzstan differed little from those common to Central Asia—the introduction of the Kyrgyz language as the only official language, pressure on the labour market from the growing native population, the active flow of rural people into the towns and the rapid and dangerous marginalization of the Russians. Anti-Russian actions by Kyrgyz young people in 1991, which did not meet a proper rebuff from the government, were an important factor. The bloody conflict in Osh between Kyrgyz and Uzbeks in 1990 showed the administration's inability to prevent destabilization of the situation and ensure the security of its citizens. From 1989 to 1993, over 460 000 people—Kazakhs, Russians, Tajiks, Tatars and Uzbeks—left the country. In 1993 alone, between 100 000 and 120 000 Russian-speakers emigrated from Kyrgyzstan.³⁵

Kazakhstan holds a special place in the system of Russian geopolitical interests in the CIS. It has the longest border with Russia (7000 km) and the largest Russian population. In 1989, Kazakhs made up 39.7 per cent of the population of Kazakhstan. The Russian population in Kazakhstan, in contrast to the other Central Asian states, is concentrated in the northern and north-eastern regions, where it has until recently constituted an overwhelming majority. Russians in Kazakhstan have been under growing and acute pressure since the collapse of the USSR, expressed in the constitution and legislative base of the Republic of Kazakhstan and in the practical policies of its leaders, who were forced to take into account the nationalistic approaches of inhabitants of the southern areas. Hence the recognition of the Kazakh language as the only official language (at the time of the break-up of the USSR only 1 per cent of the Russian-speaking population knew it), the proclamation in the constitution of Kazakhstan of the

³⁴ Tishkov (note 32), p. 37.

³⁵ Subbotina, I. A., *Russkaya Diaspora: Chislennost, Rasseleniye, Migratsiya. Russkiye v Novom Zarubezhe: Kirgiziya* [The Russian diaspora: numbers, distribution and migration. Russians in the new abroad: Kyrgyzstan] (Russian Academy of Sciences, Institute of Ethnology and Anthropology: Moscow, 1995), pp. 64–65.

Table 5.3. Immigration of Kazakhs to Kazakhstan, 1991–94

From:	Number of persons
CIS countries	56 900
Iran	3 700
Mongolia	21 000
Turkey	1 900
Others	38 500
Total	122 000

Source: Analiz Sotsialno-Ekonomicheskoy i Politicheskoy Obstanovki v Respublike Kazakhstan v 1994 godu. Informatsionno-analiticheskii Byulleten [Analysis of socio-political conditions in the Republic of Kazakhstan, 1994], no. 7 (Federal Migration Service of the Russian Federation: Moscow, 1995), p. 55.

state of the ‘self-determining Kazakh nation’, and so on. For Kazakhstan, the goal of changing its ethnic composition in favour of the titular nation has come to be of paramount importance. The leadership associates it with the entire future of the country as a unitary state and fears the rise of separatism in the areas populated by Russians. The ‘Kazakhization’ of the Russian areas is proceeding apace, including the appointment of Kazakhs to administrative and executive posts and the renaming of towns. ‘Recent years have seen an active process of repatriation of ethnic Kazakhs from Mongolia and China, who are being settled precisely in the northern regions and provided with housing vacated by Russians or Germans emigrating in large numbers (200 000 annually) to the Federal Republic of Germany or Russia.’³⁶

The destabilization of the situation in Kazakhstan would be a very grave challenge for both Kazakhstan and Russia. ‘The internal de-stabilization of Kazakhstan is likely to entail inter-ethnic conflicts between ethnic Kazakhs and Russians and would pose a severe political, security and economic challenge to the Russian government. It would have few choices other than to intervene, as both a measure to protect expatriate Russians and to extinguish a potentially major regional conflict at its doorstep, in lands still considered by many Russians to be traditionally Russian.’³⁷

Economic security

The financial crisis in Asia has barely affected the states of Central Asia, whose monetary and financial markets are not as closely tied to the world market as Russia’s, although falls in the exchange rates of the East Asian currencies

³⁶ Yazkova, A. A., *Rossiyskaya Diaspora v Stranakh Novogo Zarubezhya: Kazakhstan, Latviya, Gruzija. Problemy i Vozmozhnye Puti ikh Resheniya* [The Russian diaspora in the new abroad: Kazakhstan, Latvia, Georgia. The problems and possible solutions] (Institut mezhdunarodnykh ekonomicheskikh i politicheskikh issledovaniy RAN: Moscow, 1996), pp. 11–12.

³⁷ Rumer, E. B., ‘Russia and Central Asia after the Soviet collapse’, ed. J. C. Snyder, *After Empire: The Emerging Geopolitics of Central Asia* (National Defense University Press: Washington, DC, 1995), p. 59.

affected them to the extent that capital from Indonesia, Japan, South Korea and other countries shaken by the crisis was invested in Central Asia and trade with them was carried on. The financial crisis in Russia at the end of the summer of 1998 hit them more painfully, since the Russian rouble was still circulating in Central Asia and was often used not only for payments but also for accumulation. The Russian financial and ensuing government crisis produced a sharp reaction in the Central Asian capitals and was used by certain leaders as an added argument in favour of a path of development distinct from that of Russia.

There is hardly any doubt that the Uzbek President, for instance, understands the need for and the inevitability of reform of the Uzbek economy, but for him both 'shock therapy' and the introduction of political liberties on the Russian model seem equally destructive for Uzbek society, which preserves its age-old traditions. One of the key theses of Karimov's philosophy is keeping the leading role of the state in a development model that is still called transitional to the market economy. 'At a period of transition to market relationships', Karimov writes, 'the main reformer should be the state, whose duty is to work out and consistently implement the transformation of all spheres of the economy and social life'. Further on he adds: 'The modern socially-oriented market is a market regulated by the state'.³⁸ The leaders of other Central Asian states such as Tajikistan and Turkmenistan share his view. Without entering into details of this Uzbek concept of development, it is worth noting that it is the Chinese, not the Russian, experience that serves as the inspiring example.

IV. Conclusions

The emerging geopolitical balance in Central Asia will apparently depend for the foreseeable future on the precarious nature of the internal and external factors influencing the slow evolution of the region. Relative stability backed up by authoritarian means involving substantial restrictions of rights and freedoms, including the rights of non-titular ethnic groups, will not endure. However, the stability of a number of Central Asian economies, if it continues, will help to consolidate the ruling regimes by helping them to avoid disturbances, which the poorest and most fragmented states of the region, Tajikistan in particular, seem to be doomed to suffer. The rivalries of the global and regional powers, above all China, Iran, Russia, Turkey and the USA, in this region may grow more acute if the countries of the region really do turn into major suppliers of energy resources to the world market, but in the short run there can be no sharp change in the balance between them. Despite the obvious wish of the Central Asian states to preserve their identity and the path of their choice, increasing globalization will most probably force some dramatic developments on them.

³⁸ Karimov, I., *Stabilnost i Reformy: Statyi i Vystupleniya* [Stability and reforms: articles and speeches] (Paleya: Moscow, 1996), p. 115.

6. The policy of Russia in Central Asia: a perspective from Kazakhstan

Konstantin Syroezhkin

I. Introduction

Zbigniew K. Brzezinski was correct in his evaluation of the geopolitical role of Eurasia:

A power that dominated Eurasia would exercise decisive influence over two of the world's three most economically productive regions, Western Europe and East Asia. A glance at the map also suggests that a country dominant in Eurasia would almost automatically control the Middle East and Africa . . . In the short run the United States should consolidate and perpetuate the prevailing geopolitical pluralism on the map of Eurasia. This strategy will put a premium on political maneuvering and diplomatic manipulation, *preventing the emergence of a hostile coalition that would challenge America's primacy*, not to mention the remote possibility of any one state seeking to do so. By the medium term, the foregoing should lead to the emergence of strategically compatible partners which, *prompted by American leadership*, might shape a more cooperative trans-Eurasian security system. In the long run, the foregoing could become the global core of genuinely shared political responsibility.¹

There is nothing to add to this. However, Brzezinski would be wrong to assume that there is no state capable of challenging the leadership of the USA in Eurasia. There is such a state—Russia, despite its present political, economic and military weakness. The question is whether Russia is ready to solve the problem and whether it has an effective strategic and tactical plan to solve it.

An analysis of the policy of Russia in the Central Asian region helps to indicate an answer to this question.

II. The course of Russian policy

The character and direction of Russian policy in Central Asia since the collapse of the USSR at the end of 1991 can be divided into several stages.

1991–93: Russia loses its position

For both objective and subjective reasons Central Asia continued its extreme economic dependence on Russia but found itself on the periphery of Russian policy. There is no doubt that the ethnic–political factor, which began to inten-

¹ Brzezinski, Z., 'A geostrategy for Eurasia', *Foreign Affairs*, Sep./Oct. 1997, pp. 50–51. Author's italics.

sify in the USSR at the end of the 1980s, played a role in separating the newly independent states from Russia. Having no other ideological basis for the development of their own statehood, the majority of the former national republics returned to their national sources, and this strengthened the nationalistic tendencies in them.

However, as early as the end of 1992 the growth of these tendencies had practically stopped and been replaced by an understanding of the necessity of independent economic survival. One of the paradoxes of the Soviet economic system was that for a long time the national republics were subsidized from Russia. For example, in 1988 the positive trade balance of Russia with other republics (in world prices) was \$51 billion. The share of Kazakhstan was \$11 billion, of Kyrgyzstan and Tajikistan \$1.8 billion each and of Uzbekistan almost \$5 billion. Only with Turkmenistan was there an equal flow of trade.² On the eve of the collapse of the USSR the share of direct subsidies from the USSR in the republican budgets varied from 20 per cent in the case of Turkmenistan to 45 per cent in Tajikistan.³ Technical credits from Russia were of immense importance for the newly independent states. In 1992 in Kazakhstan they amounted to 25.1 per cent of gross national product (GNP), in Kyrgyzstan 22.6 per cent, in Tajikistan 42.3 per cent, in Turkmenistan 67.1 per cent and in Uzbekistan 69.2 per cent. For the first seven months of 1993 in Kazakhstan they were worth 48.8 per cent of GNP, in Kyrgyzstan 23.9 per cent, in Tajikistan 40.9 per cent, in Turkmenistan 45.7 per cent and in Uzbekistan 52.8 per cent.⁴ There were no other sources to compensate for the loss of these subsidies.

Other objective conditions, apart from economic factors, played an essential role in maintaining the position of Russia in Central Asia—a common cultural space, the size of the Russian ethnic group, the still rather attractive image of Russia as an economic and political partner, political levers of influence, and so on—as did subjective factors. The majority of the leaders of the Central Asian states, in spite of their nationalistic rhetoric, ‘were aware of the highly vulnerable nature of their nations’ premature births, and each leader recognized the risk of his own ouster’.⁵ Fear of destabilization in the event of sharp estrangement from Russia and their inability to resolve independently not only potential interstate but also intra-state conflicts made an integration model of relationships with Russia more attractive for the states of Central Asia.

Unfortunately the potential of these factors that would favour integration was not used by Russia to create the tools of integration in the economic, political and military fields. While making enormous efforts to approach the USA and Western countries, Russia lost practically all the opportunities open to it in that period to preserve its influence in Central Asia.

² Shmelev, N., ‘The prospects of recovery and development of economic cooperation between Russia and countries of Central Asia’, *Panorama* (Almaty), no. 42 (Nov. 1996), p. 8 (in English).

³ Shmelev (note 2).

⁴ Shmelev (note 2).

⁵ Olcott, M. B., ‘Central Asia’s catapult to independence’, *Foreign Affairs*, summer 1992, p. 108.

Table 6.1. Ethnic Russians and Russian-speakers in Central Asia, 1989

	Ethnic Russians	Russian-speakers
Kazakhstan	6 230 000	7 800 000
Kyrgyzstan	916 000	1 090 000
Tajikistan	388 000	495 000
Turkmenistan	333 000	421 000
Uzbekistan	1 650 000	2 150 000

Source: Vishnesvky, A., 'Migration in the ex-USSR within new geopolitical context', *Eurasian Community: Economics, Policy, Security*, nos 6–7 (1995), p. 78.

Moreover, the countries of Central Asia were perceived merely as the 'Asian underbelly', which ostensibly Russia had to cut off in the interests of a faster entry into Europe. The fact that more than 8 million ethnic Russians lived in the 'Asian underbelly', to say nothing of the Russian-speaking population (see table 6.1), was ignored. Historically, in terms of civilization and geopolitics, this territory had become 'rooted' to Russia. To sever its links would be dangerous for Russia itself because it could be the first step on the path to its own complete destruction as a federation. Nature, moreover, abhors a vacuum. Sooner or later it is filled with something else. There was also a delusion of another kind, connected with a critical view on Russia's part of the ability of the new post-Soviet states of Central Asia to form their own nationhood and develop independently. At the same time Russia forgot or ignored the potential of the technical and especially human cadres that had been formed there during the Soviet period.

The results proved extremely serious, if not tragic, for Russia's interests, while the regional states demonstrated their viability with more or less success. Moreover, some of them, having geopolitical and/or economic (above all, oil and transport) advantages, became the central links of new alliances, which occasionally directly or indirectly had an anti-Russian orientation, threatening the stability and the territorial integrity of Russia.

Russia itself was gradually losing its former positions in Central Asia. Today its trade turnover with countries of Central Asia is only one-third of the volume of trade with the former Central Asian republics in the USSR.⁶ Russian investments in the Central Asian zone of the Commonwealth of Independent States (CIS) were sharply reduced. Technical credits through the Russian state budget were stopped. The new rouble put into circulation in the summer of 1993 in fact 'pushed out' the countries of Central Asia from the rouble zone, which accelerated their introduction of their own national currencies. In terms of trade, prices, financial transactions and currency exchange the Central Asian states were placed on the same footing with the countries of the 'far abroad'.

⁶ *Rossiyskaya Gazeta*, 26 Apr. 1997.

Moreover, the openness of Russia and of the majority of the post-Soviet states, including the Central Asian states, to the external world created conditions for outside influence on them to increase. Countries along the perimeter of the former USSR and leading world powers were again tempted to try to redistribute influence in the post-Soviet space. A strengthening of the USA and US-controlled international political and financial organizations in the region, attempts by Iran and Turkey to dominate in post-Soviet Central Asia, the strengthening of China, the rearmament and consolidation of the countries of the Islamic world and finally the demonstrated ineffectiveness of Russia's 'pro-West' foreign policy—all this logically drove Russia into a corner. As a result of shedding the burden of being a net donor to the Central Asian states, Russia lost its attractiveness to these countries as a main cooperation partner.

1994 to early 1996: new alliances

Russia was now immersed in domestic political struggle, the redistribution of property and the formation of new oligarchies and financial-industrial groups, and lost all control over the processes going on in the Central Asian region. In this period the former Soviet republics of Central Asia moved from the stage of proto-state formations to become real states with all the necessary attributes. All the tendencies that had appeared at the first stage that were negative for Russian influence continued to strengthen. The individual states were finally formulating their national interests, establishing their strategy for economic and political development, and selecting their strategic partners.

After the proposal of President Nursultan Nazarbayev of Kazakhstan in March 1994 for the creation of a Eurasian Union (*Evroaziatskiy Soyuz*) was ignored, integration began to move in the direction of the formation of different alliances. In September 1993 Kazakhstan, Kyrgyzstan and Uzbekistan had signed the Treaty on Deepening Cooperation; on 30 April 1994 they signed the Treaty creating a Unified Economic Space.⁷ The Central Asian Union, originally consisting of Kazakhstan, Kyrgyzstan and Uzbekistan, was set up in 1994; on 10 February 1995 the three countries signed the treaty setting up the Interstate Council.⁸ On 20 January 1995 Belarus, Kazakhstan and Russia signed the Treaty founding the CIS Customs Union. In March 1996 Kyrgyzstan joined this treaty, thus forming the 'union of four';⁹ Tajikistan joined in February 1999.

⁷ 'Dogovor o sozdaniy edinogo ekonomicheskogo prostranstva mezhdyy Respublikoy Kazakhstan, Kyrgyzskoy Respublikoy i Respublikoy Uzbekistan' [Agreement on the creation of a unified economic space by the Republic of Kazakhstan, the Republic of Kyrgyzstan and the Republic of Uzbekistan], *Sbornik Dokumentov po Mezhdunarodnomu Pravu*, vol. 2 [Collection of documents on international law] (CAK: Almaty, 1998), pp. 250–54.

⁸ 'Soglasheniye o Mezhdgosudarstvennom Sovete Respublikoy Kazakhstan, Kyrgyzskoy Respublikoy i Respublikoy Uzbekistan' [Agreement on the Interstate Council of the Republic of Kazakhstan, the Republic of Kyrgyzstan and the Republic of Uzbekistan], *Sbornik Dokumentov po Mezhdunarodnomu Pravu*, vol. 1 [Collection of documents on international law] (CAK: Almaty, 1998), pp. 125–28.

⁹ By the Treaty on the Deepening of Integration in the Economic and Humanitarian Spheres (the 'Treaty of Four'). For the text, see *Sbornik Dokumentov po Mezhdunarodnomu Pravu*, vol. 2 (note 7), pp. 284–88; and *Diplomaticheskii Vestnik*, no. 4 (1996), pp. 56–60.

Also in 1996 an agreement between Azerbaijan, Georgia and Uzbekistan on the creation of a Eurasian transport corridor was signed;¹⁰ GUAM (Georgia, Ukraine, Azerbaijan, and Moldova) was formed in May 1997. With the exception of the 'union of four', in all its alliances Russia was given observer status at best and its significance as a 'locomotive of integration' was reduced within the framework of the CIS. The CIS itself was becoming a more and more ephemeral organization and was gradually dying.

It is important to emphasize that by the end of this period the process of redistribution of property in the post-Soviet states was generally completed. New and fairly significant players, large holders of property of both domestic and foreign origin, appeared in interstate relations. Their commercial interests began frequently to prevail over the will of the political leaders of these states and to determine the dynamics of the integration and disintegration processes.

Since 1996: integration or disintegration?

The third stage of the evolution of Russia's policy in Central Asia began when the pro-Western orientation of Foreign Minister Andrey Kozyrev was replaced in January 1996 by the more balanced orientation of Yevgeny Primakov. Russia began to make titanic efforts to regain its influence in the region—in many respects too late. With the exception of common threats, which are described below, the leaders of the Central Asian states were apparently not inclined to wait any longer until Russia had dealt with its own problems and begun to build up normal relations with its CIS partners.

Having lost its political and economic positions in Central Asia, Russia could no longer remain a landmark for the countries of the region. The vacuum was filled, on the one hand, by the increasing influence of China, Iran, Turkey and the USA and, on the other by attempts to create a 'common market of Central Asia' which, in the words of Nazarbayev, covers 50 million people, has huge hydrocarbon resources and has good prospects for rapid economic growth. Despite the Central Asian countries' differences of view about the problems of geopolitics, the internal contradictions and their different vectors of development, the latest direction of regional integration seems to have some prospects. Tajikistan joined the Central Asian Union in 1999. That Turkmenistan was also close to doing the same was shown at the January and June 1998 meetings of the leaders of five Central Asian states in Ashkhabad and Astana.

The other policy orientation on the basis of which the coordination of the interests of the Central Asian states is possible, and which will limit even more the political and economic influence of Russia in the region, is the selection of routes for the transport of hydrocarbon raw materials. Huge reserves and the existing transport and transit restrictions, caused first of all by the policy of Russia, are forcing Kazakhstan, Turkmenistan and Uzbekistan to search for the most accessible and profitable routes to the world markets. This is being

¹⁰ *Delovaya Nedelya*, 23 May 1997.

actively encouraged by Western companies, which are pushing the states of Central Asia to use transport routes that bypass Russian territory. The Caspian region is being increasingly transformed into another conflict zone on CIS territory. This is not only because of the forecast reserves of hydrocarbons. The oil of the Caspian region is a minor factor in comparison with the geopolitical significance of plans to 'push out' Russia from Central Asia.

Objectively, the 'oil factor' is contributing not to integration but to disintegration, for several reasons. First, in the near future the states of the Caspian region will be potential competitors of Russia, delivering their power resources to outside markets, first of all in Europe. Second, to an even greater extent they will become competitors for foreign investment. In this respect they are in a better position than Russia, since much less investment will be needed to develop Caspian deposits and transport hydrocarbons to the world market than is the case with Russia's oil and gas projects.

In these circumstances Russia is left with only one strong means of influencing the Caspian states—control of the export pipelines. However, there are no reasons to believe that it will maintain its monopoly over transporting Caspian hydrocarbons to Europe. First, Western governments interested in the Caspian projects and in strengthening their influence in the region (first of all the USA) and Western oil companies differentiate between the delivery of oil and gas to the world market. Second, the leaders of all the Caspian states, although not denying Russia its role, also support alternative routes. Finally, the commercial interests of Russian petroleum companies may not coincide with the state interests of Russia. The situation is developing in such a way that the system of land communications connecting Europe and the USA through Iran and Turkey with the countries of Central Asia can pass through the Caspian region. The plans are already partly realized. If this project of bypassing Russia's territory is realized Russia will completely lose control over this geopolitically important region.

Under present conditions the position taken by the Russian political establishment raises many questions. In spite of the changes in Russia's policy it has apparently not yet realized its geopolitical and geo-economic role as a key power on the Eurasian continent, nor the role individual leaders may play for the benefit of integration. However paradoxical it may seem, today personal contacts between the leaders of the CIS states may still work in favour of integration within the CIS. The close personal contacts between presidents Boris Yeltsin and Nazarbayev played the not least role in integration between Russia and Kazakhstan; contacts between Nazarbayev and Askar Akayev, President of Kyrgyzstan, were as important in facilitating Kyrgyzstan's joining the 'union of four'. It should be stressed that up to now the majority of issues between members of the Central Asian Union and other member states of the CIS have been decided at the level of state leaders. In this connection it is more than strange that Yeltsin was absent from a meeting in June 1998 between China, Kazakhstan, Kyrgyzstan, Russia and Tajikistan on border problems and from the presentation of the new capital of Kazakhstan, Astana, in July 1998. If

the leader of Russia not only ignores the personal invitation of the president of another state but also neglects even the interests of collective security, this will hardly promote integration.

III. Russia and Central Asia: mutual interests

In this sense one can agree with *Izvestiya's* political observer, Alexander Bovin, that the future of Russia as a great power will depend on whether it manages to realize its Eurasian status and to enter the global community as an effectively operational, useful bridge—political, economic and cultural—between western and eastern Eurasia.¹¹ This cannot be done without close political and economic cooperation between Russia and the states of Central Asia. The main task of the foreign policy of Russia in this region is to develop a strategy which takes into account all the arguments and will promote a revival of its political and economic influence in the region.

Russia still remains the most important neighbour and partner for all the Central Asian countries. Moreover, it is the only powerful guarantor of regional stability and security in the region.

Russia's loss of its previously dominant positions in Central Asia, a deliberate policy on the part of third countries of pushing it out from the region, a prolonged crisis in the Russian economy and society, and the search for new strategic partners—all these things could not but undermine the old authority of Moscow on the Central Asian periphery. They encouraged nationalistic aspirations within a certain spectrum of the Central Asian societies and encouraged local elites to pay less attention than before to and sometimes even neglect the interests of the noticeably weakened former 'metropolis' in this region.

Even so, Russia has the chance to keep its influence in the region.

Economic factors for integration

Although in economic respects the Central Asian states are becoming less and less dependent on Russia, it still remains their main trade and economic partner. Because of their geographical position, in particular their lack of a direct exit to the sea, and because of the remaining orientation of the regional infrastructure, the greater part of the import and export transactions of the Central Asian countries is still with Russia or other countries of the CIS. In 1997 the share of trade with Russia plus other CIS countries in the trade of Kazakhstan was 53 per cent of exports and 69 per cent of imports; for Kyrgyzstan 78 per cent and 55 per cent, respectively; for Tajikistan 34 per cent and 60 per cent; for Turkmenistan 68 per cent and 87 per cent; and for Uzbekistan 23 per cent and 32 per cent. For comparison, only 18 per cent of Russian exports go to the CIS countries and 29 per cent of its imports come from these countries.¹²

¹¹ Bovin, A., 'Kazakhstanskiy azimut' [Kazakhstan azimuth], *Izvestiya*, 8 July 1998.

¹² Rasov, S., 'In new Central Asia', *All Over the Globe*, 15 Mar. 1998.

In the foreseeable future such factors as the Central Asian countries' rich deposits of raw materials, the construction of roads to the sea, their adaptation to the world market, the development of extensive relations with suppliers of high-technology equipment from countries of the 'far abroad' and competition on the hydrocarbons market will be factors for disintegration. However, there will remain such obvious integrating factors in the economic field as the well-tested system of pipelines and other types of transport; market conditions providing for mutual exchange of goods and services; and interest in maintaining cooperative and technological ties, above all in power engineering and transport, in order to preserve the viability of enterprises created before the break-up of the USSR and oriented towards joint activity. In any case, the contacts of Kazakhstan, Kyrgyzstan and even Uzbekistan with Russia, given all their positive and negative aspects, speak for themselves.

Common threats

Common threats arising in the region are also of crucial importance for the strengthening of Russia's positions in Central Asia. The Afghan centre of instability in the zone of the 'Islamic arc' is rapidly advancing to the north. The development of a narcotics route to the West through the region is an enormous common danger. The fact that existing state boundaries do not coincide with ethnic boundaries contains the threat of a temptation to change them. The national interests of the Central Asian states are far from coinciding. Finally, a very important factor is the increasing internal instability in these states. Add to those factors the 'Chinese factor' and the threat of 'Islamic extremism' and the picture becomes rather complex.

The interest in Russian help in localizing these threats is obvious. It is greater in Kazakhstan, Kyrgyzstan and Tajikistan, less urgent for Turkmenistan and Uzbekistan. Although the threats are different for each of the Central Asian states, the extent of the danger is understood by all. It is also understood that successful localization of those threats is practically impossible without Russia.

A merging of the Afghan and Tajik conflict potentials could completely destroy the existing power balance not only in Central Asia but in all its geopolitical environment as well, creating an extensive belt of instability in the zone of the 'Islamic arc'. The growing 'ethnicization' of the conflict in Afghanistan could in its turn revive the ghost of 'ethnicization of the boundaries' and increase desire for boundary changes. This would significantly expand the conflict zone, probably up to the Caucasus region. It is easy to predict what would follow. Since stability in the region depends almost entirely on external factors, someone should undertake the burden of responsibility for localizing conflict and maintaining stability in this region. Despite a significant foreign presence, no country can make a greater contribution than Russia.

As to the Chinese factor, the following circumstances must be kept in mind. At the beginning of the next century the planned economic growth in China and other Asian countries will change the pattern of global consumption of oil,

natural gas and other principal natural resources. This will increase the significance of the Central Asian and Russian deposits of natural resources. The needs of Asia will stimulate the formation of new trade relations, transport schemes and pipeline construction, and this will require a strengthening of China's presence in the Central Asian region. Although China's attention at present is concentrated on a southerly direction, this will undoubtedly place significant economic and demographic pressure on Central Asia and the Russian far east. In both senses, Russia will have to adapt to China, which is looking to take its place among the leading world powers. If a deep internal crisis prevents China from becoming a global power, its impact will be felt even more strongly, since a weakened Russia will have to resist unrest and chaos passing from a destabilized China not only into Russia but also into Central Asia.

This gives Russia a chance to keep its influence in the region. Whether one likes it or not, objective analysis of the geopolitical situation in post-Soviet Central Asia shows that China and Russia are still the dominant external forces there, capable of influencing each other and the world at large. Other forces in the region either have an insignificant role or are mere formal presences, and in the event of any real threat their role would almost certainly be reduced to zero.

Islamic influence will continue to leave its mark on the states of the Caucasus and Central Asia and on the border regions of Russia. The new Muslim states on the territory of the former USSR will eventually take their place in the Islamic world. Moreover, it is quite possible that in Tajikistan or elsewhere in Central Asia groups with fundamentalist connections and inclinations will come to power. States like Kazakhstan and Kyrgyzstan, less exposed to traditional Islam, will remain under the influence of Russia slightly longer than others, but even they will become more and more Islamic in time to come. A strengthening of Islam in Russia itself cannot be excluded and would carry a potential threat of destabilization if consensus between the Muslim regions of Russia and the states of the 'Islamic arc' were to be reached on an anti-Russian basis.

However, even here the situation may not be disastrous. First, the states of Central Asia developed over several centuries under the influence of Russian civilization. Russia was constantly present in both the European and the Asian balances of power as a decisive element. Therefore, not surprisingly, the attention of observers is still focused on the power and not on the weakness of Russia. Second, however paradoxical it may sound, Islam, now radical Islam, if not actually forcing the Central Asian states closer to Russia, is at least making their political establishments feel uncomfortable. No other factor explains Uzbekistan's sharply changed attitude towards its former metropolis.

IV. Conclusions

There is a clear trend for Russia finally to lose its political and economic positions in Central Asia. If this tendency was latent in the region in 1994–96, today it is visible. There are a great many reasons to explain it, among them the

reluctance of Russia's CIS partners to lose even a part of their sovereignty; the position of the USA and Western powers which do not wish to see Russia strengthened; and the aspirations of China, Iran, Turkey and others to redistribute spheres of influence in Central Asia. However, the main reason is Russia itself. The weakening of the Russian economy and military power and the permanent political struggle which has enfeebled the Russian state machine and central authority have left it incapable of backing up its diplomatic activity and recapturing the image of an attractive strategic, economic and political partner.

Is this situation hopeless? In the author's view, disregarding the linkage between the limited capabilities of Russia and its changed geopolitical environment, it is not. Russia's capabilities in relation to the Afghan, Chinese and Islamic factors have been mentioned, and the internal problems of the states of Central Asia are not likely to be resolved without the participation of Russia. In Russia itself, judging by recent publications there, an understanding is developing of the extent of the threatened loss of its geopolitical influence in the post-Soviet space and of the need to strengthen Russia's positions in a southerly direction. The Russian political elite, with rare but significant exceptions, seems in many respects to have determined its policy concerning Kazakhstan. Russia has concluded that conflict with Kazakhstan is undesirable, and this gives hope for the future. Kazakhstan and even Uzbekistan took their steps, both announcing the preservation of close contacts with Russia, and Kazakhstan concluding its strategic partnership agreement with the USA. The next step is for Russia to settle and to reconsider its attitude towards the region taking into account the changed circumstances.

An ideal model of cooperation between Russia and the countries of the Central Asian region involves, on the part of the former, overcoming its paternalism and great-power recidivism, and on the part of the latter the rejection of their odd combination of militant nationalism and dependence. The 'romantic' period of nation-state building in the countries of Central Asia is over. The froth of local nationalism, frequently disguised as a belief in democracy, has settled. The euphoria of independence and sovereignty and of the achievement of formal parity in relations with the former metropolis is being replaced by a comprehension of the rigid realities of post-Soviet life and of the lack of alternatives to sustained cooperation with Russia.

The re-establishment and consolidation of the Russian presence in the region and an end to tendencies unfavourable for Russia are possible if a coordinated policy of dynamic and flexible balancing within the framework of a real power balance in the region, taking into account Russia's much reduced capabilities, is pursued. This policy should avoid the extremes of attempting to facilitate integration, dictated by current political needs, on the one hand, and merely passively observing the shrinking Russian presence in the region, on the other. The idea of Eurasian integration is not so fruitless, and the Russian political establishment should recollect where the 'geographical axis of history' lies and what elements constitute real geopolitical values for Russia.

7. The policy of Russia in Central Asia: a perspective from Tajikistan

Mouzaffar Olimov

I. Introduction

The Republic of Tajikistan is living through a period of national and state reconstruction, self-determination, and political and economic integration into the world community. The birth of the independent state was accompanied by a widespread bloody conflict, one of the longest and most difficult on the territory of the former Soviet Union. It has become a constant feature in the life of the country and the Central Asian region as a whole and has greatly influenced the process of state formation in Tajikistan, the course and direction of transformation processes in its economy, its social and cultural life, and its foreign policy, including relations with the Russian Federation. The conflict has slowed down the achievement of full statehood in Tajikistan. Up to now the national security concept has thus not been fully determined, national interests have not been identified, foreign policy priorities have not been set, and the mechanism for the establishment and implementation of foreign policy has not been worked out.

The establishment of foreign policy is impeded by the constant changes taking place in the balance of political forces in the international arena and in the structure of geopolitical and regional ties. The situation is far from settling down and every one of the participants is searching for its place in the new system of international relations. Especially difficult is the building up of new relationships between the post-Soviet countries.

Tajikistan came into the world arena trying to strengthen its international position. It quickly gained international recognition and joined the United Nations, the Conference on Security and Co-operation in Europe (CSCE),¹ the Organization of the Islamic Conference (OIC) and a number of other authoritative international organizations as a full and equal member. It has declared the most important direction of its foreign policy to be the strengthening of friendly relations with Russia, which is proclaimed a strategic partner. According to one survey,² this is supported by the overwhelming majority of the population and is stated in a number of the principal state documents of Tajikistan.

Relations between Russia and Tajikistan are very complex. This is characteristic for all the post-Soviet countries which are now mere fragments of the huge

¹ In Jan. 1995 the CSCE became the Organization for Security and Co-operation in Europe (OSCE).

² Wagner, S., *Public Opinion in Tajikistan, 1996* (International Foundation for Electoral Systems: Washington, DC, 1997).

former USSR. For 70 years Russia and Tajikistan were tied together, first as parts of a single political, economic and social organ and, second, as ‘centre’ and ‘periphery’. In some respects their ties are not only pure interstate relations. A considerable part of their relations now takes place at the level of the Commonwealth of Independent States (CIS). Another, indefinite and constantly changing, element of relations between them depends on the internal situations in the two countries. Their relations fall into three patterns: (a) the gradual breaking of old relations and changing them into conventional interstate relations; (b) a transformation of relations within CIS processes; and (c) the preservation of informal and indefinite relations under cover of the CIS during the period necessary for both countries to determine many aspects of their internal and external policy.

At present their relations are developing in the two latter directions. The ‘divorce’ was practically complete by 1996. Nevertheless, many ties have not been broken. Rather, they have changed but continue to function. Many are being transformed before our eyes.

The relations dominant between Russia and Tajikistan at present are a very intensive search for the best forms, ways and means of cooperation.

The development of cooperation

The Russian presence in Tajikistan takes the form of its embassy, the General Consulate in Khujand, groups of the Russian Federal Border Guard Service, and military formations of the Russian Armed Forces on the territory of Tajikistan—the 201st Motorized Rifle Division (MRD). A number of Russian offices are also accredited in Tajikistan, engaged in building up economic structures and so on.

The First Deputy Prime Minister of Tajikistan is responsible for relations with CIS countries, with Russia in the first place. The post is occupied by one of the leaders of the United Tajik Opposition (UTO), the former Kazi-kalon of Tajikistan, Hoji Akbar Turajonzoda. In the government structure there is also a Department for Relations with the CIS where specialists look after relations with Russia, mainly in the economic sphere. In 1997 a CIS Department was opened in the Tajik Ministry of Foreign Affairs where foreign policy aspects of relations with Russia are being developed.

Relations between Russia and Tajikistan are based on the Agreement on Cooperation and Mutual Assistance signed in Moscow on 25 May 1995.³ This document set out the principles upon which Russian–Tajik relations should be based: mutual respect for national sovereignty and territorial integrity; the peaceful resolution of conflicts and non-use of force; equal rights and non-interference in each other’s internal affairs; and respect for and observance of

³ For the text, see ‘Dogovor o družbe, sotrudnichestvo i vzaimnoy pomoshchi mezhdou Respubliki Tadzjikistan i Rossiyskoy Federatsii’ [Agreement on friendship, cooperation and mutual assistance between the Republic of Tajikistan and the Russian Federation], *Akhbori Shuroi Oli* [News of Parliament] (Dushanbe), no. 14 (1993), p. 148 (in Russian, Tajik and Uzbek).

human rights and basic liberties and other internationally acknowledged norms. It created a serious and stable legal basis for relations. Since then over 70 treaties, agreements and protocols have been signed by the presidents of the two countries. The decree of Russian President Boris Yeltsin of 14 September 1995 'On Russia's strategic course with respect to the CIS member states'⁴ also stimulated the development of relations. Meetings of presidents, parliamentary leaders, ministers and heads of departments are held from time to time with the intention of developing relations in the areas of the economy and culture, coordinating the activity of the two countries on the international arena and strengthening their defensive capability. A marked advance was made in the winter of 1995/96, when the Tajik Government adopted a decision to join the CIS Customs Union.⁵ As early as May 1996 all the documents were prepared and coordinated for Tajikistan to join the Union. It finally joined in February 1999, its legislation having proved to be seriously incompatible with that of the four other members: it took two years to finalize the necessary documents, and the decision on joining was taken by the Majlisi Oli (the Tajik Parliament) only on 13 November 1998. Tajikistan is also doing its best to join the 'two' (the union of Russia and Belarus⁶).

In May 1996 a number of important agreements were adopted by a joint commission on trade and economic cooperation and development. However, almost none has been implemented in practice.

Work on mutual relations slackened during the Russian presidential election campaign of June–July 1996. However, immediately after his inauguration President Yeltsin met the President of Tajikistan, Imomali Rakhmonov, and confirmed the solid support of the Russian political leadership for Tajikistan to establish peace, to get out of its serious socio-economic crisis and to carry out democratic and economic reforms.

The visit to Tajikistan of Russian Prime Minister Viktor Chernomyrdin in January 1998 was of great importance. A number of agreements were signed, such as programmes of cooperation between the two ministries of foreign affairs and defence for 1998 and agreements on energy problems, civil defence cooperation, the handling of emergencies and other matters. There were meetings and talks on deepening cooperation in different economic and humanitarian spheres and a Russian parliamentary delegation visited Dushanbe. Immediately afterwards a Tajik Government delegation headed by Prime Minister Yakhyo Azimov visited Moscow. On 24 November 1998 there was another session in Moscow of the Council of Heads of Government of the 'four' at which Azimov took his place. This conference approved the Agreement on the Customs Union and the Uniform Economic Space and the documents implementing it, determining the integration strategy for the coming years.

⁴ 'On Russia's strategic course with respect to the CIS member states', Presidential decree no. 940, 14 Sep. 1995. For the text, see *Segodnya*, 22 Sep. 1995, p. 9.

⁵ Formed on 20 Jan. 1995 by Belarus, Kazakhstan and Russia. Kyrgyzstan joined in Mar. 1996.

⁶ Agreement on the Formation of a Community, 2 Apr. 1996. For the text, see *Diplomatscheskiy Vestnik*, no. 5 (1996), pp. 39–42.

During President Yeltsin's visit to Tashkent on 12 October 1998 a trilateral 'Declaration on general cooperation between the Russian Federation, the Republic of Uzbekistan and the Republic of Tajikistan' was signed,⁷ its purpose being to provide for joint action on political, economic and defence matters and interaction in the protection of the Afghan/Tajik and Afghan/Uzbek borders.

An important trend in bilateral cooperation is the coordination of assessments of and approaches to essential international problems, such as nuclear issues, crisis management, and coordination of action in the UN, the Organization for Security and Co-operation in Europe (OSCE) and other international organizations.

II. The role of Russia in the inter-Tajik conflict settlement

The complexity and diversity of the conflict in Tajikistan and the great number of parties involved have made the settlement process slow and difficult.⁸ Under the influence of global and regional power changes the positions of external forces trying to exert influence on the conflict have also changed considerably. From the very beginning the UN and the OSCE were of great importance. Iran and Pakistan also played an important part: both are interested in the peaceful settlement of the inter-Tajik conflict and offered their services as mediators. Iran made especial effort in this direction. After a period of some uncertainty, Russia took measures to stop the fighting and promote a political settlement. In January 1993 Kazakhstan, Kyrgyzstan, Russia and Uzbekistan, at the request of Tajikistan, had agreed to form a Collective Peacekeeping Force (CPF).⁹ The participation of Central Asian countries was symbolic only. Russia took the burden on itself. Since 1994 its role as an observer and mediator has been the main feature of Russia's policy towards Tajikistan. Cooperation with Iran and Pakistan is a new element of Russia's policy for achieving peace in Tajikistan.¹⁰

In 1994 peace talks between the Government of Tajikistan and the UTO began in Moscow under the aegis of the UN. Russia took an active part.¹¹ In late 1995 the negotiations came to a deadlock and hostilities resumed. In November 1995 the Russian President's assistant for international affairs, Dmitry Ryurikov, arrived in Dushanbe to hold consultations on ways of getting out of the deadlock. At a CIS summit meeting in January 1996 President Yeltsin and other prominent persons appealed for revival of the inter-Tajik dialogue in order to achieve peace.

⁷ For the text, see *Vestnik Posolstva Rossiyskoy Federatsii* [Herald of the Russian Embassy] (Dushanbe), no. 10 (1998).

⁸ On the origin of the conflict, see Amer, R. *et al.*, 'Major armed conflicts', *SIPRI Yearbook: World Armaments and Disarmament* (Oxford University Press: Oxford, 1993), pp. 104–107.

⁹ *Nezavisimaya Gazeta*, 24 Feb. 1999.

¹⁰ Zviagelskaya, I., 'Poiski novykh podkhodov k postsovetskim konfliktam' [In search of new approaches to post-Soviet conflicts] in *Zapadnaya Aziya, Centralnaya Aziya i Zakavkaziya: Integratsiya i konflikti* [Western Asia, Central Asia and Transcaucasus: integration and conflicts] (Institute of Oriental Studies: Moscow, 1995), p. 261.

¹¹ Belov, E. V., *Rossiia i Mezhtadzhikskoye Uregulirovanie* [Russia and inter-Tajik settlement] in *Rossiia v Istoricheskikh Sudbakh Tadjikskogo Naroda* [Russia in the historical destiny of the Tajik people] (Sharq-i Ozod: Dushanbe, 1998), pp. 146–54.

Russia's policy on conflict settlement in Tajikistan took great strides forward with the appointment of Yevgeny Primakov as Minister of Foreign Affairs in January 1996. His first trip abroad was to Dushanbe, accompanied by the then director of the Federal Border Guard Service, Andrey Nikolayev, the head of the Foreign Intelligence Service, Vyacheslav Trubnikov, the Minister for CIS Cooperation, Vyacheslav Serov, and the then Defence Minister, Pavel Grachev. In Dushanbe Primakov declared that repairing relations with the opposition was a precondition not only for political stabilization but also for the preservation of the country's integrity and for solving economic problems.

After five rounds of negotiations between the parties to the conflict, Yeltsin suggested that President Rakhmonov and the leader of the UTO, Said Adbullo Nuri, should meet in Moscow. To get Nuri's consent, Russia sent a plenipotentiary of the president, Yevgeny Mikhailov, who met Nuri in Kunduz on 23 July 1996. In spite of constantly arising obstacles and disagreements, with the help of the special representative of the UN Secretary-General the Russian representatives achieved agreement on an outline of a final document. After meetings in Teheran in October 1996 and Khozdeh (in Afghanistan) in December 1996, Rakhmonov and Nuri declared their readiness to meet in Moscow. In December 1996 negotiations took place there, again with great difficulties. Under these conditions the Russian side proposed a compromise protocol on the functions and plenary powers of a National Reconciliation Commission. Negotiations with Chernomyrdin participating ended with the signing of a number of documents defining the time and details of the transition to peace and the mechanism for achieving national reconciliation.

In February–March 1997 a seventh round of negotiations in Moscow resulted in the signing of a protocol on military problems, a key document in the settlement which provided for the integration of the opposition and government armed units by 1 July 1998. The concluding round produced a General Agreement on Peace and National Accord in Tajikistan, signed in Moscow on 27 June 1997 in the presence of President Yeltsin.¹²

III. Military cooperation between Russia and Tajikistan

The most extensive ties between Russia and Tajikistan are in the military sphere. Tajikistan is the only country in Central Asia where Russia has armed forces, represented by the 201st MRD and the Federal Border Guard Service, stationed in Tajikistan together with the Tajik Army (12 000 men) and the border forces of the Tajik Committee of State Border Defence.¹³

Tajikistan is the only CIS country not to have joined the Partnership for Peace (PFP). Its leaders, especially the president and defence minister, are against it

¹² For the text, see *Diplomaticheskii Vestnik*, no. 7 (July 1997), pp. 45–46.

¹³ On the Tajik armed forces, see *Sodruzhestvo NG* [supplement to *Nezavisimaya Gazeta*], no. 1 (Dec. 1997), pp. 4–5. In Nov. 1998 the Russian border guard troops numbered 11 500 and the 201st MRD 6687. 'Russian Border Service', in Foreign Broadcast Information Service, *Daily Report–Central Eurasia: Military Affairs (FBIS-UMA)*, FBIS-UMA-98-302, 29 Oct. 1998; and *Krasnaya Zvezda*, 28 Nov. 1998.

on the grounds that Tajikistan has the CPF on its territory and does not need another, similar programme.

A legal basis for bilateral cooperation between Russia and Tajikistan in the military sphere has been created since independence. Military cooperation is regulated by multilateral agreements and treaties within the CIS and by a number of bilateral agreements, such as an agreement on Russian forces on the territory of the republic of 1992, treaties and agreements regulating different aspects of the presence of Russian military formations in Tajikistan, an agreement on the border force,¹⁴ and others. There are also agreements between different military structures, for instance, between the two ministries of defence. Military–technical cooperation is a constant item on the agenda of practically all meetings between the Russian and Tajik leaderships.

Another important step in defence cooperation was taken in early April 1999 when the Tajik Government and visiting Russian Defence Minister Igor Sergeyev reached an agreement allowing Russia to maintain a military base in Tajikistan for a period of 25 years.¹⁵ Tajikistan also confirmed its intention to join the CIS air defence system, the members of which, besides Russia, were Armenia, Belarus, Kazakhstan and Kyrgyzstan.

However, in spite of the close military ties of the two countries and strict coordination of their actions, the military strategy of Russia towards Tajikistan is not yet clear.

Peacekeeping

Russian military policy towards Tajikistan is illustrated by Russia's role in the CPF, of which the core is the 201st MRD. From the very beginning the CPF mandate was very vague and indefinite because of Russia's reluctance to get involved in a new Afghanistan. That made it impossible to use the relatively recently developed idea of peace enforcement, in other words, active interference in a conflict. On the other hand, the CPF was and is an important factor in the settlement of the conflict in Tajikistan. Both conflicting parties recognized it as a guarantor of agreements and requested the CPF to transport opposition military forces inside the country on their way from Afghanistan to their permanent locations. This was not mentioned in the agreement but was desirable for all parties. (The UN treats the CPF, which has only a CIS mandate, tolerantly, because it itself is overloaded with peacekeeping operations and because the world community is not very interested in the conflict.) The CPF guards the vital economic installations of Tajikistan, has provided humanitarian aid and necessary supplies to the needy Russian population of Tajikistan, and has assisted the migration of ethnic Russians and other ethnic minorities.

¹⁴ [Agreement on the legal status of the military forces of the Russian Federation in Tajikistan], [Treaty of cooperation between the Russian Federation and Tajikistan in the military sphere] and [Agreement between the Russian Federation and Tajikistan on the legal status of the Russian border forces in Tajikistan], *Akhbori Shuroi Oli* [News of Parliament] (Dushanbe), no. 14 (26 June 1993), pp. 148–49 (in Russian and Tajik).

¹⁵ Radio Free Europe/Radio Liberty, *RFE/RL Newslines*, vol. 3, no. 67, Part I (7 Apr. 1999).

The change in Russia's military policy towards Tajikistan influenced its attitude towards the creation of national armed forces by the new republic.

Other military cooperation

Tajikistan is the only country in the Central Asian region which gained almost nothing from the division of the former Soviet Army between the newly independent states. In contrast to other armies of the newly independent countries, formed on the basis of the military contingents and material-technical bases of the Soviet military districts, that of Tajikistan was constructed on the basis of the Popular Front—partisan detachments which appeared during the civil war. In the first place, this happened because Tajikistan had no military district of its own but was part of the Central Asian Military District with its centre in Tashkent. Second, the inter-Tajik conflict coincided with the very beginning of the division of the former Soviet Army. Fears that an independent Tajik Army would split and opposing groups begin shooting one another (as happened in Trans-Dniester in Moldova) led to a decision not to hand over to Tajikistan weapons of the former Soviet armed forces.

All this caused great difficulties in constructing national armed forces, aggravated by the fact that Tajik military professionals moved over to the Russian border forces and the 201st MRD for better living conditions. That also had the effect of strengthening the connections between the Russian forces deployed in Tajikistan and the newly formed national army; but, again, the lack of a firm Russian policy on Tajikistan's own armed forces handicapped the process severely. From the very beginning the greatest difficulty for Tajikistan was an acute shortage of skilled personnel. It was not until 1996 that Russia decided to give free training to Tajiks in Russian military institutions. In 1997 the first 80 military graduates and eight graduates of military academies returned from Russia to Tajikistan. In 1996 the Russian Ministry of Defence also began to build up an Institute of the Chief Adviser on Military Affairs in the Tajik Army (a post held by General Yury Baranov) and there is now a staff of the Chief Adviser in the Ministry of Defence of Tajikistan, consisting of 20 Russian advisers working directly in military units of the Tajik Armed Forces observing the integration of the UTO opposition groups in the national armed forces.

Border guarding

Russia is Tajikistan's main partner in guarding its borders. On 19 October 1992 a border guard group of the Russian Federal Border Guard Service was formed in Tajikistan, based on the operative army department of the Central Asian border district. Russian presidential decrees provided the legal basis for it: 'On transferring the border forces on the territory of the Republic of Tajikistan to the jurisdiction of the Russian Federation,' and 'On the formation of border forces of the Russian Federation in the Republic of Tajikistan constituting

border forces of Russian guard group and the liquidation of the Central Asian border district'. The work of the Russian border forces in Tajikistan is regulated by a number of documents, the most important being the 'Agreement between the Russian Federation and the Republic of Tajikistan on the legal status of the Russian border forces in Tajikistan' of 25 May 1993 signed by Yeltsin and Rakhmonov.¹⁶ Russian military serving in the Russian border forces in Tajikistan on contract are mainly officers; the rank and file, 80 per cent of the force, are citizens of Tajikistan.

Until late 1998 the Russian border forces carried out their mission together with composite battalions of Kazakhstan, Kyrgyzstan and Uzbekistan and participated in guarding the Afghan/Tajik border on the first line, that is, immediately on the border. The Uzbek battalions were withdrawn in November 1998, and Kyrgyzstan withdraw its troops in February 1999. Those of Kazakhstan and Kyrgyzstan were subordinated to Russian leaders; the Uzbek battalion was under Uzbek command. The joint Central Asian battalions were brought in to Tajikistan according to decisions taken by the CIS heads of state. The interaction of the Russian border forces in Tajikistan and the Tajik Committee of State Border Defence has been worked out. Military units of the latter guard the borders with CIS neighbouring countries and are stationed on the second line along the CIS outer borders. A number of frontier posts on the Afghan–Tajik border were passed over to the Tajik Committee on State Border Defence.

At present where Russia is concerned there are two approaches to guarding the CIS outer borders: (a) cooperation with CIS countries, whose outer borders are guarded either by Russia or with the participation of Russian troops (as in Armenia, Belarus, Georgia, Kazakhstan, Kyrgyzstan, Tajikistan and Turkmenistan); and (b) cooperation with CIS countries which safeguard their outer borders themselves (Azerbaijan, Ukraine and Uzbekistan). CIS border forces also have regular joint operations, such as the 'Putina', 'Rubezh' and 'Inostranets' exercises. As the CIS inner borders are not formally agreed by treaties, the member countries' interests are closely interwoven just on the outer borders. This is especially relevant at present given the new menaces to CIS security—organized crime, illegal migration, drugs and arms transfers, and international terrorism. From this point of view the interaction of Russian and Tajik border guards is an example of the highest-level integration so far within the CIS.

The Russian border forces play an important part in the settlement of the conflict in Tajikistan. The return of UTO formations and refugees to the territory of Tajikistan is being carried out under their supervision at the Ishkashim and Pyanj frontier posts. In the event of mass migration connected with the complex situation in Afghanistan, a special programme with the help of international organizations has been worked out. Nevertheless, there are considerable problems in the field of border guarding. The existing legal basis is clearly inadequate. Some agreements and treaties are out of date or require amendment and for some there is no mechanism in place for their implementation. Another

¹⁶ See note 14.

critical problem is the legal confusion concerning citizens of Tajikistan serving in the Russian border forces (they account for 12 000 out of a total of 16 000) and in the 201st MRD. They come neither under Russian's laws nor under Tajikistan's. Either amendments to old treaties or new treaties are needed to provide social security for citizens of Tajikistan who are serving in the Russian Army and their families.

The future of the Russian border force in Tajikistan is connected with the creation of a deep echelon system of border guarding and control and eventual transfer of parts of the border to the Tajik Committee of State Border Defence. A joint integrated command of the Tajik border force is supposed to come into being.

The situation is complex when two independent parallel structures belonging to different states participate in guarding one and the same border. Tajikistan, naturally, is unable to guard a very long border with a country in a state of war (Afghanistan) because of the small size of its own armed forces, its lack of advanced equipment, its limited potential for mobilization, the poor state of military construction and the lack of a military doctrine or national military strategy. This incomplete basis for its military security makes it impossible for it to guard the border with its own forces and repel possible external aggression.

In spite of their friendly relations, the national interests of Russia and Tajikistan are rather different. The Russian first-echelon border forces are defending the national interests and security of Russia, but not of Tajikistan. This cannot but make problems for the latter, for example, in trade.

IV. Trade and economic ties

Trade and economic ties used to be based on intergovernmental agreements on trade and economic cooperation as well as commercial contracts. The share of intergovernmental trade is now constantly decreasing. The main objects of export–import operations are strategic commodities. Cotton and aluminium dominate Tajikistan's exports; grain, gas, oil and oil products are imported.

Agreements reached are in practice not being fully put into practice, for a number of reasons, the principal ones being the incompatibility of Tajikistan's customs and tax regulations and difficulties in determining exchange rates. A group of specialists from Rosvooruzheniye, the main government agency for arms export and import operations, worked in Tajikistan for some time investigating the possibility of joint use of defence enterprises there. However, defence ties were not resumed because conditions satisfactory to both parties could not be worked out. A credit for Tajikistan of 500 million roubles on concessional terms was delayed and then postponed again because of the Russian financial crisis until the Russian Parliament had adopted the budget for 1999.

There are no laws regarding the operation of joint financial–industrial groups. In the very near future work on this will begin. In the meantime negotiations with Kazakh, Russian and Uzbek financiers and industrialists are going on.

There are plans to set up financial–industrial groups with Russia and Kazakhstan in uranium and with Russia in cotton in the near future.

On the whole the economic relations between Russia and Tajikistan, having been set back during the early period of independence, have not changed for the better. The Tajik Government and Russian institutions accredited in Tajikistan, such as the Russian Embassy, made great efforts to prevent the further deterioration of economic contacts between the two countries after the USSR fell apart. In the interests of economic cooperation with Russia, the Tajik Government cancelled some contracts with foreign firms, particularly in oil and gas extraction. Even so, no radical changes were achieved, although economic relations improved slightly during 1997. Thus, according to the Tajik State Statistics Agency, the share of Russia in Tajikistan's foreign trade was 12 per cent in 1997 as against 10.6 per cent in 1996.

It was not by chance that during Chernomyrdin's visit his Tajik hosts tried to draw Russia's attention to the Iranian–Tajik project for extracting oil and gas in Tajikistan and to the joint programmes of 'major' and 'minor' privatization. One member of the Russian delegation, Rem Vyakhirev, Chairman of Gazprom, took an interest in these proposals. Generally speaking, the presence on the Russian delegation of managers of Gazprom, Lukoil, United Energy Systems (UES) and Inkombank showed the revival of Russia's interest in its southern neighbours.

The opening of the Russian–Tajik Slav University in Dushanbe, founded under Article 22 of the 1995 Agreement on Cooperation and Mutual Assistance, was a great event in Russian–Tajik relations. The university is financed partly by Russia and partly by Tajikistan and has 1200 students.

Russia and Tajikistan are linked by major migration flows. According to the IFES-96 opinion survey in December 1996, 53 per cent of potential emigrants from Tajikistan planned to go to Russia.¹⁷ In 1995, 71.3 per cent and in 1997 89.9 per cent of emigrants from Tajikistan went to Russia. According to other studies, there are a potential 80 000–90 000 Russian and Russian-speaking migrants from Tajikistan.¹⁸

Since independence a change has been observed in the reasons for migration. According to data from the State Statistics Agency of Tajikistan in 1991, the main reasons for departure from Tajikistan were inter-ethnic conflicts and a deterioration in the titular population's attitude to the Russian-speaking population. In December 1996, however, the main reasons were the search for a better life (in first place), uncertainty about the future (in second place), economic difficulties, economic and political instability, and the departure of relatives.¹⁹

Tajik citizens, both Tajiks and Uzbeks, also leave for Russia mainly in search of work—in 1995, according to the Tajik Ministry of Labour and Employment, 5618 people, of whom 3209 were from towns and 2409 from the countryside. The actual figures are considerably higher than the official data. There are

¹⁷ Wagner (note 2), p. 39.

¹⁸ Data of the Sharq Centre, Dushanbe.

¹⁹ Wagner (note 2), p. 39.

currently over 200 000 working migrants from Tajikistan in Russia, according to the Department on External Migration of the Tajik Ministry of Labour and Employment, and about 500 000 during the summer months.

In 1997 a treaty on dual citizenship, first concluded in September 1995 (ratified by the Tajik Parliament in November 1995 and by the State Duma, the lower house of the Russian Parliament, in December 1996) came into force.²⁰ This legitimized the residence in Tajikistan of thousands of people with Russian citizenship, giving them all the rights of citizens of Tajikistan, and slowed down the process of repatriation into Russia, but increased Tajik and Uzbek migration into Russia.²¹ The problem of Tajik citizens serving in the Russian border force in Tajikistan and in the CPF began to be gradually solved. In 1997 a treaty between Russia and Tajikistan on the return of refugees and other migrants was prepared and is now being examined. An office of the Russian Federal Migration Service in the Russian Embassy in Tajikistan began work in January 1997.

V. Conclusions

The break-up of the USSR undermined security for many parts of the post-Soviet territory. New states, including Tajikistan, are in many ways unable to protect themselves from internal and external threats. Military-political and economic security in many respects is sustained with outside help. All this is aggravated for Tajikistan by its geographical and geopolitical position. It is at the junction of several big subregions with different religions, civilizations and cultures and is the object of a great deal of attention from some countries in the world community, a focus of their national interests. Tajikistan's political importance is strengthened by its simultaneous membership in European and Asian international organizations. The geopolitical interests of various countries are interwoven in Tajikistan in different ways and in different places. Geopolitical processes in the Central Asian region are leading to a strengthening of the positions of the USA, Western Europe, China, and the South Asian and Middle Eastern countries.

Tajikistan is supporting the developing integration processes on the post-Soviet space, especially maintaining close ties with Russia. The reasons for this support are economic, social, humanitarian, internal and geopolitical military factors combined. The most important are:

1. Internal conflict continues and the very statehood of Tajikistan is weak. This is a threat to its territorial integrity which will continue into the post-conflict period and is the main factor inducing it to seek a strong protector.

²⁰ 'Dogovor ob uregulirovanii dvoynom grazhdanstve Rossiyskoy Federatsii i Tadzhiestan' [Treaty on the settlement of dual citizenship of the Russian Federation and Tajikistan], *Akhbori Majlisi Oli* [News of Parliament] (Dushanbe), no. 22 (1995), p. 186. According to data of the Russian Embassy in 1997, 16 311 persons had gained dual citizenship.

²¹ Data of the Sharq Centre, Dushanbe.

2. Tajikistan is more interested in strengthening the CIS than any other member state because it prefers to be part of a great multipolar formation, Russia being the mainstay of the CIS. Tajikistan therefore supports all Russia's integration initiatives.

3. Tajikistan is the only Persian-speaking country in the Central Asian region. Its need to build the national state and fear of the Turkic ethno-political community are aggravating its relations with its neighbours and leading it to regard Russia as a powerful counterbalance.

4. In spite of all talk about the multipolarity of the world, in real life Tajikistan has to deal with a peculiar 'one-and-a-half' polarity. Insofar as it is in a geo-strategically vital position and has many internal problems, Tajikistan is obliged to stick to Russia as its greatest possible strategic partner.

5. A military 'umbrella' is vitally necessary for Tajikistan because it is quite unable to guard a very long border with militant Afghanistan.

In turn, there is an immediate menace to Russian interests in Tajikistan from the spread of the conflict in Afghanistan into Central Asian territory. This could result in Russia's losing its southern buffer zone. The spread of international terrorism, drug trafficking, uncontrolled migration, epidemics, pandemics and other calamities are among the risks and the challenges of our time.

Russia's main task to its south and in its policy on Tajikistan is to preserve and strengthen its influence in Central Asia by preventing it from becoming involved in the sphere of influence of other states and securing the CIS southern borders. To achieve this goal Tajikistan is still a reliable partner for Russia. A defence alliance with Russia is one of the main guarantors of Tajikistan's military security. The civil war in Afghanistan is full of ethnic contradictions and antagonisms. The Taleban are carrying out genocide on ethnic Tajiks,²² which cannot but affect Tajikistan. Tajikistan has become a front-line state, fully realizing the danger of large-scale involvement in the Afghan conflict.

All this explains the very limited extent of economic, humanitarian and cultural ties between Russia and Tajikistan and the very great extent of military cooperation.

These are the principal factors. There are also the factors of Tajikistan's dependence on Russian technologies and the pro-Russian orientation which part of the Tajik elite and intelligentsia have preserved. There is a large Tajik diaspora in Russia, a rather large Russian diaspora (6 per cent of the population) in Tajikistan, and huge seasonal migration of Tajik labour to Russia.

Relations between Russia and Tajikistan are hindered by: (a) Russia's continuing search for its place in the world, reflected in the course of its foreign policy; (b) uncertainties about the plans of Russian financial and industrial oligarchies for Tajikistan's resources; (c) political instability in Tajikistan; (d) the profound socio-economic crisis in Tajikistan; and (e) the fact that Tajikistan is

²² Iskandarov, K., 'Vliyanie Afghanskogo krizisa na situatsiyu v Tadzhikestane' [The influence of the Afghan crisis on Tajikistan], *Central Asia* (Luleå), vol. 2, no. 14 (1998), pp. 51–60.

lagging behind in economic reforms and as a result the two countries' normative and legal bases are not compatible.

All this complicates the attitude of Russia towards Tajikistan. On the one hand, military-political relations between Russia and Tajikistan are intense and relations among the parliamentarians of the two countries are active. On the other hand, up to 1998 no Russians of the first rank had visited Tajikistan, whereas the presidents of Afghanistan, Iran, Kyrgyzstan and Turkey and the Vice-Chairman of the Chinese National People's Congress had made official visits in spite of the situation in the country.

In the opinion of many observers, Russia may find itself in the strange situation of providing some military-political stability in Tajikistan and thus creating favourable conditions for Western and Eastern companies to explore Tajikistan's mineral resources and local market. In future, when Russia reduces its forces in Tajikistan and withdraws them as the result of a peaceful process, it will lose its influence in this strategically important region. It might be expected that Moscow has begun to understand this. However, understanding without economic ties and substantial investments in the Tajik economy cannot provide for Russian interests in Tajikistan.

In this respect, the Mayor of Moscow, Yury Luzhkov, is more active. He has established bilateral ties with Tajikistan, for example, arranging days of Russian culture in Dushanbe in March 1998, presenting Russian schools with textbooks and so on. In recent years active cooperation has been developing between Tajikistan and some of the Russian regions. Delegations have been exchanged with Bashkortostan, Chuvash, Omsk, Saratov, Irkutsk, Novosibirsk, Yekaterinburg, the Kurgan region and others. Cooperation is currently developing on a joint programme of medium-term trade and economic cooperation, an agreement on the broadcasting of Russian television to Tajikistan, and an agreement on cooperation in the production and repair of armaments. The problems of joint mining of silver (at Big Kani-Mansur), antimony (at Zeravshan), coal (at Nazar-Ailok and Fan-Yagnob) and other deposits are being examined.

Relations between Russia and Tajikistan after independence were developing according to the CIS model. In general the people of Tajikistan admit that their country is in the Russian foreign policy orbit and in the sphere of Russia's national interests. However, since economic, humanitarian and cultural ties are scant and military cooperation very extensive, the long-term prospect of cooperation between the two countries is not very firm.

8. Russia's policy options in Central Asia

Irina D. Zviagelskaya

I. Introduction

One essential question in the formation of the political course of any state is the definition of goals and the choice of the means best suited for the tasks set. The Central Asian policy of the Russian Federation is to all appearances distinguished by the absence of clear ideas about the purposes Russia is pursuing in this area of the world and the means necessary to achieve them. It would seem that the question 'What do we need Central Asia for?', so frequently asked in Russia after the disintegration of the USSR, has still not found a precise answer, despite the development that has taken place in the Russian approach to the region after 1991. Such uncertainty is to a certain extent traditional for a significant part of Russian public opinion. Fyodor Dostoyevsky remarked on Russian society's perception of the place of Central Asia in Russian politics:

And in general all our Russian Asia, including Siberia, still exists for Russia as some kind of appendage, in which our European Russia seemingly does not even want to be interested . . . There were even very bitter voices: 'Oh, this Asia of ours! We cannot make an orderly arrangement for ourselves even in Europe, but now they thrust Asia on us as well. This Asia is of no use to us at all, we'd better leave it to somebody else!' Sometimes our wiseacres express these judgements even now, out of their great wisdom, no doubt.¹

These words have a relevant ring first and foremost as applied to the Atlantacists, as they are called, in Russian foreign policy, whose position has been substantially weakened in the second half of the 1990s, but who nevertheless continue to influence the political line with regard to the states of Central Asia. At the same time, the ideas of those who believe that Russia's basic interests and its historic fate are closely connected with Asia have become considerably more attractive. Occupying as it does a key position on the Eurasian continent, Russia, in the opinion of a number of experts, can realize its role in the world as an effective bridge between West and East. The importance of Central Asia for Russia is thus not a tactical factor, but determines Russia's own geopolitical and geo-economic situation in a long-term perspective.²

¹ Dostoyevsky, F. M., *Dnevnik Pisatelya: Sobraniye Sochinenii* [The diary of a writer: collected works], vol. 14 (Nauka: St Petersburg, 1995), p. 504.

² For more detailed treatment of the debates on the formulation of Russian approaches towards Central Asia, see Zviagelskaia, I., *The Russian Policy Debate on Central Asia*, Former Soviet South Project (Royal Institute of International Affairs: London, 1995).

The evolution and dynamics of Russia's approach to the region can be presented as a choice between various options of which the outcomes are impossible to foresee or control.

II. The progress of Russian policy

At the beginning of the 1990s, perceiving the Commonwealth of Independent States (CIS) as a form of divorce rather than as a basis for future cooperation, the government of then Prime Minister Yegor Gaidar rejected the idea of close cooperation with the Central Asian states while preserving Russia's leadership, preferring to distance itself from them. This position was explained by the following logic: Russia was in need of rapid reform, and the Central Asian states with their authoritarian regimes would only retard its progress.

In the opinion of specialists of the International Research Centre of the Moscow State Institute of Foreign Relations (MGIMO), who did not at all deny the need to seek forms of cooperation with the states of Central Asia, a Russo-Asian union was undesirable because of the 'danger of the proclaimed "alliance for reform" degenerating into an anti-reform alliance with the conservative elites remaining in power in Central Asia'.³

The proclaimed goal of faster reform was, however, not the only reason why Russia pursued an 'isolationist' course within the post-Soviet territory. The then Kremlin politicians were convinced that the states of Central Asia would eventually 'have nowhere to go outside the zone of Russian influence' and that as soon as Russia's economy recovered they would be compelled to fall completely within its sphere of influence, this time on terms advantageous to Russia. The extent to which Gaidar and his colleagues misjudged the situation in forecasting the future of Russia itself, not to speak of its Asian neighbours, is now hardly a question of any importance. The reasons for the choice made are of much greater interest here. Besides hopes of Western aid and the certainty, nationalistic in its essence, that 'they have nowhere else to go', the unwillingness to pay any price whatsoever to preserve the bonds linking these states was of fundamental importance. It was obvious that Russia would have to shoulder a certain burden of political, economic and defence obligations, and it was not ready to do so.

The Russian politicians managed to achieve only one thing—to alienate the states of Central Asia, which were compelled to search for opportunities for survival both by developing relations with new partners and in the framework of intra-regional cooperation. Thus Russia's first political choice—that of distancing itself from Central Asia (with the exception of Kazakhstan)—proved to be wrong. It did not ensure the strengthening of Russia's positions in the region or an effective containment of the challenges to its security.

³ Moscow State Institute of International Relations (MGIMO), Centre for International Studies, *Sodruzhestvo Nezavisimykh Gosudarstv: Protsessy i Perspektivy* [The Commonwealth of Independent States: processes and perspectives] (MGIMO: Moscow, Sep. 1992), p. 17.

By 1994–95, the stress in the Russian approach to Central Asia had changed substantially in favour of developing processes of reintegration within the CIS framework. The ‘near abroad’ was proclaimed a zone of vital Russian interests.⁴ However, a change in emphasis did not mean a fundamental change of course in practice. In particular, at the initial stage many politicians and experts, without denying the need to develop reintegration in the post-Soviet space, nevertheless excluded the states of Central Asia from the company of eventual partners. A case in point may be a situation analysis submitted by State Duma Deputy Alexei Arbatov. While indicating that integration calls for ‘a relatively similar level of economic development, a socio-political compatibility of societies [wishing to integrate themselves⁵], a cultural affinity of the peoples’, the author comes to a quite unambiguous conclusion: ‘In the foreseeable future Russia can be integrated only with Ukraine and Belarus’.⁶

In the meantime, the states of Central Asia themselves began to realize that intra-regional integration was a necessity. On the one hand, it was dictated by the desire to launch and make the most of the mechanism of common political and economic interests and to smooth over the difficulties of the transition period. On the other hand, the states of region could expect to create some kind of counterbalance to Russian policy and to avoid pressure on them from Russia. The Central Asian Union, comprising Kazakhstan, Kyrgyzstan and Uzbekistan, was created in 1994.⁷ It should be noted that in Russia this was treated with a degree of mistrust. By that time Russian politicians had begun to put forward their own integration projects and were not interested in the appearance of separate associations which could enhance the multipolarity already existing within the framework of the CIS. In August 1996, Russia itself was included in the union with the status of observer, which toned down its concern. In March 1998 Tajikistan, which had earlier had the status of observer, was interested to become a full member of the union.⁸ Despite initially rather sceptical forecasts of the chances of successful cooperation between the states of Central Asia, their regional association is keeping afloat.

Fundamentally the integrationist appeals of the Russian leadership had the character of propaganda and the Russian authorities tried to use all their potential for their own political needs. This may explain why Russia, while standing for reintegration, has consistently rejected the idea of a Eurasian union originally proposed by President Nursultan Nazarbayev of Kazakhstan.

The first document determining strategy in regard to the newly independent states was the Decree of the President of Russian Federation of 14 September

⁴ ‘Ob utverzhdenii strategicheskogo kursa Rossiyskoy Federatsii s gosudarstvami-uchastnikami SNG’ [Russia’s strategic course with respect to the CIS member states], Presidential decree no. 940, 14 Sep. 1995. For the text, see *Segodnya*, 22 Sep. 1995, p. 9.

⁵ Translator’s note.

⁶ Arbatov, A., ‘Realnaya integratsiya: s kem i kakaya?’ [Real integration: with whom and what sort?], *Nezavisimaya Gazeta*, 24 June 1994.

⁷ See, e.g., Carnegie Endowment for International Peace, ‘The state of integration in the CIS’, Draft report presented at the Carnegie Moscow Centre, 5–6 Mar. 1998, p. 118.

⁸ *Jamestown Monitor*, vol. 4, no. 60 (27 Mar 1998).

1995, which put forward the goal of creating an economically and politically integrated association of states.⁹ The gradual expansion of the CIS Customs Union,¹⁰ a rapprochement of the economies, the formation of a common capital market, the creation of a system of collective security and so on were included. An attempt to put the reintegrationist spirit of the document onto a practical footing was made in 1996. That year was crucial for several reasons. First, it was a presidential election year in Russia and progress towards a rapprochement with the republics was regarded as something calculated to appeal to the electorate. Second, it was necessary to promote a realistic line in opposition to the programme of the communists, who were playing not only on such major miscalculations of the authorities as the war in Chechnya, but also on the hankering after the past of a society experiencing an extremely difficult transition period. Third, in March specific actions had already been coordinated and a group of states displaying a readiness for profound integration with Russia (Belarus, Kazakhstan and Kyrgyzstan) had been established in the 'union of four'.¹¹

The scandalous resolution of the State Duma (the lower house of the Russian Parliament) of 15 March 1996 denouncing the Belavezh agreements¹² was a prologue to the signing of the treaty creating the 'union of four'. In particular, the resolution made the following prescription: 'The committees of the State Duma of the Federal Assembly of the Russian Federation shall in a month's time develop and submit to the Council of the State Duma a set of measures to eliminate the consequences of the break-up of the USSR'.¹³ The resolution dealt a serious blow to the policy of the authorities. It threatened to undermine trust in the CIS states and foreign countries in the integration efforts, representing them as a prologue to the restoration of the USSR, and promoted the strengthening of the positions of the nationalists. It created additional stimuli for the Baltic and the Central and East European states to distance themselves from Russia and join NATO. To all appearances it was aimed at forestalling President Boris Yeltsin and either frustrating the chances of the documents between Russia and the three other republics being signed or at representing their association as a step in the direction indicated by the State Duma.

The 'union of four' was inaugurated on 29 March 1996. Belarussian President Alexander Lukashenko was elected first Head of the Interstate Council. Such ambitious tasks as the definition of common policy and direct management in the economy, money, credit and financial regulation, energy, transport, communications, the provision of equal guarantees of citizens' and national

⁹ See note 4.

¹⁰ Also known as the 'union of four'. Created on 20 Jan. 1995 by Belarus, Kazakhstan and Russia. Kyrgyzstan joined when the Treaty on the Deepening of Integration in the Economic and Humanitarian Spheres (also called the 'Treaty of Four') was signed on 29 Mar. 1996. For the text, see *Diplomaticheskii Vestnik*, no. 4 (1996), pp. 56–60. Tajikistan joined in Feb. 1999.

¹¹ See note 10.

¹² Agreements on the dissolution of the USSR reached between Belarus, Russia and Ukraine at a secret meeting at Belavezh, near Brest, Belarus, on 7–8 Dec. 1991.

¹³ *Argumenty i Fakty*, no. 12 (Mar. 1996), p. 2.

minorities' rights and freedoms, foreign policy, the environment, security and the border security were allocated to the competence of joint bodies of the union. In particular, in the military field the parties agreed to ensure common security, to have uniform principles for the construction, planning and use of the armed forces and their participation in peacekeeping operations, and to use elements of the military infrastructure in line with national legislation.¹⁴

The emergence of the 'union of four' did not elevate relations between the member countries to a fundamentally different level. In the final account it was the result of political manoeuvring and internal political struggle in Russia, was not backed up by serious measures and, to all appearances, did not kindle strong mutual interest among the parties to it. At the same time, there are no grounds yet to speak of a complete failure of the union at present or, which is the main thing, in the long run. Significantly, at the peak of financial crisis in Russia in August 1998 the leaders of Belarus and Kazakhstan discussed progress in the integration processes within the framework of the customs union¹⁵ and agreed on the need to create a uniform economic space.

Furthermore, taking into account the inefficiency of the CIS, some statist experts have started to talk about reverting to the idea of a Eurasian Union proposed by Nazarbayev in 1994. However, their interpretation in many respects differs from his ideas and calls for a leading role for Russia in the new entity, including the granting to Russia's state bodies of 'powers to administer the corresponding bodies of other Eurasian Union members within the framework of various kinds of uniform systems (for example, of the border customs service [or] anti-aircraft defence)'.¹⁶ This is of theoretical rather than practical value, both because it would mean delegating too broad terms of reference to Moscow and because Russia would find it difficult to perform the whole range of obligations implied.

So far it remains Russia's main choice to develop relations with the states of Central Asia on a bilateral basis, and their future depends directly on the situation in Russia itself.

III. Political approaches

Russia's relations with the newly independent states of Central Asia remain a branch of policy with a conceptual basis and a system of priorities in a formal sense only. On the one hand, Russia, faced with its own difficulties, has no chance to be a centre of gravity for the former Soviet republics. On the other hand, the newly independent states are actively developing as independent subjects of international relations and formulating their own interests, priorities

¹⁴ Vinogradov, B., 'Soyuz chetyrekh vseryoz i nadolgo, po menshey mere na pyat let' [The union of four: serious and long-term, for at least five years], *Izvestiya*, 30 Mar. 1996, p. 1.

¹⁵ *Nezavisimaya Gazeta*, 4 Sep. 1998, p. 5.

¹⁶ Vasilyeva, L., Balytnikov, V. and Serkov, E., 'Resheniye problem SNG sushchestvuyet' [There is a solution to the problems of the CIS], *Nezavisimaya Gazeta*, 4 Sep. 1998, p. 5.

and political orientations, which are far from being always coincident with those of Russia.

At the same time, Russia, by virtue of historical links, geographical proximity and, lastly, its military might, maintained in spite of the difficulties of the transitional period, remains and probably will remain a major centre of power in the framework of the post-Soviet system.

The Near Abroad is a unipolar region (Russian preponderance is overwhelming) characterized by asymmetric interdependence . . . and the dominant strategy of regional states toward Russia will be 'bandwagoning' (accommodation), not 'balancing' (resistance). By this I do not mean that the leaders of the southern Near Abroad do not (and will not) have their own agendas or that their foreign policies will be choreographed in Moscow. My point is that even their decisions to diversify economic and political transactions so as to decrease dependence on Russia will be made with a keen awareness that Russia is nearby and powerful and that they inhabit a zone that it considers vital for its national security.¹⁷

The problems of Russian policy in relation to Central Asia stem not only from objective limiting factors and the discrepancy between the proclaimed goals and Russia's own resources but also from the fact that the specifics of the Central Asian states are not sufficiently taken into account. A generalized approach, as practised in the USSR, is frequently transferred, deliberately or by inertia, to the independent states of Central Asia, where the intrinsic influence of the traditional sector of society living according to laws that essentially differ from Russia's is strong. The feeling of cultural, economic and political commonality lingering in the mass consciousness after the disintegration of the USSR has been short-lived and transient. The search for national identity in Central Asia, without which the shaping of the newly independent states is impossible, presumes that the stress will be laid on their original roots, thus estranging them culturally from Russia.

Furthermore, in the states of the region themselves on the whole (with the exception of Tajikistan, which has suffered a bloody civil war and is dependent on Russian aid and support) the consolidation of the regimes has not been proceeding along the line of rapprochement with Russia but along that of increasing alienation from it. This can largely be explained by hasty decisions and actions that followed Russia's declaration of independence and in particular its decision on the rouble zone,¹⁸ which forced the republics of the region, Uzbekistan above all, to urgently introduce their own currencies, break off many economic links and so on. President Nazarbayev has repeatedly encountered arrogance on the part of Russia. In the circumstances, the local regimes, frustrated at Russia's position, were compelled to search for such ways of consolidating

¹⁷ Menon, R., 'After Empire: Russia and the southern "near abroad"', ed. M. Mandelbaum, *The New Russian Foreign Policy* (Council on Foreign Relations: New York, 1998), p. 101.

¹⁸ 'Dogovor o prakticheskikh merakh po sozdaniyu rubevovoy zony novogo tipa: Soglasheniye gosudarstv-uchastnikov SNG ot 7 sentyabrya 1993 goda' [Treaty on practical measures to create a rouble zone of a new type: agreement of the CIS member states, 7 Sep. 1993], *Sovety Kazakhstana*, 23 Oct. 1993, p. 1.

their authority as would quickly and effectively reduce their dependence on Russia. Moreover, the present Russian regime, despite all its obvious blemishes, can still be reckoned a democratic one, while in Central Asia authoritarianism is becoming stronger. Local rulers are not interested in the demonstrative effect of Russian reforms, and particularly not in the emergence of independent media in their respective states. Russia has not managed to take advantage even of such important levers to strengthen its influence as the broad spread of the Russian language and the relations of trust resulting from that. In Central Asia, the opportunity of receiving higher education in Russia is still highly appreciated, but only a handful of individuals can enjoy the opportunity. As noted above, all this is passing very quickly, but Russia for its part is not undertaking even such less expensive but essentially important actions as the preservation of the common information and cultural space.

Russia's political relations with the Central Asian states are marked by asymmetry. The states of the region differ considerably and have different specific weights and ambitions. Relations between them are not developing smoothly: for example, there is rivalry and mistrust between the strongest powers of the region, Kazakhstan and Uzbekistan. Russia's relations have been most difficult with Uzbekistan, which is least dependent on it and is bidding for leadership in Central Asia.

Attempts have in fact been made to improve relations with Uzbekistan by defining the sphere of mutual interests. In particular, Russia has used Uzbekistan's fears of the growth of Islamic fundamentalism and extremism to envisage opportunities for closer cooperation. Uzbekistan's President, Islam Karimov, has faced action by fundamentalists in the Ferghana Valley (in Namangan), is afraid of external Islamic forces exerting undesirable influence and is anxious about the prospect of a political challenge to his own position from Islamists. Mikhail Ardzinov, the chairman of the unregistered independent human rights community in Uzbekistan, links the coming presidential election to Karimov's toughening position concerning political Islam: 'New presidential elections will be held in the year 2000. And our president, Islam Karimov, has already begun to prepare for them. He understands quite well that the Islamists are his main rival. If the elections were held now, their candidate would undoubtedly get about 70 per cent of the vote . . . Karimov simply has to get rid of this dangerous rival before it's too late'.¹⁹ The figure of 70 per cent may seem exaggerated, but the fact that in Uzbek society there is scope to mobilize the population under Islamic slogans is not in doubt. In this context, during President Karimov's visit to Moscow on 6 May 1998, the Russian authorities proposed an agreement with a view to resisting 'the advance of Islamic fundamentalism' in Afghanistan, Tajikistan and Central Asia in general. President Imomali Rakhmonov of Tajikistan, who was told about the document under preparation by telephone, also immediately volunteered to sign it.²⁰

¹⁹ *Prism* (Washington, DC), vol. 4, no. 13, part 1 (of 3) (26 June 1998).

²⁰ *Jamestown Monitor*, vol. 4, no. 91 (12 May 1998).

The creation of a troika of official fighters against fundamentalism testified to Russia's rather clumsy and short-sighted attempts to find points of contact with the Uzbek regime on the basis of an agreement which is regarded by many as anti-Islamic. The reasons for Karimov's interest in it have been mentioned. Rakhmonov was tempted by one more chance to demonstrate Russia's and Uzbekistan's support for his regime. However, considering that he is compelled to carry on dialogue on the sharing of power and to cooperate with the United Tajik Opposition (UTO), his position caused bewilderment in the ranks of the UTO, where the document was perceived as a deviation from earlier commitments. Russia itself, in which about 12 million Muslims live and which is confronted with acute problems in the northern Caucasus, should also have been more circumspect in tackling such delicate issues. Finally, the document has hardly added to the popularity of Russian policy in public opinion in Central Asia, although it suited local regimes which had reason to be afraid of the Muslim challenge. The agreement also testified to the lingering uncertainty about Russia's priorities in Central Asia.

The following features of the present-day Russian political course in Central Asia can be singled out: (a) an absence of ideas about the value of the region for Russia; (b) an unwillingness to impose restrictions on itself for the sake of keeping Central Asia in the orbit of Russian influence (the question of military presence is considered separately below); and (c) rather superficial ideas about the socio-political and ethno-political processes under way in the region.

IV. Economic links

Russia was unable to ensure its economic presence in the region through investment, purchase of blocks of shares, and the creation of joint ventures and financial groups. A rather high level of risk and the lack of any prospects of getting dividends quickly has discouraged private Russian capital from Central Asia, except for oil, where Russian companies tried to join in the development of deposits and the transport of oil.

Interest in diversifying the economy and developing new industries—light industries, food, machine-building—is pushing the Central Asian countries toward the CIS in search of technological cooperation, and, most importantly, in search of possible market outlets for these industries. Taking into account the saturation of world markets, the things they are and will be producing will rather be bought in Russia than elsewhere.

Some financial backing also comes from the Russian Federation in the form of technical (actually interest-free) credits which prevent the establishment of serious debts of Central Asian states for interstate deliveries. Interest in Russia as a transit bridge to the West, as an outlet to the sea, still persists. However, the dynamics and the general trend of development of Central Asian economic links is not towards Russia, and the latter bears a large share of the blame for this.²¹

²¹ Nikonov, V. (President of the Politika Foundation), 'Politika Rossii v Tsentralnoy Azii' [Russia's policy in Central Asia], *Tsentralnaya Aziya*, no. 8 (1997) p. 55.

Table 8.1. Russia's trade with the Central Asian republics, 1991–96

Figures are in current US \$m. Figures in italics are percentages.

	1991	1992	1993	1994	1995	1996	1996 as % of 1991
<i>Kazakhstan</i>							
Exports	11 820.0	6 265.0	2 924.0	2 198.4	2 586.0	2 552.4	<i>21.6</i>
Imports	6 266.8	4 131.4	2 591.2	1 996.2	2 726.4	3 025.7	<i>48.3</i>
<i>Kyrgyzstan</i>							
Exports	1 700.0	518.7	255.0	103.9	104.7	153.2	<i>9.0</i>
Imports	1 328.0	309.4	205.4	97.8	101.2	138.2	<i>10.4</i>
<i>Tajikistan</i>							
Exports	1 785.0	327.6	119.0	143.3	190.1	151.5	<i>8.5</i>
Imports	1 062.0	145.6	63.2	90.0	167.0	88.0	<i>8.3</i>
<i>Turkmenistan</i>							
Exports	1 530.0	600.6	238.0	111.9	93.1	113.8	<i>7.4</i>
Imports	2 070.9	436.8	158.0	60.4	60.8	146.4	<i>7.1</i>
<i>Uzbekistan</i>							
Exports	7 820.0	2 102.1	901.0	786.1	824.0	1 084.8	<i>13.9</i>
Imports	6 903.0	728.0	880.0	851.8	888.7	653.1	<i>9.5</i>

Source: Carnegie Endowment for International Peace, 'The state of integration in the CIS', Draft report Presented at the Carnegie Moscow Centre, 5–6 Mar. 1998.

The data on the volume of trade between the states of Central Asia and Russia (see table 8.1) are sufficiently disquieting and significant. They confirm that as a trade partner Russia is losing its importance and appeal for them. The sharp fall in the volume of trade after 1991, natural after the break-up of a single state, has not been compensated for since. Even in the case of Kazakhstan, with which Russia has kept the widest economic links, the volume of trade did not reach half of the level of 1991 in the relatively favourable year 1996.

The participation of Russian oil companies in the development of oil deposits, first of all in Kazakhstan, is important. In Kazakhstan they form part of Tengizchevroil, the joint venture to develop Kazakhstan's giant Tengiz oilfield. Its shareholders are the US companies Chevron and Mobil, with stakes of 45 per cent and 25 per cent, respectively; Kazakhstan, with 25 per cent; and LukArco, an alliance of Russia's Lukoil and the US Atlantic Richfield, with 5 per cent.²² However, the activity of the Russian oil and gas monopolies in Central Asia has virtually no relation to or connection with the rest of their economies and does not radically change the fact of Russia's gradual economic withdrawal from the region. At a time when Russia is in most serious financial crisis, it is beyond reason to expect its economic presence in Central Asia to increase in the immediate future.

²² *Jamestown Monitor*, vol. 4, no. 69 (9 Apr. 1998).

V. Problems of security

Russian policy in Central Asia is most clearly revealed in the crises which demanded of Russia an immediate response.

The isolationism with respect to Central Asia which was characteristic of the Russian approach at the beginning of the 1990s was not so evident in the field of security as in other areas of its relationship with the states of the region. However, if at the initial stage there were illusions concerning the chances of preserving the unified armed forces, the swift nationalization of military policy, the interest shown by the Central Asian newly independent states in the creation of their own armed forces as a symbol of national sovereignty and the hasty division of the military property that remained on their territories quickly convinced the Moscow politicians of the need for new approaches in the field of security.

In May 1992, four Central Asian republics (Kazakhstan, Kyrgyzstan, Tajikistan and Uzbekistan) were among the first to sign the Tashkent Treaty on Collective Security.²³ Awareness of their own vulnerability, the post-Soviet syndrome and the desire to retain support from Russia in the military sphere made the Central Asian states active adherents of collective efforts. Russian politicians did not show much interest in preserving the defence space through the development of contacts with Central Asia; they merely did not resist the process taking place.

Subsequent propositions and ideas, basically stemming from the military and concerning the creation of a single defence union, failed to receive support. The rather amorphous Tashkent Treaty suited the parties better than the heavy obligations they would inevitably have to shoulder in a defence union. Besides, a defence union could not adequately meet the security challenges the parties to it might confront. From the very beginning it was obvious that there would be a need to create regional sub-systems. The Central Asian region was thus to be divided into two security zones: western (Uzbekistan, Tajikistan, Turkmenistan and part of Kyrgyzstan) and eastern (Kazakhstan and parts of Russia and Kyrgyzstan). The main danger to the states of the western zone comes from Afghanistan. The Chinese factor is present in the East Asian region, the eastern area of the Russian Federation and the eastern region of Kazakhstan.²⁴

This approach could be carried into effect only by means of huge capital investment, for which nobody in the CIS was ready. The creation of a military–political union without Ukraine basically lost all sense. Uzbekistan also treated that kind of association rather sceptically. The idea was merely used for a time as a propaganda counterbalance to plans for NATO expansion, as some kind of answer from Russia to the presumed new partition of Europe.

²³ For the text, see *Izvestiya*, 16 May 1992, p. 3. The original signatories were Armenia, Kazakhstan, Kyrgyzstan, the Russian Federation, Tajikistan and Uzbekistan. By the spring of 1994 Azerbaijan, Belarus and Georgia had also joined.

²⁴ Ivashov, L., 'Vozmozhno li voyenno-politicheskiy soyuz?' [Is a military–political alliance possible?], *Nezavisimaya Gazeta*, 18 Oct. 1994, p. 5.

At the same time Russian politicians were facing problems with which they were, to all appearances, unprepared to cope. To abandon Central Asia and leave it to its own devices has turned out to be impossible. Russia's interests in the security field did not allow it to do so.

A prominent example is the Tajik conflict. Much has been written about the evolution of events there and about Russia's policy on Tajikistan.²⁵ Here it is necessary to note only a number of elements that illustrate the dynamics of the Russian approach and policy options at various stages, which grew out of expediency to a much greater degree than out of well-conceived strategy.

The choices open to Russia in the early stages of the conflict were just two—to withdraw its troops and border guards, completely ignoring what was going on, or to intervene on the side of the pro-government forces. The first option could be regarded as highly speculative. Although the Russian Government genuinely tried to avoid intervention, it could not close its eyes to the interdependence of events in Afghanistan and Tajikistan. Even the supporters of a complete departure from Central Asia were compelled to realize what a completely open border in the south—the only fortified barrier—would mean for Russian security. They therefore rather vaguely imagined a possible alternative to the presence of Russian border guard troops. However, the decision to use Russian troops to guard the border also automatically posed new tasks for the Russian 201st Motor Rifle Division (MRD), stationed in Tajikistan. Thus in practical terms Russia had no choice. The stormy political debates on the issue only created an illusion of choice and were largely part of the internal political struggle, not of the working out of strategy for Central Asia.

Russia was compelled to become involved in 1992, when a bloody civil war was already raging.²⁶ Until then, official visitors from Russia saw in the intensifying conflict mainly an ideological collision between the communist *nomenklatura* and the progressive forces—perhaps not quite democratically mature, but in any case ready to overthrow the communist regime. The specifics of the conflict, which was based on regional contradictions, were of little interest to those responsible for political decisions at the time. Appeals from President Karimov, concerned about the prospect of Islamist ideas being exported to Uzbekistan and above all about the possibility of enhanced activity on the part of political Islam in the traditional enclaves of the Ferghana Valley, prompted

²⁵ See also chapter 7 in this volume; and, e.g., Djalili, M.-R., Grare, F. and Akiner, S. (eds), *Le Tajikistan: l'Épreuve de l'Indépendance* [Tajikistan: the test of independence] (Institut Universitaire de Hautes Etudes Internationales: Geneva, 1995), pp. 161–62; Tajbakhsh, S., 'The bloody path of change: the case of post-Soviet Tajikistan', *Harriman Institute Forum*, vol. 6, no. 11 (July 1993), p. 6; Khaidarov, G. and Imomov, M., *Tadjikistan: Tragediya i Bol Naroda* [Tajikistan: the tragedy and pain of a nation] (LINKO: Dushanbe, 1993), p. 72; Bushkov, D. and Mikulskiy, D., *Anatomiya Grazhdanskoy Voyny v Tadjikistane: Etno-sotsialnye Protssessy i Politicheskaya Borba, 1992–1995* [The anatomy of the civil war in Tajikistan: ethno-social processes and political struggle, 1992–1995] (Institute of Ethnology: Moscow, 1996); Zviagelskaya, I., *The Tajik Conflict* (Russian Center for Strategic Research and International Studies: Moscow, 1997); and Zviagelskaya, I., 'The Tajikistan conflict', *SIPRI Yearbook 1999: World Armaments and Disarmament* (Oxford University Press: Oxford, 1999), pp. 63–75.

²⁶ On the early development of the conflict, see Amer, R., 'Major armed conflicts', *SIPRI Yearbook 1993: World Armaments and Disarmament* (Oxford University Press: Oxford, 1993), pp. 104–107.

Russia to take more positive action. Russian Foreign Minister Andrey Kozyrev, visiting Dushanbe on 6 November 1992, made it clear that Russia had chosen to help Tajikistan to re-establish calm. One of the solutions suggested was to give power to the Commander of the 201st MRD, but he officially refused.²⁷ Measures to strengthen the Afghan–Tajik border were taken in parallel.

Military success did not stabilize the situation. The Tajik Government, which had limited regional support, could not establish control over the country. Powerful pressure on the border by the armed groups of the opposition and losses among the Russian border guards forced Russia to bring political influence to bear on the Tajik leaders, who were opposed to the very idea of negotiating with the opposition. Under UN auspices and with the active participation of Russia, the Central Asian states, Iran and Pakistan, official negotiations started in 1993, to end on 27 June 1997 in the signing in Moscow of the General Agreement on Peace and National Accord.²⁸ Forced participation in the settlement of the Tajik conflict has set new tasks—mediation and peacekeeping—for Russian policy in Central Asia.

Russia has come to regard the evolution of relations with the CIS states, including the countries of Central Asia, as the major precondition for the settlement of the conflicts that arise there. Its National Security Doctrine noted: ‘The deepening and development of relations with the member states of the Commonwealth of Independent States is the most important factor promoting the settlement of ethno-political and inter-ethnic conflicts and the maintenance of socio-political stability on Russia’s borders, which will eventually stop centrifugal phenomena in Russia itself.’²⁹ In this context, intermediary and diplomatic efforts to resolve conflicts in the CIS are seen as major factors promoting the reinforcement of Russia’s national security.

The development of positive relations with the international organizations—the UN and the Organization for Security and Co-operation in Europe (OSCE)—and with all parties interested in the settlement of conflicts, irrespective of political *partis pris*, has become a new element in the Russian approach.

Peacekeeping operations are an important element of de-escalating conflicts. Russia’s peacekeeping experience in the CIS started and was further developed in Tajikistan, and then expanded to other post-Soviet conflicts. It was there that the collective peacekeeping forces were created, with the participation, albeit symbolic, of Kazakhstan, Kyrgyzstan and Uzbekistan.³⁰ According to the military doctrine published in November 1993, the Russian Army, along with its traditional tasks, was to perform peacekeeping operations.³¹

²⁷ Poujol, C., ‘Chronology of Russian involvement in the Tajik conflict, 1992–1993’, eds M.-R. Djalili, F. Grare and S. Akiner, *Tajikistan: The Trials of Independence* (Curzon: Richmond, Surrey, 1998), p. 113.

²⁸ For the text, see *Diplomaticeskii Vestnik*, no. 7 (July 1997), pp. 45–46.

²⁹ ‘Kontseptsiya natsionalnoy bezopasnosti Rossiyskoy Federatsii’ [The national security concept of the Russian Federation], *Krasnaya Zvezda*, 27 Dec. 1997, pp. 1–3.

³⁰ Uzbekistan withdrew its troops in Nov. 1998 and Kyrgyzstan in Feb. 1999.

³¹ Stasovsky, A., ‘Voyennaya doktrina Rossii: novoye ponimaniye bezopasnosti strany’ [The Russian military doctrine: new understanding of the country’s security], *Krasnaya Zvezda*, 4 Nov. 1993, p. 1.

The Russian border troops in Tajikistan, currently 11 500 strong,³² form the bulk of the Russian military forces there. The 201st 'peacekeeping' Division has some 6700 troops deployed in the interior of Tajikistan.³³

Coordination of effort between Russia and the Central Asian states in the sphere of defence and security is tending to increase. The constant recurrence of crisis encourages consultation and joint action. Afghanistan is an example: a successful Taleban offensive, the rout of the northern alliance and the advance of the Taleban towards the CIS southern border in the autumn of 1998 caused concern in Russia, Tajikistan and to a lesser extent Uzbekistan. Turkmenistan had had time to establish relations with the Taleban by then. According to the Director of the Russian Federal Border Guard Service, Colonel-General Nikolay Bordyuzha, it is possible not only that Taleban armed formations will appear at the Afghan-Tajik border but also that they will cross it.³⁴ Border protection has been sharply tightened.

Enhanced coordination has also been planned by way of joint military doctrines. On 9 July 1998, Kazakh, Kyrgyz and Russian officers completed a three-day staff exercise at a military base outside Almaty. The Dostyk/Druzhba (Friendship)-98 exercise, the first of its type, rehearsed joint operations. In the first phase, putative joint forces destroyed a terrorist group in order to rescue an international train and the captive passengers; the second phase rehearsed a joint defensive operation by general-purpose forces against a hypothetical invasion, followed by a counter-offensive. The use of combined arms including infantry, armour and ground-support aviation was rehearsed. A Russian, a Kazakh and a Kyrgyz general all participated in the command of the exercise.³⁵

The increase in the number of joint arrangements in the field of defence can be partly explained by Russia's concern at the heightened activity of the US military in the region. The exercise of the Central Asian Battalion (CentrasBat), a Kazakh-Kyrgyz-Uzbek joint battalion, in Kazakhstan in September 1997 also involved the US Army's 82nd Airborne Division, and was organized not by the Partnership for Peace (PFP) but by the US Central Command. According to Commander of US Atlantic Forces General John Sheehan, the exercise highlights 'the US interest that the Central Asian states live in stability' and the fact that 'there is no nation on the face of earth where we can't go'.³⁶ While token units from Russia and other countries were scheduled to join the exercise, still the presence of a US division near its border was hardly a pleasant experience for Russia. The exercise also asserted US support for the independence of the Central Asian states, demonstrating that support to 'neighbouring countries'. It was clear that 'neighbouring countries' meant China and Russia.

³² 'Russian Border Service', in Foreign Broadcast Information Service, *Daily Report-Central Eurasia: Military Affairs (FBIS-UMA)*, FBIS-UMA-98-302, 29 Oct. 1998.

³³ *Krasnaya Zvezda*, 28 Nov. 1998.

³⁴ Panfilova, V., 'Dushanbe obespokoyen priblizheniem talibov' [Dushanbe worried at the approach of the Taleban], *Nezavisimaya Gazeta*, 13 Aug. 1998.

³⁵ *Jamestown Monitor*, vol. 4, no. 133 (13 July 1998).

³⁶ 'Western and Russian agencies, 14-16 September', *Jamestown Monitor*, vol. 3, no. 172 (17 Sep. 1997).

Although for the Russian politicians and military it is clear that in the near future the armies of the Central Asian states cannot reorient themselves to other partners, nevertheless the fact that new actors have emerged in this region, which is a sensitive one for Russia, and their action in the even more sensitive sphere of security may disturb Russia and produce an appropriate reaction.

VI. Conclusions

The continuing retreat of Russian policy in Central Asia is now dictated not so much by ideological reasons, as was the case at the beginning of the 1990s, as by real economic limitations and by the impossibility of taking on additional obligations. Speaking of purely political approaches (which are far from being always implemented in practice), it seems that a trend towards reintegration is dominant and will remain so for the foreseeable future. The question is whether Russia can subsequently bring about deeper cooperation with the states of the region or whether it will manage to make up for the time lost during which the possible partners will diverge still further from the sphere of its influence. In this connection, three options for Russian policy seem possible.

1. *Asymmetric reintegration.* Russia could develop relations on a more profound level and coordinate action with individual states of the region—with Kazakhstan, for instance, as having the greatest geopolitical importance, and with Kyrgyzstan. Russia is linked to Tajikistan by the whole complex of existing commitments and, most importantly, its role in guarding the Afghan–Tajik border. However, there are no grounds to speak of partnership with Tajikistan. Relations with Uzbekistan will hardly be basically improved, although a thaw cannot be ruled out, while coordination of positions on separate questions is possible with Turkmenistan.

2. *A new model of relations.* Russia needs to deal with the states of post-Soviet Central Asia as a new region, little known and more and more civilizationally remote. There is in fact little to counteract the weakening of Russian influence in the whole region, the growth of centrifugal tendencies, and the more precise orientations of the Central Asian states towards foreign partners.

3. *An enhanced military presence.* Russia can try to ensure a greater impact on the march of events in the region through an enhanced military presence and greater coordination of efforts in the field of security, but in default of other developed links and bonds.

At present, the most realistic option for Russia is the third. However, it cannot have a long-term character and may only delay the realization of the second option. The first option is possible if there are positive economic changes in Russia, but how many years back the financial crisis of 1998 has flung it no one can tell with any accuracy.

9. Central Asia, Russia and the West

Martha Brill Olcott

I. Introduction

While the continued independence of the Central Asian states is largely taken for granted today in most Western capitals, seven years ago there was very little optimism in Western policy circles about what the collapse of Soviet rule in this part of the world would bring. The new states of Central Asia seemed ripe for being overtaken by the fatal combination of drugs, guns and Islamic extremism.

The neighbourhood seemed potentially a deadly one. In June 1989 Uzbeks had clashed with Meshket Turks in the city of Ferghana (Uzbekistan): a year later there was far deadlier and more sustained violence when the Kyrgyz and Uzbeks of Osh *oblast* in Kyrgyzstan fought each other.¹ These clashes raised the spectre of two republics going to war with one another, no idle threat given the already ongoing confrontation between Armenia and Azerbaijan.

In the late 1980s and early 1990s developments in one Soviet republic or newly independent state often stimulated events in another. The Osh uprising led to the peaceful removal of Kyrgyzstan's leader Absamat Masaliev and his replacement by the current President, Askar Akayev, in October 1990.² In neighbouring Tajikistan the effort to oust President Kakhkhar Makhkamov, following the failed communist party coup of August 1991, plunged the country into civil war. This conflict, which became increasingly violent in 1992, was quickly transformed from being a conflict over the question who should rule society to one over whether the state should be a strictly secular one.

The existence of so many theatres of conflict helped contribute to a Western predisposition to look to Russia to guide these states into more stable and democratic futures and to play the role of policeman if good guidance failed. It is important to remember that this was a time of generally high Western confidence in Russian President Boris Yeltsin, who at the end of the Gorbachev era had surrounded himself with a large number of pro-Western democratic and economic reformers.

The situation in Tajikistan was particularly disturbing. Its porous border with Afghanistan raised the spectre of the fighting in the two states somehow becoming conjoined and threatening the stability of the other Central Asian states.

¹ For more information on these events, see Khazanov, A. M., *Soviet Nationality Policy During Perestroika* (Delphic Associates, Inc.: Falls Church, Va., 1991), p. 113; and Huskey, E., 'Kyrgyzstan: the politics of demographic and economic frustration', eds I. Bremmer and R. Taras, *New States, New Politics* (Cambridge University Press: Cambridge, 1997), pp. 661–62.

² Huskey (note 1), pp. 654–80.

Thus when Russia decided to intervene in the autumn of 1992 to try to restore order, it did so with tacit US support. This of course was before the war in Chechnya and Russia's very partisan tilting of the balance in Georgia towards the Abkhaz, threatening the survival of that nation as well as the physical survival of the newly elected President, Eduard Shevardnadze.

These latter actions led US and other Western leaders to begin to wonder whether Russia was demanding too great a role and seeking to reap the benefits of an empire without sustaining most of the costs of maintaining it. By this time many of the young reformers were being pushed aside by Yeltsin, while those who wanted to hold on to their posts began to espouse new policy lines. This was especially true of then Foreign Minister Andrey Kozyrev, whose policy-making agendas with regard to neighbouring states began to seem increasingly neo-imperialistic as his hold on power appeared to become more tenuous.

Kozyrev began dividing Russian foreign policy concerns into two spheres, directed to the 'near abroad', a potentially threatening euphemism for the former Soviet republics, and to the rest of the world.³ Russian policy makers claimed that their 'security net' should extend to the old borders of the USSR. Although they recognized that there was little chance that the three newly independent Baltic states would grant them this privilege, they used strong-arm tactics to get recalcitrant leaders in the other 12 newly independent states to join the Commonwealth of Independent States (CIS). At the same time Russian officials vociferously claimed the right to protect ethnic Russians wherever they might be in the former Soviet space, another term they were keen to make part of everyone's regular vocabulary, while deliberately leaving vague just how they planned to accomplish this.

The Russian Government, as well as the economic elite, also believed that they were entitled to other kinds of privileges in the former Soviet space. This became abundantly clear when the US company Chevron began negotiations to gain access to a pipeline across Russia through which Tengiz oil could be shipped to Western markets. Russia refused to remove limits on the volume of Tengiz oil that could be shipped through its pipelines, defending this by citing concerns about contaminants in the oil. Most observers, however, believed that its actions were meant to assure Russia of a cut in the profits from Kazakh oil and to emphasize Kazakhstan's continued dependence on Moscow.⁴ These negotiations in particular made it look to outside observers as if key figures in Russia's political establishment were more concerned to cripple Kazakhstan economically than to extract fair transit fees.

³ Kozyrev, who was Russian Foreign Minister from the autumn of 1990 until Jan. 1996, first referred to the 'near abroad' in 1992. 'What is taking shape around us . . . is something that could probably be called the "near" abroad. The "former" fraternal republics, which are tired of totalitarian oppression, have chosen, just like Russia, the path of independent development. This is a gratifying process which reassures us and is a guarantee of new friendship.' *Izvestiya*, 2 Jan. 1992, in British Broadcasting Corporation, *Summary of World Broadcasts: Former Soviet Union*, 4 Jan. 1992.

⁴ Kasenov, O., 'Institutions and conduct of the foreign policy of postcommunist Kazakhstan', eds A. Dawisha and K. Dawisha, *The Making of Foreign Policy in Russia and the New States of Eurasia* (M. E. Sharpe, Inc: Armonk, N.Y., 1995), pp. 263–85.

This impression was strengthened when Russian leaders began to challenge contracts signed by Western firms in both Azerbaijan and Kazakhstan, arguing that the Caspian Sea did not belong to these nations to develop. In 1994 it failed to recognize the contract which Western oil companies signed with Azerbaijan on the development of three Caspian oil fields, arguing that Caspian Sea reserves had to be divided and developed through agreements made by all the littoral states. Russia's hold over the available transit routes made these objections more than mere idle threats.

At roughly the same time the West began its own reassessment of the Caspian region as it became increasingly aware of the billions of dollars of oil and gas reserves which lie beneath the Caspian Sea and its shores. The value of these resources made Western businessmen and politicians keenly interested in the fate of the three states that contain most of the region's oil and gas—Azerbaijan, Kazakhstan and Turkmenistan—and in the fate of the other newly independent nations through which these resources will need to transit on the way to Western markets.

Once the principal Western oil companies became interested in securing a 'piece' of the Caspian, their governments necessarily reoriented their thinking as well. As a result, conventional wisdom in Western policy circles concerning these states quickly shifted 180 degrees. Azerbaijan and the Central Asian states went from being viewed as inconvenient additions to the international scene to being seen as potential strategic assets.

In the case of the USA, the policy shift has been particularly striking since it was equally occasioned by a real sense of let-down at developments in Russia itself. It is almost as if US policy makers felt that Russia must be punished for failing to become the kind of democratic society which they believed would be likely to develop rapidly in 1991 and 1992. This, combined with the potential value of the region's vast energy reserves, has led to a new set of priorities in the Caspian region.

Russia is no longer seen as a potentially positive influence on these states. Instead US policy makers are now strongly committed to their freeing themselves from dependence on Russia and doing so without growing closer to neighbouring Iran, the other logical but underused outlet to global markets. The USA is also encouraging these states to develop alternative security arrangements to complement the Russian-dominated CIS military agreements and concentrate on developing ties with the global economy, even if for the present these come at the expense of good trade relations with CIS partner states.

While the USA is still committed to having these states preserve their independence, introduce market economies and develop democratic institutions, the initial passion behind these words has all but disappeared. Six years ago the USA treated these states differentially, depending on their progress in achieving a democratic transition. While it rushed to recognize all the Central Asian states, Kazakhstan and Kyrgyzstan got US embassies first in a measure designed to nudge the other three towards embracing democratic principles more

enthusiastically. While no one would deny that other concerns played a decisive role in this decision (Kazakhstan had nuclear weapons) the US Government did continue to send out clear signals that the newly independent states would be treated differentially according to the pace of democratization. Presidents Islam Karimov of Uzbekistan and Saparmurad Niyazov of Turkmenistan were denied access to the White House during their earliest trips to the USA, in particular because of their lack of progress in human rights.

The behaviour of US policy makers is now sending a different message. Presidents of the energy-rich states are now welcome official visitors in Washington, regardless of how undemocratic their regimes are. Pipeline politics have come to eclipse concerns over sustaining macroeconomic reforms and fear of political instability has clearly begun to overshadow the earlier US commitment to the cause of popular political empowerment.

This does not mean that the USA has abandoned its goal of fostering the development of democratic societies in this part of the world. US and most other international assistance is still targeted towards projects designed to promote structural economic reforms as well as the legal environment necessary for the rule of law and the protection of private property. Kazakhstan and Kyrgyzstan have received a disproportionate share of this aid as the commitment to a radical restructuring of society has remained greatest in these countries.

Except for Azerbaijan, whose government is barred from receiving US public funds by Title IX, Section 907 of the Freedom of Support Act of 1992,⁵ the USA also continues to help all these states to overhaul their education and social welfare systems. Here, too, the emphasis is on redesigning these systems to increase their long-term viability, by transforming them from state to privately funded and managed activities, rather than helping them to meet existing social welfare needs. The amounts of money devoted to such projects remain pitifully small. No matter how much congressional interest in these areas is increasing, the sums available will inevitably be a fraction of the funds necessary to help these societies cope with the task of successfully educating and economically integrating their overwhelmingly young and rural populations while also providing for their pension-age populations.

Still, it is quite striking that US policy makers no longer hold the leaders of the Caspian and Central Asian states very much accountable when they backslide, nor is there much public indication of disappointment when they make little headway in implementing democratic reforms. This is in striking contrast to the standards the West expects of Russia's leaders. While Boris Yeltsin faced his major political opponent in a democratic election, in Central Asia only

⁵ The full title of this law is the Freedom for Russia and Emerging Eurasian Democracies and Open Markets Support Act. Section 907 prohibits any US aid to Azerbaijan, with the exception of non-proliferation and disarmament assistance, until the President reports that Azerbaijan has lifted its blockade on and ended hostilities towards Armenia and the Nagorno-Karabakh region of Armenia. Proposals to repeal Section 907 have failed, but the idea of lifting the ban on US aid to Azerbaijan is still being discussed.

Kyrgyzstan's President Askar Akayev has submitted himself to anything like a comparable risk.

While none of the other Central Asian leaders enjoys the kind of legitimacy which a democratic election process helps convey, all face serious economic crises and social welfare challenges. Still there is nothing in the US policy which conveys a sense of panic.

In the official US view none of the Caspian states is beyond saving, even war-torn Tajikistan, which is now perhaps showing signs of emerging from five years of sporadic fighting even more factionalized than when the war began. The thrust of US policy is that time is on the side of the states of Central Asia and that direct foreign investment is generally coming in quickly enough to enable them to make a successful transition to independence.

The hope is that revenues will be used in ways that serve the long-term economic interests of these states and that governments will use their royalties and profits from the sale of oil and gas to create a diversified economy, a sound tax base and a responsible social policy. True, there is increasing US concern about the growing problems of corruption in the region, but there is little anxiety that the situation might be beyond fixing, where disorder in one or more countries undermines regional security more generally.

Even if US policy makers still express concern to the various Caspian state leaders in private, as it seems certain they do, there is relatively little reason to think that their advice is being heeded. Over time the region's leaders have become more adept at rebuffing the implied conditionality of early US policy in the region. The shift in US policy has not made them less democratic; it simply has made them less apologetic about their behaviour. At the same time there is a growing sense that many US policy makers may also be coming to accept one of the basic premises of at least some of Central Asia's rulers, that by tradition and temperament their peoples are little suited to democracy. Many in the West now seem to find such arguments more attractive than they did a few years ago, as the attraction of a 'strong hand' applied in Islamic societies has grown in the face of violence in Algeria, the Taleban advance in Afghanistan, and the continuing Islamic extremist-inspired violence throughout the Middle East, the former Soviet Union and now even in parts of Europe and the USA. A large part of the reason why the USA continues to press for the isolation of Iran is its continuing support for such groups.

US leaders seem to have grown comfortable dealing with the former communist-leaders-turned-nationalists who still run virtually all these societies, seeing them as more predictable and hence preferable to the alternative elites which emerged from the economic, political and social forces released by the Gorbachev reforms as much as by independence. Someone like Askar Akayev has always been an attractive figure to Western audiences, but over time most of the others have also evolved into more worldly-wise political leaders, supported in part by advice from Western advisers and their own increasingly sophisticated diplomatic representatives.

While in theory this shift in Western perception could create a basis for cooperation with Russia, in fact it has not. Russian leaders have always preferred to deal with former *nomenklatura* types—who include Akayev, a long-time party functionary once responsible for supervising science—rather than with the opposition. The use of the Russian language and even more importantly the Soviet elite culture that was shared by those who ran the USSR still promote an easy working relationship between Russia's leaders and those in charge of the various Central Asian states. Russia's leaders too are at least as concerned with the political risks posed by Islamic extremism as are US leaders and share with the Central Asians the belief that the most important source of this threat is Afghanistan rather than Iran.

Russia's efforts at friendship building include security treaties and offers of military assistance. Yet it is these very security guarantees and the history of their development that make US policy makers suspicious of Russia's intentions. It is the vigour with which Russia has attempted to preserve its presence on Central Asia's borders and the increasingly ill-defined mandate of its 201st Motor Rifle Division (MRD) in Tajikistan, rather than its mere presence, which create concern. The Clinton Administration's view is that the Russian military presence will be used to defend Russian interests first and foremost, with no guarantee that Russia will do what is in the perceived interests of the various Central Asian states—a position that is even more strongly held by leaders of the Republican majority in the US Congress.

At the same time it is also far from self-evident that the current US policy of cosyng up to Central Asia's dictators is a formula for helping to ensure stability, and therefore in the best interests of the USA or in the long-term interests of the Western firms so eager to do business in the Caspian and Central Asian region. This change in US and Western attitudes, however, is likely to affect the kinds of states which emerge in the region, and not necessarily for the better.

In the short run this policy is likely to stimulate the speed with which the region is integrated with the international community, as Russia has effectively been put on warning not to become the neighbourhood bully. Yet Russia's influence in this region may well have been exaggerated. The greatest sources of instability in the long run probably lie within these states themselves and seem certain to be further stimulated if the income from energy sales does not trickle down from the elite to the masses.

The Central Asian states would not be the first place where leaders have used the national wealth for their own personal benefit and then expected the West or the international community more generally to help shield them from the actions of angry masses or from the intervention of neighbours seeking to serve as patrons for disgruntled elements in the population.

The sharply declining standards of living throughout the region, the increasing levels of corruption and the refusal of almost all the region's leaders to prepare for a stable and democratic transfer of power all speak of the risks ahead. US policy makers are not taking adequate stock of these challenges if the

Caspian is to be an area of vital national interest. All this suggests that current US interest in the region may be little more than diplomatic posturing and that it will fold its tents and depart if the investment climate sours, leaving the people of the Central Asian states to cope on their own with the consequences of their leaders' actions.

II. Working out the terms of the divorce

The Central Asian leaders have done far better in securing the independence of these states than most observers thought possible four or five years ago, but this does not mean that they will be equally successful with the challenges that lie ahead. One of the problems is that there is no agreed formula for evaluating developments in this region or for predicting what difficulties sustaining independence over the medium term is likely to create.

One major problem that has plagued the development of bilateral and multi-lateral relations between Russia and the various Central Asian states is that of how to treat their shared history and what rights and obligations it produces for both sides. Views can vary quite substantially depending on whether the Soviet Union is seen as an empire or as a failed multinational state.

For all their talk of throwing off the Russian 'imperial yoke', the Central Asian states are not going through a traditional decolonization experience. The Soviet Union was not simply the heir to the Russian Empire, but a transformed version of it, simultaneously a quasi-empire and a multinational state which both preached the equality of all peoples and subjugated them to an internationalist ideology which placed a distorted version of the Russian culture above all others. This creates a legacy of anger on both sides: the Central Asians resent their decades of de facto second-class status while the Russians believe that they are entitled to compensation for all that they have given to the Central Asians in their efforts to make them 'equal' to the Russians.

One thing that Central Asia does owe the Russians, however, is the administrative 'leg-up' that the Soviet republic system gave them in making the transition to independence. At the time of independence the Soviet republics had become weak quasi-states, with presidents, prime ministers and councils of ministers, quasi-democratically elected national legislatures and local legislatures. They also had a locally administered and highly developed network of social services, including a school system adequate to sustain universal literacy, free secondary and higher education, and a virtually free health care system which penetrated (if unevenly) to the most remote rural regions.

While the Soviet republic structure facilitated Moscow's administration of these regions, it made the institutional transformation to statehood easier than was initially expected. Added to this was the effect of the changing politics of the late Soviet era, which created new nationalist-oriented mindsets among masses and elites alike, giving powerful incentives for the governing elite of the Central Asian republics to transform themselves into national figures. This

occurred at the same time as the elites were getting powerful new economic incentives to hold on to power.

Talk of economic reform had stimulated both public and private claims to ownership of the valuable natural resources of these states, as well as giving Russian interests economic motivations to help fuel their geopolitical concerns. Oil and gas reserves are only a part of this region's great wealth. Kazakhstan has vast reserves of aluminium, copper and chromium, while collectively Kazakhstan, Kyrgyzstan and Uzbekistan account for some 40 per cent of the former USSR's vast proven gold deposits and Turkmenistan and Uzbekistan are major cotton producers.

The speed with which independence came may have been unexpected but, whatever their lack of international experience, the new heads of state were quick to grasp what an extraordinary opportunity independence presented to them personally and to those they chose to empower as they directed the privatization process in their now sovereign states. At the same time it was not intuitively obvious to them how to capitalize on this new advantage, even if they were not as guileless as the Russians often believed. For all their political shrewdness and administrative acumen, the Central Asian leaders lacked basic knowledge of what the world beyond their borders looked like and how it functioned. Victims of the ideological system which had produced them, the first post-Soviet heads of state were far less worldly than the post-colonial leaders of the 1940s, 1950s and 1960s. Most had little knowledge of the most elementary questions of finance and trade, not to mention the more complex ones of how the global market functioned in the energy sector, in precious metals or in most other commodities. All these questions had been handled by specialists in Moscow, with whom most of the new Central Asian leaders and their close associates generally had little direct contact.

This only strengthened the desire of these leaders to see their nations integrated as quickly as possible with the broader international community. The only real question was how. The leaders of most of these countries began to get advice from a variety of sources—from prominent Western businessmen and politicians, friends and acquaintances who had emigrated and succeeded in the West, and advisers and technicians from Moscow.

Progress was erratic in the first few years, as Central Asia's leaders continued to perceive themselves as being ruled in part through Russia's will. Tajikistan quickly erupted into fighting between rival regional groups. The other Central Asian states were concerned that the Tajik crisis might be a harbinger of similar struggles in their own country, which made Russian security guarantees all the more necessary. The region's leaders were also not blind to the protracted elite struggles going on in Azerbaijan and Georgia or to the war between Armenia and Azerbaijan. Russia did not appear to be a disinterested party in any of these disputes, which made everyone more nervous in their dealings with Russia.

At the same time, none of these states wanted to accept Russian economic domination as the price for these security guarantees. Thus these early years

were marked by a testing process between Russia and the Central Asian leaders. Still, the Central Asians went to some lengths to appear loyal, while also trying to project a different face to the broader international community, pressing for greater inclusion even if this meant the diminution of their 'special' relationship with Russia. Given the lack of international experience of these men, it is not surprising that the first few years of independence were characterized by a number of false starts in reaching out to the rest of the world in general and in attracting foreign economic investment in particular.

III. Accepting international direction

One other reason why many of these first efforts met with a relatively lukewarm response was that the international community was itself a passive actor in this period. Diplomatic recognition was offered but substantial assistance was largely deferred while the international financial institutions and various aid agencies of the Western democracies studied the situation to work out how most effectively to intervene.

The parameters of the economic autonomy of the Caspian states began to be increasingly clear after the collapse of the rouble zone in late 1993. By then the international community was also mobilizing for action. Kyrgyzstan was the first of these states to accept an economic recovery programme designed by the international financial institutions and donor nations, introducing its own currency in May 1993. Kazakhstan followed quickly, but international recovery programmes were not made available to Uzbekistan until 1995, to Armenia and Georgia until 1996, or to Azerbaijan and Tajikistan until 1997. By that time Kyrgyzstan was already on its second three-year programme, but the Uzbek programme was in suspension and Turkmenistan was still struggling to get its economy into a state of sufficient readiness to be assisted.

The timing of international intervention reflected the receptivity of the various states to macroeconomic reforms. Kyrgyzstan was the test case for international intervention. It was the first to embrace the case for privatization and moved quickly to create legal guarantees for local and private property owners, establish a banking system, reform the tax structure and hold government spending to what it could raise from investment, tax and foreign assistance. A similar reform package was introduced in Kazakhstan, where the government has gone even further in trying to meet the expectations of the international community, engaging in a systematic overhaul of social welfare delivery systems as well. Kazakhstan's new pension system is being hailed by many as the model for other newly independent states: over a 45-year period it will gradually replace the current 'pay-as-you-go' system with private pension funds that will be supported through investments on the new Kazakh securities exchange. All this assumes a dynamic and fully privatized economy, stimulated by foreign investment and sustained over time by Kazakh investors themselves.

Table 9.1. Foreign direct investment in the Central Asian countries, 1993–97
 Figures are in US \$m.

	1993	1994	1995	1996	1997 ^a
Kazakhstan	500	600	900	1 100	1 200
Kyrgyzstan	10	45	96	46	50
Tajikistan	9	12	17	20	20
Turkmenistan	79	103	233	129	108
Uzbekistan	48	73	– 24	50	60

^a Estimate.

Source: European Bank for Reconstruction and Development, *Transition Report Update*, Apr. 1998.

Given the state of the country's economy, Tajikistan's officials have had strong incentives to accept whatever conditions are set by the international community. Turkmenistan and Uzbekistan have been slowest to accept international guidance on these questions. Initially both thought that they had adequate resources to do it 'their way', and both introduced their new currencies without benefit of International Monetary Fund (IMF) stabilization programmes.

Uzbekistan, which was using the sale of gold reserves to bolster its failing currency, the som, gave up and invited the IMF in, only to abandon the agreed strategy a year later when it sharply restricted the convertibility of the som, even for most foreign investors. The Uzbek Government maintains that it is still eager to attract foreign capital and promised to reduce the currency restrictions sharply by late 1998 or early 1999. It has made no secret of its contempt for the 'wildness' of the privatization process in Russia and even in neighbouring Kazakhstan, and its 'go-slow' policy suggests a desire to influence who wins and who loses in the process.

Turkmenistan is still in the process of negotiating with the IMF and, like Uzbekistan, long favoured subsidized prices over freely convertible currencies. Like Azerbaijan, gas-rich Turkmenistan was an energy producer in the Soviet period. It therefore intuitively turned to Russia and looked to its long-term partner Gazprom to help it develop its reserves and market its products in the West. The two quickly clashed over terms, however, as Russia wanted Turkmenistan to provide gas to the cash-poor CIS states and leave the more solvent European markets to Gazprom. This was what pushed the Turkmen Government to try to integrate directly in the global markets and to invite in the international financial institutions to help. There is little enthusiasm for transparency here, but the economy of Turkmenistan is so much more fragile than that of Uzbekistan and the elite with capital for investment so much narrower that they still remain fully within the government's control.

Concerns about transparency have surfaced regularly in all the Caspian states. It has been a particular problem in Kazakhstan, whose press has been granted

some discretion in discussing such matters. The privatization process has gone furthest in Kazakhstan, with over three-quarters of all enterprises in the country in private hands by late 1997, including over half its large enterprises. The more valuable the commodity, the less transparent the process has been. While Kazakhstan has been more conscientious than some states about putting valuable resources up for development through tender, the results of these tenders have sometimes seemed inexplicable. While there have never been serious allegations about inappropriate behaviour on the part of major Western oil firms, there is no shortage of rumours concerning powerful middlemen who transport suitcases of currency to leading political figures. Kazakhstan's metallurgy industry has been scandal-ridden as well. Contrary to the advice of foreign economic experts, several large processing plants were transferred to management companies and only turned over for privatization after their stocks had been sold off.

Foreign investment is intended to be the cornerstone of the Caspian states' economic recovery. The lack of transparency in the region rightly continues to make many potential investors wary but the promise of large potential rewards is clearly bringing many others in nonetheless. For all the negative publicity about corruption in Kazakhstan, the government's two Eurobond offers were quickly over-subscribed. The third, set to go forward just at the time of Russia's financial crisis in August 1998, was withdrawn because loss of investor confidence pushed interest rates up prohibitively.

Overall, the Central Asian states have made generally steady progress in attracting foreign direct investment (see table 9.1). Not surprisingly, this investment is going disproportionately into the two oil- and gas-rich states, and Kazakhstan leads all the newly independent states in the amount of investment on a per capita basis. However these investment figures can be somewhat misleading as a measure of the long-term economic prospects in the region. They are a better indicator of Western interest in developing the Caspian oil and gas reserves than of the ability of Western firms to do so.

Enormous hurdles must be got over before the 'oil dollars' begin rolling in, and much can change in these states in the interim. Some earlier problems have begun to fade as Russia seems to be accepting the idea that the undersea resources of the Caspian will be divided into national sectors. However, the most critical issue, that of constructing additional pipelines to move oil and gas from these states, is moving forward only slowly.

Russia is trying to maintain its monopolist advantage in transit and is against routes which bring oil and gas to compete in its export markets. At the same time, however, its own political and economic fragmentation has made it difficult for it to 'deliver' on Russian transit routes. Russia's republic and regional leaders want to maximize transit fees. While everyone seems sure that oil and gas will eventually flow from the region, no one can say with much certainty how soon or at what cost.

Table 9.2. Central Asian production of oil and natural gas

	1992	1993	1994	1995	1996 ^a
<i>Kazakhstan</i>					
Crude oil (barrels per day)	444	408	352	362	403
Natural gas (trillion cubic feet)	0.29	0.24	0.16	0.17	0.15
<i>Kyrgyzstan</i>					
Crude oil (barrels per day)	2	2	2	2	2
Natural gas (trillion cubic feet)	^b	0.00	^b	^b	^b
<i>Tajikistan</i>					
Crude oil (barrels per day)	1	1	^c	1	2
Natural gas (trillion cubic feet)	^b	0.00	^b	^b	^b
<i>Turkmenistan</i>					
Crude oil (barrels per day)	98	79	77	70	76
Natural gas (trillion cubic feet)	2.02	2.29	1.26	1.14	1.31
<i>Uzbekistan</i>					
Crude oil (barrels per day)	36	47	75	115	115
Natural gas (trillion cubic feet)	1.51	1.59	1.67	1.70	1.70

^a Figures for 1996 are preliminary.

^b Amount is less than 5 billion cubic feet.

^c Amount is less than 500 barrels per day.

Source: Energy Information Agency, *International Energy Annual 1996* (EIA: Washington, DC, 1998).

At present the only firm route for 'main oil' is the Caspian Pipeline Consortium (CPC) pipeline across Russia. While it is clear that alternative pipelines will eventually emerge it is not fully clear how much new oil the existing markets will bear. Until the actual investment in extraction is made, Western firms are free to pay the appropriate fees and back away from their promised investments. While this is unlikely to happen to all the deposits in the Caspian region, it is certainly possible that some of those that are more expensive to exploit could be abandoned if the price of oil continues to drop and if new markets come on line more slowly than anticipated.

It is important to remember that the pipeline issue will not be decided in a vacuum. If financing a major pipeline through Iran becomes politically feasible, so, too, will the development of Iranian oil and gas. In the next decade Iraqi oil might also become available for development; this will be cheaper and easier to develop and market than much of the Caspian reserves. It is entirely possible that Western firms might have ready access to both Iranian and Iraqi oil before they are able easily to transport Turkmen gas and oil across Afghanistan or market fuel in India which has crossed Pakistan.

IV. The coming threats

Economic problems

All of this means that the economies of all the Central Asian states are likely to prove far more difficult to stabilize than their leaders initially thought would be the case. Income from the energy sector remains below projected levels. In 1997 Kazakhstan experienced the first substantial increase in oil production since independence, while Turkmenistan's gas industry remained seriously depressed, although production increased somewhat. Turkmenistan's crisis is certainly the most severe. It has been forced to accept a barter arrangement for partial payment with Ukraine rather than see its market for natural gas collapse entirely, and its new pipeline across Iran requires it to share construction costs through payment in kind, which effectively limits sharply the income from current exports. The slow development of energy also has an impact on Uzbekistan, which hoped to benefit from transit fees for Kazakh and Turkmen oil across Afghanistan. In another way, however, this delay has helped contribute to Uzbekistan's economy, as Uzbekistan remains a gas exporter (to Kazakhstan and Kyrgyzstan).⁶

Initially it was hoped that this partial recovery in the oil and gas industry would be sufficient to sustain a more general economic recovery. The gross domestic products (GDPs) of three of these countries finally began to increase in 1996, although Turkmenistan's economy continues to falter (see table 9.3). However, even at the time it seemed that caution was warranted, as these increases did not come near the scale of the recovery necessary if these countries are to experience any meaningful economic growth.

After the onset of Russia's economic crisis in the summer of 1998, the economic recovery of the Central Asian states seemed to be relegated to an even more distant future. If Russia's currency lost two-thirds of its value, those of the various Central Asian states dropped by about one-third, given their dependence on trade with Russia.

The social and political risks ahead

What all this means is that most of these states are likely to have to confront a host of deferred problems while their economies are still in a depressed con-

⁶ Despite the increase in Kazakhstan's oil production over the past few years, its exports of crude oil have dropped since 1992 from 18 174.3 million tonnes per year to 16 800.0 million tonnes per year in 1997. Kazakh natural gas exports have also dropped from 3915.0 billion m³ in 1992 to 2341.8 billion m³ in 1996. Economist Intelligence Unit, *Country Profile: Kazakhstan*, 30 Sep. 1997; and 1 Apr. 1998. Turkmenistan's revenue from natural gas exports fell from \$1860 million in 1993 to \$1022 million in 1996 and its revenue from exports of oil products from \$182 million in 1993 to \$148 million in 1996 (bouncing back to \$212 million in 1997). International Monetary Fund, *Turkmenistan: Recent Economic Developments*, IMF Staff Country Reports, no. 89/18 (IMF: Washington, DC, 1997). Uzbekistan has seen a decrease in its oil exports from 0.5 million tonnes in 1993 to 0.3 million tonnes in 1995, and in its natural gas exports from 7.2 billion m³ in 1993 to 4.9 billion m³ in 1996. Economist Intelligence Unit, *Country Profile: Uzbekistan*, 1 Apr. 1998.

Table 9.3. Percentage change in real GDP in the Central Asian countries, 1993–97

	1993	1994	1995	1996	1997 ^a
Kazakhstan	-10.4	-17.8	-8.9	1.1	1.8
Kyrgyzstan	-16.0	-20.0	-5.4	5.6	10.4
Tajikistan	-11.0	-18.9	-12.5	-4.4	2.2
Turkmenistan	-10.0	-18.8	-8.2	-8.0	-25.0
Uzbekistan	-2.3	-4.2	-0.9	1.6	2.4

^aEstimates.

Source: European Bank for Reconstruction and Development, *Transition Report Update*, Apr. 1998.

dition; moreover, problems in one country are sure to have an impact on developments in neighbouring states. The five states of Central Asia are still potentially very interdependent. If one should implode, the 'fall-out' is almost guaranteed to cross national boundaries. Some of this has already been seen in Tajikistan. Although the war there did not create the domino effect that many feared, Kyrgyzstan and Uzbekistan have had to cope with an unwelcome refugee burden (generally of their own ethnic kin) generated by the crisis.

Even more serious is the growing drug trade across the region, particularly in southern Kyrgyzstan, which most observers attribute to the porousness of the Afghan–Tajik border. As well as opium, heroin is now both transiting and being produced in Central Asia. Poorly paid border guards and police are easy prey for those interested in moving this deadly cargo.

Serious social unrest in Uzbekistan, even on a much smaller scale than the civil disorder in Tajikistan, would pose a risk to all the other Central Asian states. The situation in Uzbekistan seems stable enough today but the society will come under great stress at the time of political succession. Karimov's putative heirs will be the people who pay if he guessed wrong when he opted for economic stabilization over the macroeconomic reform programme suggested by the IMF and World Bank experts. There is virtually no institutional preparation for a democratic transition, which raises the prospect of a free-for-all developing as Karimov's strength diminishes. Uzbekistan is the centre of Central Asia's religious revival, and radical Islamic activists remain very influential in the densely populated Ferghana Valley even after years of government effort to reduce their influence. There is a strong likelihood that religious themes will be invoked as groups jockey for support and that a secular opposition may choose to make common cause with the religious activists.

Uzbekistan has created the most pervasive and effective security force in the region, and is clearly able to deal summarily with small pockets of resistance, but it is unlikely to be able to deal effectively with mass resistance or with the kind of disorder that would accompany a shift in drug routes through Uzbekistan. Efforts to control widespread unrest would inevitably lead to spillover of

the opposition into Kyrgyzstan and Tajikistan, possibly into neighbouring Kazakhstan as well. If Islamic groups were to take power in Uzbekistan, or even if a secular regime were to opt for a visible religious colouration, there is sure to be an impact in all these three neighbouring states. Southern Kazakhstan and southern Kyrgyzstan would both be strongly affected and deep latent anger at deteriorating economic conditions could turn into widespread, potentially violent public protest in a very short time.⁷

Kazakhstan could and should have an orderly political transition, but the opportunity for personal enrichment that is afforded those who hold power is an enormous temptation for those close to President Nursultan Nazarbayev. Over the past several years, Kazakhstan has become a steadily less democratic state, with a far weaker legislature and far stronger presidency than Kyrgyzstan or the Russian Federation has. Even so it is still a much more pluralistic society than either Turkmenistan or Uzbekistan. Kazakhstan is roughly as democratic as Azerbaijan but is less immune to outside influences. Kazakhstan's large Russian population and long border with Russia mean that Russia will never be a disinterested observer of developments here. The pace of economic recovery is sure to affect the nature of the transition which occurs, for if government efforts to sponsor the development of small and medium-size businesses succeed there should be a large enough middle class to support a stable transfer of power, regardless of how undemocratically it is orchestrated.

Barring major unrest in neighbouring Uzbekistan, there should be a relatively smooth transition in Kyrgyzstan from President Akayev to his successor. The country's small elite has shown relative skill at sorting things out behind closed doors, which has helped make Kyrgyzstan's elections the freest in the region. Turmoil here would have relatively few consequences for neighbouring states. Kyrgyzstan does, however, control much of the water supply to neighbouring countries, and so has some leverage in regional affairs.

Turkmenistan is the most unpredictable of the Central Asian states, and in the short run potentially the most unstable. President Niyazov's health is uncertain and the problem of succession cannot even be discussed, let alone planned for, in this extremely tightly controlled state. The elite is quite small and mirrors the clan cleavages of Turkmen society but has been allowed very little room for economic development or political manoeuvring. Those from the larger and more powerful clans would be able to make effective use of popular disaffection. A protracted political struggle here could focus on plans for foreign development of Turkmenistan's resources, with existing contracts proving as long- or as short-lived as the reputation of a deceased leader in a lawless state.

⁷ In Feb. 1999 a series of bomb explosions took place in Tashkent near the headquarters of the Council of Ministers: 16 persons were killed and over 130 injured. This terrorist act was attributed by the authorities of Uzbekistan to Islamic radicals.

V. What if things go sour?

It is hard to know how effective Western governments are likely to be in influencing the outcome of events in the Central Asian region. Obviously the USA and other NATO nations have the capacity for military intervention should they choose. The USA took pains to demonstrate this when the 82nd Airborne Division organized a jump that took the participants from their base in the USA directly to Kazakhstan in September 1997 as part of training for the Central Asian Battalion (CentrasBat), the joint peacekeeping force of Kazakhstan, Kyrgyzstan and Uzbekistan which is sponsored by NATO's Partnership for Peace.

However, the reluctance with which the USA and other Western nations have committed themselves to the use of force in recent years is testimony to the size of the gap that must be bridged for military capacity to become military engagement. The Central Asian and Caspian region is Russia's backyard, and Western leaders have taken pains to convince Russia that the competition over development of Caspian energy is a commercial competition. Eager as Western leaders are to see the region's various interstate and internal conflicts resolved in order to facilitate the rapid flow of oil and gas, the member states of the Organization for Security and Co-operation in Europe (OSCE) have moved cautiously towards internationalizing the various ongoing negotiations and have yet to press for peacemaking or peacekeeping forces to be expanded beyond the CIS states. Any formal use of force by a Western power, even in the cause of protecting Western investments, would be interpreted by Russia as a hostile act and would have grave consequences for the future of NATO and evolving European security relations.

At the same time Russia is no longer free to use force with impunity in the Caspian region. The Caspian states are still bound to it through a variety of bilateral and multilateral security agreements, but any Russian intervention that was not at the explicit request of the state involved would have potential consequences for Russia's evolving relationship with the West.

Russia's policy makers might still choose to intervene in Central Asia, even at the risk of incurring the wrath of the West, but they are likely to be increasingly reluctant to do so. Intervention might be motivated either by the prospect of enormous commercial gain, such as the compensation for helping one Turkmen group come to power rather than another, or by the belief that failure to intervene would in itself constitute a threat to Russian security. A variety of situations could lead Russian policy makers to that conclusion, including inter-ethnic violence in northern Kazakhstan or the serious prospect of radical Islamic groups taking power in Uzbekistan. It is also possible that Russia might decide that neither of these scenarios posed a direct threat to its own national security and opt to seal its borders instead. While Russia originally scoffed at the cost of turning the former inter-republic boundaries into secured international ones, it has now begun the slow and expensive process of trying to do

this. Andrey Nikolayev, then Director of the Russian Federal Border Service, visited Kazakhstan in 1997 and signed a treaty that called for the delimitation of the Russian–Kazakh border.⁸ In October 1998 Yeltsin and Nazarbayev signed a protocol declaring their intent to begin the next step of the process, namely, the demarcation of the border.⁹

With each passing year the likelihood grows that the Central Asian states will have to assume full responsibility for their own security before too long. The USA, Turkey and other Western states have been willing to provide some officer training and other limited military assistance designed gradually to wean these states away from exclusive dependence on Russian assistance or Russian-compatible command and control systems, but none of them is anywhere near ready to defend itself against a formidable external enemy and most seem ill-prepared for prolonged engagement with a determined internal enemy.

This ‘security gap’ will certainly restrict the options available to Western powers interested in maintaining regimes in Central Asia and in the Caspian region that are friendly, willing to guarantee the security of Western-owned energy fields and transit routes, and willing to continue to service their Western loans. Despite the current US public posture, should it become an all-or-nothing choice between military intervention and writing off these debts and investments, the arguments against military intervention are almost certain to prevail over the impulse to protect Western assets.

In fact, it may be that the West has already made an even more callous choice about Central Asia and the Caspian region, although there is little in the public rhetoric to demonstrate that this might be the case. While Western policy makers may talk about this region as one of new and real strategic importance, they still see it as little more than a back-up for the potentially much vaster oil reserves in the more strategically located Persian Gulf region. In an energy-hungry world, the Caspian resources are certainly worth trying to ‘snare’, but the West will only help develop them if it can do so at reasonable cost. A reasonable cost is not one which puts US and other Western lives at risk to secure investment in oil and gas fields that are valuable but of secondary importance. On the US side a large part of the rhetoric has been to put Russia on notice it must keep its hands off in order to permit foreign development of the region’s resources. It has never been assumed that the West will fill the gap left by Russia’s withdrawal.

Russia, however, has been withdrawing, even though it still considers Central Asia an area of vital national interest. It is difficult to know whether growing Western involvement in the economies of these states has played a critical role in decision making in Moscow. Far more important is Russia’s growing weariness and incapacity. A government unable to take care of its own citizens has little energy or resources left to attend to the plight of co-nationals stranded

⁸ Tolshovich, U., *Almaty Delovaya Nedelya*, 11 Sep. 1998, p. 13, in Foreign Broadcast Information Service, *Daily Report—Central Eurasia (FBIS-SOV)*, FBIS-SOV-98-292, 19 Oct. 1998.

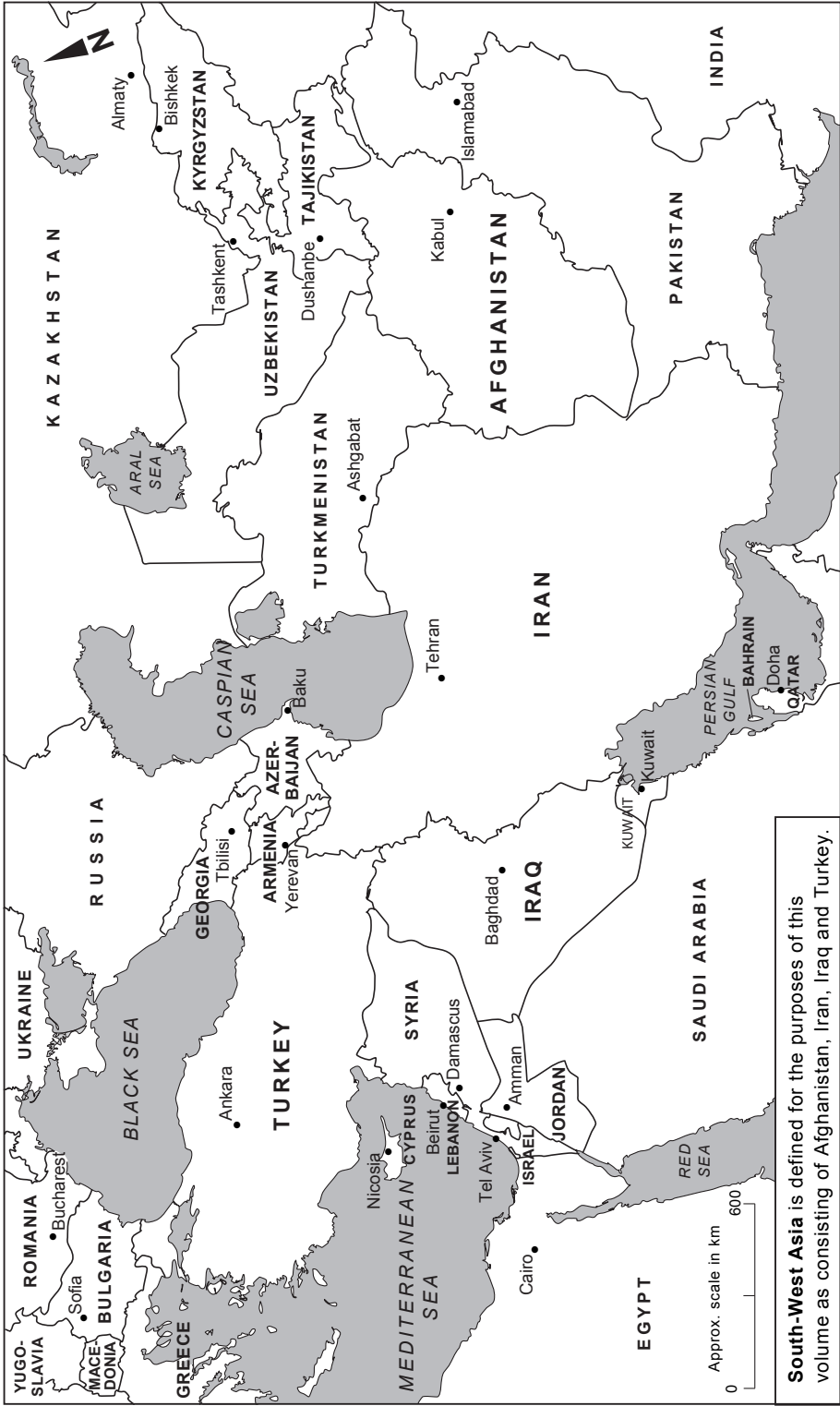
⁹ Kirinitsyanov, Yu., *Rossiyskaya Gazeta*, 14 Oct. 1998, p. 1, in FBIS-SOV-98-287, 15 Oct. 1998.

abroad. While the Russian Government may act to protect its national interests through direct action in Central Asia, it is likely to place the threshold for such intervention ever higher.

After eight years of independence the Central Asian states find themselves with many acquaintances but almost none close enough to accept the price which comes with close friendship. They have managed to create closer ties with the USA and other Western governments than they anticipated just a few years ago. At the same time, while Russian troops remain in the region, Russia is playing a less aggressive role in the region than its early policies towards the Central Asian states would have led their leaders to anticipate. Central Asia's mounting economic and social problems, though, may make independence even more costly to maintain than the regions' rulers are even now able to appreciate. If things go badly for these states, then good friends will be sorely missed.

Part III

Russia's perspectives on South-West Asia



South-West Asia is defined for the purposes of this volume as consisting of Afghanistan, Iran, Iraq and Turkey.

10. Russia's assets and liabilities in South-West Asia

Vladimir I. Maksimenko

I. Introduction

It is important for the pattern of post-cold war stability that a security agenda in the area of relations between Russia and Asia is developed from a generally reliable set of clear, distinct and comprehensive ideas.

In classical 20th-century geopolitics such ideas were suggested in particular by Sir Halford Mackinder in his masterly analysis of the permanent strategic factors which have governed all struggles for empire or balance-of-power games. In 1904 Mackinder postulated the end of the 'Columbian epoch', which he believed meant a necessary shift in international relations from territorial expansion to the struggle for relative efficiency. Attempting to 'perceive something of the real proportion of features and events on the stage of the whole world', he sought 'a formula of geographical causation in universal history', a formula which at the same time 'should have a practical value as setting into perspective some of the competing forces in current international politics'.¹

This formula is to be found in Mackinder's concept of the 'Heartland' or the geographical pivot of history. For the purposes of this chapter there are two points to be noted in the Heartland theory.

First, to describe the strategic significance of Russia, Mackinder used the expressions 'the Heartland', 'the geographical pivot of history', 'the pivot area', 'the pivot state', 'the Russian Heartland' and 'the Asiatic position of Russia' as equivalents. This shows that he regarded Russia as the keystone of modern Eurasia. The historical forces that shaped this pivotal position of the Russian state on the Eurasian continent still exist, although in a new form, and in a new situation created by the collapse of the USSR.

Mackinder stressed that 'there were certain strategic positions in the Heartland . . . which must be treated as of world importance, for their possession may facilitate or prevent a world domination'.² The spaces within the Heartland, he wrote in 1904, are so vast and 'their potentialities in population, wheat, cotton, fuel and metals so incalculably great, that it is inevitable that a vast economic world . . . will develop there . . . The century will not be old before all Asia is covered with railways'.³ The Heartland, as Mackinder put it in 1943, was 'the greatest natural fortress on earth' and the best way of using 'the strategic values

¹ Mackinder, H. J., *Democratic Ideals and Reality* (Norton Library: New York, 1962), p. 242.

² Mackinder (note 1), p. 172.

³ Mackinder (note 1), p. 260.

of the Russian Heartland' was to 'add an oceanic frontage to the resources of the great continent'.⁴

Second, there is no generally agreed definition of the boundaries of what may be called South-West Asia from the point of view of a security agenda. Mackinder used the term 'the land of the Five Seas' and included the territory between the Caspian, the Black Sea, the Mediterranean, the Red Sea and the Persian Gulf. In this chapter South-West Asia includes the 'traditional' Middle East excluding North Africa. It includes the Levant, the Persian Gulf states, Turkey, Iran, Afghanistan and the newly independent states of the Caspian Basin region—the energy-producing countries (Azerbaijan, Kazakhstan and Turkmenistan), and, given their location, Armenia and Georgia.

The term 'greater Middle East' or 'new middle East' is not used here. It has been used to signify North Africa, the Levant, the Persian Gulf, Central Asia and South Asia.⁵ Kemp and Harkavy stress that the term 'greater Middle East' implies a degree of precision that they do not believe is 'presently justified'.⁶ Adding to the 'traditional' Middle East the eight newly independent states of the Caucasus and Central Asia, India and Pakistan, the 'greater Middle East' is in fact an 'enlarged post-Cold War Middle East'.⁷ In another author's phrase it is 'Washington's New Middle East', or a kind of geopolitical ideal-type construction intended to support US hegemony in the vast region. 'Judging from the statements and actions of some US officials . . . the Clinton administration appears to believe that there is now a historic opportunity to reshape the region, owing to the collapse of the Soviet Union, the defeat of Iraq in the second Gulf War, and the acceptance of the Madrid/Oslo peace process by the PLO'.⁸

What we term the greater Middle East and its energy resources may now be the strategic fulcrum and prize in the emerging arena of world politics. Approximately 70 per cent of the world proven oil reserves and over 40 per cent of its natural gas reserves lie within an egg-shaped catchment area from southern Russia and Kazakhstan to Saudi Arabia and the United Arab Emirates. What is of special relevance are the growing energy needs of Asia, including China, India, and South-East Asia, and the fact that they will all have to compete with Europe and North America for Middle East energy supplies. This will lead to significant changes in the patterns of diplomacy and security relationships that have evolved since the energy crisis of the 1970s and the 1990–91 Gulf War.⁹

⁴ Mackinder (note 1), pp. 273, 264.

⁵ US National Defence University, Institute for National Strategic Studies, *Strategic Assessment 1995: US Security Challenges in Transition* (INSS: Washington, DC, no date), p. 67.

⁶ Kemp, J. and Harkavy, R. E., *Strategic Geography and the Changing Middle East* (Carnegie Endowment for International Peace: Washington, DC, 1997), p. 13. The phrase 'new Middle East' comes from Peres, S. and Naori, A., *The New Middle East* (Henry Holt: New York, 1993).

⁷ Sullivan, A. T., 'Democracy, dragons and delusions: the Middle East today and tomorrow', *Middle East Journal*, vol. 51, no. 3 (1997), p. 437.

⁸ Hudson, M. C., 'To play the hegemon: 50 years of US policy forward the Middle East', *Middle East Journal*, vol. 50, no. 3 (1996), pp. 338–39.

⁹ Kemp and Harkavy (note 6), p. xiii.

Including some key subregions of South-West Asia in its zone of vital interests has been an element of Russian strategic thinking for at least the past 300 years. The importance of South-West Asia for Russia's Asia policy in general cannot be overestimated. It is the passage from Europe to Central Asia, South Asia and the Far East, and from Euro-Asia to Africa. Here at the crossroads of the world recorded history began. The first international politics of which we have definite knowledge were concerned with 'the intercourse between two states, which had grown up on the alluvial flats of the Lower Euphrates and Lower Nile'.¹⁰ It is no coincidence, as Mackinder wrote in 1919, that in the same region 'should be the starting point of the History and the most vital point of modern highways'.¹¹

What are Russia's security priorities in the region in the light of recent and coming developments? To answer this question two sets of factors must be taken into account, one of which concerns lasting and changing regional features of the 'land of the Five Seas', the other Russia's vital aspirations in the post-Soviet crisis situation.

First, South-West Asia is the area in the international relations system that has been most penetrated by outside powers. It is extremely vulnerable to external influences. The destruction of the Ottoman Empire after World War I was not followed by a new order but instead created a belt of permanent instability stretching from the Mediterranean Sea to the Persian Gulf. In January 1991 US President George Bush stated that military action against Iraq would make a 'new world order' possible. This proved to be wrong. When the USA and the UK launched new air strikes against Iraq in December 1998, they damaged their credibility as members of the UN Security Council.¹²

With the collapse of the USSR disorder and instability in South-West Asia have grown. In sum, the break-up of the Soviet Union undermined two key elements of the cold war balance of power—stable borders and stable regimes. The growing regional instability springs from the growing number of national and international actors operating on different levels in South-West Asia and the intensifying competition between them.

Second, the Russian Government, since Yevgeny Primakov became Prime Minister in September 1998, has been highly conscious of Russia's pivotal position in the Eurasian heartland. From the point of view of changing strategic geography this position is an asset. Russia is the only state that adjoins the whole region from the north and, provided communication lines are further developed, this is an indisputable natural advantage. At the same time this asset could become a liability if chaos and instability in the area were to prevail. Therefore, although the cold war is over, Russia cannot tolerate South-West Asia being considered in out-dated terms as its 'soft underbelly'.

Moreover, Russian experts stress the unity of the geopolitical space 'from Gibraltar to the Caucasus and northern Black Sea area': from their point of

¹⁰ Mackinder (note 1), p. 87.

¹¹ Mackinder (note 1), pp. 89–90.

¹² Knott, D., 'What next for Iraq?', *Oil and Gas Journal*, 4 Jan. 1999, p. 29.

view, 'the Mediterranean and Black Sea basins with their coastal territories constitute a vast single geopolitical, economic and cultural region'.¹³ The economic dimension of the national interests of Russia in South-West Asia is indicated by the fact that up to 25 per cent of Russian foreign trade passes to the Mediterranean through the Black Sea Straits.¹⁴

The main task of Russian policy in South-West Asia and on the broader international stage is twofold. First, Russia aims to create favourable international conditions for developing its infrastructure and economy. Second, it is anxious not to allow itself to be cut off from areas that are of traditional strategic significance to it, South-West Asia included.

The key problem in Russian policy is to secure an adequate development strategy for the post-Soviet reconstruction of Eurasia. 'The most conspicuous obstacle to the successful economic development of Russia's vast potentials are great undeveloped spaces, whose want of elementary infrastructure is the crucial impediment to modern technological investment in the productive sector. This is the characteristic feature of that vast land-bridge area', as a US economist, Lyndon la Rouche, has written. He has termed this 'the development corridor' which, he wrote, would 'reach typically about 50 km either side of a central transport-spine of waterways, rails, pipelines and trunk power-lines'. Without placing the emphasis upon infrastructural development . . . a successful reconstruction of Russia would not be possible'.¹⁵

This is the background which determines the priorities of Russia's security agenda in its relations with South-West Asia. The most important and most vulnerable subregions and problems from the point of view of Russia's basic security needs are the Caspian Sea Basin and surrounding states; Turkey; Iran; Afghanistan; and the Persian Gulf and the world community's policy towards Iraq. The following sections examine these areas in turn.

II. The Caspian Sea Basin

The Caspian Sea, the largest lake in the world, is part of the line dividing Europe and Asia, which links the Caucasus, Central Asia, South-West Asia and Russia. It is an area of great strategic importance. 'The Middle East (including the Caspian basin region) has now assumed the role of the strategic high ground, a key strategic prize in the emerging global system at the juncture between the 20th and the 21st centuries'.¹⁶

The Caspian Sea has three main economic values—shipping, fishing and oil. Its shipping function is an important security matter for Russia because of the network of major canals joining the Caspian, the Baltic, the White Sea and the Volga, Don, Dnieper and Moscow rivers. Through this network ships below

¹³ Kovalsky, N. (ed.), *Europe, the Mediterranean, Russia: Perception of Strategies* (Interdiast: Moscow, 1998), p. 213.

¹⁴ Kovalsky (note 13), p. 214.

¹⁵ la Rouche, L., 'Grand strategy for developing Eurasia', *Executive Intelligence Review*, 6 Mar. 1998, p. 44.

¹⁶ Kemp and Harkavy (note 6), pp. 7–8.

5000 tons can navigate from Astrakhan to Moscow, St Petersburg and Arkhangelsk. Fishing in the Caspian amounts to hundreds of thousands of tons per year. It is the main source of the renowned sturgeon roe for caviar.

In recent years, with numerous discoveries of large oil and natural gas fields, the Caspian Sea has become an area of interest for the whole world, as it did in the late 19th century when the Rothschilds, Royal Dutch Shell and Nobel Brothers' Company were actively engaged in the region.

However, estimates of oil and gas reserves in the Caspian Basin are controversial. The whole Caspian Sea region, where oil production started over a century ago, is now projected by the International Energy Agency (IEA) to be producing 7 million barrels a day in 2020 as compared with only 1 million barrels a day in 1990.¹⁷ Others expect as much as 5 million barrels a day by 2010, with an important reservation—that this will only be possible if necessary investments in exploration, production and transport are made.¹⁸ (So far, international energy companies have invested \$6 billion in the Caspian region.¹⁹)

An estimate of a London think-tank, the Centre for Global Energy Studies (CGES), is somehow lower—about 3.5 million barrels a day by the year 2010 for Azerbaijan, Kazakhstan and Turkmenistan together.²⁰ Their cumulative production in 1997 reached only 832 200 barrels a day.²¹ One estimate of proven oil reserves recoverable with present technology and prices for the three countries between them as of 1 January 1999 is about 7.161 billion barrels. By comparison, total proven world oil reserves were estimated on 1 January 1999 at 1034.668 billion barrels.²² The share of the Caspian Basin is thus less than 1 per cent. Moreover, 'some estimates of potential Caspian Sea production have been misleading'.²³ Even if expected Caspian oil production by 2010 is in the range of 3–4 million barrels a day (if things go well), it will still be less than half of what Saudi Arabia alone currently produces and less than Russian or US production. Venezuela alone may be producing an additional 3 million barrels a day by 2007, the equivalent to what is expected from the Caspian by 2010.²⁴ According to Julia Nanay, a director of Petroleum Finance Co., Washington, 'It is politics that has created the hype about the Caspian, not the oil companies': the US government issued 'wildly inflated estimates' far higher than those of the oil companies and then began promoting major export pipelines that avoided both Russia and Iran. 'It has been a roller coaster ride ever since, with the political stakes now so great on all sides that the disappointed parties will have a hard time accepting defeat.'²⁵

¹⁷ Linden, H. R., 'Flaws seen in resource models behind crisis forecasts for oil supply, price', *Oil and Gas Journal*, 28 Dec. 1998, p. 36.

¹⁸ Linden (note 17).

¹⁹ Crow, P., 'Caspian economics', *Oil and Gas Journal*, 14 Dec. 1998, p. 39.

²⁰ 'Export options for Caspian oil and gas', *Oil and Gas Journal*, 14 Dec. 1998, p. 38.

²¹ Of this, 521 700 barrels per day was from Kazakhstan, 190 300 from Azerbaijan and 120 200 from Turkmenistan.

²² 'World-wide look at reserves and production', *Oil and Gas Journal*, 28 Dec. 1998, pp. 38–39.

²³ 'Export options' (note 20), p. 38.

²⁴ Crow, P., 'Caspian dreams', *Oil and Gas Journal*, 26 Oct. 1998, p. 32.

²⁵ Crow (note 24), p. 32.

This illustrates what may be called ‘pipeline politics’—global dispute over the selection of routes for transporting hydrocarbon resources to the major consumers. If the United States using its superpower status is anxious to avoid a situation in which one country can control the energy reserves of the Caspian Basin, Russia in turn is intensely interested in not being cut off from the major geopolitical options in an area which is crucial for its national security.

‘The Clinton administration wants a pipeline from Baku to Ceyhan, Turkey, *to avoid Iran and Russia*. But that alternative is also the most costly. The politics within and outside the region is tough enough to deal with. But exploration disappointed in 1998. And, considering flooded oil markets, the most important question became not how to get oil out, but who would buy it when it is got out’.²⁶ Not only must some of the estimates of potential production in the Caspian region be treated with caution, but declining demand for oil and falling prices are also of crucial importance for changing security problems in South-West Asia. Demand for oil in Asia (excluding the Middle East, Russian Asia and the former Soviet Asian republics) was projected to rise from 18.1 million to 29.8 million barrels a day between 1995 and 2010²⁷ and Asia was expected to become the biggest oil consumer in the world. After the financial and economic crisis in Asia in 1997–98 these figures must be re-examined. The price of crude fell by roughly 40 per cent in 1998²⁸ (although this trend was reversed at the beginning of 1999).²⁹

III. Turkey

The Turkish factor is as significant in the south as the German factor is in Europe. In the past centuries, Turkey, as the center of the Ottoman Empire, dominated the Balkans and south-eastern Europe, the Middle East, and North Africa, and was also a power in the Caucasus. Now, because of its relative economic success, it is in a position to extend its influence to the areas of Central Asia and the Volga basin mainly populated by Turkish peoples, including the former Soviet republics of Azerbaijan, Kazakstan, and Uzbekistan and Kyrgyzstan, as well as Tatarstan and Bashkiria, part of the Russian Federation.³⁰

Moscow has not forgotten Turkey’s support of the secessionists in Chechnya, where the population includes millions of people of North Caucasian descent, through private transfers of money and manpower for the war effort.

During the cold war Turkey played a key role in NATO strategy in South-West Asia. A country of 65 million people, it is a key player in the region. Its growing involvement in the Caucasus and Central Asia and its ambitious plans for a new ‘Silk Road’ which could, in principle, divert important flows of economic activity away from southern Russia bear directly on Russian–Turkish relations. The election of Necmettin Erbakan of the Islamic Welfare Party as

²⁶ Knott (note 12), p. 29. Author’s italics.

²⁷ Kemp and Harkavy (note 6), p. 116.

²⁸ Knott (note 12), p. 29.

²⁹ *International Financial Statistics*, Mar. 1999, pp. 72–73.

³⁰ Tsepikalo, V., ‘The remaking of Eurasia’, *Foreign Affairs*, vol. 77, no. 2 (Mar./Apr. 1998), p. 114.

Prime Minister in 1996 was significant for Russian observers and for the West (although the army forced Erbakan to step down in 1997). Erbakan has called for the creation of an 'Islamic NATO' and 'Islamic UN', the introduction of an 'Islamic dinar', and the 'liberation of Azerbaijan, Chechnya and Bosnia'.³¹ Taking into account its own large Muslim populations, Russia cannot be indifferent to the Islamist appeal and Islamist propaganda that are growing in Turkey.

Many Russian analysts believe that Turkish ambitions in Azerbaijan reflect a broader determination to undermine Russian influence along the southern border of the Russian Federation. Another security problem for Russia is Turkey's evident desire to be the main arbiter in the Nagorno-Karabakh dispute. For many Russian observers this indicates its aggressive plans in the region. Suspicions of this kind intensified following the summit meetings of Turkic states held in Ankara in 1992, Istanbul in 1994, Bishkek in 1995 and Tashkent in 1996. The Turkish Prime Minister of the time, Suleyman Demirel, mentioned a 'Turkic union of states stretching from the Adriatic to the Great Wall of China' during his visit to Central Asia in 1992.³²

Turkey has the second-largest army in NATO and served as a launching pad for the recent US-British bombing raids on Iraq. In 1992-96 its armed forces grew from 480 000 to about 640 000. Its defence expenditure rose from \$3134 billion in 1985 to \$6856 billion in 1996 (from \$62 to \$110 per capita).³³ It has embarked on ambitious modernization programmes for the navy and air force.

Turkey's liability is its increasing demand for natural gas and oil. Its demand for gas is expected to rise from 9.2 billion m³ per year in 1996 to 27 billion m³ in 2000, 34 billion m³ in 2001 and 60 billion m³ in 2010.³⁴ At present Turkey is tied to one source for dry natural gas—the Russian network through Ukraine, Romania and Bulgaria, with a capacity of 6 billion m³ per year that could possibly be extended to 14 billion m³ per year.³⁵ A shortage could be met either from the Middle East or from Central Asia. Furthermore, Turkey is a big consumer (although not a producer) of oil. At present demand is about 25 million tons per year, increasing by about 3 per cent per year.³⁶

When Iraqi oil was embargoed under sanctions imposed by the UN after the 1991 Persian Gulf War, Turkey proposed a route of about 1600 km (involving a \$4 billion project) to pipe Azeri oil from Baku on the Caspian across Azerbaijan and Georgia to the Turkish terminal of Ceyhan on the Mediterranean. This proposal was accompanied by a number of initiatives and statements which made Russia reluctant to accept the idea. First, Turkey imposed limitations on tanker shipping through the Bosphorus. Second, anxious to speed up the race to

³¹ Tsepikalo (note 30), p. 115.

³² Mufti, M., 'Daring and caution in Turkish foreign policy', *Middle East Journal*, vol. 52, no. 1 (1998), p. 38.

³³ International Institute for Strategic Studies, *The Military Balance 1997/98* (Oxford University Press: Oxford, 1997), p. 293.

³⁴ *Executive Intelligence Review*, 28 Mar. 1997, p. 14.

³⁵ *Executive Intelligence Review* (note 34).

³⁶ *Executive Intelligence Review* (note 34), p. 16.

construct the Baku–Ceyhan pipeline, Azerbaijani President Heidar Aliyev stated that ‘We are Turks: we are one nation divided into two states’.³⁷ It became clear that Turkey wanted a pipeline that was independently connected with the terminal at Ceyhan and did not go through the Russian network.

An alternative route for transporting the Caspian oil via the Black Sea to international markets was proposed in September 1994, following an agreement between the Bulgarian, Greek and Russian governments. The project is known as a Trans-Balkan pipeline, which would extend 290 km from the Black Sea port of Burgas in Bulgaria, where oil would arrive from Novorossiysk and the other Black Sea ports, to Alexandroupolis in Greece. The designed capacity of the pipeline would be 35 million tonnes per year. It is reported that a detailed study by Greek and British firms is under way, including the technical design, economic and financial aspects, safety and environmental impact.³⁸ With the pipeline from Burgas to Alexandroupolis Russian tankers would be able to ship the Caspian oil to world markets without bothering about the new Turkish regulations for the Black Sea Straits which went into effect in July 1994.³⁹

Last but not the least, Russian–Turkish relations are affected by the Kurdish problem. One of the most acute security problems in South-West Asia is linked to the existence of an entity which is not to be found on the map—Kurdistan, with 25 million people scattered across four countries—Turkey, Iran, Iraq and Syria. They make up the world’s biggest stateless nation. The Southeast Anatolian Project, to bring irrigation and hydroelectric power to one of Turkey’s poorest regions through the construction of a system of dams, is planned by Turkey in a Kurdish area.⁴⁰ The Baku–Ceyhan pipeline route is also projected to cross south-east Turkey (Turkish Kurdistan) at the juncture of Turkey with Iran, Iraq, Syria and Turkey.

The Kurdish issue has been of the utmost importance to Turkey from the very beginning of the modern Turkish state. Since 1984 the violent struggle of the Turkish authorities against the Kurdish Workers’ Party (PKK) in the south-east of the country has cost about 30 000 lives. Over 3000 villages and hamlets have been destroyed by the Turkish security forces, causing some 3 million Kurdish refugees to be displaced.⁴¹ The insurrection continues to develop and more and more Kurds in and outside Turkey are being mobilized by growing violence.

³⁷ Kemp and Harkavy (note 6), p. 148.

³⁸ *Oil and Gas Journal*, 28 Dec. 1998, p. 29.

³⁹ The Government of Turkey indicated in July 1994 that oil traffic through the Black Sea Straits had reached its limit of 750 000 barrels per day. However, restrictions on the volume of traffic would be illegal. The Black Sea Straits, being an area beyond national jurisdiction, are regulated by the International Convention of Montreux of 20 July 1936. This convention is the sole legal source of regulation and provides for complete freedom of transit and navigation for merchant vessels of all nations in time of peace and war. A unilateral change by Turkey would have no legal status.

⁴⁰ The project could in theory divert up to 90% of Iraq’s uptake from the Euphrates and 40% of Syria’s. Currently only 2% of the river’s flow still takes its natural course into Iraq and Syria. Senior Turkish officials have asserted that Turkey has the right to do what it wants with its waters. Kemp and Harkavy (note 6), p. 105.

⁴¹ Nizan, K., ‘La Turquie, plaque tournante du trafic de drogue’, *Le Monde Diplomatique*, July 1998, p. 13.

Turkish Prime Minister Bulent Ecevit argued in January 1999 that Turkey's Kurdish problem could 'easily' be solved were it not for external interference and that Kurdish separatism had been 'introduced historically to Turkey . . . by other countries'.⁴² The allusion is obvious. In February and October 1994 the Kurdish National Liberation Front (affiliated to the PKK) was allowed to organize two conferences in Moscow. Some observers suggested that this was in retaliation for Turkish assertiveness over the pipeline issue and Turkey's moves to reduce Russian influence in the Transcaucasus. In October 1995 the third session of the Kurdish 'parliament in exile' took place in Moscow, with several deputies of the Russian Duma (the lower house of the Russian Parliament) present. A letter from the leaders of the parliament in exile to the Duma in May 1996 declared that it opposed the routing of oil pipelines through Kurdish territory in Turkey.⁴³

It seems that there is no imminent solution for the Kurdish problem. Speculation can only continue as to whether Russia can capitalize on the conflict.

IV. Iran

Russia's interest in Iran is motivated first of all by Iran's strategic position as a link between the Caspian Sea and the Persian Gulf, between the Caucasus and Central Asia, and between the Middle East and South Asia. For three centuries Moscow has had a vital interest in developments in its neighbour.

Since the collapse of the Soviet Union the legal status of the Caspian Sea, which until 1991 was controlled by the USSR and Iran, has become an issue.⁴⁴ The five countries bordering the Caspian—Azerbaijan, Iran, Kazakhstan, Russia and Turkmenistan—have lasting disputes over how to divide the sea resources. Iran's position is the closest to that of Russia. Russia holds that the Caspian Sea is not a sea but a lake, so that the law of the sea does not apply.

Focusing its priorities on energy, transport and telecommunications, Iran is well placed to be a route for the transport of oil and gas from the region to international markets. However, the Iranian transport network is not complete: for example, there are no pipelines to bring the oil from the north of Iran to Iranian terminals on the Persian Gulf. When a new railway planned to extend from Mashhad in northern Iran to the Iranian part of Bandar Abbas on the Persian Gulf is constructed, it will cut the distance from Central Asia to the Persian Gulf by 900 km.

Iran's economic potential invites multilateral economic cooperation, but since January 1984 its economy has been under US economic sanctions of increasing

⁴² *Financial Times*, 18 Jan. 1999, p. 2.

⁴³ Mufti (note 32), pp 38–39.

⁴⁴ Two treaties on the Caspian Sea, one signed in 1921 and the other in 1940, determined that the Soviet Union and Iran should each have its economic zone to 10 nautical miles out, while the remaining waters were free for fishing and shipping to both countries. Neither treaty involved underwater resources or the delimiting of any boundary.

scope and intensity. Depicting Iran as a menace to the international order, the USA includes it in the list of states supporting international terrorism.

Russian–Iranian relations are therefore developing against the background of US pressure on Iran. The USA wants to discuss Iran’s alleged efforts to amass weapons of mass destruction, its support for terrorism and its opposition to Arab–Israeli peace. Iran wants to talk about the US economic sanctions and the release of frozen Iranian assets abroad. It denies any ambition to produce nuclear weapons, arguing that it needs the technology for a civil nuclear programme, because it will run out of fuel reserves in 10–15 years—even though at present it owns 10 per cent of the world’s oil and 20 per cent of its natural gas.⁴⁵

Russia is building a nuclear power plant at Bushehr, a port on the Persian Gulf, which is due to be completed in 2000. Started in 1975, when the Shah was on the throne, it was badly damaged during the 1980–88 war with Iraq. Russian officials deny that its assistance breaches international conventions on the non-proliferation of nuclear weapons; it will, they say, resemble the one supplied to North Korea by the USA.⁴⁶

Russian–Iranian, as well as US–Russian, relations are greatly affected by a US threat in early 1999 to restrict Russia’s access to the international satellite launch market, which is worth hundreds of millions of dollars a year to Russia, for allegedly leaking nuclear technology to Iran. Without producing any public evidence of Russian complicity in the development of Iranian weapons of mass destruction, the US Administration has placed sanctions on 12 Russian institutes, including three in January 1999.⁴⁷ A statement made in this regard by the Russian Foreign Ministry on 25 February 1999 said: ‘We categorically will not accept attempts to talk to Russia in the language of sanctions and pressure’.⁴⁸

V. Afghanistan

At the end of the 19th century British–Russian rivalry over Central Asia, especially Afghanistan, was termed the ‘Great Game’ by Rudyard Kipling. With the collapse of the Soviet Union and the intensifying conflict among the newly independent states of the Caucasus and Central Asia, the term has reappeared.

Developments in Afghanistan, torn by a century of civil strife, may have a powerful effect on Russia’s security agenda, considering that Afghan politics are turbulent and unpredictable. There is a permanent danger of ethnic warfare within the country or across the border. To a great extent ethnicity was behind the civil wars in Afghanistan and Tajikistan. Afghans and Afghani Tajiks are members of the Iranian ethnic group, while Afghani Uzbeks in the north of the

⁴⁵ *The Economist*, 14 Mar. 1998, p. 50.

⁴⁶ *The Economist* (note 45). As well as Bushehr, Iran has several other civil nuclear plants with small reactors, including an experimental one at Tehran University provided by the USA before the Islamic Revolution.

⁴⁷ *Moscow Times*, 15 Jan. 1999, p. 8; and 5 Feb. 1999, p. 4.

⁴⁸ *Financial Times*, 26 Feb. 1999, p. 2.

country are Turkic, so that Iran and Turkey could well become involved in the conflict.

In the violent struggle between factions of the Mujahideen, the Pakistani-backed Taleban Islamic movement has been more successful than was anticipated when it began its uprising in 1994. The Taleban are now reported to control about 95 per cent of Afghan territory. A difficult choice faces Russia. Some observers believe that an Afghanistan run by the Taleban would be very much against Russian interests. Others argue that the Taleban are no more anti-Russian than any Afghan faction and that a dialogue with them is quite possible. The Taleban Government in Kabul is currently recognized by only three countries—Pakistan, Saudi Arabia and the United Arab Emirates—but the status of a large country at the centre of Asia cannot remain uncertain indefinitely. Here, moreover, is another alternative route for oil and gas with an outlet to the Persian Gulf via Pakistan. In October 1995 the US UNOCAL corporation and the Saudi-owned Delta Oil Company signed an agreement with Turkmenistan to build a pipeline to export Turkmen gas via Afghanistan to Pakistan, to a new terminal at Gwadar (or to the ports of Pasni or Ormara), but continued fighting in Afghanistan is still making it impossible for the project to move forward.

In February 1999 the Taleban and the opposition forces of the northern alliance, led by Ahmad Shah Massoud, started peace talks in Turkmenistan aimed at finding a political settlement. However, the ‘big breakthrough in the country’s 19-year civil war’⁴⁹, announced by the Western media in mid-March 1999, has not yet been reached; so far the warring factions have not agreed to set up a broadly-based government and share power.

Russia’s policy toward Afghanistan is shaped by the strategic position of the country. ‘The coming century’, one analyst has written, ‘will depend heavily on what the nations of East Asia, South Asia, Southeast Asia, Central Asia, the Middle East and Russia can do to exploit the growth potential that exists in the form of the manpower and resources of this vast area’.⁵⁰ Afghanistan is situated exactly in the geographical centre of this area. Russia therefore does not want to see the Union Oil of California pipeline project replace the Caspian Pipeline Consortium (CPC) pipeline to the Black Sea via Russia. At the same time Russia cannot stand passively by while Afghanistan is transformed into ‘a killing field, peddling ethnic warfare, opium and guns’.⁵¹ This is not an exaggeration: according to one annual report of the International Narcotics Control Board, Afghanistan is an important source of opiates.⁵²

⁴⁹ Clover, C., ‘Afghan factions agree to share power’, *Financial Times*, 15 Mar. 1999, p. 5.

⁵⁰ Maitra, R., ‘Depleted railroads weaken Pakistan’s participation in Eurasian land-bridge’, *Executive Intelligence Review*, 22 Jan. 1999, p. 17.

⁵¹ Maitra, R., ‘G-8 sanctions will fuel chaos in Pakistan’, *Executive Intelligence Review*, 26 June 1998, p. 57.

⁵² *Financial Times*, 24 Feb. 1999, p. 4.

VI. The future of Iraq and the security threats in the Gulf

A renewed push for war began with the imposition on Iraq of new sanctions under UN Security Council Resolution 1134 of October 1997. The abstention of China, France and Russia from the vote was a sign of a split in the old anti-Iraq 'Gulf Coalition'.

During 1998 Iraqi President Saddam Hussein engineered four crises over the UN Special Commission on Iraq (UNSCOM).⁵³ Richard Butler, then Executive Chairman of UNSCOM, stated that Iraq had obstructed his inspectors and refused to hand over documents on Iraq's programme of weapons of mass destruction. On 17–20 December 1998 the USA and the UK launched air strikes against Iraq because of Iraq's refusal to cooperate with UNSCOM. Iraq has been challenging the 'no-fly zones' imposed after the Gulf War and covering half the country since the US and British bombing, saying that they are illegal and are not provided for by any UN Security Council resolution. No weapon inspectors have been allowed back since then.

The bombing has been much criticized all over the world. Russia's President Boris Yeltsin called the strikes 'illegal and senseless'. France protested by pulling its aircraft out of the force patrolling the southern no-fly zone (it had already withdrawn from northern patrol). 'Periodic cruise missile attacks', commented the *Financial Times*, 'have tended to enhance the Iraqi despot's prestige in an Arab world angry at US support for Israel in the regional peace process . . . Russia and France have become suspicious of UNSCOM's role and would like further examination of Butler's report . . . The gains from more air strikes are at least uncertain'.⁵⁴ 'These bombings cannot be justified from either a legal or moral point of view', according to a Russian Foreign Ministry spokesman.⁵⁵

Iraq has been barred from freely exporting oil since its 1990 invasion of Kuwait. A few days after France suggested lifting the oil embargo, *The Economist* wrote: 'A change in policy is required, and at least some sanctions should indeed be lifted. A change is needed for two reasons. One is that . . . the UN inspectors monitoring the weapons . . . have been thrown out . . . The other reason is . . . the feeling, by no means confined to the Arab world, that the Iraqi people have suffered enough'.⁵⁶

Another set of problems concerning the future of Iraq and the security agenda in the Gulf appeared with the US decision, under the 1998 Iraq Liberation Act, to allocate \$97 million to Iraqi opposition groups working for a change of government in Baghdad. Along with the appointment on January 1999 of a US special representative for a 'transition' in Iraq (that is, removing Saddam), this is a turning point in regional politics.

⁵³ Set up under UN Security Council Resolution 687 of 3 Apr. 1991 to verify Iraq's compliance with the resolution with respect to its non-conventional weapon programmes.

⁵⁴ *Financial Times*, 17 Dec. 1998, p. 3.

⁵⁵ Richter, P., 'US quietly escalates war with Iraq', *Moscow Times*, 3 Mar. 1999, p. 4.

⁵⁶ *The Economist*, 30 Jan. 1999, p. 19.

One point in particular is to be noted in regard to Russia's policy on Iraq—the influence of developments in Iraq on the global oil market, particularly crude oil prices. The US and British air strikes on Iraq were synchronized with a campaign of explaining the collapse of oil prices (to as low as \$10 a barrel) by 'damage to the global oil market from flat-out, price-blind Iraqi production'.⁵⁷ Expanding the strikes to new categories of targets on Iraqi soil, US defence officials acknowledged that they had hit a communications facility which controlled an oil pipeline in northern Iraq, near Mosul.⁵⁸ Now as the US oil industry is 'facing the greatest crisis in our history', two senators from oil-producing Oklahoma stated in January 1999: 'we should not continue to tolerate increased production from Iraq'.⁵⁹ In its turn Russia, almost half of whose hard-currency earnings come from crude oil exports, should not tolerate the continued 'regulating' of the oil market by the US bombings.

VII. Conclusions

Russia as the pivotal state is conscious of the interconnection between the security threats in different parts of South-West Asia. There are a number of dilemmas, out of which, it seems, there is no way in the immediate future. Perhaps most importantly, these dilemmas are difficult to examine separately. In the age of globalization in many fields, the globalization of problems needs to be put on the security agenda as well.

Russia is seriously affected by protracted conflicts in the large belt of instability from the Balkans to the Indian subcontinent. The chaos and conflict along its southern borders, first and foremost in the newly independent states of the Caucasus and Central Asia, are a major threat for its security. In this area the geopolitical risks are so high that they moved Defence Minister Igor Sergeyev to state, in a speech at the Greek Academy of National Defence in Athens in October 1998, that 'in the event of a direct threat to the sovereignty and territorial integrity of Russia, as a result of an act of aggression, Moscow will consider it possible and lawful to use all available means of defence, including nuclear weapons'.⁶⁰

It is not easy to pick out scenarios for the regional future and Russian attitudes: South-West Asia seems to be the most unpredictable region in world politics. 'Hegemony by the US', Michael C. Hudson remarks, 'tends to produce resistance. Under the most benign of scenarios there will be problems. But under the hurtful scenario the problems will be vastly worse'.⁶¹

Recent developments on the international and regional stage are likely to produce further reassessments in Russian foreign policy. The Asian 'economic miracle' is over. The USA has adopted a new strategy of 'transition' in Iraq,

⁵⁷ 'Mistakes with Iraqi oil' (editorial), *Oil and Gas Journal*, 25 Jan. 1999, p. 25.

⁵⁸ Richter (note 55).

⁵⁹ *Oil and Gas Journal*, 11 Jan. 1999, p. 27.

⁶⁰ Dolgov, A., 'Russia defends right to use nuclear weapons', *Moscow Tribune*, 9 Oct. 1998, p. 3.

⁶¹ Hudson (note 8), p. 343.

threatened to restrict Russia's access to the international satellite launch market because of Russian cooperation with Iran, increased its budget for missile defence by \$6.6 billion in January 1999, and sent Russia notification that it might seek to amend the 1972 Anti-Ballistic Missile (ABM) Treaty. A senior Azeri official stated that Azerbaijan would welcome Turkish and US military bases in the country.⁶²

In response to these new geo-strategic developments, Russia may pursue the following alternatives: (a) promoting a strategic triangle of Russia, Iran and Armenia; (b) using the 'pipeline weapon', taking into consideration the Trans-Balkan pipeline project and the fact that no pipeline route in the region can be built that is against Russia's genuine national interests; (c) strengthening support for the Kurdish national movement and bargaining with Turkey over its relations with the Kurds; (d) promoting an arrangement with the Taleban, playing on their Pathan ethnic base (so long as Russia does not fall into the trap of conflict with the present regime in Kabul);⁶³ and (e) influencing the Eurasian balance of power in the spirit of Primakov's reported statement of December 1998: 'A lot in the region depends on the policies pursued by India, Russia and China . . . If we succeed in establishing a triangle, it will be very good'.⁶⁴

In the pursuit of these alternatives, the following considerations must be taken into account.

First, a Russian–Iranian–Armenian alliance seems to be prompted by the US–British bombings in Iraq. Denouncing 'the presence of foreign troops in Persian Gulf', Iranian President Mohammad Khatami said during a visit to Italy in March 1999 that 'Iran would never submit to force'.⁶⁵ (Before the visit Elf Aquitaine of France and Agip of Italy had signed with Iran a \$540 million oil contract to boost production of the Dorood oilfield in the Persian Gulf, thereby breaching US sanctions.) When Azerbaijan welcomed Turkish and US bases, an influential Iranian paper had a harsh warning: 'It is not in Baku's interests to annoy its giant southern neighbour.'⁶⁶ This echoed a statement by Russia's Foreign Ministry, which interpreted the move as Azerbaijan trying 'to change the historical geopolitical balance of strength in the Caucasus'.⁶⁷ General Anatoly Kornukov, the Russian Air Force commander, said that Armenia would join the Commonwealth of Independent States (CIS) anti-aircraft defence network by April 1999. The network already includes Belarus, Kazakhstan and Russia.⁶⁸ At the time a Russian expert was quoted as saying that Iran could order more than \$3.5 billion-worth of Russian-made weaponry in the next 10 years if the restrictions on arms exports to Iran were lifted.⁶⁹

⁶² Sheets, L., 'Baku wants NATO bases as shield from Russia', *Moscow Times*, 26 Jan. 1999, p. 6.

⁶³ Shebarshin, L., 'Islamic peril not real', *Moscow Times*, 22 Aug. 1998, p. 8.

⁶⁴ Cited in Tennenbaum, J., 'The Russia–China–India triangle moves forward', *Executive Intelligence Review*, 8 Jan. 1999, p. 42.

⁶⁵ *Moscow Tribune*, 12 Mar. 1999, p. 3.

⁶⁶ *Moscow Tribune* (note 65), p. 5.

⁶⁷ Sheets (note 62), p. 6.

⁶⁸ *Moscow Tribune*, 19 Feb. 1999, p. 2.

⁶⁹ *Moscow Times*, 11 Mar. 1999, p. 3.

Second, for several years Russia has opposed the Baku–Ceyhan pipeline project because it is clear that the USA sees it as a tool for putting geopolitical pressure on Russia and Iran and has made the project ‘a centerpiece of its policy towards Turkey, the Caucasus and Central Asia’.⁷⁰ In October 1998 the interested parties failed to develop a commercially viable plan for the pipeline and construction has been delayed for the foreseeable future. It is well known that ‘there is an existing pipeline from Baku to Novorossiysk that could be upgraded if necessary’ at less cost,⁷¹ and the Burgas–Alexandroupolis route is another option. Yet another is the ‘Blue Stream’ natural gas export pipeline from Russia across the Black Sea to Turkey. A group of Italian banks are to lend the \$2 billion needed for this Gazprom-sponsored project, secured by contracts for the export of gas to Italy. The project is designed to transport 360 billion m³ of Russian gas to Turkey over the period 2000–2025.⁷²

‘The Caspian Sea is practically the only export route to avoid both Russia and Iran’.⁷³ In February 1999 Saparmurad Niyazov, President of Turkmenistan, signed a contract with a US consortium of General Electric and Bechtel for the construction of a gas pipeline beneath the Caspian Sea to Turkey. Russian officials stressed, however, that any plan to develop Caspian hydrocarbon resources or to transport them must keep the sturgeon in mind because the Caspian ‘is prone to earthquakes and a shifting seabed might rupture the line; gas and oil spills would destroy the sensitive marine habitats of the sturgeon’.⁷⁴ Sceptics commented on this statement as ‘a new step of the geopolitical intrigue whose goal is the control of the oil and gas fields of the Caspian region’.⁷⁵

Third, the area of Kurdish population is a highly sensitive area. Roughly 15 million Kurds live in Turkey and their claims to statehood may be taken as legitimate and serious. After the arrest on 15 February 1999 of Abdullah Öcalan, a Kurdish leader, the PKK announced that the whole of Turkey has become a ‘war zone’⁷⁶ and unleashed a campaign of urban violence. ‘The Kurdish problem has now, de facto, been internationalized.’⁷⁷ It is important to remember that nearly 200 000 Kurds live in Moscow and close to 1 million in the countries of the former Soviet Union.

Fourth, instead of fearing the spread of Taleban-style Islamic fundamentalism into Central Asia, Russia may help in negotiating a permanent peace agreement between the warring Afghan factions. Russia is a member of the ‘six-plus-two’ negotiations on Afghanistan with the neighbouring countries (China, Iran, Pakistan, Tajikistan, Turkmenistan and Uzbekistan) and the United States.

⁷⁰ Barnes, J. and Soligo, R., ‘Baku-Ceyhan pipeline: bad economics, bad politics, bad idea’, *Oil and Gas Journal*, 26 Oct. 1998, p. 29.

⁷¹ Barnes and Soligo (note 70), p. 30.

⁷² Barnes and Soligo (note 70), p. 30.

⁷³ Clover, C., ‘Black caviar versus black gold in Caspian Sea’, *Financial Times*, 6/7 Mar. 1999, p. 3.

⁷⁴ Clover (note 73), p. 3.

⁷⁵ Clover (note 73), p. 3.

⁷⁶ *The Economist*, 20 Mar. 1999, p. 36.

⁷⁷ *The Economist*, 20 Feb. 1999, p. 16.

11. Russian–Turkish relations

Victor Nadein-Raevsky

I. Introduction: the historical development of Russian–Turkish relations

For several centuries Russian–Turkish relations were marked by military, political and diplomatic conflicts, the result not only of the expansionist ambitions of the leaders of the Ottoman Empire but also of the permanent attempts of the Russian Empire to secure its trade routes through the Bosphorus and the Dardanelles (the Black Sea Straits), which was an essential condition of its developing its trade with the Mediterranean and southern Europe.

The relations of the two empires were at the same time a part of the foreign policy of other European states, and this had a great influence on their development. By the end of the 19th century a much weakened Ottoman Empire was considered by the leading European states not as a mighty opponent but as the ‘sick man of Europe’ whose final ruin was only a matter of time. At the same time the ambitions of its rulers were still fairly high. The Sultan still pretended to the leadership of all Muslims, and this created problems for Russia, which had significant Turkic-speaking Muslim populations in its vast area.

At the beginning of the 20th century Pan-Turkism became the most influential trend in the political life of the Ottoman Empire.¹ It was widespread in the public and political circles of the country and became the key ideology of the Young Turks who came to power in 1908.² According to its system of views, everything in this world should be considered in the light of the role of the ‘Turks’, meaning all Turkic nations. The history of civilization should be seen as the history of the Turks, the forefathers of human civilization; the science of language should recognize the primacy of the Turkish language as the parent language for the whole of mankind; geography should be studied from the point of view of the geopolitical concept of the habitation of the Turks; culture should be valued from the standpoint of the grandeur of Turkish culture and its guiding influence on all world culture. Pan-Turkism embraced practically every sphere of human activity and reflected larger than life.

Pan-Turkism was an important factor behind the Turkish leaders’ joining Germany and its allies in World War I in the hope that Germany would help the Ottoman Empire achieve the occupation of Russian Armenia³ which was to be a

¹ Gasanova, E. Y., *Ideologiya Burzhuaznogo Natsionalizma v Turtsii pri Mladoturkakh* [Ideology of bourgeois nationalism in Turkey under the Young Turks, 1908–1914] (Academy of Sciences of Azerbaijan: Baku, 1966), pp. 115–25.

² Gasanova (note 1), pp. 132–39.

³ Gotlib, V. V., *Sekretnaya Diplomatiya vo Vreme Pervoy Mirovoy Voyny* [Secret diplomacy during the First World War] (Publishing House of Socio-economic Literature: Moscow, 1960), p. 60.

step towards the creation of the Great Turan, a Turkic state from the Adriatic to the Pacific. The defeat of Germany and its allies put an end to hopes for the implementation of this idea.

After the Kemalist revolution (1918–1923) the prevailing ideology in Turkey was Turkism and later nationalism (*milliyetçilik*). The new Turkish leader and founder of the Republic, Mustapha Kemal Atatürk, opposed the Pan-Turkist ideals of his predecessors:

This is how I understand Pan-Islamism . . . our nation and the government representing it naturally wish prosperity and happiness to all who believe in our God, wherever they live. We wish the communities set up in different countries by the believers in our God to live independently, on their own . . . But to rule and guide the whole of Muslim society from a single centre, as an empire, one big empire, is fantasy! This runs counter to science, knowledge, logic!⁴

This period of Russian–Turkish relations after the Russian Revolution was a time of shared hopes for the creation of a firm alliance of the two countries. The Russian Bolshevik leaders hoped to use Turkey as a bridge for the expansion of the ‘revolutionary process’ to the east in the attempt to promote world revolution. The Kemalists were seeking an outside ally in their struggle against the Allies who had occupied parts of Turkish territory after the defeat of the Central Powers in 1918. This period of honeymoon came to an end after the death of Atatürk in 1938.

Before World War II the Turkish ruling circles once more put their stakes on alliance with Germany. Atatürk’s policy which, officially at least, rejected Pan-Turkism and Pan-Islamism was eventually renounced and Turkism, initially interpreted as a way towards the renaissance of the Turkish nation, started to acquire a Pan-Turkist hue. The members of the émigré Union of Turkestan Youth, which had been disbanded in 1937, and other ‘national groups’ became active again. The Pan-Turkists started to publish books and the Turkish press began printing articles of a Pan-Turkist orientation. Under the new Prime Minister, Sukru Saracoglu, the propaganda of Pan-Turkism intensified. Some Western studies note that after invading the USSR the German ruling circles ‘cleverly used Pan-Turk aspirations to form military units of Soviet war prisoners of Turkic descent’.⁵ ‘Turkish emissaries drove about the German camps for the Soviet prisoners of war and tried to urge Turkic-speaking Soviet citizens to commit acts of treason against their homeland.’⁶ In the autumn of 1942 Turkey concentrated large military forces near the border with the Soviet Union.⁷ In talks with the German Ambassador on 27 August 1942, Saracoglu said that,

⁴ [About the rights and obligations of the Council of Commissars], speech on 1 Dec. 1921, Atatürk, K., *Izbrannye rechi i vystupleniya* [Selected speeches and presentations] (Progress: Moscow, 1966), p. 187. Pan-Islamism is the idea of the creation of the Islamic Empire.

⁵ Landau, J. M., *Radical Politics in Modern Turkey* (E. J. Brill: Leiden, 1974), p. 193.

⁶ Novichev, A. D., *Turtsiya: Kratkaya Istoriya* [Turkey: a short history] (Nauka: Moscow, 1965), p. 192.

⁷ Miller, A. F., *Ocherki Noveyshey Istorii Turtsii* [Essays on the modern history of Turkey] (Academy of Sciences Publishing House: Moscow and Leningrad, 1948), p. 206.

being a Turk, he ardently desired the destruction of Russia. 'The destruction of Russia is a feat of the Fuehrer, which can only be emulated once in a century; it is also a life-long dream of the Turkish people.'⁸

Russia prepared a punishment of its own for its former revolutionary ally and in 1946 demanded some territories in the north-east of Turkey. In 1952 Turkey became a member of NATO. Only in 1954 did the the Soviet Government declare that the USSR had no territorial claims. Relations had, however, already been spoiled.

Only in 1960 after the military coup in Turkey did relations became warmer. 'Even during the cold war relations between the two countries were stable', said the Ambassador of Turkey in Moscow, Ayhan Kamel, in 1993.⁹ At the beginning of the 1990s both sides were sure that they had the basis for a strategic partnership in the Transcaucasus and Central Asia.¹⁰ Reality, however, did not allow these plans to be implemented.

II. The newly independent countries of Central Asia

After the break-up of the USSR at the end of 1991 Russia found itself in a new geopolitical situation. To its south and east it had borders that had not existed at the time of the USSR with the Asian Muslim outposts. What was previously part of 'home', almost 'domesticated', became the 'soft under-belly'. This was not simply Muslim but Turkic-Muslim Asia, with customs and traditions incomprehensible to the majority of European-minded Russians and with its own perception of the outside world. It has been difficult for Russia to adapt to new realities, but the former Soviet republics have now emerged onto the international area and the 'Islamic factor', Pan-Islamism and Pan-Turkism, once regarded as something remote and alien, have now not only come very close but become part of the Russian reality.

Russians are not used to seeing the Turkic world as a whole. For the Turks the very notion of Turkophone peoples does not exist: when speaking about their kinsmen-in-language they refer to them as Azerbaijan Turks, Tatar Turks or Uzbek Turks.

The disintegration of the Soviet Union was met in Turkey with unanimous delight by both politicians and the public, apparently not only from relief at the disappearance of the 'Soviet threat' but as offering possibilities for the revival of the national ideal—the creation of the Great Turan. Inspired by the collapse of the old enemy to its north, Turkey started seeking to play a more active role in the newly formed geopolitical space. Conditions of uncertainty as to where geopolitical, regional and macroeconomic power now lay created unique historical conditions, making it possible to try to establish the Ottoman Turks'

⁸ *Dokumenty Ministerstva Inostrannykh Del Germanii* [Documents of the Ministry of Foreign Affairs of Germany] (Gospolitizdat: Moscow, 1946), p. 98 (11th issue, document no. 27).

⁹ Mehtiyev, A., 'Rossiya i Turtsiya—garanti stabilnosti v regione' [Russia and Turkey are the guarantors of stability in the region], *Nezavisimaya Gazeta*, 16 June 1993, p. 3.

¹⁰ Mehtiyev (note 9), p. 3.

long-desired pre-eminence in the Turkic–Muslim regions which for many ages had been under the influence of Russia. The passive policy of Russia, which was toiling over a serious economic crisis, still unable to comprehend its primary national interests or their long-term prospects and not cognizant of its geopolitical role, also contributed to Turkish economic, political and cultural expansionism.

A policy of rapprochement with Turkey and of seeking its support has become an essential attribute of the foreign policy of all the Turkic-speaking Central Asian republics of the former USSR—Kazakhstan, Kyrgyzstan, Turkmenistan and Uzbekistan. From the point of view of the former communist *nomenklatura*, this rapprochement is preferable to descending to Islamic fundamentalism of the Iranian type, the more so because rivalry between Turkey and Iran for influence in the Muslim regions of the former USSR has become a political reality.

The Russian ‘big brother’ who had educated, fed and financed them (even though this is now being denied) is himself on the verge of bankruptcy. Turkey, which was developing dynamically at the beginning of the 1990s and which over the past decade has made such a powerful economic breakthrough that the world has seriously started to speak about the ‘Turkish miracle’ and the ‘Turkish model’,¹¹ was considered a rather attractive protector. On the face of it the ‘Turkish miracle’ is striking in its dynamism and organization. The Turks have managed to set foot in every corner of the Near East as mediators. Their construction firms are numerous and effective. They have been able to establish contacts between Western companies and Muslim states and to find a common language both with modern Western businessmen and with representatives of the Arab Emirates, not without substantial profit for themselves. This provided a fertile soil for the Turkish economy. There has, however, been a certain check to Turkey’s further expansion in the Near East, resulting from the fall in oil prices, which makes it necessary for Turkey to seek new ways. The former Soviet republics therefore at first glance seem to be a natural direction for further expansion.

While the republics are attracted by the secular path of development in Turkey, the Turks themselves base their hopes on identity of language and culture. The West has expressed its readiness to back the new Turkish economic expansion with loans in the hope that Turkey will act as a kind of barrier to the spread of the Islamic fundamentalism of Iran. The free market economy successfully developed in Turkey in the 1990s, the abandonment of central planning and Turkey’s success in the agricultural sector were also very attractive to Turkic Muslims in the early 1990s.

Turgut Ozal, late President of Turkey, characterized the country’s intentions in the Turkic–Muslim republics as follows: ‘The main hopes of the Central Asian republics of the former USSR are connected with the possibility of following Turkey’s example where state structure is concerned. Naturally, the

¹¹ ‘Retsepty stabilnosti’ [Recipes for stability], *Izvestiya*, 9 Mar. 1991, p. 5.

Turkish model cannot be employed by all states. It will be necessary to make some changes in it. The new states will have to tackle these problems by themselves. However we can also offer help in building systems of state administration on the Turkish model'.¹² Official visits to Ankara at the end of 1991 and the beginning of 1992 by the presidents of Kazakhstan, Turkmenistan and Uzbekistan and a trip by Ozal to the Turkic–Muslim republics confirmed the interest of the newly independent states in cooperation with Turkey. In a two-month period Ozal signed economic and cultural agreements with all the Turkic–Muslim states of Central Asia. He received all possible compliments from his negotiators and could be sure that the 'Turkish model' was held in high regard. 'I announce to the world that my country will go forward by the Turkish route', said the President of Uzbekistan, Islam Karimov.¹³ The same idea was expressed by Nursultan Nazarbayev, President of Kazakhstan: 'We want to implement a free market and the only model we have is Turkey'.¹⁴ The honours with which Ozal and his party were met had not been paid even to the highest Soviet leaders of the past.

In the economic sphere Turkey is endeavouring to use to the full the opportunities which have presented themselves. At the beginning of the 1990s the main sphere of its interest in Central Asia was light industry, textiles and tourism. In the first place Turkey had in mind the 'Silk Road' project, which involves in various degrees all the Central Asian republics of the Commonwealth of Independent States (CIS)¹⁵ and will require the development of a modern infrastructure of tourism. Turkish firms planned to take part in the construction of hotels in Tashkent, Samarkand and Bokhara and of an International Trade Centre in Tashkent, to be oriented to the Central Asian republics. Also under discussion were plans for the construction of factories, the setting up of a spinning and weaving complex, joint ventures in the clothing industry in Uzbekistan, and numerous other projects. Such cooperation can help the Central Asian republics overcome the current grave economic crisis. The Turkish authorities were taking this cooperation seriously. A special ministry was even set up in to deal with questions of economic cooperation with Turkey's northern neighbours.¹⁶

At the same time Central Asia is of vital importance from the viewpoint of the strategic interests of Russia. Kazakhstan and Central Asia are still an important market for Russian industrial output, the more so because Russian goods cannot compete successfully with the exports of the developed countries. Millions of Russians live in Kazakhstan and other Central Asian countries whom Russia is unable to accept at present.¹⁷ A significant proportion of the local residents are oriented towards general European values which came to the

¹² 'Interbizness' [International business], *Delovye Lyudi*, no. 4 (22) (Apr. 1992), p. 40.

¹³ Sullivan, S. and Kohen, S., 'The Turkish model is on display', *Newsweek*, 2 Feb. 1992, p. 23.

¹⁴ See note 13.

¹⁵ The Silk Road was an ancient trade route from China through Central Asia to Europe.

¹⁶ See note 12.

¹⁷ Zhirinovskiy, V., *Proshloye, Nastoyashcheye i Budushcheye Russkoy Natsii* [Past, present and future of the Russian nation] (Liberal Democratic Party of Russia: Moscow, 1998), p. 70.

Islamic world through Russian culture. Pre-revolutionary Russia and the Soviet Union created many problems there which cannot be dealt with without Russian participation, including the problems of inter-republican borders and industries oriented to close integration with Russia.

Moreover, Russia is interested in strengthening its new southern frontiers. On this depends its internal stability, the reliability of capital investments from the viewpoint of foreign investors, and many other aspects of the national interests of any independent state.

A number of other factors also keep alive the interest of the Central Asian republics in keeping close ties with Russia and could therefore serve as a basis for developing relations. First and foremost there are the long-established economic, political and cultural connections which had a significant influence on the formation of the local nations. It was in fact from Russian hands that the Central Asian republics received their statehood at the beginning of the 1920s. Even if that statehood was originally purely decorative, and despite its more negative ideological aspects, the development of industry in the republics, the gradual improvement in educational levels, and the development of science and culture were conducive to national consolidation and to the development of a distinctive national self-awareness.

Russia reacted quietly to the Turkish moves to establish closer relations with the Turkophone newly independent states. It seemed that the basis for a strategic partnership between Russia and Turkey was now in place. However, real economic interests have prevented far-reaching political constructions. The success of the Islamist Refah (National Salvation) Party in the Turkish parliamentary elections of December 1995 also changed the balance of political forces inside Turkey.¹⁸ These factors have affected the international policy of Turkey and resulted in a cooling of Russian–Turkish relations.

III. The oil pipeline routes

The main point of difference between Russia and Turkey is the question of the transport of oil from the Caspian Sea area to Western markets. Russia and Turkey have offered variant routes. Turkey has insisted on a route through Azerbaijan and Georgia to the port of Poty, from there by tanker to the Turkish coast, then by pipeline through Turkey to the port of Ceyhan and further again by tanker to the ultimate consumers (see figure 5.1). Russia has offered the ‘northern route’ through Russian territory (including Chechnya) up to the Black Sea port of Novorossiysk and on by sea through the Bosphorus and Dardanelles.

In reply to this Turkey has tried to stop any transport of oil through the Black Sea Straits, referring to the ecological dangers which this route would inevitably involve.¹⁹ To ensure the safety of navigation the Russian side has offered

¹⁸ Burham, J., ‘A slim chance to stop the drift’, *Financial Times Survey*, 3 June 1996, p. II.

¹⁹ Under the 1936 Montreux Convention Turkey may supervise traffic on the Bosphorus only in wartime. In peacetime it must allow merchant shipping ‘complete freedom of transit and navigation with any kind of cargo, without any formalities’. ‘Danger in the straits’, *Financial Times Survey*, 3 June 1996, p. 5.

to instal navigating equipment, especially in the Bosporus, which is very narrow. This the Turkish side has refused: it solves the question of safe transport of oil from the technological point of view, making it more difficult to insist on the 'southern route', and does not correspond to the interests of Turkey. The ecological argument is not without foundation: the danger of pollution in the straits in the event of a tanker disaster is real. However, the problem is soluble. A pipeline from the Bulgarian port of Burgas to the Greek port of Alexandropolis would take the oil round the straits and remove ecological fears.

One of the arguments against the northern route was the question of the security of the pipeline. The old oil pipeline passes through Chechnya. The question of its security was partly settled after the Chechen war was stopped and the Khasaviurt agreement was signed on 31 August 1996. However, the southern route from Supsa to Ceyhan is also not safe for the transport of oil because a considerable stretch of it would pass through areas of Kurdish population.²⁰ The official position of the illegal but active Kurdish organizations concerning the oil transport projects is already decided. Their leaders threaten to damage future oil pipelines passing through Turkish Kurdistan, demand to be consulted and want payment for transit through their territory.²¹ The Turkish authorities refuse to recognize the existence of a Kurdish nation and are categorically against any negotiation with Kurdish 'terrorists', denying that there is a problem.²²

Just as Turkey recalls the Chechen danger when the pipeline through Russian territory is on the agenda, Moscow may rise similar questions concerning the Turkish variant. There are in fact security problems with both routes.

The problem of the pipeline routes is becoming more and more acute. One of the countries paying special interest to the problem is Kazakhstan, whose rich Tenghiz oil deposit was explored in 1979.²³ In 1997 Kazakhstan produced 26 million tonnes of oil but it has no big export pipelines.²⁴ By 2000 it plans to produce 120–160 million tonnes of oil per year.²⁵ With the intention of diversifying pipeline routes, it plans not only to use Russian pipelines to deliver oil to Europe but to build several new lines to China, through Afghanistan and Pakistan and across the bottom of the Caspian Sea through Azerbaijan and Georgia to Turkey. Turkmenistan also plans to use this route for the transport of

²⁰ In Turkey the Kurds for many years were officially called 'mountain Turks' because according to Clause 66 of the Turkish Constitution 'all the citizens of Turkish Republic . . . are Turks'. Tasan, S., 'Dis politikamizi etkileyen yeni unsurlar', *Dis Politika 20 Yil Ozel Sayisi* (Ankara, Dec. 1994, p. 63 (in Turkish). They are deprived of their civil rights and have no schools, newspapers, radio or television. Only for a short period of time, during the 1991 Persian Gulf War, did Turkish President Suleyman Demirel recognize the existence of the Kurds, but only with reference to Iraq and the refugees—Iraqi Kurds.

²¹ *Rossiyskaya Gazeta*, 4 Dec. 1998, p. 6.

²² *Nezavisimaya Gazeta*, 22 Jan. 1998, p. 6.

²³ Perrodon, A., *Istoriya Krupnykh Otkritii Nefti i Gaza* [History of large deposits of oil and gas] (Mir-Elf Akiten: Moscow, 1994), p. 92.

²⁴ Ardayev, B., 'Kazakhstan namechayet truboprovodnye marshruti' [Kazakhstan plans pipeline routes], *Finansovye Izvestiya*, 14 Apr. 1998, p. V.

²⁵ See note 24.

gas and oil. The political and diplomatic struggle around the problem of transport of the Caspian oil and gas is thus becoming more and more intense.

Work to implement these projects has been given a definite organizational framework. On 29 October 1998 in Ankara the presidents of Azerbaijan, Georgia, Kazakhstan, Turkmenistan, Turkey and Uzbekistan and the US Energy Secretary discussed economic issues and predominantly the pipeline routes, and it was reported that the main issue was finally solved. The pipeline for transport of the 'main oil' will be laid from Azerbaijan through Georgia to Ceyhan.²⁶ The resulting Ankara Declaration has a political character and is aimed at strengthening the basic achievements for a 'successful start towards a constructive future'.²⁷ Many Russian observers have seen this meeting as anti-Russian and an attempt to create a certain alliance that is not only economic but also political, stressing that some US politicians were backing the project as a geopolitical one aimed to strengthen US interests in the Transcaucasus.²⁸

This approach of course leaves out Russia, which was not invited to the meeting, underlining once more that it is finally being deprived of an exit to the Mediterranean. In July 1994 Turkey imposed new rules which restrict the passage of tankers with Russian oil through the Bosphorus. Its unfriendly position towards Russia has become immutable fact.

Russian–Turkish relations are also aggravated by other problems. One was Turkey's support for the Chechen insurgents. Officially Turkey was always neutral and never hinted at any possibility of backing the Chechen separatist movement, but Russian sources often stressed that Turkish volunteers with 'connections with the Turkish secret services' were penetrating Chechnya from Azerbaijan.²⁹ The Turkish Government was also blamed for backing the separatists through the private Caucasus–Chechen Solidarity Foundation.³⁰ There were solid reasons for criticism of the Russian position from the Turkish side, such as the sale of SA-10/S-300PMU-1 air defence systems to Cyprus, which seemed still to be irritating for Turkey even after Greece in December 1998 agreed to deploy the rockets on its own territory.³¹

IV. Conclusions

Despite the unfavourable situation for Russia in its relations with the Turkic–Muslim states and factors that favour the positions of other countries (including Turkey), a number of political elements do nevertheless support the political

²⁶ Tesemnikova, E. and Broladze, N., 'Ankarskaya deklaratsiya prinyata' [Ankara Declaration adopted], *Nezavisimaya Gazeta*, 30 Oct. 1998, p. 1.

²⁷ See note 26.

²⁸ See note 26; and Tarasov, S., 'Zakavkazskiy taim-aut' [Transcaucasus time-out], *Vek* (Moscow), no. 43, p. 4.

²⁹ Agayev, O., 'Kuda Heidar Aliyev vedet Azerbaidzhan?' [Where is Heidar Aliyev leading Azerbaijan?], *Nezavisimaya Gazeta*, 8 Apr. 1998, p. 8.

³⁰ Safronov, A., 'Terrorizm v kavkazskom regione' [Terrorism in the Caucasian region], *Nezavisimoye Voennoye Obozreniye*, no. 1 (1998), p. 2.

³¹ Antonov, E. and Bausin, A., 'Visit k Minotavru' [A visit to the Minotaur], *Vremya-MN* (Moscow), 29 Dec. 1998, p. 6.

and economic interest of these states in strengthening their links with Russia. None of the newly independent states of Central Asia has an exit to the open sea, which limits their access to cheap transport routes for their exports and imports. Their 'external' boundaries adjoin states which are a potential threat to their existence and their interest in future integration with Russia has not yet disappeared, although year by year it diminishes and they find new partners.

It is not in the interests of Russia to delay the process of integration within or in the framework of the CIS, as the implantation of Turkey into the Turkic–Muslim regions has already complicated the situation to the south. Moreover, open dictatorial behaviour from the Turkish side, militant threats to Russia in connection with the sale to Cyprus of the SA-10 air defence systems and Turkey's support for the Chechen separatists do not testify to any desire in the present ruling circles in Turkey to strengthen relations with Russia.

However, some problems can be solved by joint efforts of the two countries. The problems of Afghanistan and stability in Central Asia and many others urgently need these efforts. The Russian market is also fairly important for Turkey. Russian 'shuttle' traders have already become the most important buyers of Turkish consumer goods. Turkey is tending to become one of the largest consumers of Russian gas³² and the question of the construction of the new pipelines for enlarging this segment of Russia's gas exports will arise in the near future. For these reasons the positive development of Russian–Turkish relations in future should be welcomed.

³² Gankin, L., 'Turetskiy marsh na gazovoy trube' [The Turkish march on the gas pipeline], *Kommersant Daily*, 16 Dec. 1997, p. 5.

12. Iran and Russia: neighbours without common borders

Abbas Maleki

1. Introduction

Most countries engage in cultural, social, economic and political exchanges via land and sea with their neighbours. Two countries are perhaps exceptional in terms of the large number of countries neighbouring them. These two are Iran and Russia.

A glance at the two countries' geography indicates that Russia's vast territorial expanse and Iran's special location have given them (taken together) borders with 15 other states. They are also exposed to the disadvantages and threats inherent in having such extensive borders.

Russia is a Euro-Asian country, the largest country on earth with the richest natural resources, and it includes the areas which have been called the 'Heartland'.¹ Iran is a Middle Eastern and Asian country, a bridge linking western Asia, Central Asia and the Middle East. It is characterized by huge oil and gas resources, impenetrable mountains and access to the warm waters of the Persian Gulf. Its importance derives not only from its geopolitical position but also from its political significance and centrality in the Islamic world.

Historically, Persia (as it was until 1935) was nervous of its powerful northern neighbour. During the 19th century Britain and Russia were the unquestioned authorities controlling Persia's economic and political fate. After World War II Iran maintained friendly relations with the Soviet Union but preserved its distance. Under the Shah and after the oil price shock of 1973 the USSR benefited from profitable projects in Iran. The changes in Iranian society before the Islamic Revolution were not properly understood in Moscow, but after the revolution the Russian Ambassador was the first foreign ambassador to be received by Ayatollah Khomeini.

At the outbreak of the 1980–88 Iraq–Iran War, Iran believed that Iraq, which was a close ally of the Soviet Union, could not have dared launch the invasion of Iran without its permission. Relations received further setbacks with the Soviet Union's invasion of Afghanistan in December 1979 and its express support for Iraq in 1982 as the war continued. In 1986, however, Iran displayed a desire to improve its ties with the Soviet Union. By sending First Deputy Foreign Minister Georgy Kornienko to Tehran, by establishing a permanent commission for economic cooperation in Tehran and by agreeing to purchase

¹ See chapter 10, section I, in this volume.

more Iranian gas in 1987, the Soviet Union also showed that it was pursuing a balanced policy in the region. In 1986 and 1987 the Soviet Union opposed the US-sponsored resolution to impose an embargo on Iran for continuing the war with Iraq. After the 1988 ceasefire, Iran and the Soviet Union expressed common concern at the widespread presence of US troops in the Persian Gulf. It was then that Soviet President Mikhail Gorbachev understood Iran's strategic significance, which was in no way comparable with that of Iraq.² Ayatollah Khomeini sent a message to Gorbachev in 1989 which showed that the Soviet Union had a special position for him. He never again directly addressed the leader of any other country.

The Persian Gulf War brought Iran and the Soviet Union closer; both supported the UN Security Council's resolutions. On the other hand they were among the few countries which had diplomatic ties with Baghdad and neither joined in the military action against Iraq.

In August 1991, a coup was attempted against Gorbachev. Despite the opinions to the contrary of a number of radicals in Tehran, Iran refused to support the coup. A month later Yevgeny Primakov travelled to Tehran as Gorbachev's envoy. He called for further cooperation and asked Iran to extend the deadline for repayment of Soviet debt for Iranian gas. Iranian Foreign Minister Ali Akbar Velayati travelled to Moscow in late November 1991 and signed a memorandum of understanding with Foreign Minister Eduard Shevardnadze and Deputy Prime Minister Yegor Gaidar. He then travelled to Kazakhstan, Kyrgyzstan, Tajikistan, Turkmenistan, Uzbekistan and Azerbaijan and witnessed these republics' desire for closer relations with Iran.

Less than a month later at Belavezh, near Minsk, the Soviet Union came to an end and the Commonwealth of Independent States (CIS) was created. With that announcement the Soviet empire was buried 'in the museum of political history', as Ayatollah Khomeini termed it in an earlier letter to Gorbachev. No empire had ever disintegrated so rapidly.

II. The present situation

The dissolution of the Soviet Union was the biggest event in the history of Iranian foreign policy.³ The emergence of eight states as a buffer between itself and Russia was a very positive development for Iran, because these countries either were influenced by Iranian culture, literature and traditions or enjoyed a common language and ethnic origin with the Iranian people. Six of them, Azerbaijan, Kazakhstan, Kyrgyzstan, Tajikistan, Turkmenistan and Uzbekistan, are Muslim, while Armenia shares a deep-rooted common culture with Iran and the Nakhichevan Autonomous Republic is Muslim.

² Rubinstein, A. Z., 'Moscow and Tehran: the wary accommodation', eds A. Z. Rubinsten and O. M. Smolansky, *Regional Power Rivalries in the New Euroasia: Russia, Turkey and Iran* (M. E. Sharpe: New York and London, 1995), p. 29.

³ Rubinstein (note 2), p. 26.

At no time . . . have Moscow and Tehran been so close. Russia and Iran do not threaten each other from the military point of view. Both avoid allowing developments in other countries to influence their bilateral relations. I do not think Russia or Iran would wish to violate the territorial integrity of the other or intend to make new border demarcations. Neither of them has committed itself to or is party to treaties that threaten the other. They are exploiting all resources to boost commercial and economic cooperation. They are working with full trust in the military, technical, and atomic energy fields. Moscow and Tehran are continually consulting with each other on political matters, and no subject remains untouched in their dialogue. The two states hold close positions on many international issues, and this lays the ground for stronger cooperation between them in the international arena. Relations between them have opened new avenues for collaboration, which is inter-city relations. We have left behind the cold war era and have no more apprehension about information or propaganda or problems in the issuing of visas. In general, the two states enjoy normal ties in an atmosphere of good-neighbourliness, and the leaders of the two countries are satisfied with the nature of relations.⁴

III. The Russian elites

Relations with Iran and areas of cooperation with it are a lively topic of discussion in Moscow. Diverse opinions are expressed by the Russian elite, politicians and state administrators. Although the Russian Ambassador to Tehran believes that 'Russia's policy vis-à-vis Iran is above faction and all parties and political groups in that country are united in their will to expand good-neighbourly relations and extend mutual collaboration with Iran',⁵ there are five different approaches among the Russian elite.

The first is the approach of the staunch supporters of the West. This group believes that the only way to rescue Russia is to comply fully with US foreign policy. It believes the analyses of the Western media and therefore misunderstands the Islamic states and Islamic fundamentalism and opposes relations between Russia and Iran. It considers Iran a totalitarian state and opposes closer ties with countries which do not enjoy a good image in the West. Among this group are former Prime Minister Yegor Gaidar, Duma Deputy Sergey Kovalev and former Head of the Presidential Administration Sergey Filatov. During the first two years after the break-up of the Soviet Union, the group of Russians known as Euro-Atlanticists, who supported Russia's merging with the West, held the upper hand in politics. The Foreign Minister of the time, Andrey Kozyrev, was one of this group.⁶ He considered non-Western states as second-rate and avoided any dialogue with those countries which created problems for the West.⁷ More serious is the warning by Alexei Arbatov, a scholar and

⁴ Shevaley, K., [The present and future condition of relations between Iran and Russia], *Mutaleaate Asiai Markazi va Ghafghaz* [Central Asian and Caucasus studies] (Tehran), no. 12 (winter 1995), p. 95 (in Persian). Shevaley is currently the Russian Federation's Ambassador to Iran.

⁵ Konstantin Shevaley, interview with *Khorassan* newspaper, 21 Sep. 1998.

⁶ Freedman, R. O., 'Russia and Iran: a tactical alliance', *S AIS Review*, summer/fall 1997.

⁷ Hunter, S., [Iran, Russia and former Soviet southern republics], *Goftogoo Magazine* (Tehran), 1997, p. 57 (in Persian).

Deputy Chairman of the Committee on Defence of the State Duma (the lower house of the Russian Parliament), that support for Islam against the West 'would most probably be self-destructive for Russia, stirring up Muslim fundamentalism, separatism, and terrorism in the North Caucasus, Central Asia, Kazakhstan, and along the Volga River, and involving Russia in bloody and hopeless military involvements across its entire southern rim'.⁸

The second is the approach of realistic pro-Western, 'new Euro-Asian' group. It gives priority to ties with the West and believes that Russia must refrain from confronting the West and should establish cordial relations with it, but also that the West is not the ultimate authority, and it does not blindly support US allegations against other countries. It believes that after the end of the cold war the West is continuing its efforts for more gains in its own interests and that relations with Iran could serve as a means to put pressure on the West. In other words, it believes that the end of ideological rivalry between Russia and the West does not mean the end of the two sides' rivalries in other areas. The implication for Russia's policy towards Iran is that Russia will cooperate with Iran as far as this serves its interests, and when this fails to produce good results it should adopt other policies.⁹ There is some opposition on the part of this group to the nuclear reactor deal with Iran: Alexey Yablokov, a former member of the Russian Security Council and head of its Interdepartmental Commission for Ecological Safety, was the most senior opponent of the deal.¹⁰

The third is that of the realistic democrats. They base their opinions on Russia's political and economic interests and state openly that in many areas Russian interests conflict with those of the West. They also believe in the multipolar system in the world and the need to establish ties with more and more countries. They believe in the global right to interfere in the domestic affairs of states which violate human rights or support terrorist activities, as with Afghanistan or Iraq, but only after decision of the UN Security Council. Adherents of can be found in the scientific and research institutions, among the average administrators in the Foreign Ministry, in the government and in the President's Office. The former Prime Minister, Yevgeny Primakov, was one of this group. As Director of the Institute for World Economy and International Relations (IMEMO) and even as a student learning Arabic he was aware of the importance of the Middle Eastern countries.¹¹ He had long experience of cooperation with Iran.

The fourth is that of representatives of manufacturing industry and of the old Soviet elite, the men of the old system who have preserved their status under the new conditions, managers of the defence industries and their employees, bankers and administrators of trading institutions. These people do not care

⁸ Arbatov, A., 'Russia's foreign policy alternatives', *International Security*, vol. 18, no. 2 (fall 1993), p. 36.

⁹ *Politika*, special report on relations between Iran and Russia, Moscow, 6 Mar. 1998, translated into Persian by the Iranian Embassy in Moscow.

¹⁰ Golan, G., *Russia and Iran: a Strategic Partnership?*, Discussion Paper no. 75 (Royal Institute of International Affairs: London, 1998), p. 46.

¹¹ Hunter (note 7), p. 58.

whether the USA has banned investment in Iran's oil and gas or what pressure is exerted by Israel over the construction of the Bushehr nuclear power plant. Viktor Mikhailov, Minister of Atomic Energy, and Deputy Minister Yevgeny Reshetnikov are in this group.

Finally there is the approach taken by Iran's supporters. Iran has particular advocates in Russia. Some, such as Gennady Zyuganov, the leader of the Communist Party of the Russian Federation, and nationalists like Vladimir Zhirinovskiy, favour Iran's anti-US stance and resistance to US pressure. Others have known and loved Iranian culture and civilization. There are also some Muslims who prefer relations with Muslim states. In 1992, political commentator Andrannik Migranian said that, since the West is supporting Turkey to expand its influence in the Caucasus, Russia must support Iran and Armenia.¹²

IV. The Iranian elites

Iranian elites mostly favour Russia.

The first group considers Russia as Iran's 'number one' partner or strategic ally. Most prominent is former President Akbar Hashemi Rafsanjani. When visiting Moscow in 1989 before he became president, he was able to turn Iraq's long-time ally into a strategic partner for Iran. His Foreign Minister, Velayati, had travelled to Moscow earlier and made arrangements for a long-term economic, commercial, scientific and technical cooperation agreement lasting until 2000. At the same time the two sides agreed to build the Mashhad–Sarakh–Tajan railway, which was inaugurated in 1996 by Iran and Turkmenistan in the presence of the majority of leaders in the region. Rafsanjani also laid the foundation for continued meetings between Iran and Russia. These meetings seem to be continuing. Iran had defence agreements on its agenda.

The second group, although believing in the importance of Russia as a neighbour, believes that defusing tensions with the industrialized states is the key to solving Iran's economic problems and insist on good-neighbourly but not strategic ties with Russia.

The third group holds that the disintegration of the Soviet Union will continue but inside the Russian Federation. They maintain that Russia is too weak to solve its own domestic problems and that closer ties with Russia cannot help the Iranian economy. It must not be forgotten that the present stalemate in the negotiations for the Caspian Sea legal regime¹³ has been caused by the double standards of Russia's policy.

V. Cooperation at the international level

Relations between Iran and Russia have had international impact. It can even be said that their close ties have played a role in the improvement and enhance-

¹² Migranian, A., [Real and illusory guidelines in foreign policy], *Rossiyskaya Gazeta*, 4 Aug. 1992.

¹³ See section VI in this chapter.

ment of international relations generally. After the end of the cold war, the USA set out to convince the world that it needed US leadership. It interfered in every dispute in the world as if international problems were referred to it and resolved them in such a way as to protect its own interests and those of its allies and to institutionalize new approaches for use in the future. For that reason relations between Iran and Russia are important in three respects at the international level.¹⁴

The first and most important effect has been their impact on restructuring the international political set-up and the general shape of relations between countries. Russia, by refusing to bow to the pressure exerted by certain Western countries to change the scope of its ties with Iran, and Iran, with its resolve to maintain special ties with Russia, have once again stressed the need to follow established principles in international relations.

With the world on the threshold of the 21st century, and with a new form of interstate relations beginning to unfold and new regulations being formulated to govern international behaviour, the slightest move or reaction in the international arena which remains unanswered might be converted into an acceptable norm in relations among the nations.

A second beneficial effect has been to challenge the arbitrary use of the concept of states' vital national interests. In the 'new world order', some countries have begun to consider distant regions, such as the Persian Gulf, the Mediterranean area, the Black Sea and recently the Central Asian republics, as part and parcel of their own vital interests. This does not conform with the current distribution of power in the international system and conflicts with new norms which are needed for the new century. What the 21st century needs and what the global community has anticipated is broader international relations and cooperation rather than a politics of influence and acquisition of interests.

Russia is aware of the objectives behind some of these suggestions for a balance of interests instead of a balance of power and will not heed them.

The third effect of relations between Iran and Russia concerns expanded economic collaboration at the international level. None of the promises made by the West to those countries which are changing their economic systems has borne fruit as yet. Although great privileges and assistance have been promised to Russia to mend its economy, this aid in no way corresponds to the country's needs. Iran's move towards a liberal and internationalized economy and expanded relations has not been supported. On the contrary, one of the familiar problems of this transition has been the effort to weaken its position and credit. This hostility has been augmented by sanctions and economic sabotage to prevent Iran from absorbing capital and technology or expanding its economic links with other countries. Against this background, economic collaboration is in the mutual interests of Iran and Russia.

¹⁴ Maleki, A., 'Dournama-ye ravobat-e Iran va Russiye ta sal-e 2000' [Prospects of relations between Iran and Russia until 2000], *Mutaleaate Asiai Markazi va Ghafghaz* [Central Asian and Caucasus studies] (Tehran), no. 12 (winter 1995), p. 8 (in Persian).

VI. Cooperation at the regional level

Before independence in 1992, the Soviet republics in Central Asia and the Caucasus had no alternative but to cooperate with Russia. Immediately after they gained independence, however, countries near and far away offered to work and cooperate with them.

One of these countries was Iran, which was very attractive from the perspective of historical background, cultural, ethnic and linguistic commonalities, its geographical location and its readiness to collaborate with the former Soviet republics. On the other hand, although these republics had obtained their independence without bloodshed and with Russia's blessing, signs of displeasure on the part of Russian statesmen appeared whenever they tried to cooperate with countries other than Russia. For example, President Boris Yeltsin's then adviser Sergey Stankevich said in 1992 that the former Soviet republics should remain under Russia's economic, political and cultural influence.¹⁵

When the initial tumult and anxiety was over and the Russian Government had achieved stability, Russia understood that Iran was not interested in promoting tension in Russia but was rather supporting the Yeltsin camp in Russian politics with patience and foresight. This approach and three strategic considerations convinced the two countries to act as allies and not rivals in the region. The strategic considerations were, first, that both countries were facing the increased influence of the West in the former Soviet republics, an influence which was advancing like an avalanche; second, that both were threatened by a unified Turkish-speaking front led by Turkey; and, finally, that both and particularly Russia were anxious about inclination of the newly independent states that were formally part of the Soviet Union to escape from Russia's influence. They were especially concerned to protect their frontiers. For these reasons, from 1994, the two countries tried to work together to solve regional disputes.

Collaboration to solve regional crises

One striking characteristic of recent relations between Iran and Russia is their broad dimensions.

Regional cooperation was a new experiment to display the strength of the newly formed ties. There were complex problems in the region, each of which could have had a negative impact on the new ties between the two states. For some time there was the question whether Iran and Russia were rivals for influence over the new republics; they were believed to be pursuing policies of confrontation with each other. Thanks to extra effort, self-restraint and the sagacious policies adopted by both, confrontation and rivalry were replaced by cooperation to establish peace and tranquillity in the region. This removed many anxieties about the intentions of the two parties.

¹⁵ Hunter (note 7), p. 61.

Close cooperation between them in the Tajik peace negotiations, the taking of parallel steps to establish a ceasefire between Armenia and Azerbaijan and even defuse internal tensions in Georgia, and the support of both Iran and Russia for a general peace and stability scheme in the region are examples of this change in behaviour.

Without the active involvement of Iran and Russia in the Tajik peace talks, national reconciliation in Tajikistan would have hardly been achieved.¹⁶ Tajikistan, which borders on Afghanistan and China, is an important backyard for Russia's security. Russia is anxious about drug trafficking, growing insecurity and the presence of armed rebel groups in the Central Asian republics and Russia. It announced, that under the May 1995 Agreement on Cooperation and Mutual Assistance between itself and Tajikistan, it was concerned with the protection of Tajikistan's border with Afghanistan in the same way that it protected its own borders. Under that treaty, Russia deployed its 201st Motorized Rifle Division in Tajikistan, while Russian border troops patrolled the Tajik borders.

Under very difficult conditions, Tajikistan succeeded in overthrowing its communist government in 1992 and forming a coalition government. Some of its neighbours, however, were dissatisfied with the involvement of Islamic groups in the government. It was eventually toppled under military pressure from Uzbekistan and a native of the Kulab region, Imomali Rakhmonov, became president. Following the change of government, many people left the Tajik cities and headed for northern Afghanistan. Border skirmishes, war and armed conflict continued in the cities and mountainous regions.

Thanks to Russian influence over the Tajik Government, Iran's direct links with the opposition leaders and particularly the Islamic militia, and patient and continued collaboration between Iran and Russia and at times the UN, a peace agreement was finally signed between the Tajik Government and the opposition in June 1997 and the National Reconciliation Commission was formed. Since then the two sides in Dushanbe have worked in concert. The successful Iranian–Russian diplomacy over Tajikistan is an example of cooperation instead of rivalry in the Central Asian region.

'Iran refused to support the separatists in Russia.'¹⁷ The fact is that Iran showed unbelievable restraint with regard to the Chechnya dispute. Despite the fact that it was a pioneer supporter of Muslims and freedom movements around the world, it was Iran's opinion that the question of Chechnya should be solved within the framework of the norms of the Russian Federation. Iran was concerned at the hostility of the Russian soldiers in the northern Caucasus but repeatedly urged Russia to solve the Chechen problem in a way that benefited the local people. Iranian statesmen were aware of increased Russian sensitivity towards Iran's behaviour in the Caucasus: for example, President Yeltsin complained to Velayati about the presence of an Iranian citizen at the ceremony in which Dzhokhar Dudayev took the oath of office as President of Chechnya, a

¹⁶ See also chapters 7 and 8 in this volume.

¹⁷ Fomenko, A., [Moscow–Tehran axis as a political reality], *Mutaleaate Asiai Markazi va Ghafghaz* [Central Asian and Caucasus studies] (Tehran), fall 1997, p. 107 (in Persian).

ceremony that Yeltsin termed a 'coronation'. At the same time Iran was not fully aware which countries supported the Chechen fighters and what the object behind that support was.

Exploitation of the Caspian Sea oil and gas reserves

Another important subject which has called for wider cooperation between Iran and Russia in the region is the exploitation of the Caspian Sea oil and gas resources. There are three problems. First, the legal regime for the Caspian Sea is not decided. Second, the close regional cooperation which Iran and Russia believe is necessary to bring peace and stability to the region has not definitely started. Third, some Western powers are looking for an opportunity to fill the power vacuum in the region in order to secure their own interests, but since their true objectives are not known such moves are viewed with anxiety and mistrust by Iran and Russia.

In all these fields, Iran and Russia have good political and ideological coordination. However, two steps are necessary. First, arrangements must be made to adopt acceptable principles and norms for cooperation between the Caspian Sea littoral states. Second, solutions must be found for the cooperation of regional states with third-party countries in the exploitation of the oil and gas in a way that can benefit all littoral states and relieve related anxieties. One major anxiety is that, if the littoral states fail to adopt suitable policies for the exploitation of oil and gas reserves, Western powers will damage the region's interests.

Until early 1998 Russia, like Iran, called for a suitable and generally acceptable legal regime for the Caspian Sea.¹⁸ Russia believed that until a common agreement on a legal regime was reached the provisions of the 1921 Treaty of Friendship between Iran and the former Soviet Union and the 1940 Trade and Navigation Agreement between the two countries should remain binding.

On 27 March 1998, Russia's First Deputy Foreign Minister Boris Pastukhov expressed new opinions in this regard. These were presented by a Foreign Ministry official because since 1992 the Ministry of Fuel and Energy, as well as the big oil and gas companies, had been taking part in Caspian Sea oil projects irrespective of the ownership of these resources. Pastukhov said that the Russian Federation agreed with the division of sea-bed reserves on condition that: (a) demarcation lines should be laid equidistant from the opposing shores; (b) differences should be settled with the collective agreement of the five littoral states; and (c) the sea level should be calculated as of 1 January 1998 on the basis of satellite images. Reporting Pastukhov's statements, ITAR-TASS added: 'Pastukhov reiterated his view that the sea's waters should remain in common use "to ensure free navigation in the Caspian Sea and observe ecological norms for the sake of preserving the sea's biological resources"'.¹⁹

¹⁸ Tarooek, A., 'Iran and Russia in strategic alliance', *Third World Quarterly*, vol. 18, no. 2 (1997).

¹⁹ 'Russian diplomat sets out Moscow's blueprint for Caspian', BBC News /Monitoring, 27 Mar. 1998, 21.32 GMT, URL <<http://news2.thdo.bbc.co.uk/hi/english/world/monitoring/newsid%5F70000/70737.stm>>.

Following this statement, Boris Yeltsin and Kazakhstan's President Nursultan Nazarbayev made an agreement in July 1998 dividing the sea-bed resources in the northern part of the Caspian Sea.²⁰ The document recognizes the sea borders between the two countries in the Caspian Sea and fixes their boundaries. Iran condemned the deal and said it was not legally valid. It insisted that the Caspian Sea legal regime should first of all be acceptable to all littoral states and should address all issues, including the sea-bed resources and the sea level.

Russia wishes to have two different regimes—a division of sea-bed oil profits but common use of the water resources and the sea surface for shipping—because it will benefit. It fears that with the arrival of Western countries and companies in the region it will be deprived of profits from the export of oil and gas. For this reason Russian oil companies are hurrying to participate in oil and gas exploitation in the Caspian Sea. On the other hand, a common legal regime will permit Russia to benefit from the 1921 and 1940 treaties. The most important issue in that connection is Russia's security. A general division of the sea will confine the Russian fleet to shallow waters north of 44 degrees, whereas under the two treaties it can navigate the Caspian Sea and reach every port unobstructed.

The two treaties have served until now as the basis of free navigation on the Caspian. Other aspects such as fishing, protection of the ecosystem and use of the upper layers of the sea also call for common use of the waterway.

The presence of foreign troops in the area is another cause for concern for both Iran and Russia. A series of military exercises, 'CentrasBat-97', held in September 1997 by the Central Asian Battalion, with troops from Kazakhstan, Kyrgyzstan, Uzbekistan and the USA, was opposed by both Iran and Russia, and a proposal by Azerbaijan to invite the USA to establish a base at Apsheron on the Caspian was another incentive for the two countries to continue to respect their 1921 Treaty of Friendship.²¹ This treaty banned the presence of foreign troops in the region.²²

With regard to oil resources in the Caspian Sea, two points are of importance for Iran. First, the volume of resources has been grossly exaggerated by the oil companies from the beginning. The amount is one-fifth of that originally predicted.²³ For Iran, which possesses giant inland and offshore oil reserves in its south and can exploit and export them far more cheaply than it can reserves in its north, it is easy to remain patient. Second, because of Iran's desire for close cooperation with Russia and the other CIS states, the most suitable legal regime for the Caspian Sea is common or condominium exploitation of the waterway.

²⁰ 'World in Brief', URL <<http://www.washingtonpost.com/wp-srv/Wplate/1998-97/07/0961-070798-idx.html>>; and 'Russia and Kazakhstan to divide Caspian', BBC News/Europe, 9 Apr. 1998, 17.30 GMT, URL <<http://news2.thdo.bbc.co.uk/hi/english/world/europe/newsid%5F76000/76293.stm>>.

²¹ Goltz, T., 'Crying wolf or crying bear?', *JINN Magazine*, 1 Feb. 1999.

²² Maleki, A., 'US aims to contain Iran and Russia', *Tehran Times Daily*, 3 Feb. 1999.

²³ 'Think-tank plays down Caspian oil, gas', BBC News/SW Asia quoting a report of the International Institute for Strategic Studies, 23 Apr. 1998, 16.11 GMT, URL <<http://news2.thdo.bbc.co.uk/hi/english/world/s/w/%5Fasia/newsid%5F82000/82761.stm>>.

Should such a regime contain a provision to demilitarize the Caspian Sea, Iran, while possessing a border with Russia for commerce, will feel more comfortable. Should the sea be divided, Iran's direct link with Russia will end. However, a division would have a positive impact on Iran's security.²⁴

The ECO and the CIS

In other fields of cooperation, such as with the Economic Cooperation Organization (ECO), which includes six former Soviet republics,²⁵ there are some questions to be answered.

At one time it was believed that the economic plans introduced by Russia for the CIS conflicted with that of the ECO and that the two organizations were possibly mutually exclusive. When in 1992 all the Central Asian and Caucasian former Soviet republics, except Armenia and Georgia, were considering joining the ECO, Sergey Shakhray, an influential deputy in the Supreme Soviet, warned them either to stick to Russia or to choose one of their southern neighbours as their trade partner.²⁶ Sound reasoning and political foresight prevailed in the ECO. The ECO was a complementary institution that could undo the ill effects of years of lack of contacts in the whole region and it was even immediately understood that without developing road networks, improving trade, expanding transport facilities, improving monetary transactions and establishing necessary infrastructure it was impossible to boost economic cooperation in the region as a whole in a way that could benefit Russia as well.

The CIS is a loose and weak organization. Some of its member states are very backward. Because of their structural and infrastructural dependence on Russia, none of the other member countries is willing to sever ties with Russia completely. Boris Berezovsky, then Executive Secretary of the CIS, believed that membership should not be confined to the former Soviet republics but that efforts should be made to attract new members. 'Russia can invite a number of other countries to join the Organization, among which the first is Iran, because CIS member states have remarkable capacities for cooperation with Iran.'²⁷

Other economic relations

Another step taken by Iran to expand its relations within the region has been to complete roads connecting the north of Iran to the south. With the completion of these road networks new and exceptional facilities will be created for transport and trade exchanges between the Central Asian republics and Russia.

Such collaboration between Iran and Russia has linked Russia and the Central Asian republics to the Persian Gulf. Iran is interested in playing an active role as a corridor in the Persian Gulf for the transit of Russian and Central Asian

²⁴ Maleki, A., [A review of Russian behaviour on the Caspian Sea], *Qods Daily* (Tehran), 13 Aug. 1998 (in Persian).

²⁵ On the ECO and its membership, see appendix 1 in this volume.

²⁶ Hunter (note 7), p. 62.

²⁷ *The Fortnight in Review*, 7 Aug. 1998. URL <<http://brdcast@jamestown.org>>.

goods to other parts of the world. This is the best linking route for the landlocked Central Asian and Caucasian republics and a valuable corridor for Russia to expand its trade with South-East Asia, China, Japan and Australia. The Volga–Don waterway is another route for the transit of Iranian goods to Europe. Iran and Russia are, in fact, working as complementary partners to make up for each other's shortage of essential linking routes.

Iranian territory offers the best and most suitable passage for oil and gas pipelines. At present there is competition over different routes for the oil pipelines. This competition can be simply converted into collaboration. Iran and Russia can work as partners and friends here. Their technical, production and trade capabilities, experience and potential can complement each other. Between them they can respond to the greater part of the needs of the region.

VII. Bilateral relations

Iran and Russia are maintaining special ties which are becoming more and more stable day by day. 'Regular political dialogue in which subjects of mutual interest are examined in an atmosphere of trust and good will continues, and the foreign ministers of the two countries are officially meeting twice a year.'²⁸ Transfer of technology and cooperation in defence matters are other important examples of their close ties.

However, there are many shortcomings in their bilateral relations as a result of long years of lack of useful dialogue. Both possess vast facilities and they have an unlimited basis for collaboration in different fields. There is scope for growth in their diplomatic relations, notwithstanding the extensive political and economic cooperation: a general agreement is needed on the principles regulating their political ties which would provide a long-term basis for their relations.

Many as the opportunities are for the expansion of political, economic and cultural ties between the two, the most appropriate and beneficial area is the promotion of economic and technical collaboration.

Economic cooperation can cover a wide spectrum, such as exchange of experience on economic policies and plans, joint industrial, technical, agricultural and infrastructural ventures, the expansion of commerce and transport, and reciprocal technical and vocational training for personnel and experts in various fields. The former USSR helped Iran to build its first steel mill during the 1960s and joined in important Iranian industrial projects; Russia has a good record of cooperation with Iran. The project for completion of the Bushehr atomic power plant and broader cooperation in other technical fields is a continuation of that trend, which relies on the history of fruitful and reliable friendly ties between the two states. They are willing to expand and strengthen their ties and this trend is likely to continue in the coming years.

However, the two are not making optimum use of the favourable political atmosphere to boost commercial and economic transactions. The many acute

²⁸ Konstantin Shevarev, interview with *Khorassan Daily*, 21 Sep. 1998.

economic problems which gripped Russia in late 1998 are one reason for this. Another is that the Iranian market is not wholly familiar with Russian goods and a large part of Russia's heavy industry is unknown in Iran; moreover, Russian commodities do not have a good reputation in Iran.

One of the special features of Iranian–Russian relations is direct link between the Iranian provinces and the republics of the Russian Federation. Thanks to a history of social contacts along the Caspian shore, in Central Asia and in the Caucasus, links between the peoples in the region have expanded. Similarities of culture, religion and history have enabled Iranian goods to find their proper market in southern Russia. Gilan Province is pioneering trade with Astrakhan Region: a special jetty for it is being built south of Astrakhan, alongside the Volga River, to receive roll-on-roll-off vessels coming from the port of Anzali. This route is supposed to link Europe to South Asia through Russia, the Caspian Sea and Iran. Makhachkala in Dagestan is trading with Ardabil Province in Iran and Kerman Province with the Federal City of Moscow.

If central governments can remove certain obstacles in the way of trade, they can help the region's economy flourish. In order to establish the legal infrastructure for economic collaboration, Iran and Russia have signed an agreement stopping the collection of multiple tax and another calling for mutual support of capital investment is about to be signed.

After the break-up of the Soviet Union, economic relations became somewhat erratic. There was a sharp decline in trade in 1992, temporarily relieved in 1993 (possibly as a result of the sale to Iran of a Russian Kilo Class submarine), followed by an 83 per cent fall in 1994 and 46 per cent growth in 1995.²⁹ According to estimates by a joint Iranian–Russian Commission, the two sides aim to boost cooperation in the fields of trade and the economy to \$4 billion per year by the year 2000.³⁰

The military collaboration of Iran and the former Soviet Union continues between Iran and present-day Russia. Although before the Islamic Revolution Western, especially US, arms made up a large part of the Iranian arsenal, from the 1970s Iran began to buy Russian armoured vehicles, such as BTR amphibious troop transporters and BMP infantry fighting vehicles, cannons, BM-21 multiple rocket-launchers, anti-aircraft vehicles, Strela portable anti-aircraft missiles and army trucks. The Shah ordered two submarines for operation in the Persian Gulf from the former Soviet Union. After the Islamic Revolution, the Iranian Army started to buy some artillery equipment and missiles from the Soviet Union and agreed to pay in cash, but at that time the Soviet Union was allied with Iraq. After the end of the war with Iraq, Iran began to buy multi-role MiG-29 combat aircraft and Su-24 bombers. Military deals between the two countries included the supply of Russian anti-aircraft batteries, advanced radar, T-72 tanks, armoured personnel carriers, surface-to-surface missiles and three Kilo Class submarines.

²⁹ *Rossiyskoy Statisticheskoy Ezhegodnik* [Russian statistical yearbook, 1996] (Russian State Committee on Statistics: Moscow, 1996), p. 343.

³⁰ Gusher, A., 'On Russian–Iranian relations', *International Affairs* (Moscow), no. 13 (1997).

The delivery of the first Russian submarine to Iran in October 1992 enraged the USA. It claimed that Iran, by possessing advanced equipment such as submarines, battleships, fighter aircraft and anti-ship missiles, would become a superior power in the region and would threaten the US allies in the Persian Gulf. Iran countered that the equipment was designed for defensive purposes and that it wished to be recognized as a military power among the countries of the Indian Ocean.

Before the Islamic Revolution, when the price of oil rose in 1973, the Shah concluded a contract with the German company Siemens to build a nuclear power plant to produce electricity and another contract with a French consortium to provide enriched uranium. The plant was built on the Persian Gulf near Bushehr port. Major investments were made which post-revolutionary Iran could not overlook. As a result, when, under the pretext of the ongoing Iraq–Iran War, Germany refused to resume work on the plant, Iran welcomed Russia’s willingness to complete it.

Representatives of the International Atomic Energy Agency (IAEA) have inspected Iran’s declared nuclear sites at regular intervals. They found no evidence that the Iranian atomic plant was intended for military purposes.

Among Iranian–Russian economic deals, oil and gas cooperation is important. From the mid-1960s Iran transferred considerable amounts of gas at prices lower than international prices to the Soviet Union by building two pipelines from the south of Iran to Soviet Azerbaijan. Iran continued to purchase Russian oil by-products for use in the cold regions in the north of the country.

The largest politically motivated oil and gas deal between Iran and Russia was struck in 1996 for the South Pars gas field. Initially the US Conoco company had won an international competition to build plants for the exploitation of natural gas from the gas field. Despite its tense relations with the United States, the Iranian Government was wise enough to accept the offer because Conoco, which was working in the Persian Gulf Arab sheikhdoms, was offering more attractive financial terms. However, in a sudden move US President Bill Clinton banned US companies from investing in Iranian oil and gas projects. Following detailed negotiations with other companies and amid fears of retaliatory US action against any company that worked with Iran, the National Iranian Oil Company (NIOC) succeeded in concluding a contract with French Total for exploitation of gas in the South Pars field. Phases 2 and 3 of the project needed \$2 billion investment. After the signing of the contract, Total allied itself with the reputable Russian Gazprom and Malaysian Petronas companies.

The start of this cooperation has opened a new chapter in economic relations between Iran and Russia, in the form not of a bilateral deal with preferential prices but of a multinational deal at internationally competitive prices.

VIII. Conclusions

While the end of the Soviet Union has given birth to 15 new states and Iran no longer possesses a land border with Russia, it seems that this physical distance between Iran and Russia has intensified a profound friendship between them.

The two countries feel the need for all-embracing cooperation. At present Iran is seeking closer relations with Russia with greater confidence. Russia's need for foreign currency and its preferred Eurasian instead of Euro-Atlantic outlook have encouraged it to establish better relations with Asiatic nations. As Prime Minister, Primakov was a staunch supporter of warmer ties with Asia and the Middle East. Perhaps Russia's economic problems have not given its policy makers the chance to make necessary plans in this direction. Any immediate panacea, such as an offer of US loans in exchange for Russia taking a tougher stance vis-à-vis the Bushehr Atomic Power Plant or towards the Balkans, is unlikely to please Russia.

Nationalism is on the rise in Russia. The proportion of Russians in the population of the Soviet Union was a little over 50 per cent; in the Russian Federation it is now 80 per cent and this has produced nationalist zealots such as Zhirinovskiy. Here Iran has maintained a cool and balanced policy and distanced itself from the struggle between the Russian nationalists and Islamic radicals known as Wahhabis in the southern republics of the Russian Federation.

Cooperation in military activities will continue. In the context of the Gore–Chernomyrdin Commission,³¹ existing contracts for the supply of armaments to Iran will be fulfilled.

The setting up of an Organization for Security and Cooperation for Asia is suggested by prominent figures in a number of Asian states, including President Nursultan Nazarbayev of Kazakhstan, Hashemi Rafsanjani from Iran, and Benazir Bhutto from Pakistan. Russia has taken part in all discussions related to this proposal. The assembly of giants such as China, India and Russia as well as other Asian nations in that organization, if it is set up, will open a new chapter of dialogue between the Asian nations.

Afghanistan is another topic which has led to convergence between Iran and Russia. Both are concerned about the behaviour of the Taleban. Russia condemned the detention and subsequent killing of Iranian diplomats at Mazar-i-Sharif by the Taleban and was the originator of a UN resolution condemning the atrocity. Collaboration between themselves to solve the Afghan problem and end military operations there, negotiations between the warring parties under UN supervision, and the formation of a broadly based government which can vouchsafe the interests of the different parties in the country are the

³¹ The US–Russian Joint Commission on Technological Cooperation, set up in 1993 as a joint initiative of then Russian Prime Minister Viktor Chernomyrdin and US Vice-President Al Gore to promote cooperation on a wide range of issues related to energy, the environment, science and technology, space exploration and defence conversion.

common positions of Iran and Russia. Iran, Russia, Tajikistan and Turkmenistan will continue to cooperate to these ends.

Although the Caspian Sea reserves, particularly oil reserves, are attractive for all the littoral states, Russia is well aware that the amount of deposits is below than the figures published by US oil companies. Among the littoral states Iran is the most stable country with a bright future and stronger frontiers. Iran can, in the meantime, wait a little longer and patiently pursue its suggestion for a new legal regime for the Caspian Sea.

Relations between Iran and Russia can be interpreted as a sort of understanding between a progressive Islam and Orthodox Christianity. Both inside the Russian Federation and at the international level, Russia is confronted with Islam and Muslims. Iran can work closely with Russia on both levels.

Both countries have the capacity to work together in the Central Asian and Caucasus regions. Russia has the advantage of a long history and infrastructures in the region, while Iran takes advantage of its history and culture and the Islamic faith. It has shown that it is looking for better economic and trade ties with Central Asia and the Caucasus.

Continuity in relations needs supervision and monitoring at a high level in the two capitals. The Russian Duma took the first step on 20 October 1998 by ratifying a bill on the need for better relations with Iran.

13. Russian–Afghan relations

Vyacheslav Belokrenitsky

I. Introduction

Afghanistan is a classic buffer state at the very heart of Asia. It acquired this role in the second half of the last century after the British colonial power discovered the presence of Russian imperial interests in the mountainous region to the north-west of the Indus. The division of spheres of influence between the two powers made Afghanistan a neutral zone with a definite inclination towards the British authorities in India. After the demise of the British Empire in Asia another overseas great power, the USA, partly stepped into its shoes. By that time the Russian 19th-century empire had given way to a 20th-century reincarnation in the form of the USSR, a multinational, ideological state and military superpower. The geographical proximity of the Soviet Union, its ideological pull and sheer strength contributed to a change in Afghanistan's traditional orientation to the south-east. In 1973–74 and more decisively since 1978–79, the Afghan Government chose to link its destiny with that of its great northern neighbour. The choice proved wrong as Soviet Russia had already entered the rough waters of history.

The 'Saur Revolution' of April 1978 ended the traditional rule of the Afghan Pushtu elite. The then President, General Muhammad Daud, and many of his family and supporters were killed in a bloody coup and the Moscow-oriented People's Democratic Party of Afghanistan (PDPA) established control. The new regime soon met with stiff opposition from the traditionalists and Islamic fundamentalists. Bitter personal rivalry and intra-party cleavages weakened the PDPA's hold on power, further destabilizing the political situation in the country and making its future course uncertain.

The USSR was dragged into the conflict reluctantly. Geopolitically involvement seemed damaging as the situation to the south of Soviet Central Asia was not arousing acute concern. The USSR, however, felt the need to sustain the momentum of geo-ideological offensive¹ and the hasty decision to intervene was taken in December 1979. The Afghanistan issue subsequently assumed enormous significance for Russia. The material and symbolic losses suffered by the Soviet power in and through Afghanistan contributed dramatically to its rapid shrinking both along its actual borders and in the area of its power projec-

¹ Bulatov, Yu. A., 'Narodno-demokraticeskaya partiya Afganistana: teoriya i praktika borby za zavoyevaniye politicheskoy vlasti v strane' [The People's Democratic Party of Afghanistan: theory and practice of the struggle for political power in the country], Dissertation summary for the Moscow State Institute of International Relations (MGIMO), Moscow, 1997, p. 25.

tion. The disengagement from Afghanistan is one of the most visible cases of a strategy of pulling back followed willy-nilly by the authorities in Moscow.

The Russian policy of disengagement of the late 1980s and early 1990s has given way to one of stabilization, and the extent of Russia's present and future stakes in Afghanistan and the adjacent region is debatable.

II. The stages of Russian disengagement

The chance to get out of Afghanistan was lost in 1980–81 before the involvement was complete and its grave consequences became obvious. Whether the option was seriously considered at the time in Moscow remains an inside story, although with hindsight it later seemed to some of those close to the Kremlin to be the best solution.² Nevertheless, no later than in 1982 the USSR set its course to disengagement by agreeing to talks between Afghanistan and Pakistan in Geneva. The negotiations were conducted by the special representative of the UN Secretary-General, Diego Cordovez, and were called 'proximity' talks since the two delegations did not meet but communicated through the UN mission.³ Although the Soviet engagement persisted and military actions grew in intensity, the USSR did not lose sight of the possibility of a political solution. In early 1988 Soviet President Mikhail Gorbachev made public plans to take the troops out of Afghanistan and in April of that year the talks bore fruit.⁴

The Geneva Accords of 14 April 1988 allowed the USSR to make a dignified retreat. Implemented by mid-February 1989, they did not (unexpectedly for most observers) result in immediate victory for the Afghan Mujahideen ('holy warriors') with their bases outside the country, chiefly in Pakistan. The reasons for this lay in internal rifts among the leaders of the *jihad* (holy war), the guerrilla forces' inability to stage a large-scale offensive, and the financial and technical help which the government in Kabul continued to get from Moscow. The impasse lasted for more than three years—in retrospect not the worst period in the recent history of the war-worn country.

After the unsuccessful August 1991 attempted coup in Moscow, and against a background of enthusiasm in certain quarters of the emerging Russian elite for sweeping changes in all fields and complete revision of the former Soviet strategy abroad, then Russian Foreign Minister Boris Pankin reached agreement with US Secretary of State James Baker to stop aid to all the parties in Afghanistan from 1 January 1992.⁵ This decision proved fatal for the Russian-backed

² This point was stressed in a conversation of the author with the Soviet Ambassador to Pakistan, Abdurrahman Vezirov, in Moscow in 1988 on the eve of his appointment as First Secretary of the Communist Party of Azerbaijan.

³ Cordovez, D. and Harrison, S. S., *Out of Afghanistan: The Inside Story of the Soviet Withdrawal* (Oxford University Press: Oxford, 1995), pp. 73–90.

⁴ Urquhart, B., 'Conflict resolution in 1988: the role of the United Nations', *SIPRI Yearbook 1989: World Armaments and Disarmament* (Oxford University Press: Oxford, 1989), pp. 451–52; and 'Key sections of the accords on Afghanistan as signed in Geneva', *New York Times*, 15 Apr. 1988, p. 12.

⁵ Cordovez and Harrison (note 3); and Vladimirov, Yu., 'Tretya osen bez shuravi' [Third autumn without the Soviets], *Pravda*, 26 Sep. 1991, p. 3.

President, Mohammad Najibullah. He tried desperately to keep his hold over the north-western parts of the country which were logistically crucial for his survival. That failing, in March 1992 he agreed to resign, placing his hopes on the endeavours of the UN mission to arrange a peaceful transfer of power.⁶ The Pakistan-based Mujahideen, however, preferred the triumph of victory and effectively buried the UN plan.

The interim government headed by Sibghatulla Mojadedi in late April 1992 proclaimed the establishment of the Islamic State of Afghanistan, but the divisions that had weakened the Mujahideen during the ‘holy war’ became even more acute after their takeover of power. Vicious battles broke out between heavily armed rivals on the streets of Kabul while the country became fragmented still further into a cluster of self-ruled and self-sustaining regions.⁷

In June 1992 presidential office passed to Burhanuddin Rabbani, leader of the Jamiat-i Islami, one of the two major components of a bloc of seven Sunni parties. Gulbuddin Hekmatyar, head of the other leading group, the Hezb-i Islami, moved in opposition to Rabbani and his military commander, Ahmad Shah Massoud. The Islamic goals of the power struggle having faded after the end of communist rule, there was a search for identity among the rival factions. Ethnicity coupled with regional and confessional (Sunni–Shia) distinctions began to be the main rallying-point for loyalties and alliances.

The new Russian foreign policy makers initially tried to follow the line of full cooperation with the West, thus giving it the chance to enhance its influence in the former Soviet Central Asia and the adjacent region. In spite of the failure to arrange an orderly transfer of power in Afghanistan, then Russian Foreign Minister Andrey Kozyrev visited Kabul in May 1992 and signed the Russian–Afghan Declaration,⁸ trying to distance himself from the former Soviet policy and from responsibility for the blunders of the previous Russian Government. After the visit the Russian side gave some maps and plans of minefields to the new Afghan authorities and allowed them to set up an embassy in Moscow.⁹

III. The extent of Russian involvement

The Russian preoccupation with Afghanistan reached its lowest ebb in the early months of 1992, but this loss of interest proved short-lived. With the fading of hopes in a miraculous cure for the Russian economy thanks to the ‘shock therapy’ of Prime Minister Yegor Gaidar and promised US aid of \$24 billion came the realization of an ordinary state’s preoccupations and obligations. The return to a more pragmatic internal and external policy was symbolized by per-

⁶ Najibullah reportedly resigned on 16 Apr. 1992. Gargan, E., ‘Afghan President ousted as rebels approach capital’, *New York Times*, 17 Apr. 1992, pp. A1, A10.

⁷ Rubin, B., *The Fragmentation of Afghanistan: State Formation and Collapse in the International System* (Yale University Press: New Haven, N.J., 1995), pp. 230–46.

⁸ Yusin, M., ‘Sensatsionny vizit Andrey a Kozyreva v Kabul’ [Sensational visit by Andrey Kozyrev to Kabul], *Izvestiya*, 14 May 1992, pp. 1, 5.

⁹ Davydov, A. D. (ed.), *Afghanistan: Problemy Voyny i Mira* [Afghanistan: problems of war and peace] (Institute of Oriental Studies: Moscow, 1996), p. 141.

sonal changes in the government and by the signing of the May 1992 Tashkent Treaty on Collective Security with four of the five Central Asian member states of the Commonwealth of Independent States (CIS).¹⁰ The beginning of the civil war in Tajikistan brought out the importance of the treaty, which in effect equated the strategic and security interests of Russia in Central Asia with the stakes of the Soviet Union there.

From 1992 Russian policy on Afghanistan was officially one of genuine neutrality. This approach manifested itself in support for all projects floated by the international community, represented mostly by the UN, aimed at solving the chronic problem of bringing peace and political stability to Afghanistan. Russia also participated actively in multilateral activities initiated by the regional powers.

Neutrality and cooperation in efforts to bring about a peaceful solution to the Afghan problem evidently did not stop Russia from unofficially taking sides in the evolving bickering over power in the country, prompted by the conviction that other regional and non-regional actors, such as Iran, Pakistan, Saudi Arabia and the USA, were doing the same. Since the time of his visit to Moscow in November 1991, President Rabbani had commanded a certain backing there. This can be explained by the non-extremist although clearly revivalist brand of Islamic ideology espoused by the Jamiat-i Islami and perhaps more significantly by the predominantly Tajik composition of the party and its military force, which had bases in the north-eastern parts of the country and across the border with Tajikistan. In addition there was Rabbani's alienation from Pakistan, which was viewed in Moscow as a trusted ally of the USA.

The support given to Rabbani's government in 1992–96 was in line with the predominant international response to developments in Afghanistan and corresponded with specific Russian goals and interests in the region. After late September 1996, when control over Kabul and the greater part of Afghan territory was lost to the Taleban (Islamic students) forces, Russia went on to back the Rabbani Government diplomatically by (like the greater part of the world community) not recognizing the new authorities in Kabul.

In spite of official denials of any partiality, Russia was believed to be providing material help to the political-cum-military groupings of both Rabbani and Rashid Dostum. It was rumoured that Russia and Uzbekistan were printing and delivering Afghani banknotes,¹¹ the influx of which affected the dollar rate of exchange and allowed the erstwhile Kabul authorities and the Mazar-i-Sharif administration headed by Dostum to build up a badly needed stock of hard currency. Outside observers speculated about the transfer of goods and weapons from Central Asia to north-western Afghanistan and via the Salang tunnel to Kabul, and believed that the hand of Russia was revealed in August 1995 when Taleban fighter aircraft brought down an Il-76 cargo plane full of weaponry

¹⁰ For the text, see *Izvestiya*, 16 May 1992, p. 3. The original signatories were Armenia, Kazakhstan, Kyrgyzstan, the Russian Federation, Tajikistan and Uzbekistan. By the spring of 1994 Azerbaijan, Belarus and Georgia had also joined.

¹¹ Economist Intelligence Unit, *Pakistan, Afghanistan: Country Report*, 1st quarter 1996, p. 41.

belonging to a Russian private company and manned with a Russian crew (although the arms it was carrying were Chinese products bought in Albania).¹²

In retrospect, it seems that the peak of Russian interest in Afghanistan coincided with the war in Chechnya (from late autumn 1994 to summer 1996) and the instability in Tajikistan, particularly on the Afghan–Tajik frontier where Russian border guards were directly involved. Since mid-1996, following the election victory of President Boris Yeltsin, the beginning of the peace process in Chechnya and the easing of tensions in Tajikistan, Russian worries about Afghanistan have become less intense. Nevertheless, Russia has maintained its military posture in the adjacent region by keeping its border forces and the 201st Motor Rifle Division in Tajikistan¹³ and preserving a ‘security umbrella’ over Central Asia through a network of multilateral and bilateral agreements.

IV. Russia’s security concerns

Initially, after its emergence as the chief successor state of the USSR, Russia was disturbed by the possibility of being charged by Afghanistan with responsibility for Soviet policy and the damage inflicted by the Soviet forces there. In the last years of the Soviet Union, plans were being elaborated in Moscow to deny responsibility and provide would-be Afghan refugees with places to live and work in the Central Asian republics. With the disintegration of the union the plans for refugees were abandoned, while work on preparing to meet demands for compensation with countercharges based on outside parties’ engagement in the Afghan war continued for some time. The return to the homeland of all Soviet prisoners of war held by different Mujahideen factions was one issue which was played up to even the equation. With the passage of time, however, the issue was gradually forgotten: the number of those missing (put at some 300) was comparatively small, while a dozen or so returned and others expressed a wish to stay abroad.

The first steps by the leaders of Chechnya in the direction of breaking away from the Russian Federation, in the autumn of 1991, coincided with the appearance of Islamic revivalism as a threatening political and ideological phenomenon in Russia and other former Soviet areas. The ‘Islamic factor’ in combination with ethno-nationalist aspirations may indeed constitute a real danger to the integrity of Russia and mean the beginning of chaotic conditions in the country. Islamism taken separately does not pose a serious threat. Muslims make up no more than 10 per cent of the population of the Russian Federation (the total population is around 150 million) and Russians around 83 per cent. The areas where Muslims are in a distinct majority are few and are only in the north Caucasus. The Caucasus and Central Asia are both conduits for the

¹² Economist Intelligence Unit, *Pakistan, Afghanistan: Country Report*, 4th quarter 1995, pp. 33–34.

¹³ The Russian border forces as of Nov. 1998 numbered 11 500 and the 201st Motor Rifle Division forces c. 6700. ‘Russian Border Service’, in Foreign Broadcast Information Service, *Daily Report–Central Eurasia: Military Affairs (FBIS-UMA)*, FBIS-UMA-98-302, 29 Oct. 1998; and *Krasnaya Zvezda*, 28 Nov. 1998.

Islamic influence infiltrating from abroad, but the former is less significant, being more distant and isolated from the homelands of Tatars and Bashkirs and other Muslim peoples in the Middle Volga–Southern Urals region. Terrorism, associated in the world with Islamic extremism, in Russia is mostly linked with the Caucasian corridor. Afghanistan per se can hardly be considered a menace in this respect, although it used to have and still harbours training camps of Muslim militants of various brands and nationalities.¹⁴

More real is the danger of wholesale destabilization of the political situation in the region to the north of Afghanistan. The former Soviet Central Asian republics were at their inception widely regarded as a potential ‘black hole’ on the international arena. The civil war in Tajikistan instilled and justified these fears. The worst-case scenarios have been shelved since the gradual restoration of more peaceful conditions in Tajikistan and the maintenance of order in the other Central Asian republics, but the continuation of war in Afghanistan is perceived as a possible detonator of a new explosion in the region. For Russia it would cause intolerable humanitarian problems because of the flow of refugees from the Central Asian region. The number of emigrants has recently fallen in comparison with the period immediately following the break-up of the Soviet Union, although the problems pertaining to refugees and displaced people are considerable and the state authorities have proved not to cope with them well.¹⁵ Central Asia has the largest number of would-be emigrants in the former Soviet territory and the deterioration of internal conditions there could trigger unforeseen consequences.¹⁶

Drugs are another formidable problem for Russia and intimately connected with Afghanistan. In less than a decade Afghan territory has become a major opium poppy-producing zone. In 1989 production was estimated to be around 40 tons; in 1995 it was put at 3000 tons.¹⁷ Some recent estimates led the UN to conclude that Afghanistan had overtaken Burma as the world’s largest opium producer.¹⁸ Poppy growing has become the foremost source of earnings for peasants in the south as well as the north. The raw material for the heroin often travels from the northern provinces of Afghanistan to laboratories in the mountains of the Pushtu tribal belt in the south-east of the country, cutting across the lines of control of different warring factions and coalitions. Portions of heroin produced in the Pushtu tribal belt travel back to the north of Afghanistan and are spirited across the Afghan–Tajik border in the Pamir. Another route lies

¹⁴ Economist Intelligence Unit, *Pakistan, Afghanistan: Country Report*, 1st quarter 1997, p. 27.

¹⁵ Vitkovskaya, G. (ed.), *Migratsiya Russkoyazychnogo Naseleniya iz Tsentralnoy Azii: Prichiny, Posledstviya, Perspektivy* [Migration of the Russian-speaking population from Central Asia: causes, consequences, prospects] (Moscow Carnegie Center: Moscow, 1996), pp. 45, 46, 140–41.

¹⁶ Vitkovskaya (note 15), pp. 76–77, 84; and Olcott, M., Tiskov, V. and Malashenko, A. (eds), *Identichnost i Konflikt v Postsovetskikh Gosudarstvakh* [Identity and conflict in the post-Soviet states] (Moscow Carnegie Center: Moscow, 1997), p. 472.

¹⁷ Davydov (note 9), p. 140.

¹⁸ US Department of State, *Statement by Karl F. Inderfurth, Assistant Secretary of State for South Asian Affairs* (Senate Foreign Relations Committee, 22 Oct. 1997), p. 3.

through north-west Tajikistan into Uzbekistan and Kazakhstan and further west.¹⁹

Although the drug and related humanitarian problems are perceived as quite staggering, the predominant thinking in policy-making quarters seems to be still determined more by concerns about the state interests.

V. Afghanistan and Russian policy in Central and South-West Asia

The Soviet Union mostly followed a ‘closed border’ policy along its southern perimeter. Its geopolitical pressure on Europe and the Far East, augmented by efforts to build a blue-water fleet and achieve superiority in the sky and outer space, gave the East–West, trans-Eurasian dimension predominance in policy considerations. The demise of the Soviet Union greatly changed the essence, as well as the geography, of political efforts. The southern frontiers have become vulnerable. The transparent intra-CIS boundaries constitute the first tier while the former Soviet borders, now the outer borders of other countries in the CIS, form the second tier. Uncertainty in the Caucasian region and in the trans-Caspian steppe belt encompassing vast tracts of land on both sides of the Russia–Kazakhstan border is bringing new Russia’s policy choices seemingly close to Imperial Russia’s geopolitical priorities of the mid-19th century. More in line with the geographical projections of the imperial than of the Soviet period, Russia is confronted with challenges and opportunities in the region to the south of its core, resulting in the appearance of two longitudinal directions for its policy activity—the Caucasian–Near Eastern and the Central–South-West Asian.²⁰

The importance of the latter, although at present less than that of the Caucasian–Near Eastern direction, is the result of a combination of threats and opportunities. The security concerns of Russia in connection with Afghanistan, which is the true heartland of the region, have already been discussed. It is enough here to list the salient features on the security agenda for the region generally—political uncertainty combined with economic disarray, ethnic strife and disorder, the rise of autocratic nationalism and Islamic extremism, pressure on the Russians in Central Asia to leave, the increasing scale of drug trafficking and the spread of terrorism.

Russia’s prospects in the region lie in (a) cementing ties with the CIS Central Asian states, primarily with Kazakhstan which is the only country of the region that borders on Russia, and (b) the express desire of the present leadership of

¹⁹ Chufrin, G. (ed.), *Narkobiznes: Novaya Ugroza Rossii s Vostoka* [Drug dealing: a new threat to Russia from the East] (Institute of Oriental Studies: Moscow, 1996), p. 31–38; translated as ‘The drug trade: a new security threat to Russia from the East’, Paper presented at the Third Meeting of the Council for Security Cooperation in the Asia–Pacific (CSCAP) Working Group on Transnational Crime, Manila, 23–24 May 1998.

²⁰ For further detail, see Belokrenitsky, V., ‘Geopoliticheskaya vertikal v serdtse Azii’ [The geopolitical vertical line in the heart of Asia], *Pro et Contra* (Moscow Carnegie Center), vol. 2, no. 2 (spring 1997), p. 99–108.

Tajikistan for Russian backing in order to counter the dominance of Uzbekistan and other Turkic neighbours. This latter point is controversial as it could alienate Russia from Uzbekistan, which is rightly considered to be the core state of former Soviet Central Asia. Under growing pressure from Islamists in the country, the current regime of President Imomali Rakhmonov in Tajikistan seemed for a time to be reconciled to Uzbek predominance, making it possible for Russia to build a united front, but this changed and relations between Tajikistan and Uzbekistan became strained when Uzbekistan was accused of assisting an anti-government revolt in Khujand in the north of Tajikistan in November 1998.²¹

Cultivating links with Iran has been an essential element of Russian policy in the whole Central–South-West Asian region during the greater part of the 1990s. Russia has thus tried to use the opportunities created by the US policy of ‘double containment’ of Iran and Iraq. However, the election of Mohammad Khatami in May 1997 as President of Iran signalled the beginning of a change in Iranian policy towards the USA. Washington responded cautiously but an improvement, however slow and gradual, of US–Iranian relations may introduce a novel feature into the geopolitical equation in the region, forcing Russia to review its policy. It should be admitted, however, that Russia was never blind to the limits to its flirtation with Iran, being under constant pressure from the USA in regard to its aid to Iran in the construction of the nuclear power plant in Bushehr and cooperation in the field of military technology.

Russian policy towards Pakistan was motivated by three inter-linked considerations. First, Pakistan was considered a regional power trying to follow a strategy of pushing to the north with the goal of dominating Afghanistan and opening up Central Asia to the exclusive benefit of itself and its allies. Second, in this attempt it was believed to have US blessing and support. Third, Pakistan’s unrelenting rivalry with India made it seem a force set to destabilize the situation in South Asia generally.

VI. Prospects for a settlement in Afghanistan and the future of Russian–Afghan relations

The end of the US policy of ‘containing’ Iran²² may in time profoundly alter the situation around Afghanistan as the US factor has been a considerable irritant in relations between Iran and Pakistan, both intimately involved in Afghan affairs. Iranian moves to patch up ties with Saudi Arabia (former Iranian President Hashemi Rafsanjani visited Saudi Arabia in August 1998) may dispel fears of a Sunni–Shia regional confrontation.

²¹ Zviagelskaya, I., ‘The Tajikistan conflict’, *SIPRI Yearbook 1999: Armaments, Disarmament and International Security* (Oxford University Press: Oxford, 1999), pp. 67–68.

²² Some Russian observers express the view that it will take about 2 years for Iran and the USA to normalize their relations. See, e.g., Kazeyev, K., ‘Iran: zapad ili Islamskaya respublika?’ [Iran: the West or the Islamic Republic?], *Nezavisimaya Gazeta*, 1 Oct. 1998, p. 3.

However, it must not be forgotten that the external conditions for peace and compromise in Afghanistan have at no point been really bad in recent years. Outside assistance, although undoubtedly needed for prolonging any power struggle, is rarely more than a secondary factor. Assessing among other issues the role of external backing in the process of Afghan political mobilization, one analyst illustrates the point that Hekmatyar's Hezb-i Islami failed to mobilize, in spite of massive outside support, because of lack of community backing. In contrast the Taleban and Shi'ite Hezb-i Wahdat, having a community basis as well as external assistance, were successful in military and political terms.²³ Another relevant factor is the origin and character of foreign interference in the light of the ideals and expectations of the participants in the military confrontation. The socio-psychological preferences of the combatants are rooted largely in their Islamic as well as their ethnic identities, and they are held together by their opposition to any culturally alien or non-regional influence.

A combination of heterogeneous internal and external factors determined the impressive military successes of the Taleban in July–August 1998. Russia reacted rather nervously. It initiated several steps to strengthen the Afghan–Tajik border and assured both Tajikistan and Uzbekistan of its overall support.²⁴ In May 1998 a troika had been formed, consisting of Russia, Tajikistan and Uzbekistan, specifically to counter Islamic extremism.²⁵

Nevertheless, a division of opinion was discernible among the politicians, journalists and experts in Moscow. Some see the Islamic students' movement as a largely ethnic force to restore the dominance of the Pushtu ethnic group and as capable of running Afghanistan on the basis of a gradual return to normal and the traditional power-sharing system. Others regard the 'students' as all-out militants who cannot stop fighting and will carry on their struggle in and beyond Afghanistan. This division of outlook can have some impact on the range of decisions which Russia has and will have to take. It seems that Afghanistan, under the green banner of Islam, may once again play a significant role in Russia's fortunes.

Even if one is cautiously optimistic about the prospects of a peaceful settlement in Afghanistan, it is hard to foresee that any external initiative that runs counter to the prevailing domestic conditions will be successful. The military predominance of one force, which is the Taleban at present, could pave the way to a provisional settlement provided some other parties are given a role to play in state affairs or left in peace in their territorial enclaves, while some kind of international support is summoned up.

²³ Harpviken, K. B., 'Transcending traditionalism: the emergence of non-state military formations in Afghanistan', *Journal of Peace Research*, vol. 34, no. 3 (Aug. 1997), p. 283.

²⁴ To this end a high-ranking military–political Russian delegation headed by First Deputy Foreign Minister Boris Pastukhov and Chief of Army Staff Gen. Anatoly Kvashnin also visited Dushanbe on 19–20 Aug. 1998.

²⁵ See chapter 8, section III, in this volume.

Russia will definitely wish to have a say in the outside support to the process of peace brokering. It has more to win than to lose from the restoration of peace and order in Afghanistan.

In the longer run, relations with Afghanistan will depend largely on the future of the Russian state and power. If Russia succeeds in overcoming the present economic crisis, it will clearly strengthen its geopolitical stand in Central Asia and obtain economic interests in the region connecting it with the Indian Ocean. Afghanistan might once again come into the purview of Russian policy, but the lessons of the previous disastrous engagement will loom large in the considerations of future policy.

14. Russia and South-West Asia: a view from the region

Duygu Bazoglu Sezer

I. Introduction

This chapter explores the main direction, purposes and priorities of the foreign policy of the Russian Federation in South-West Asia¹ as it evolved in the 1990s. Like tsarist Russia, the former Soviet Union was a powerful force in this region. A weakened Russia in the 1990s has lost its predominant position in much of South-West Asia. Primarily because it forms Russia's turbulent 'south' and strong geopolitical interests are at stake, however, South-West Asia and its several subregions continue to occupy an important place in the country's foreign and security policies.

The more than two dozen countries in the region share several characteristics which cumulatively affect Russia's outlook on the region. First, except for Israel they all are Third World countries in terms of socio-economic and political indicators and prone to internal instability. South-West Asia has been dubbed the 'arc of crisis' for several decades now, marked by interstate and civil wars, revolutions, *coups d'état* and external interventions. Both the Soviet Union and present-day Russia have been major actors in some of these conflicts.

Second, South-West Asia has a history of great-power involvement. The Soviet Union and the United States were deeply involved in several subregions during the cold war as part of their rivalry in the Third World. The Soviet Union's strategic retreat, begun under the 'new thinking' of President Mikhail Gorbachev, radically changed the great-power balance. Much to the chagrin of many in the Third World,² as well as the domestic critics of the early pro-Western policy of President Boris Yeltsin and Foreign Minister Andrey Kozyrev, the United States has remained the sole superpower capable of projecting massive conventional power and influence to the Middle East, the Persian Gulf, the eastern Mediterranean, the Black Sea and even Central Asia.

¹ South-West Asia can be defined broadly or selectively. A broad definition would include the space from Central Asia to the Mediterranean, including Afghanistan, the southern Caucasus (Armenia, Azerbaijan and Georgia), Turkey, the countries of the Persian Gulf and the Middle East including Iran, Iraq, Israel and Syria. The focus of the chapter is on Russia's outlook on the southern Caucasus and the Middle East/Gulf region because they have a higher priority in Russian policies. In order to minimize the risk of overlap with other chapters in this volume, discussion of Afghanistan, Iran and Turkey has been kept to a minimum.

² El-Doufani, M., 'Yeltsin's foreign policy: a Third World critique', *The World Today*, vol. 49, no. 6 (June 1993), pp. 103–108. See also Mesbahi, M. (ed.), *Russia and the Third World in the Post-Soviet Era* (University Press of Florida: Gainesville, Fla., 1994).

Third, South-West Asia is home to some of the world's richest fossil fuel reserves—in the Gulf and the Caspian Sea Basin, potentially inviting rivalry and tension between the great powers for access to their resources. The entry of the Caspian Basin into the calculations of global energy politics has unleashed a sort of 20th-century 'Great Game' among regional and international actors, potentially pitting them against Russia which, as the former hegemon, wishes to preserve its monopoly position over such strategic resources as oil and natural gas.

Fourth, Islam appears to be a potentially important unifying force, except in Jewish Israel and Christian Orthodox Armenia and Georgia, notwithstanding the fact that its role in state and society has varied radically between and within the countries of the region. The rise of radical Islamism in the entire stretch of South-West Asia has been a seriously destabilizing force in the 1990s, generating profound concern in Russia.

Together these features make Russia's periphery in South-West Asia a deeply uncomfortable, even risky, environment—an environment which is systemically unstable and yet one over which Russia is no longer in a position to exercise the powers and privileges of a superpower capable of imposing stability. Yet an important potential opportunity exists as well—the inherent anti-Western and 'Third World-ist' ideological bent of a great number of the countries and societies in South-West Asia. This inner regional dynamic could serve as a potential source of strength for Russian foreign policy in the event of Russia's deciding that exploiting it would serve its national interests.

This chapter attempts to explain how Russia has coped with challenges to and opportunities for its national interests in two subregions of South-West Asia, namely, the southern Caucasus and the Middle East/Persian Gulf region, at a time when its power position has been reduced from that of a superpower to that of a regional power.

Clearly, the two regions differ substantially in their importance for Russia. The southern Caucasus, as part of the former Soviet south, is of direct and at times urgent relevance to Russia's security and geopolitical interests. It has therefore topped the list of Russian foreign and security policy priorities from the very beginning. The Middle East ranks much lower on the list because Russian interests there are indirect and long-term. It is important, however, as offering Russia the possibility to realize broader foreign policy objectives, such as securing prestige and influence as a great power, competing for geopolitical influence with the United States, cultivating partnerships and perhaps alliances, and promoting trade and investment. Hence the qualitative differences in the substance and style of Russian foreign policy towards the two areas—differences that are brought out in the following sections.

II. Russia's 'south' in historical context

Historically the term 'south' denoted Afghanistan, Iran and Turkey. In the post-Soviet era it generally refers to a core made up of the former Soviet south (the southern Caucasus and Central Asia), Afghanistan, Iran and Turkey, surrounded by an outer ring comprising the Middle East/Gulf region, and perhaps even the eastern Mediterranean. In the post-Soviet era the Middle East, the Caucasus and Central Asia have come to be seen both in Russia and in the West as a single geopolitical unit, essentially because of the potential power of common history, culture and religion to mobilize and pull the peoples and the countries of these regions together, at least around some issues.³ This conceptual linkage, envisaging a deepening of relations between the Islamic countries in the Middle East and the Gulf, the former Soviet republics of Islamic faith and Afghanistan, has encouraged the view that this space could eventually be transformed into a 'greater' or 'expanded' Middle East.

In retrospect it can be argued that neither the nature nor the intensity of the interactions among the countries of the regions since 1991 permits the conclusion that a 'greater' or 'expanded' Middle East has in fact emerged as a political entity with its own boundaries and patterns of regular interaction. The newly independent states in Central Asia and the southern Caucasus have chosen to diversify their relations, looking very much in a western direction, while at the same time engaging in policies aimed at containing the influence of Islam. Nevertheless, since 1991 Russia has had to contend with a stretch of geography along its southern rim where the inherently unifying force of Islam has the potential to draw the former Soviet republics and the countries of the Middle East and the Gulf into a sort of 'greater' or 'expanded' Middle East.

Russia is extremely interested in developments along its southern periphery, above all for national security and geopolitical reasons. For Russia, the southern Caucasus presents an especially imminent security threat not only because instability has dominated the region but also because it is viewed as a potential transition belt that would relay security challenges, such as 'Islamic extremism',⁴ originating in the expanded Middle East to Russia's south.

History offers antecedents to current Russian perceptions. Both tsarist Russia and the Soviet Union were intensely sensitive to challenges emanating from the periphery in the south. In tsarist times, the British Empire posed the greatest threat to Russian rule in Central Asia—hence the 19th-century 'Great Game'. In the Caucasus, the Ottoman and Persian empires, the former rulers, seemed poised to challenge Moscow's rule.

The cold war era invited a new global actor as a source of threat from the south—the United States. US-led military alliances encircled the entire southern

³ Blank, S. J., 'How new the new Russia? Russia's return to Mideast diplomacy', *Orbis*, vol. 40, no. 4 (fall 1996), pp. 519–20.

⁴ Official Russia distinguishes between Islamic fundamentalism and extremism. See, e.g., Sevastianov, I., 'Islamic fundamentalism and extremism are not the same', *International Affairs* (Moscow), vol. 42, no. 3 (1996), pp. 171–81.

rim of the Soviet Union. It leapfrogged this ring to form friendships and alliances with Egypt (until 1973), Syria, Iraq, the Palestine Liberation Organization (PLO), Yemen, Libya and Algeria. As the friend and ally of the Third World in general, and of the Arab world in particular, and capable of backing up its diplomacy with generous military and economic assistance, the Soviet Union enjoyed enormous power and influence in many parts of South-West Asia until the late 1980s, when it began a strategic withdrawal.⁵

Four influences have guided Russian policies towards the 'south' in the 1990s: (a) ethnic separatism in the Caucasus; (b) the rise of Islamic fundamentalism in the expanded Middle East and its perceived impact on the south; (c) regional and extra-regional encroachments into Russia's 'sphere of influence'; and (d) Russian neo-imperial impulses concerning the Commonwealth of Independent States (CIS). Sections III–VI discuss these issues.

III. Ethnic separatism in the southern Caucasus

According to Anatoliy Chekhoyev, Deputy Chairman of the Committee for CIS Affairs in the Russian State Duma, after hearings on the southern Caucasus in April 1997, 'The Transcaucasian region remains an area of vital interest for Russia, a fact which is defined by the importance of the region's geopolitical position for Russia's security and for the prospects of its economic development'.⁶ His views reflect a broad consensus that the most serious external challenges to Russia's security interests lie in the southern Caucasus, which is immediately adjacent to the northern Caucasus—the most problematic and troubled region in the Russian Federation.

The deep security concerns felt in Moscow stem from the fact that among the former Soviet lands the southern Caucasus has been gripped by the greatest number of conflicts of an ethnic-separatist nature.⁷ Armenia and Azerbaijan have fought over Nagorno-Karabakh; Georgia has fought Abkhazian and South Ossetian separatists. Ceasefires have held in both cases for several years now.

Russia has played a dominant third-party role in the regional and international efforts at crisis management and conflict resolution.⁸ The paramount guideline in Russia's approach to crisis management and conflict resolution in general and to peacekeeping in particular in the CIS has been to keep them primarily, if not exclusively, a Russian or CIS responsibility. In February 1993, President Yeltsin asked the UN and the Conference on Security and Co-operation in

⁵ Kanet, R. E. and Alexander, J. T., 'The end of the cold war and the "new world order": implications for the developing world' and Kremenyuk, V. A., 'Russia's "new thinking" and the Third World', ed. Mesbahi (note 2), pp. 192–225 and 125–46, respectively.

⁶ Yevdokimov, Y., 'Duma hearings held on Transcaucasus situation', ITAR-TASS, 30 Apr. 1997, in Foreign Broadcast Information Service, *Daily Report—Central Eurasia (FBIS-SOV)*, FBIS-SOV-97-120, 30 Apr. 1997.

⁷ Naumkin, V. V., *Ethnic Conflict in the Former Soviet Union* (Russian Center for Strategic Research and International Studies: Moscow, 1997).

⁸ On Russia's role in the Nagorno-Karabakh conflict, see Kazimirov, V. (Russian Ambassador at the negotiations), 'A history of the Karabakh conflict', *International Affairs* (Moscow), vol. 42, no. 3 (1996), pp. 182–95.

Europe (CSCE) for a kind of international mandate for Russia to act freely on the former Soviet territory: 'The moment has come when responsible international institutions, including the United Nations, should grant Russia special powers as guarantor of peace and stability in the region of the former [Soviet] Union'.⁹ Popularly labelled the Russian Monroe Doctrine, the request was never conceded. Russia counted on force projection as the ultimate resort to stabilize conflicts on the periphery.¹⁰

Russia's role as regional stabilizer has been controversial both among regional actors and abroad.¹¹ It is generally believed to have actively backed Abkhazian and South Ossetian separatism. For example, Russian and north Caucasian 'volunteer' troops reportedly made up the bulk of the Abkhaz forces which routed Georgian forces in September 1993.¹² The Russian military often took policy initiatives on such key issues as brokering ceasefires and arrangements for force projection and deployment. In the autumn of 1993 Azerbaijan and Georgia were pressured into joining the CIS and signing the 1992 Tashkent Treaty on Collective Security in return for Russia's pledge to help uphold their territorial integrity. Between 1993 and 1995, Defence Minister Pavel Grachev secured agreements for two military bases in Armenia and three in Georgia, and for Russian border troops to patrol the borders of these countries with their neighbours, Iran and Turkey. Some Russian officials and the Azerbaijani leadership began to allege publicly in 1996 that Russia had illicitly supplied weapons worth \$1 billion to Armenia, its staunchest ally in the south, since 1993.¹³ Such charges could not but seriously damage the regional and international credibility of Russia as an honest broker. There are also serious allegations of Russian instigation of ethnic unrest and separatism, and complicity in *coups d'état*, especially in the southern Caucasus, aimed at consolidating Russia's dominant position in the region by further destabilization.¹⁴

⁹ *Financial Times*, 1 Mar. 1993, p. 1. On Russian peacekeeping, see Allison, R., *Peacekeeping in the Soviet Successor States*, Chaillot Papers (Western European Union Institute for Security Studies: Paris, 1994); Jonson, L. and Archer, C. (eds), *Peacekeeping and the Role of Russia in Eurasia* (Westview Press: Boulder, Colo., 1996); and Trenin, D., 'Russia and Western interests in preventing, managing and settling conflicts in the former Soviet Union', eds B. Coppeters, A. Zverev and D. Trenin, *Commonwealth and Independence in Post-Soviet Asia* (Frank Cass: London, 1998), pp. 171–91.

¹⁰ Baev, P. K., 'Conflict management in the former Soviet south: the dead end of Russian interventions', *European Security*, vol. 6, no. 4 (winter 1997), pp. 111–29; and Nichol, J., 'Transcaucasus newly independent states: political developments and implications for US interests', CRS Issue Brief for Congress, Library of Congress, Congressional Research Service, 20 Dec. 1996, URL <<http://www.fas.org/man/crs/95-024.htm>>.

¹¹ Baev (note 10), p. 116.

¹² Nichol (note 10).

¹³ According to the late Lev Rokhlin, Chairman of the Duma Defence Committee, between 1993 and 1996 Russia supplied Armenia with weaponry from the Group of Russian Forces in the Caucasus. Anthony, I., SIPRI, *Russia and the Arms Trade* (Oxford University Press: Oxford, 1998), pp. 13, 224–25. According to Stephen Blank, the equipment allegedly transferred to Armenia included, among other things, 8 SS-1 Scud surface-to-surface missile launchers, 32 SS-1 Scud B surface-to-surface missiles (SSMs), 349 SA-4 Ganef surface-to-air missiles (SAMs), 40 SA-8 Gecko SAMs, 945 AT-4 Pigot anti-tank missiles, 36 D-30 122-mm towed guns, D-20 152-mm towed guns, 18 D-1 152-mm towed howitzers and 18 BM-21 multiple-rocket launchers. Blank, S., 'Instability in the Caucasus: new trends, old traits, part II', *Jane's Defence Review*, vol. 5, no. 5 (May 1998), p. 20.

¹⁴ Allegations by regional officials tend to be made in vague and indirect language. President Eduard Shevardnadze of Georgia, the target of several failed assassination attempts, said after another attempt on

These policies and practices have raised the question whether Russia has reverted to a neo-imperialistic course in the newly independent states on the territory of the former Soviet Union.¹⁵ This is considered in section VI below.

Russian fears

Russia has feared that the destabilizing effects of these conflicts would spill over into the neighbouring northern Caucasus, its ethnically most diverse and politically most unruly region and home to the greatest concentration of Muslims in the federation. The two-year war in Chechnya vindicated Moscow's worst fears, even though Chechen separatism is home-grown.

Against this background Russia demanded changes in the 1990 Treaty on Conventional Armed Forces in Europe (the CFE Treaty) in order to increase its holdings of certain heavy weapons in the Northern Caucasus Military District.¹⁶ At the First Review Conference in Vienna in May 1996, Russia was allowed to keep almost three times more weapons than the old flank limits permitted and to shrink the size of the area where flank ceilings applied.¹⁷

One of the first acts of Yevgeny Primakov upon becoming Prime Minister in September 1998 in the middle of a grave economic crisis was to chair a meeting on ways of establishing order and stability in the northern Caucasus.¹⁸ The economic crisis was expected to stimulate separatist movements in the Russian Federation. Kalmykia did challenge Moscow in mid-November, considering itself 'outside the Russian Federation' and 'an associate member of the federation' because of 'the failure of Moscow to send money'.¹⁹ However, in the face of calls in the Duma for it to be punished, its leadership soon retracted.

his life in Feb. 1998: 'They [unnamed Russian circles] cannot forgive me Afghanistan, the Berlin Wall, the troop withdrawal from Europe, the oil pipeline and Central Asia-Europe transit corridor . . . I cannot rule out further attempts. Behind such attempts stand very powerful forces'. 'Shevardnadze targeted in assassination attempt', *Prism* (Washington, DC), vol. 4, no. 4, Part I (20 Feb. 1998), URL <<http://www.jamestown.org>>. For a concise but perceptive analysis of the tactics of Russia and more significantly of former Defence Minister Pavel Grachev and his local commanders and troops in the southern Caucasus, see Trenin, D., 'Russia's security interests and policies in the Caucasus region', ed. B. Coppieters, *Contested Borders in the Caucasus* (Vrije Universiteit Brussels Press: Brussels, 1995).

¹⁵ Kazimirov (note 8), p. 191 records that such apprehensions were entertained by members of the Organization for Security and Co-operation in Europe (OSCE) Minsk Group in the negotiations that led to the cease-fire agreement in Nagorno-Karabakh.

¹⁶ Ponomaryov, M., [Moving away from flank limits], *Krasnaya Zvezda*, 21 Oct. 1993, p. 3, in *Current Digest of the Post-Soviet Press (CDSP)*, vol. 45, no. 43 (24 Nov. 1993), pp. 13-14.

¹⁷ 'Russia allowed time to fulfil CFE Treaty', *Moscow Times*, 4 June 1996, p. 3. See also Lachowski, Z., 'Conventional arms control', *SIPRI Yearbook 1997: Armaments, Disarmament and International Security* (Oxford University Press: Oxford, 1997), pp. 476-84. Disagreement between Russia and Turkey over the southern flank was a major stumbling block in the Vienna-based negotiations on the modernization of the CFE Treaty, under way since 1997. The 2 countries reached a compromise in bilateral negotiations in Jan. 1999, paving the way for the endorsement of the modernized treaty at the OSCE summit meeting to be held in Istanbul in Nov. 1999.

¹⁸ *Jamestown Monitor*, vol. 4, no. 174 (23 Sep. 1998), URL <<http://www.jamestown.org>>.

¹⁹ Radio Free Europe/Radio Liberty, *RFE/RL Newline*, vol. 2, no. 223, Part I (18 Nov. 1998), URL <<http://www.rferl.org/newline>>.

IV. Islamic fundamentalism in the expanded Middle East

Russians have been greatly disturbed about the possible implications for Russia of the growing power of radical Islamist movements in the Muslim world in general and in Russia's vicinity in particular because Russia, where 'almost 20 million citizens profess Islam, is partially included in the giant mass of the Moslem world'.²⁰

Chechnya's embrace of Islam as part of its national identity, signs of the spread of Wahhabism—an Islamic sect in Saudi Arabia—in the northern Caucasus,²¹ the unresolved struggle in Tajikistan and the near-complete victory of the Taleban in Afghanistan, taken together, seem to have brought the fundamentalist threat to Russia's doorstep in the south. As a result worst-case scenarios hypothesize the emergence of an Islamic superstate or confederation of states in Russia's south, the radicalization of Russia's Muslim populations from the northern Caucasus deep into the Volga region, and the eventual consolidation of separatist movements among Muslim and Turkic populations against Moscow.²²

Russia's troubles in Chechnya did not cease with the treaty of May 1997 which formally normalized relations between Moscow and Grozny. The statement by Chechnya's President Aslan Maskhadov on 4 February 1999 declaring that all spheres of life of Chechen society should be radically reformed in accordance with Sharia law²³ will probably encourage a new level of instability in the northern Caucasus and further complicate Moscow's relations with the region.

The future prospects of Afghanistan and the type of Islam that will eventually take control over the country continue to be profoundly troubling issues for policy makers in Moscow nearly a decade after the withdrawal of Soviet troops from the country. The Sunni Taleban, the most orthodox of the Islamist factions fighting in Afghanistan, owe their political life and military victories to Pakistan, which is itself sliding towards a greater role for the Sharia in the affairs of the state. The tacit alliance between the two has been a source of instability throughout the region, troubling not only in Russia but also in India, Iran and the Central Asian republics.

With the Taleban apparently consolidating their power, the spectre of a radical Islamic regime on the doorstep of Russia and the Central Asian republics might seem more real today than it did previously. The threat of an Afghanistan under the control of the Taleban will most likely enhance Russia's role within the CIS in the search for a united front against Islamic radicalism. On the other hand, Afghan society is deeply fractured along tribal, ethnic and

²⁰ Sevastianov (note 4), p. 171.

²¹ On official attempts to fight Wahhabism, see 'Conference in Russian Caucasus discusses separatism', Moscow Radio Rossii Network, 31 July 1998, FBIS-SOV-98-210, 7 Aug. 1998.

²² Titorenko, V.Y., [Islamism and the interests of Russia], *Mirovaya Ekonomika i Mezhdunarodnye Otnosheniya*, no. 1 (Jan. 1995), pp. 3, 34–41, in FBIS-SOV-95-056-S, 23 Mar. 1995, pp. 11–16.

²³ 'Russia: President Maskhadov introduces Shari'ah law', ITAR-TASS (Moscow), 4 Feb. 1999, BBC Monitoring Service, in Reuters, 5 Feb. 1999, URL <<http://www.briefing.reuters.com/cgi-bin/>>.

sectarian lines. Given the inherent weakness that stems from these contradictions, it is conceivable that Afghanistan's neighbours will escape the unwanted consequences that Islamic radicalism is perceived as posing for their respective societies. Hence, while the threat of Islamic radicalism is real in many ways, it must be kept in perspective.

V. Encroachments by regional and extra-regional powers

Russia fears that the power vacuum in the former Soviet south, a traditional Russian sphere of interest or its 'backyard', is being filled by regional and extra-regional powers at the expense of its own security and geopolitical interests. There is a feeling that regional instability in the southern Caucasus could prompt such powers as Iran, Pakistan, Turkey and the United States to exploit it in order to enhance their respective influences in the region.

The 'Turkish threat'

Russia has been especially apprehensive about Turkey's presumed Pan-Turkic aspirations in the Caucasus and Central Asia, openly accusing Turkey of collusion with Chechen separatists. During a visit to the Caucasus in January 1998, Yegor Stroyev, Chairman of the Federation Council (the upper house of the Russian Parliament), registered 'categorical disagreement' with the 'political itch [on the part of some officials] to establish a Confederation of Transcaucasian Peoples including Turkey, Chechnya and probably other republics of the North Caucasus'.²⁴

Clearly Turkey is an active player in the southern Caucasus and Central Asia. Its basic motive is to help the newly independent states consolidate their independence and to deepen economic relations rather than to promote Pan-Turkic or Pan-Caucasian projects. Pan-Turkism is only a marginal force in Turkish society and is largely confined to pockets of intellectual and political circles. Since independence is an anti-imperial force, however, it is not surprising that Turkey is in general seen in a negative, anti-Russian light by part of the Russian elite. Sergey Karaganov, a prominent member of the Russian political elite, summarized Russian views of Turkey's interest in the southern Caucasus in an interview in 1996: 'These places are Russia's backyard. Nobody can play in these fields without Russia's consent'.²⁵

For its part, Turkey is much disturbed at the support extended to the separatist Kurdish Workers' Party (PKK) by some members of the Duma. Relations between Russia and Turkey came under serious strain in the winter of 1998–99,

²⁴ Yermakova, L., 'Russia's Federation Council delegation to visit Caucasus', in Reuters, 20 Jan. 1998, URL <<http://www.briefing.reuters.com/cgi-bin>>. For the perception that Turkey is the biggest threat in the south, see Baluev, D., 'Moderation in the national idea', *International Affairs* (Moscow), vol. 42, no. 5/6 (1996), p. 107, and for a milder version see Kortunov, S., 'Russia in search of allies', *International Affairs* (Moscow), vol. 42, no. 3 (1996), p. 162.

²⁵ Sezer, D. B., 'From hegemony to pluralism: the changing politics of the Black Sea', *SAIS Review* (Johns Hopkins University, School of Advanced International Studies), vol. 17, no. 1 (winter/spring 1997), p. 18.

when Abdullah Öcalan, the leader of the PKK, sought political asylum in Russia with the support of some Duma members, although Primakov's public renunciation of cooperation with terrorists in general and with Öcalan in particular seemed to restore Turkish confidence in the Russian leadership.

It is important to note, however, that Turkey's significance for Russian security stems primarily from its membership of NATO.²⁶ Theoretically speaking Turkey confronts a potential adversary in its surrounding regions with the advantages of belonging to the most potent military alliance in the world today. Turkish territory is alliance territory, allowing access to NATO bases, for example, for US forces. The possible scenarios raised by these considerations with respect to Russia's security interests, in particular in the Black Sea region and the Caucasus, greatly reinforce Russian concerns about Turkey at a time when Russia is finding its conventional military muscle much diminished.

The 'NATO threat'

Russia seems to be especially apprehensive about the USA's and NATO's growing military influence to its south at a time when its own diminished power base has left it with weakened leverage. Several developments give it cause for concern—the US-led joint military exercises such as those of the Central Asian Battalion (CentrasBat) in 1997 and 1998 in Central Asia;²⁷ the deepening of military cooperation between NATO and the southern newly independent states under the Partnership for Peace (PFP) programme; the increasingly vocal allusions to NATO as an agent of peace and stability in the southern Caucasus by both President Heidar Aliyev of Azerbaijan and President Eduard Shevardnadze of Georgia; and intimations that NATO forces could be an alternative to Russian peacekeepers in the southern Caucasus.²⁸ NATO Secretary General Javier Solana visited Tbilisi and Baku in 1997 and 1998.²⁹

Clearly the most threatening, if implausible, scenario in the Russian mind is eventual NATO expansion to the southern Caucasus.³⁰ Indeed there is widespread speculation that in their hearts both Shevardnadze and Aliyev want NATO membership but would settle for NATO peacekeeping in regional con-

²⁶ For the views of a Russian specialist on military affairs on this point, see Felgengauer, P., 'Tensions force change in military doctrine', FBIS-SOV-93-048, 15 Mar. 1993, pp. 66–67.

²⁷ See also chapter 8, section V, in this volume.

²⁸ Saradzhyan, S., 'Georgia seeks UN not Russian peacekeepers', *Moscow Times*, 5 Aug. 1998, in Reuters, 5 Aug. 1998, URL <<http://www.briefing.reuters.com/cgi-bin/>>; 'Azerbaijan: Chief state adviser praises NATO efforts in Caucasus', BBC Monitoring Service: Former USSR, 3 Oct. 1998, in Reuters, 3 Oct. 1998, URL <<http://www.briefing.reuters.com/cgi-bin/>>; 'Azerbaijan: Aliyev–Baku backs NATO in consolidating European security', Interfax, 14 Feb. 1997, in FBIS-SOV-97-032, 14 Feb. 1997; and 'Azerbaijan: Baku sees NATO as guarantor of worldwide security', Interfax, 26 May 1997, in FBIS-SOV-97-146, 26 May 1997.

²⁹ For views on NATO's interest in the southern Caucasus, see de Witte, P., 'Fostering stability and security in the southern Caucasus', *NATO Review*, vol. 47, no. 1 (spring 1999), pp. 14–16.

³⁰ A 'Draft armed forces reform' published by the Institute for Defence Studies (INOBS) in Moscow in Feb. 1996 is reported to have named presumed NATO discussions concerning the possibility of providing the Caspian Sea states with the sorts of guarantees made to Persian Gulf oil producers as a major potential southern threat to Russia. Herd, G. P., 'Waking the restless Russian bear?', *Parliamentary Brief* (London), C/C/7/96, in Reuters, 31 July 1996, URL <<http://www.briefing.reuters.com/cgi-bin/>>.

flicts and NATO protection of the prospective oil pipeline that would transport the 'main oil' from the Caspian Sea.³¹ Russia has not really come to terms with NATO's eastern expansion and would probably react violently to expansion in the southern Caucasus.

Caspian Sea fossil fuels

Russia is also extremely nervous about the potential adverse impact on its geopolitical position of the regional and international scramble for a generous share of the Caspian Basin's prospective fossil fuel wealth.

Broadly speaking the Russian Foreign Ministry has tried to preserve Russia's dominance in the former Soviet Union primarily by manipulating the economic dependence of the newly independent states on Russia for energy sources, as in the case of Ukraine, and for pipelines for outlets to the world markets, as in the case of Azerbaijan, Kazakhstan and Turkmenistan.³² On the question of new pipelines to transport Azerbaijani oil to world markets, it has pursued a zero-sum strategy, implicitly rejecting the 'multiple pipelines' position advocated by the United States. The Baku–Ceyhan pipeline proposed by Turkey to carry the 'main oil' from Azerbaijan has been strongly opposed by Russia on economic and geopolitical grounds.³³ The Russian alternative is the Baku–Novorossiysk pipeline through which 'early oil' has been flowing since the autumn of 1997.

In contrast to the Foreign Ministry, the powerful private energy company Lukoil has taken a more liberal view and joined the international consortia for the development and export of non-Russian Caspian Sea oil, thus securing for Russia a substantial decision-making role on issues critical to Russian national interests in this area.³⁴ Another leading interest group, Gazprom, has concluded multi-billion dollar energy deals with Turkey.

The former Soviet south as a zone of US vital interests

The USA's public designation of Central Asia and the southern Caucasus in the summer of 1997 as areas of its vital interest³⁵ seemed like the last straw, and drew sharp criticism from Yeltsin in September 1997 when he accused 'some circles in the US of wishing to oust Russia from the CIS'.³⁶ The leading role assumed by parts of the US oil industry in the development of the region's

³¹ On concerns over possible NATO peacekeeping in the region, see Golotuk, Yu., 'Moscow is losing monopoly for peacekeeping in the former USSR', *Russkiy Telegraf*, 9 July 1998, p. 1, in Reuters, 13 July 1998, URL <<http://www.briefing.reuters.com/cgi-bin>>.

³² Blank, S. J., *Energy, Economics, and Security in Central Asia: Russia and Its Rivals* (US Army War College: Carlisle Barracks, Pa., 10 May 1995).

³³ See figure 5.1 in this volume.

³⁴ Blum, D. W., 'Domestic politics and Russia's Caspian policy', *Post-Soviet Affairs*, vol. 14, no. 2 (Apr.–June 1998), pp. 145–49.

³⁵ Speech by Strobe Talbott, US Under-Secretary of State, at the Paul Nitze School, Johns Hopkins University, Baltimore, Md., 23 July 1997.

³⁶ 'Yeltsin and Gore disagree over US influence in CIS countries', BBC Monitoring Service, *Summary of World Broadcasts: Former USSR*, 26 Sep. 1997, in Reuters, 26 Sep. 1997, URL <<http://www.briefing.reuters.com/cgi-bin>>.

energy resources, on the one hand, and the USA's increasingly visible demonstration of support for the independence of the republics in the southern Caucasus, on the other, are generally seen in Russia as a manifestation of a broader US design ultimately aiming to eliminate Russia's influence in its backyard.

VI. Neo-imperialist impulses in the 'near abroad'

The CIS acquired a priority place in Russian foreign policy during the great foreign policy debate of 1992–94.³⁷ Broadly speaking, the debate was polarized between the pro-Western Atlanticists and anti-Western Eurasianists. The latter argued that Russia should redirect its foreign policy from what some called infantile pro-Americanism³⁸ to embrace the countries of the 'near abroad'. Ultimately a broad consensus emerged, reinforced by the victory of the communists and radical nationalists in the elections to the Duma in 1993 and 1995. According to one Russian analyst, 'The new key political guideline (for Russia) was to assume the role of "security guarantor" in the CIS and to turn "near abroad" into Russia's sphere of influence'.³⁹ Something akin to the Monroe Doctrine seized the imagination of the political elite.⁴⁰

The new reorientation to the 'near abroad' and the policies to support it have given rise to a general suspicion in the West and in some of the CIS countries that Russia may have become neo-imperialist.⁴¹

Despite the generally negative reception in the West of the new assertiveness towards the newly independent states and the CIS, however, the West did not react forcefully, first because, driven by a 'Russia first' policy, it did not wish to undermine Yeltsin's power, and, second, because it was not willing to shoulder the costly responsibilities of managing conflicts in the former Soviet space. Some analysts argue that Russia's behaviour did not match its neo-imperialistic rhetoric⁴² while others maintain that it was merely indulging in typical great-power behaviour in its backyard.⁴³ In 1994 others went further,

³⁷ For the highlights of the debate, see Arbatov, A. G., 'Russian national interests', eds R. D. Blackwill and S. A. Karaganov, *Damage Limitation or Crisis: Russia and the Outside World*, CSIA Studies in International Security no. 5 (Brassey's: Washington, DC, 1994), pp. 54–67; Kortunov, A., 'Russia, the "near abroad" and the West', ed. G. W. Lapidus, *The New Russia: Troubled Transformation* (Westview Press: Boulder, Colo., 1995), pp. 143–92; Covington, S., 'Moscow's insecurity and Eurasian instability', *European Security*, vol. 4, no. 3 (autumn 1996), p. 451; and Sergounin, A. A., 'Russian domestic debate on NATO enlargement: from phobia to damage limitation', *European Security*, vol. 6, no. 4 (winter 1997), p. 61.

³⁸ Quotation from Vladimir Lukin, Chairman of the Duma Committee on International Affairs, cited in Hermann, R. K., 'Russian policy in the Middle East: strategic change and tactical contradictions', *Middle East Journal*, vol. 48, no. 3 (summer 1994), p. 460.

³⁹ Baev (note 10), p. 116.

⁴⁰ Arbatov (note 37), p. 60.

⁴¹ For one of the most representative opinions, see Brzezinski, Z., 'The premature partnership', *Foreign Affairs*, vol. 73, no. 2 (Mar.–Apr. 1994), pp. 67–82. For a strong rebuttal by a Russian analyst of overall Western criticism of Russian behaviour in Eurasia, see Mikoyan, S. A., 'Russia: the US and regional conflict in Eurasia', *Survival*, vol. 40, no. 3 (autumn 1998), pp. 112–26.

⁴² Adomeit, H., 'Russia as a "great power" in world affairs: images and reality', *International Affairs* (London), vol. 71, no. 1 (1995), pp. 35–68.

⁴³ Rubenstein, A. Z., 'The Asian interior: the geopolitical pull on Russia', *Orbis*, vol. 38, no. 4 (fall 1994), pp. 567–83.

suggesting that the West had no important interests in those regions⁴⁴—a view that stands in sharp contrast to the views of the US Government that had evolved by 1997. Implicitly, therefore, the West was content to have Russia volunteer to act as the single dominant regional stabilizer.

This does not mean, however, that the international community did not attempt to interject itself as a third party to mediate conflicts in the CIS. In October 1992 the UN Security Council approved the first UN observer mission to a newly independent state, the UN Observer Mission in Georgia (UNOMIG), to help in a settlement between Abkhazia and Georgia.⁴⁵ With limited mandate and manpower, UNOMIG served mainly a symbolic mission, while Russian troops, formally acting as CIS peacekeepers, were deployed in June 1994 in a security zone along the Inguri River, which divides Abkhazia from the rest of Georgia.⁴⁶ The Organization for Security and Co-operation in Europe (OSCE) initiated the Minsk Group talks in June 1992 to help the adversaries find a settlement of the Nagorno-Karabakh conflict in Azerbaijan. Russian mediation provided a parallel forum in Moscow. With strong US backing, the OSCE at its Budapest summit meeting in December 1994 agreed to send up to 3000 OSCE peacekeepers to the region under the aegis of the UN if a political settlement could not be reached.⁴⁷ No peacekeeping force for Nagorno-Karabakh has materialized, however, not only because of Russian and Armenian opposition but also because no major Western power is willing to assign troops to it.

Reactions in Azerbaijan and Georgia have recently become more defiant of Russia. Presidents Shevardnadze and Aliyev, who in late 1993 desperately sought Russia's intervention to save their respective territorial integrity, have been publicly complaining that Russia has failed as a regional stabilizer. Both have deepened their relations with the West and are moving to reduce their dependence on Russia. For example, a Russian-Georgian agreement of 3 November 1998 pledges a reduced role for Russia in guarding Georgia's border.⁴⁸

VII. The Middle East: a partner in the search for a multipolar world order?

Russia perceives political, economic and geopolitical interests for itself in the Middle East. Its geographic proximity, its position as the epicentre of the Islamic world and its potential as a market for Russian exports have given the Middle East an important place in Russian foreign policy. Compared to the Soviet era, however, the scale of these interests and the means Russia has at its

⁴⁴ Blackwill, R. D. and Karaganov, S. A., 'Introduction and conclusions', eds Blackwill and Karaganov (note 37), p. 14.

⁴⁵ Nichol (note 10), p. 8.

⁴⁶ Nichol (note 10), p. 9.

⁴⁷ Nichol (note 10), p. 10.

⁴⁸ *RFE/RL Newswire*, vol. 2, no. 214, Part I (5 Nov. 1998), URL <<http://www.rferl.org/newsline/search/>>.

disposal to promote them are much diminished. Russia's inner weakness and the resulting strategic withdrawal from a world role are behind the modest progress that Russia has recorded in its efforts to become a major influence in the region. Even in the area of economic relations, viewed as a leading interest, the record has been modest, with arms exports more or less monopolizing the agenda.⁴⁹

Positive engagement

In the changed circumstances of the 1990s, Russian policy towards the Middle East has gone through two phases: (a) low-profile diplomacy in 1992–93 under Foreign Minister Kozyrev, largely with conservative regimes and primarily for economic motives; and (b) activist diplomacy in 1994–98 designed to influence major regional developments and in the hope that a bigger, perhaps a central, role and influence in the Middle East would confirm Russia's independence from the West as well as its great-power status.

The first phase was marked by Russia's gravitation towards the Persian Gulf countries. Russian officials visited the area to normalize relations with the Gulf monarchies and Israel. According to an interesting content analysis of the Russian press between early 1992 and April 1994, about 50 per cent of official meetings between Russian and Middle Eastern delegations involved the Gulf monarchies.⁵⁰ Ruslan Khasbulatov, then speaker of the Russian Parliament, in a speech in May 1993 emphasized that Russia's interests in the Gulf were the same as those of Kuwait, Saudi Arabia and the United Arab Emirates.⁵¹ The desire to foster stability in the region by cooperating with moderate regimes and to promote economic relations that would contribute to Russia's economic reforms by funnelling money and credits from the Gulf monarchies were the leading considerations in the early 1990s.

The second phase was a product of the heated foreign policy debate of 1992–94 that demanded a shift from an exclusively pro-Western foreign policy.⁵² This stage is marked; (a) by initiatives to obtain a rightful place in the Arab–Israeli peace process as one of the co-chairman of the Madrid Conference

⁴⁹ Reliable current data on the total volume and value of Russian arms sales to the Middle East are difficult to locate. One useful source is US Arms Control and Disarmament Agency (ACDA), *World Military Expenditures and Arms Transfers 1997* (ACDA: Washington, DC, 1998), in which table V lists the 'number of major weapons delivered to regions and groups, by supplier type'. According to ACDA, Russia delivered to the Middle East in the period 1991–96: 470 tanks; 150 artillery pieces; 680 armoured personnel carriers and armoured cars; 145 other surface combatants; 2 submarines; 40 helicopters; 20 surface-to-air missiles (SAMs); and 20 anti-ship missiles. Sales contracted for delivery in the future do not appear on this list. With this caveat, it can safely be concluded that Russian arms sales to the region have lagged seriously behind those of the USA and compete for second place with sales by China and the UK. At the International Defence Exhibition and Conference, a major arms show that took place in Abu Dhabi in Mar. 1997, the Russian pavilion was one of the biggest attractions, featuring 500 exhibits by more than 80 Russian arms manufacturers. Lancaster, J., 'Russia wheels and deals Gulf arms', *International Herald Tribune*, 5–6 Apr. 1997.

⁵⁰ Kasatkin, A., 'Will the Middle East become a Russian priority?', *International Affairs* (Moscow), no. 7 (1994), p. 60.

⁵¹ Hermann (note 38), p. 457.

⁵² See note 37.

in 1991; and (b) by attempts to resolve a host of issues emanating from Iraq's loss of full sovereignty over its territory under the UN sanctions regime.

The government's critics claimed that Russia, a great power itself, had been unfairly treated in the new world order as a result of the unidirectional, pro-Western policy of the Russian leadership. They argued that Russia's foreign policy had to reflect and reinforce its status as a great power and to reaffirm its equality with its partners in the West.⁵³ To achieve these aims, it had to be guided by Russian national interests instead of lofty ideals such as 'universal values'. Its national interests could at times require an independent stance— independent from the West and the USA. For example, national interests dictated Russia's refusal to join the US-sponsored sanctions on Iraq, Libya, Iran and Yugoslavia as a result of which Russia has lost billions of dollars.⁵⁴ The remedy, according to these critics, was for Russia to redirect its policy not only to the CIS but to Asia and the Middle East where friends and allies of the former Soviet Union represented a potential reserve of goodwill.

Deep down, the rethinking in Russian foreign policy implied the need for a search for friends and allies, or potential allies, in order to pull Russia out of its perceived exclusion by the West and to win recognition for its claim to the status of a great power. Under great domestic pressure, therefore, Yeltsin and Kozyrev swiftly moved to diversify Russian foreign policy in an eastern and southern direction.

The evolving strategic partnership with China has had pride of place in Russia's assertive new foreign policy orientation. As strategic partners both China and Russia are winners in the sense that they are potentially forging a new balance in the Asia-Pacific region that could set up constraints on the USA's freedom of action.

The Middle East peace process

In the Middle East the record is less clear. Two issues have preoccupied Russia here: (a) the peace process itself; and (b) controversies arising from Iraq's problematic status as a half-sovereign state under international sanctions.

The normalization of Russian-Israeli relations was one of the fundamental achievements of the early years, a process begun in Gorbachev's time.⁵⁵ Israel's confidence would be critical to Russia's success in engaging in a meaningful mediating role in the peace process.

Russia supported the September 1993 Declaration of Principles on Interim Self-Government Arrangements (the Oslo Agreement). In February 1994, Yeltsin proposed, unsuccessfully, a Madrid-2 conference to save the peace talks stalled over the Hebron massacre. In April 1994, Yitzhak Rabin paid the first

⁵³ Covington (note 37), p. 451.

⁵⁴ Kasatkin (note 50), p. 61, quoting from *Nezavisimaya Gazeta*, 15 Mar. 1994, puts Russia's losses at \$16 billion.

⁵⁵ Freedman, R. O., 'Israeli-Russian relations since the collapse of the Soviet Union', *Middle East Journal*, vol. 49, no. 2 (spring 1995), pp. 232-47.

visit to Moscow by an Israeli Prime Minister. The positive direction in Russian–Israeli relations was sustained until the breakdown in Palestinian–Israeli negotiations in 1996 when Israeli politics reverted to a hard line under then Prime Minister Benjamin Netanyahu. Russia, also gripped by a political shift to the left, has since been generally more sympathetic to Arab positions.⁵⁶ Russia's continued disregard of Israel's arguments against its assistance to Iranian nuclear and missile programmes has also spoiled relations.

As Foreign Minister from January 1996 to September 1998, Primakov, a prominent Middle East expert, was active in the diplomacy surrounding the effort to restart the peace talks. In the autumn of 1996 he made a six-nation visit to the area, offering his services as a mediator. A major positive input to the peace process and to regional stability in general has been Russia's frequent denunciations of terrorism.

On balance, however, Russia's influence on the peace process has remained limited. Its co-chairmanship remains symbolic, as it was when the Madrid Conference began in 1991. Russia was not present during the recent negotiations between President Yasser Arafat of the Palestinian National Authority and Prime Minister Netanyahu that led to the Wye River Memorandum, signed on 23 October 1998 with the direct intervention of the US President.⁵⁷

Iran

In operational terms Iran, isolated by the USA's 'dual containment' policy, has emerged as Russia's primary partner in the Middle East. Influential circles in Russia had already seen in Iran a potential ally in maintaining regional stability in Central Asia and the Caucasus, above all by the containment of Islamic fundamentalism, and in checking Turkish influence in these lands.⁵⁸ Russian–Iranian cooperation for the completion of the nuclear plant in Bushehr and Russia's sale of dual-use missile technology have been sustained despite strenuous US objections.

Russian–Iranian nuclear and missile cooperation and the questions it raises about the role of Russia in Iran's presumed nuclear weapon programme are taken very seriously in the region, not only in Tel Aviv but in Ankara and other capitals. Russia maintains that its assistance to Iran's peaceful nuclear programme does not violate the 1968 Non-Proliferation Treaty (NPT). For its part it urges Israel to join the NPT. Turkey is especially sensitive to Russia's arms exports to the region given that their ultimate deployment would raise potential threats to Turkish security. The sale of SA-10 (S-300PMU-1) surface-to-air missiles to the Greek Cypriot Government contributed to the escalation of tensions in the eastern Mediterranean, although they were somewhat defused by

⁵⁶ Smirnov, V., 'Israel: what is beyond the horizon?', *International Affairs* (Moscow), vol. 42, no. 4 (1996), p. 26.

⁵⁷ The text of the Wye River Memorandum is reproduced in *SIPRI Yearbook 1999: Armaments, Disarmament and International Security* (Oxford University Press: Oxford, 1999), pp. 189–93.

⁵⁸ Arbatov (note 37), p. 71.

the decision not to go ahead with deployment. The question whether Greece will deploy them on Crete remains open.

Clearly, the new relationship makes both Iran and Russia big winners geopolitically. It is against this background that the USA's timid reception of the overtures of Iranian President Seyyed Mohammed Khatami should be evaluated.

Iraq

An Iraq under UN sanctions is only a potential future partner. Russia has pursued a pro-Iraq line since 1994 when Kozyrev and later Primakov aimed to interject Russia as an independent mediator in Iraq's long-running disputes with the UN and the USA. Russian policies have had two main aims: to prevent the use of force against Iraq and to bring about the lifting of UN sanctions in return for full compliance by Baghdad with its disarmament obligations. The removal of sanctions would open up Iraq to Russian oil companies and allow it to repay an estimated \$5–7 billion it owes to Russia.⁵⁹

Russia achieved its most impressive diplomatic success in February 1998 when Primakov mediated a breakthrough in the stand-off between Iraq and the UN Special Commission on Iraq (UNSCOM) and averted threatened US air strikes against Iraq. This episode prompted some US analysts to accuse the Clinton Administration of permitting Russia, which had previously been effectively excluded from the Arab–Israeli negotiations, to re-enter the Middle East as a great power.⁶⁰ Russia's ability to check the behaviour of the USA in the world's conflict zones has, however, remained constrained. Refusing to bow to the objections of China and Russia, in December 1998 the UK and the USA made a new round of air strikes in response to a new confrontation over UNSCOM inspections. In protest, Russia temporarily withdrew its ambassador to Washington, signalling the damage the US unilateralism had inflicted on long-term Russian–US relations.

Clearly, behind the eight-year impasse over Iraq lurks a more fundamental question—the future of Iraq. Russia has consistently upheld the principle of the territorial integrity of Iraq. However, this would be compromised if, in the best Soviet tradition, Russia were to support Kurdish movements in Iraq seeking autonomy and ultimately independence. This is a difficult dilemma for Russia, as it has been for the USA, because it involves the sorting out of multiple loyalties. Unsurprisingly, Russia has been critical of Turkish military operations in northern Iraq for their violation of Iraqi sovereignty, while the Duma has been inclined to view Kurdish separatism in Turkey as a welcome development contributing to Turkey's enfeeblement, if not eventual partition.

⁵⁹ For some of the agreements signed by Russian companies with Iraq for the development of the latter's oilfields and the training of Iraqi technicians in the post-sanctions era, see Perera, J., 'Cooperation with Russia', *Middle East International*, 22 Nov. 1996, p. 9.

⁶⁰ Hoagland, J., 'Primakov rushes to fill Clinton's policy vacuum', *International Herald Tribune*, 22–23 Nov. 1997.

Syria

Syria occupies a special place in Middle East politics because of its position as a direct party to the Arab–Israeli conflict. Even President Hafez Assad, a man not known for his flexibility and whose country remains on the USA’s list of states sponsoring terrorism, was drawn into the radius of US diplomacy in the early post-Oslo period aiming to produce a peace treaty between Israel and Syria. A visit to Damascus by Kozyrev, postponed several times until then, took place in November 1994 against the background of a peace process in which Russia seemed to have little if any diplomatic weight. As a Russian journalist suggests: ‘It is clear that Moscow hopes Syria will become Russia’s main partner in the region now that cooperation with other clients of the former USSR, such as Libya and Iraq, has been frozen . . . great hopes are pinned on Assad with respect to a Middle East settlement. It is hoped that he will help Moscow return to the foreground of regional politics after it was pushed aside by the United States’.⁶¹

While on a tour of the Middle East in October 1996, Primakov also visited Syria in the hope of performing a go-between mission between Israel and Syria. However, with the peace process in an impasse, Russian mediation attempts impressed no one. Russia supports Syria in its basic positions on peace with Israel, specifically in its demand for the return of the Golan Heights.

On the escalation of tensions between Syria and Turkey in late 1998, Primakov counselled the use of diplomatic channels to resolve the issues.⁶²

Russia resumed arms exports to Syria only in 1994 when the latter began modest payments on its \$10–12 billion debt, which it had refused to do apparently on the argument that Russia was not the legitimate heir of the Soviet Union.⁶³ However, military cooperation seems to be gaining momentum. According to the Israeli daily *Ha’Aretz*, the delivery of 1000 laser-guided anti-tank missiles from Russia constitutes the first sale of advanced weaponry to Syria since the collapse of the Soviet Union.⁶⁴ Bilateral cooperation has involved military training exercises held in 1997. Syria is also interested in acquiring air-defence missile complexes and modern armoured vehicles.⁶⁵

The post-Soviet world order and Russia’s place in it

Russia’s vision of a world order is one in which several power centres exist as opposed to the current one in which US supremacy is the defining feature of the international system. The yearning of the political elite for a multipolar world

⁶¹ Eggert, K., [Hafez Assad as the Russian Foreign Ministry’s last hope], *Izvestiya*, 4 Nov. 1994, p. 3, in *CDSP*, vol. 46, no. 43 (16 Nov. 1994), p. 24.

⁶² ITAR-TASS, ‘Russia: Primakov: Russia ready to help end Turkey–Syria standoff’, 8 Oct. 1998 (in English), in *FBIS-SOV-98-281*, 10 Oct. 1998.

⁶³ Matveev, K., ‘The direction of Russia’s new Middle East policy’, *Middle East International*, 19 Jan. 1996, p. 20.

⁶⁴ ‘Syria: Russian missiles’, *Middle East International*, 19 June 1998, p. 8.

⁶⁵ Interfax, 15 Nov. 1998, in *FBIS-SOV-98-319*, 15 Nov. 1998.

has crystallized more and more clearly through the domestic debate on foreign policy in the mid-1990s.

As Foreign Minister, Primakov was one of the most articulate proponents of a world order based on a balance among several great powers. His ideas as a staunch advocate of the supremacy of Russia's national interests, defined independently from the West, and of the importance of defending Russia's equal status in relations with the West are also well known.⁶⁶ As the head of the Foreign Intelligence Service, he issued in the autumn of 1993 the first report by a government agency highly critical of possible NATO expansion.⁶⁷

Speaking before the UN General Assembly in September 1998, the new Foreign Minister in the Primakov Government, Igor Ivanov, reiterated that one of the broad goals of Russian foreign policy was 'building up a multipolar world . . . in order to settle international problems by political means'.⁶⁸

It therefore seems likely that key countries in the Middle East, in particular Iran, have come to be seen in Russia as potential centres of power in the construction of a multipolar world. President Yeltsin explicitly stressed this aspect of the importance of the Middle East in his 1995 message to the Federal Assembly, saying: 'Countries in the Middle East, where there are strong misgivings about the unipolarity of the new world order, see in Russia an indispensable factor for a global and regional balance'.⁶⁹

The Middle East has thus emerged as a region offering potential strategic allies to Russia against a world order dominated by the West in general and the United States in particular. In a similar mode of thinking, Russia seemed to contemplate using its friends in the Middle East as a counterweight to NATO expansion. In Cairo during his tour of the Middle East in October 1996, when the debate against NATO expansion was raging in Russia, Primakov alluded to such calculations: '[Russia intends to] rectify its geopolitically disadvantageous situation by searching for new partners and allies'.⁷⁰

Against this background, conservative critics in the West argued that Primakov's ultimate goal was to forge a new Russian–Chinese–Iranian alliance to challenge the USA from the Persian Gulf to the Taiwan Straits.⁷¹

⁶⁶ 'Primakov starts with the CIS', Transcript of Foreign Minister Yevgeniy Primakov's news conference, *Moskovskiy Novosti*, 14–21 Jan. 1996, p. 13, in FBIS-SOV-96-029-S, 12 Feb. 1996), pp. 1–2; [Russia is seeking a new place in the world: interview with Primakov], *Izvestiya* [no date], in FBIS-SOV-045, 6 Mar. 1996, pp. 11–15; and Pribytkov, K., 'Primakov warns against cold war winners and losers', ITAR-TASS, 4 Sep. 1996, in FBIS-SOV-96-172, 4 Sep. 1996, pp. 6–7.

⁶⁷ 'Foreign Minister Primakov: NATO deal victory for Russia's national interests', BBC Monitoring Service, *Summary of World Broadcasts: Central/Eastern Europe*, in Reuters, 27 May 1997, URL <<http://www.briefing.reuters.com/cgi-bin>>.

⁶⁸ 'Statement by Igor S. Ivanov, Minister of Foreign Affairs of Russia, at the 53rd Session of the UN General Assembly, 22 Sep. 1998', *Jamestown Monitor*, vol. 4, no. 174 (23 Sep. 1998), URL <<http://www.jamestown.org>>.

⁶⁹ Chistyakov, A., 'The Middle East in the light of geopolitical changes', *International Affairs* (Moscow), no. 8 (1995), p. 51 fn.

⁷⁰ Sychova, V., [Willpower is the main trump card], *Kommersant Daily*, 5 Nov. 1996, in *CDSP*, vol. 48, no. 44 (27 Nov. 1996), p. 12.

⁷¹ 'Cold warrior showdown with Iraq puts Russia back into big-power game', *Wall Street Journal*, 13–14 Feb. 1998, p. 1.

VIII. Conclusions

The two subregions of South-West Asia examined in this study differ substantially in terms of the priority they enjoy in Russian foreign policy, as has been mentioned. The southern Caucasus tops the list of Russia's security and geopolitical priorities, while the Middle East, because of its indirect relevance to Russian national interests, is much lower on the list.

From this comparative perspective, therefore, Russian policies in the southern Caucasus have to be measured against a more demanding yardstick in terms of results and achievements than those in the Middle East. Russia has tried, first and foremost, to recreate a secure environment in the southern Caucasus. Such an environment would also serve its long-term geopolitical and geo-strategic interests. Some in the political elite were certainly driven by neo-imperialist motives. Yet the perception of threat to the integrity of Russia was genuine.

Still, however, Russia's southern periphery in the Caucasus is no more secure today than in 1991–92 when everything began to unravel. It is perhaps even more insecure. Two of the three newly independent states in the southern Caucasus, Azerbaijan and Georgia, are doing their best to get out of whatever residual control rests with Russia. Armenia remains loyal largely for security reasons. The northern Caucasus is in deeper turmoil, threatening the integrity of the federation. This suggests that something has gone seriously wrong in Russia's approach to the region's numerous problems in the post-Soviet era. This is not the place for exhaustive debate on this assertion but a few brief ideas are offered below.

First, Russian policies were too harsh, too untrusting and too condescending of the independence of Azerbaijan and Georgia. They were too crudely coloured by a 'divide and rule' mentality to instil trust among the many warring parties. Russia's formal recognition of the territorial integrity of Azerbaijan and Georgia lacked credibility and this in turn has damaged its credibility as a crisis manager.

Second, the behaviour of the Russian political elite towards regional problems was heavily shaped by a historical aversion to Turkey and its presumed Pan-Turkist projects. It is true that in the early post-Soviet period Turkish leaders went beyond reasonable limits to profess their love of their Turkic brethren in Central Asia and Azerbaijan, thus bringing Pan-Turkist scenarios back to life in the minds of the Russian political elite. Time has shown, however, that for a host of reasons Turkish influence in these lands can only be limited. A wiser strategy for Russia as the former hegemon would have been to offer to cooperate with Turkey rather than to aim to exclude it from the region. Apparently it was too difficult for Russia to recognize that Eurasia had indeed changed and that the international system favoured the opening up of the newly independent states, including the southern republics, to different systems of relations. Russian–Turkish cooperation could have provided an alternative new framework for the newly independent states to relate to. Even today Russia refuses to consider Turkey as a potential partner, as opposed to Iran and Greece.

This is 'old thinking'. The 'new thinking' should detect, first, the scaling down of Turkey's aspirations in the former Soviet south and, second, the enormous amount of goodwill that has developed in Turkey for Russia and the Russian people since the time of Gorbachev. This new climate offers valuable opportunities for substantial cooperation.

Russia's Middle East policy should be evaluated by a more modest yardstick—the degree of its diplomatic successes—because its goals here were much less ambitious and concrete.

Russia has remained a marginal force in the Middle East concerning the two big issues that hang over the region's prospects for peace and stability: (a) the Arab–Israeli peace process; and (b) the security of the Persian Gulf. The protracted crisis emanating from Iraq's status as a country under international sanctions is an offshoot of the fundamental issue of Gulf security.

Russia has largely been sidelined from a meaningful role in the Arab–Israeli peace process. The United States has monopolized the intermediary role. On the broad question of Gulf security, Russia has practically no voice except in indirectly supporting Iran's position that the security of the Gulf is the responsibility of the Gulf states. It has gone along with the UN-imposed interim status quo since the end of the 1991 Persian Gulf War. It has shown greater autonomy and intervened diplomatically only when the use of force was threatened by the United States. However, from this angle Russian mediation has been an important, in fact imperative, positive force in managing the crisis without resort to arms. Furthermore, its high-profile diplomatic activity in the Middle East, especially under Foreign Minister Primakov, has revived at least part of its former prestige as a great power and created openings for it to press for a bigger role as a mediator. This was most brilliantly done in February 1998 when Primakov wove an anti-air strike coalition of China, France, Greece, Iran, Russia and several Arab countries, boosting for a while Russia's global image as a great power.

The Middle East has not been turned into an anti-Western coalition of states. The United States remains the world's hegemon and the dominant external power in the region. On the other hand, Russian–Iranian cooperation is a strategic gain for Russian foreign policy in the south. It will turn into a source of regional instability if it acquires a strongly anti-Turkey character or if it becomes a force contributing to Iran's presumed intentions to 'go nuclear'.

Part IV

Russia's perspectives on South Asia



South Asia is defined for the purposes of this volume as consisting of Bangladesh, Bhutan, India, the Maldives, Nepal, Pakistan and Sri Lanka.

15. Russia's security and the geopolitical situation in South Asia

Vladimir Moskalenko and Tatiana Shaumian

1. Introduction

Russia's interest in the regional problems of South Asia—a vast region to its south—is fully understandable and is explained by a variety of reasons. The need to ensure its national security ranks high on the list of those reasons.

The Russian National Security Concept¹ and Military Doctrine² both point out that, given the profound changes in the character of Russia's relations with the leading world powers, 'the threat of large-scale aggression against Russia is practically absent in the foreseeable future'.³ In other words, the main threats to Russia's national security today are of a non-military character, but threats do still persist in the field of defence.

The most tangible defence threat is the existing and potential hotbeds of local wars and conflicts close to the state borders of Russia and the other Commonwealth of Independent States (CIS) member countries. Assisting the settlement of regional and local conflicts, primarily by political and diplomatic, international legal, economic and other non-military means, including peacekeeping, is therefore an important direction of Russia's policy in ensuring its national security.

The second potential threat to Russian national interests is the possibility of the proliferation and use of nuclear weapons and other weapons of mass destruction, of the technologies for making them and of their means of delivery, primarily in the countries adjoining Russia or in the regions close to it. The nuclear tests carried out by India and Pakistan in May 1998 marked the beginning of a new, nuclear phase in the evolution of the regional situation, while the world order that had existed for decades, in which five recognized great powers possessed nuclear weapons and were permanent members of the UN Security Council, was upset at a global level. It confirmed the view developed earlier that South Asia, where more than 20 per cent of the world's population lives, can be regarded as the world's most explosive region today. This danger is aggravated by the refusal of India and Pakistan to accede to the 1968 Non-Proliferation Treaty (NPT) and the 1996 Comprehensive Nuclear Test-Ban Treaty (CTBT), although immediately after the tests India stated its readiness to

¹ 'Kontseptsiya natsionalnoy bezopasnosti Rossii' [The Russian national security concept], *Rossiyskaya Gazeta*, 26 Dec. 1997, pp. 4–5.

² *Krasnaya Zvezda*, 19 Nov. 1993. A summary in English was published in *Jane's Intelligence Review*, Special Report, Jan. 1994.

³ *Krasnaya Zvezda*, 19 Nov. 1993, p. 4.

consider joining the latter and Pakistan confirmed its willingness to join both agreements after India does.

The most important task for Russia in this respect is thus participation in the negotiating process for the reduction of nuclear and conventional weapons and for control over the spread of weapons of mass destruction and their means of delivery.

To this list of the real and potential threats to Russia's national security could be added the steep increase in international terrorism, possibly using nuclear and other kinds of weapons of mass destruction, the continued existence of, and continuing appearance of new, groupings of armed forces in the regions adjoining Russia's territory, and so on. A serious threat to the national interests may arise at a time when the country is deprived of the possibility of delivering weapons and *matériel*, military technologies and military research know-how to foreign countries, providing technical assistance, and so on. Amid the profound political, social and economic crisis in Russia, the supply of weapons and military *matériel* remains almost the only source available to Russia of hard currency for government needs—for the conversion of the defence industries to peaceful uses, for developing the research, technological and experimental basis of the defence industries, and to solve the country's staggering social problems.

II. Sources of instability

As a Eurasian power, Russia has interests not in Europe alone but in the Middle East, Central and South Asia, and the Asia–Pacific region as well.

If only for purely geographical reasons, there has never been and cannot be a direct military confrontation between the USSR/Russia and South Asia.

The break-up of the Soviet Union and the formation of new states in Central Asia might seem to have cut Russia off from the South Asian region and its complex problems and conflicts. However, Russia and South Asia still remain in a single geopolitical area. Moreover, recent changes have not freed Russia from apprehensions that under certain circumstances it is exactly there that damage to its national interests, in the first place its defence interests, may be caused. The question is what damage and under what circumstances this can happen.

It should not be forgotten that South Asia adjoins the southern borders of the CIS and that the Afghan–Tajik segment of those borders, which is defended by Russian border guards, is one of the trouble-spots of the Central Asian region. The continued tensions here, entailing also the deaths of Russian border guards, are, although indirectly, connected with the involvement of a South Asian state—Pakistan—in the internal Afghan strife.

The end of the cold war has not brought any positive changes in the South Asian region⁴ which, even before India and Pakistan made public that they

⁴ See, e.g., Bajpai, K. and Cohen, S. (eds), *South Asia After the Cold War: International Perspectives* (Westview Press: Boulder, Colo., 1993).

possessed nuclear weapons, was an enormous area of instability. Acute interstate and domestic problems remain unsolved and armed conflicts are in progress,⁵ defined not so much by external as by internal factors. The core of instability of the system of interstate relations in South Asia is still the confrontation between India and Pakistan, the best evidence of which is the conflict over Kashmir.⁶ Anxiety is growing that the conflict between them could become nuclear.⁷

The South Asian region is marked by ethno-national and religious diversity, with the same ethno-confessional groups belonging to different state entities. While a particular ethnic group in one state may be small in terms of numbers, it may constitute a substantial force, and sometimes a majority of the population, in the neighbouring country (Hindus and Muslims in Pakistan and India, respectively, the Tamils in Sri Lanka and India, and so on). This correlation of ethno-religious forces increases the danger of separatism and religious extremism and creates the conditions for domestic conflicts to have a damaging effect on interstate relations in the region. The civil war in Sri Lanka and armed insurgencies in the north-east of India and in the region of tribal settlement on the territory of Bangladesh are still going on.⁸

Conflicts based on religion are extensive and acute in India and Pakistan. In Pakistan they have been raging inside a single confession, Islam, between the Sunnis and the Shi'ites. Ethnic armed struggle in the Pakistani province of Sind has made it a zone of continued hostilities. At the same time, difficulties in relations between the South Asian states themselves are having an extremely negative influence on their internal inter-ethnic and inter-confessional relations.

The countries of South Asia, despite fairly substantial economic progress since independence, are faced with severe socio-economic problems, primarily those of having to provide for their rapidly growing populations. In terms of per capita income they belong to the group of low-income countries (\$725 per year and less).⁹ By the mid-1990s annual per capita income was \$220 in Bangladesh, \$310 in India and \$410 in Pakistan.¹⁰ According to a more general indicator, 'socio-economic conditions' (per capita income plus educational and health care indexes, including the provision of water, number of doctors, calorie intake and others), Pakistan ranked 124th, India 125th and Bangladesh 145th among 160 countries sampled.¹¹ In India 48 per cent and in Bangladesh and Pakistan

⁵ Sollenberg, M., Wallensteen, P., and Jato, A., 'Major armed conflicts', *SIPRI Yearbook 1999: Armaments, Disarmament and International Security* (Oxford University Press: Oxford, 1999), pp. 15–16, 29.

⁶ See section VI in this chapter.

⁷ For further detail, see *South Asia and the United States After the Cold War: A Study Mission* (Asia Society: New York, 1994).

⁸ The agreement to stop the long-standing military confrontation signed by the Bangladesh Government and the rebel leaders in Dec. 1997 came into force in May 1998. *The News* (Islamabad/Rawalpindi), 26 May 1998, p. 1.

⁹ *World Development Report 1996* (World Bank and Oxford University Press: Washington, DC and New York, 1996), p. 181.

¹⁰ Sivard, R. L., *World Military and Social Expenditures 1996*, 16th edn (World Priorities: Washington, DC, 1996), p. 50.

¹¹ *World Military and Social Expenditures* (note 10), p. 50.

62 per cent of the population were illiterate.¹² Hunger and disease, unemployment, lack of proper housing, lack of drinking water—all these things aggravate social tensions and promote the growth of extremist, separatist, chauvinist and militarist sentiment, damaging the domestic stability and foreign policies of the South Asian states.

Their economic development, especially that of Bangladesh and Pakistan, less so India's, is connected with foreign aid, which results in rising costs of servicing external debt and a greater dependence on external sources of financing. Thus, the external debt of Pakistan amounted to more 40 per cent of gross national product (GNP) in the 1990s.¹³ Soon after the international sanctions imposed in the wake of the nuclear tests began to work, the Pakistani economy, despite stringent government measures, was suffering severely. The sanctions imposed on India, less dependent on outside aid, had practically no such severe repercussions.

The arms race is a burden for the economies of the South Asian states. Their military expenditures in absolute terms are constantly rising and amount to a considerable share of their GNPs.¹⁴ The military expenditures of India and Pakistan, which are in sharp confrontation, are especially high. In absolute terms India's is far greater than Pakistan's,¹⁵ but Pakistan spends per capita three and a half times as much as India.¹⁶ The effect on social provision is ruinous: in India per capita military expenditure is approximately equal to that on education and almost three times as much as that on health care; in Pakistan, expenditure on education and health care is one-third of military expenditure.¹⁷ India and Pakistan are also arms exporters.¹⁸

After the end of the cold war, the arms race between the two leading countries of South Asia has continued. Both have spent enormous sums for military needs and have increasingly purchased newer kinds of conventional weapons.¹⁹ Research on military nuclear programmes has proceeded apace, with nuclear weapons and the means of their delivery being developed.²⁰ Although both countries have signed the 1972 Biological and Toxin Weapons Convention and

¹² *World Development Report 1996* (note 9), p. 188.

¹³ *World Development Report 1996* (note 9), p. 192.

¹⁴ Sköns, E. *et al.*, 'Military expenditure and arms production', *SIPRI Yearbook 1999* (note 5), p. 319.

¹⁵ Sköns *et al.* (note 14), p. 313.

¹⁶ *World Military and Social Expenditures 1996* (note 10), p. 50.

¹⁷ *World Military and Social Expenditures 1996* (note 10), p. 50.

¹⁸ *World Military and Social Expenditures 1996* (note 10), p. 46.

¹⁹ International Institute for Strategic Studies, *The Military Balance 1997/98* (Oxford University Press: Oxford, 1997), pp. 147, 148, 150, 153–56, 159–61, 266; and Arnett, E. (ed.), *SIPRI, Military Capacity and the Risk of War: China, India, Pakistan and Iran* (Oxford University Press: Oxford, 1997), pp. 25, 37–38, 84–194, 243–45.

²⁰ Sluzhba Vneshney Razvedki Rossiyskoy Federatsii [Foreign Intelligence Service of the Russian Federation], *Novy Vyzov Posle 'Kholodnoy Voyny': Rasprostraneniye Oruzhiya Massovogo Unichtozheniya* [The new challenge after the cold war: proliferation of weapons of mass destruction] (Sluzhba Vneshney Razvedki Rossiyskoy Federatsii: Moscow, 1993), pp. 81–84, 98–102; and Sluzhba Vneshney Razvedki Rossiyskoy Federatsii, *Dogovor o Nerasprostraneniye Yadernogo Oruzhiya: Problemy Prodleniya* [The Non-Proliferation Treaty: problems of its extension] (Sluzhba Vneshney Razvedki Rossiyskoy Federatsii: Moscow, 1995), pp. 47–48, 59–60.

the 1993 Chemical Weapons Convention, information about chemical and biological weapon programmes is difficult to come by.²¹

Integration processes in South Asia have not gained any real momentum. The regional organization that has existed since 1985, the South Asian Association for Regional Cooperation (SAARC),²² cannot boast of any great success. According to recent data, trade between the SAARC member states amounts to less than 5 per cent of their total external trade.²³ So far cooperation has involved such fields as communications, meteorology, environmental protection, the fight against drugs and terrorism and so on. The main reasons for the low level of integration in South Asia are political problems, above all the confrontation between India and Pakistan. Moreover, small countries fear, with good reason, that India's interests will prevail in any form of cooperation, while India, for its part, fears that small countries will rally against it among themselves or with powers outside the region.

III. Russia and South Asia: geopolitical aspects

Russian policy in the South Asian region has traditionally been based on friendly relations with India, the biggest country in the region and regarded by the State Duma (the lower house of the Russian Parliament) as Russia's strategic ally.²⁴ A Declaration on Strategic Partnership between the Republic of India and the Russian Federation is planned to be signed by the two countries' presidents at their next summit meeting.²⁵ Indo-Soviet/Russian relations have for decades been based on nationwide consensus in both countries;²⁶ trade and economic relations have been mutually beneficial and cooperation in the field of defence has suited the national interests of both the USSR/Russia (including its military-industrial complex) and India. The USSR traditionally supported India's position on Kashmir and displayed delicacy and understanding when dealing with Indian nuclear research and development and with its position on the NPT and the CTBT, which the USSR/Russia could not support but did not criticize explicitly.

National consensus on the necessity of a special relationship with India was cast into some doubt following the disintegration of the Soviet Union, when Russia adopted an obvious tilt toward the United States and Western countries. Russia's relations with the two leading countries of South Asia, India and Pakistan, was widely discussed on different levels in the mass media and academic circles. On at least three occasions South Asia policy was debated at special hearings in the Commission on International Affairs of the Supreme

²¹ Arnett (note 19), p. 273.

²² For the membership of SAARC, see appendix 1 in this volume.

²³ *Asian Affairs* (London and New Delhi), Aug. 1998, p. 14.

²⁴ Hearings of the Commission on International Affairs of the State Duma, Oct. 1994, Feb. 1997.

²⁵ Indo-Russian press statement on the official visit to India of the Chairman of the Government of the Russian Federation. 'India, Russia signed defense pact', *Hindustan Times*, 22 Dec. 1998, p. 1.

²⁶ On India, see, e.g., Government of India, 'Evolution of India's nuclear policy', Paper laid on the table of the Lower House of the Parliament of India, 27 May 1998.

Soviet and the State Duma.²⁷ During hearings which took place before President Yeltsin's visit to India in January 1993, the representative of the Foreign Ministry, at that time headed by Andrey Kozyrev, expressed doubts about the need to preserve Russia's special relationship with India and suggested a principle of 'equidistance' in dealings with India and Pakistan. He explained that this might enable Russia to get Pakistan's help in addressing the problem of Afghanistan. However, the majority of participants in the hearings did not support this point of view. The members of the commission, Supreme Soviet deputies, representatives of GlavKosmos (the Russian space agency), foreign trade operatives, military experts, scientists and others insisted on the need to maintain the traditional relationship with India. At the same time they pointed out that this relationship should pose no obstacle to Russia's reaching understanding with Pakistan.

Later hearings in the Commission on International Affairs of the Duma on the problems of relations with India, which took place in October 1994 and February 1997, were much less controversial. The idea of preserving special relations with India was supported by virtually all participants. Moreover, during the 1994 hearings the formula of 'strategic partnership' between Russia and India was put forward, and this idea was included in the commission's report of February 1997. At the same time the need to develop a normal, businesslike relationship with Pakistan was supported by the majority of speakers.

The reduction in global confrontation with the end of the cold war has not much improved the traditionally difficult, sometimes very strained, relations between Russia and Pakistan, although some possibilities for improvement have undoubtedly appeared as a result of the rapprochement between the views of the great powers on the problem of Indo-Pakistani relations, the relaxation of the formerly rigid system of relations between the South Asian states and the great powers, and so on.

At the beginning of the 1990s steps were taken towards expanding relations between Russia and Pakistan, especially in the political sphere. Former Russian Vice-President Alexander Rutskoy visited Pakistan in December 1991, and the Pakistani and Russian foreign ministers exchanged visits. Agreement in principle was reached on a visit to Russia by the Pakistani Prime Minister and draft agreements were prepared on cooperation, principles of relations, and trade, economic, cultural, scientific and technical cooperation. Contacts in the field of peaceful use of space technologies were established and made some headway, and foreign trade operations between Russia and Pakistan started in the Pakistani fiscal year 1992/93.²⁸

These positive moves were not followed up: the visit of the Pakistani Prime Minister was postponed, the draft agreements remained on paper, political contacts after 1994 were limited and irregular, and economic and trade cooperation has registered practically no progress. However, since mid-1997 there has been

²⁷ One of the authors of this chapter—Tatiana Shaumian—participated personally.

²⁸ Government of Pakistan, *Economic Survey 1996/97, Statistical Appendix* (Corporation of Pakistan Press: Islamabad, 1997), p. 173.

a certain revival of political relations: high-ranking officials of the two foreign ministries have exchanged visits during which concrete problems of bilateral cooperation in the field of construction and finance have been discussed,²⁹ and a consular convention and an agreement on cooperation in the field of culture and education have been signed. In the spring of 1998 parliamentary delegations exchanged visits. The parties discussed proposals on the development of cooperation between Russia's regions and the Pakistani provinces, and the Pakistani members of parliament confirmed the recognition of Russia as a major world power and expressly stated their recognition of Chechnya as an integral part of the Russian Federation.³⁰ In April 1999 then Pakistani Prime Minister Nawaz Sharif finally made an official visit to Moscow.

One important circumstance should be noted. The Pakistani side was calling on Russia to play the role of an intermediary in the process of normalizing relations between India and Pakistan, including the settlement of the Kashmir issue. Russia explained for its part that such mediation was possible only on condition that both sides requested it. India, however, categorically objects to any participation of external forces in the settlement of relations.

Thus, even today, when the cold war has become or is becoming a thing of the past, Russia's South Asian policy still retains the Soviet-era principle of a 'zero-sum game' which even in the past was followed only by the Soviet Union. The USA, on the other hand, while helping Pakistan to stand its ground against India and play the role of a bridgehead against Afghanistan, has demonstrated in every possible way an interest in India as well, that is, it has reserved a much greater freedom of choice for itself. Even China is displaying the readiness and ability to manoeuvre in its relations with India and Pakistan, offering mediation in the settlement of South Asian conflicts.³¹

In general, the threats to Soviet/Russian security from the South Asian direction were never direct, even during the cold war period, because of the alliance relationships of India and Pakistan with the two superpowers. Even with the continued and escalating tension in the region and during armed conflict between India and Pakistan, before the disintegration of USSR, when the Soviet border was separated from Kashmir only by 40 km of the Vakhn Corridor, there was no direct military threat to Soviet national security.

The relationship between China, Pakistan and the USA in the military-strategic area had its limitations. While supporting Pakistan against India, the aim of China and the USA was only to keep a definite, existing military-strategic balance in the region, thus enabling Pakistan to survive and to demonstrate to India that there was something to counter India's close cooperation with the USSR. That said, the USA recognized Indian authority and influence

²⁹ Moskalenko, V. N., 'Problemy vneshney politiki Pakistana' [Problems of Pakistan's foreign policy], *Vostok i Rossiya na Rubezhe 21-ogo Veka* [The East and Russia on the eve of the 21st century] (Institute of Oriental Studies: Moscow, 1998), p. 228.

³⁰ 'Pakistan vidit v Rossii posrednika v spore o Kashmire' [Pakistan sees in Russia a mediator in the Kashmir controversy], *Izvestiya*, 18 Mar. 1998, p. 3; and 'Rossiya dolzhna pomirit Indiyu i Pakistan' [Russia must reconcile India and Pakistan], *Kommersant Daily*, 17 Mar. 1998, p. 2.

³¹ Vohra, S., 'Pakistan 1994', *Strategic Analyses* (New Delhi), vol. 18, no. 2 (May 1995), p. 247.

among the Third World countries and showed an understanding that it is impossible to ignore such a country as India, nor does it make sense to do so.

It is extremely important to bear in mind that in South Asia neither the USA nor the USSR pushed its ally against the other; rather their allies in the region seemed to pull the two great powers to the different sides of the barricade. Neither the USA nor the USSR nor China was interested in the further spread of the South Asian armed conflict (although they had axes to grind in the military and political confrontation there). This coincidence of the positions of the USA and the USSR also applied to the urgent international problem of the non-proliferation of nuclear weapons. However bad Soviet–US relations may have been, even in the worst periods of the cold war, the USA and the USSR maintained the same view on this problem, including its South Asian variant.

However, the interference of external forces in Indo-Pakistani relations, particularly in the cold war period, and the unconditional support of the two super-powers for their strategic allies' positions did widen the gulf between India and Pakistan, affirming each side in its rightness and making it impossible to seek a mutually acceptable solution to the problems. Even after the end of the cold war, when relations between the USA and Pakistan on the one hand and between Russia and India on the other underwent serious changes, with the two great powers calling directly on the conflicting parties to find a bilateral solution,³² India and Pakistan have still not managed to come to an agreement.

It should also be remembered that the struggle over Kashmir, although it would seem to touch upon Russia's interests only indirectly, kindles passions among Islamic extremists in the neighbouring countries, and this cannot but worry Russia with its multimillion-strong Muslim population.

IV. The conflict potential of South Asia and Russia's security

Under what circumstances can the march of events in South Asia cause direct damage to the national interests and security of Russia?

Further aggravation of the confrontation between India and Pakistan can be a serious cause for concern for Russia. What in particular could cause a further deterioration of their relations, tense as they already are?

The most likely factor would be the condition of the Muslim minority in India. The coming to power in March 1998 of a coalition headed by the nationalist Hindu Bharatiya Janata Party (BJP) by definition caused anxiety for the Muslim minority in the country and the Muslim majority in the neighbouring states.

The second factor would be the situation in and around Kashmir, including the problem of protecting human rights and guaranteeing freedom of choice to the people of Kashmir. The idea of cancelling Article 370 of the Indian Constitution on the special status of Kashmir, as proposed in the BJP election manifesto for the February 1998 general elections, could cause discontent in the

³² Vohra (note 31).

state, while Pakistan, the international Muslim organizations and others would have new grounds for accusing India of infringing human rights in Kashmir and refusing to give its people the right to decide whether to stay as part of India, form their own state or join Pakistan.

Third and most important is the new tendencies in the sphere of defence and the attitude of the BJP-led Government to the problem of nuclear weapons. It took the major political decision to sanction the crossing of the nuclear threshold and stated that India reserves the right to manufacture nuclear weapons and to equip the Indian Army with them.³³ One view holds that it was the precarious position of the new coalition government that prompted it to carry out nuclear tests with a view to consolidating its position in the country. The results of a poll taken on 26–27 May 1998 showed that more than 80 per cent of respondents welcomed the decision but only 65 per cent agreed that the tests were in the national interests of India: almost 35 per cent held that the government had been guided by the wish to derive political advantage.³⁴ It should also be noted that the euphoria and rejoicing in the streets of Indian cities gave way rather quickly to a more sober analysis of what had happened, and many analysts are weighing the pros and cons of the tests and coming to the conclusion that from the standpoint of internal socio-economic problems the cons tend to outweigh the pros. A similar situation has developed in Pakistan.³⁵

The tests by India and Pakistan, which marked their transition to the rank of effective nuclear weapon states, have aggravated the situation in South Asia substantially. Relations between them worsened; contacts, limited as they had been, were broken off. Both were trying to prove that their transition to nuclear status was in some way ‘forced’ and pin the blame on outside forces—India to pin the blame on China, and Pakistan on India. The war of words was followed by armed clashes on the Line of Control in Kashmir³⁶ and by the stepping up of armed struggle in Kashmir itself.³⁷

An increase in the military expenditure of the two countries—by 14 per cent in India and 8.2 per cent in Pakistan³⁸—has become the material basis for dangerous political tendencies. After the May tests (only two of which had any considerable yield—43 and 30–35 kt, respectively),³⁹ statements on the mounting of nuclear charges on the missiles and aircraft available have appeared in certain circles in the two countries.⁴⁰ Since there is already a certain number of

³³ ‘Why India loves the bomb’, *The Economist*, 16 May 1998, p. 67.

³⁴ *Sunday Times of India*, 31 May 1998, p. 1.

³⁵ Readers’ letters, *The Herald* (Karachi), vol. 29, no. 6 (June 1998), p. 11.

³⁶ The ceasefire line delineated after the end of the 1971 Indo-Pakistani War in the 1972 Agreement on Bilateral Relations between the Government of India and the Government of Pakistan (the Simla Agreement). The Line of Control was slightly altered by mutual agreement in 1982. See, e.g., Smith, C., *SIPRI, India’s Ad Hoc Arsenal: Direction or Drift in Defence Policy?* (Oxford University Press: Oxford, 1994), pp. 15–17.

³⁷ On the nuclear tests, see section V in this chapter. On the conflict in Kashmir, see section VI.

³⁸ *Pakistan Observer*, 27 June 1998, p. 11; and *Segodnya*, 11 June 1998, p. 2.

³⁹ Ferm, R., ‘Nuclear explosions, 1945–98’, *SIPRI Yearbook 1999* (note 5), pp. 556–57.

⁴⁰ ‘Fernandes supports N-weaponisation’, *Hindustan Times*, 27 May 1998, p. 1; Burns, J. F., ‘In nuclear India, small stash does not an arsenal make’, *New York Times*, 26 July 1998; and Moskalenko, V., ‘Indo-

tactical and operational tactical missiles in the region—India's short-range (250 km) Prithvi missile and Pakistan's Hatf I (100 km) and Hatf II (280 km)⁴¹—greater attention has begun to be paid to the problem of ballistic missiles of longer range. Work is under way in Pakistan to improve the medium-range Hatf V (Ghauri) missile which can carry a conventional or nuclear warhead weighing up to 700 kg and was tested in April 1998 to 1100 km. Falling within its range are Delhi, Bombay and India's major nuclear centres. India resumed testing (suspended in 1994) of the medium-range (tested to 1500 km) Agni ballistic missile with a payload of 1000 kg.⁴² Virtually the entire Pakistani territory, part of China and other territories fall within its range.

It should be noted that the crossing of the 'nuclear Rubicon' by India and Pakistan has renewed the somewhat flagging interest of the great powers and the international community in a region where the problems at issue could seemingly be resolved by the protagonists themselves. However, their acquisition of nuclear weapons has given South Asian problems so dangerous a character that the proponents of a resolution with the help of third parties have seen their case reinvigorated. Pakistan actively upholds this idea, whereas India categorically insists on a bilateral settlement of disputes on the basis of the 1972 Simla Agreement.⁴³ Russia has often confirmed its support for the principle of a bilateral solution on the basis of the Simla Agreement.⁴⁴

V. Nuclear weapon proliferation

After the Indian nuclear tests Russia, a member of the 'nuclear club' and one of the sponsors of the NPT and CTBT, could not but denounce the appearance of new pretenders for membership. In this respect its position does not differ from that of the other four recognized nuclear powers. At the same time, Russia did not wish to join the sanctions imposed by Canada, Japan and the USA against India and then against Pakistan, deeming them to be counter-productive.

The tests carried out by India ran counter to Russia's national interests, as they were clearly in breach of the nuclear non-proliferation regime. It was clear that the nuclear arms race in South Asia would not stop at that, and the nuclear tests in Pakistan two weeks after the Indian tests confirmed these apprehensions. The chain reaction might continue and involve other potential nuclear weapon states, such as Iran, Iraq, Israel and Libya, which are dangerously close to the borders of the CIS member states.

Many specialists believe that in the event of a nuclear clash between India and Pakistan the ecological consequences could be extremely dangerous:

Pakistanskiy yaderny marafon' [Indo-Pakistani nuclear marathon], *Moscow News*, no. 21 (May/June 1998), pp. 4, 6.

⁴¹ *The Military Balance 1997/98* (note 19), pp. 153–55, 159–60.

⁴² Arnett (note 19), p. 128.

⁴³ See note 36.

⁴⁴ The joint Indo-Russian statement emerging from the visit to India by Russian Prime Minister Yevgeny Primakov on 20–22 Dec. 1998 states directly that 'the Russian side . . . reaffirmed its support for India's efforts to normalize relations with Pakistan on the basis of the 1972 Simla Agreement'.

depending on the season, temperature, direction and force of the wind, and so on, the background radiation in the southern CIS republics and even Russia could be affected.

The situation for Russia was deteriorating in view of yet another factor—the position of its strategic partner in Asia, China. Despite earlier positive changes in Indo-Chinese relations, India's Defence Minister George Fernandes deemed it necessary and opportune immediately after the tests to make a public report on 'India's security perspectives' in which he explicitly declared that it was not only and not so much Pakistan that was at issue: 'China is India's potential enemy number one', the greatest danger from Sino-Pakistani military cooperation being the transfer of missile and nuclear weapon technologies by China to Pakistan.⁴⁵

China issued a strong condemnation of India's tests, calling its use of a Chinese nuclear threat to justify them 'groundless'. In reality, China believes, the tests were aimed at securing India's dominance in South Asia.⁴⁶ At the same time, the Chinese leadership persistently sought to refute the assertions that it was China that had supplied Pakistan with missile and nuclear technology, components and materials.

Russia's attitude to this problem should be considered in the context of its general approach to the export of weapons of mass destruction and their delivery systems. Russia belongs to the NPT and the Missile Technology Control Regime (MTCR) of 1987 and sticks to both very strictly both in letter and in spirit. A report by the Institute of World Economy and International Relations (IMEMO) in Moscow analyses the dangers for Russia of the appearance on its borders of new possessors of weapons of mass destruction and their delivery systems.⁴⁷ There was therefore a positive reaction in Russia when China took steps towards the nuclear weapon and missile technology non-proliferation regimes. For example, China undertook in 1994 to follow the main principles and recommendations of the MTCR and promised in May 1996 to abstain from supplying Pakistan with materials and technologies involved with producing weapons of mass destruction.⁴⁸ It is in Russia's interest for China to join the MTCR, for the MTCR to be strengthened, and for an international organization like the International Atomic Energy Agency (IAEA) to be set up to supervise compliance with it.

On the whole, China's condemnation of the Indian tests was harsher than its condemnation of Pakistan's, India being dubbed the 'instigator' of the nuclear

⁴⁵ 'Peace at N-point', *Hindustan Times*, 14 May 1998, p. 1.

⁴⁶ Associated Press, 'China says Indian nuclear tests aimed at dominance in South Asia', 14 May 1998, 1.45 a.m., quoted by CNN World News, URL <<http://www.cnn.com>>, version current on 20 Sep. 1998.

⁴⁷ Russian Academy of Sciences, Institute of World Economy and International Relations (IMEMO), *Razoruzheniye i Bezopasnost 1997–1998: Rossiya i Mezhdunarodnaya Sistema Kontrolya nad Vooruzheniyami. Razvitiye ili Raspad* [Disarmament and security 1997–98: Russian and the international arms control system: development or disintegration?] (Nauka: Moscow, 1997), p. 149.

⁴⁸ See, e.g., Anthony, A. and Zanders, J. P., 'Multilateral security-related export controls', *SIPRI Yearbook 1998: Armaments, Disarmament and International Security* (Oxford University Press: Oxford, 1998), pp. 394–95.

weapon race in the region. In China's opinion, Pakistan had been 'forced' to give an adequate response.⁴⁹

The significance of the 'Chinese factor' in the evolution of the regional situation in South Asia was explicitly or implicitly corroborated by the actions of Russia and the USA, which hastened to enlist China's support in condemning the tests. US President Bill Clinton, on an official visit to Peking, repeatedly voiced criticism of them. China and the USA adopted a joint statement on South Asia denouncing the tests and agreed on joint steps to prevent the intensification of the missile and nuclear arms race in South Asia. They reiterated their proposals for assistance to India and Pakistan in settling the complex and long-standing differences on a number of questions, including that of Kashmir, and expressed their willingness to take necessary measures immediately.⁵⁰

A month after Clinton's visit, on 24 July 1998 in Peking, then Foreign Minister of Russia Yevgeny Primakov and his Chinese counterpart Tang Jiaxuan in a joint statement condemned the actions of India and Pakistan and the missile and nuclear arms race in the region, and called on both countries to accede unconditionally to the NPT and the CTBT. The ministers reaffirmed the decisions adopted earlier not to recognize India and Pakistan officially as nuclear weapon states.⁵¹

Thus the nuclear tests in South Asia have fostered Sino-US and Sino-Russian rapprochement. In the new conditions, at a time when India openly stated its intention to 'contain' China,⁵² the Chinese leadership in fact expressed its readiness to monitor and 'manage' the competition between India and Pakistan in the nuclear field jointly with the USA.

Fears that a nuclear conflict will entail unprecedented human suffering and material losses in that overpopulated region are producing an effect of universal fear which must make the weapons of mass destruction unacceptable in the region and create a certain parity of mutual containment and deterrence.⁵³ There is even an opinion that the nuclear thunder over South Asia has stimulated efforts by the proponents of nuclear disarmament and restored that problem to a position of priority on the international agenda at a time when the struggle for the liquidation of nuclear arsenals and the termination of tests had seriously slowed down. The view is also being expressed that in the new conditions a rejuvenation of the non-aligned movement is possible and that India and Pakistan must take a joint initiative in this sense. Finally, if the NPT is

⁴⁹ Eckholm, E., 'China, with restraint, condemns India's nuclear tests', *New York Times*, 13 May 1998; and Bakshi, J., 'Russia's post-Pokharan balancing act', *Mainstream* (New Delhi), vol. 36, no. 32 (1 Aug. 1998).

⁵⁰ Sheridan, M. and Allen-Mills, T., 'Scandals rob Clinton of China summit triumph', *Sunday Times*, 21 June 1998; Fenby, J., 'Clinton seals latest world order with shark's fin soup, lobster and Chablis', *The Observer*, 5 July 1998; and Singh, S., 'Anatomy of Sino-US summit: expectations versus achievements', *Mainstream* (New Delhi), vol. 36, no. 30 (July 1998), pp. 15-16, 32.

⁵¹ 'China, Russia stress accord on S. Asia, Kosovo', Reuters, 24 July 1998, 2.51 p.m.

⁵² Singh, S., 'Pokharan-II: implications for Sino-Indian ties', *Mainstream*, vol. 36, no. 23 (30 May 1998), pp. 34-35.

⁵³ Rabbani, A., Lt-Col (Ret'd), 'Can we defeat India?', *Pakistan Observer*, 23 June 1998, p. 7; and Subrahmaniam, K., 'Peace and n-point', *Sunday Times of India*, 31 May 1998, p. 19.

modernized and its discriminatory character corrected, India and Pakistan might sign it. Even such serious problems as Kashmir, which cannot be postponed, must not stand in the way of the practical implementation of disarmament in the region and in the world arena at large.

It should be pointed out that, after a noticeable worsening of Indo-Pakistani relations immediately after the nuclear tests, the negotiating process began to be re-established. At the end of June 1998, at a meeting of heads of state and government of SAARC in Colombo, Indian Prime Minister Atal Bihari Vajpayee and Sharif agreed to resume dialogue at foreign secretary level and sessions of working groups on individual disputed issues. India proposed to Pakistan a pact on no-first-use of nuclear weapons, while Pakistan put forward the idea of a non-aggression pact. Of great importance was the summit meeting of Vajpayee and Sharif in Lahore in February 1999. Prime Minister Vajpayee travelled there by bus, thus opening a regular land transport link between India and Pakistan. At the meeting the two leaders confirmed their determination to obey the letter and spirit of the Simla Agreement, to take additional measures to work out their differences and to intensify the negotiation process in order to achieve the fastest possible results. They reached agreement on starting bilateral consultations on matters of national security, nuclear doctrine, confidence-building measures (CBMs) in the fields of nuclear and conventional armaments, and mutual advance notification of ballistic missile test flights. Prime Minister Vajpayee stated that 'A strong and stable Pakistan is in India's interests'.⁵⁴

The Lahore meeting and its results were very favourably appraised in India and Pakistan and around the world. One important Russian daily wrote that the meeting 'has demonstrated that these two south Asian neighbours have sufficient reserves of state wisdom to seek and reach important decisions in the course of bilateral negotiations'.⁵⁵

VI. The Kashmir problem⁵⁶

The nuclear tests by India and Pakistan have further aggravated their mutual relations and produced a new round of confrontation over Kashmir. In the opinion of the majority of observers, it is the Kashmir problem in the changed regional situation that may provoke a new armed conflict, this time possibly involving the use of nuclear weapons.

This point of view is shared by Pakistani experts. The former Chairman of Pakistan's Atomic Energy Commission, Munir Ahmad Khan, wrote that: 'The ominous development has turned this conflict-ridden region into the most dangerous in the world, where conventional hostilities could early escalate into

⁵⁴ Zefia, N., 'Decoding the summit', *The News* (Islamabad/Rawalpindi), 24 Feb. 1999, p. 1.

⁵⁵ Tamilin, A., 'Lahore enters history', *Nezavisimaya Gazeta*, 24 Feb. 1999, p. 2.

⁵⁶ For details, see Belokrenitsky, V., Moskalenko, V. and Shaumian, T., 'Is there light at the end of tunnel?', *Asia and Africa Today* (Moscow), no. 3 (1998), pp. 26–31; Lamb, A., *Kashmir: A Disputed Legacy. 1846–1990* (Roxford Books: Hertingfordbury, 1991); Lamb, A., *Birth of a Tragedy: Kashmir 1947* (Roxford Books: Hertingfordbury, 1994); and Jha, P. S., *Kashmir, 1947: Rival Versions of History* (Oxford University Press: Oxford, 1996).

nuclear confrontation'.⁵⁷ Indian Defence Minister Fernandes took a different view. In an interview with the *Far Eastern Economic Review*, he said that he did not believe that India and Pakistan were going towards nuclear war or that Kashmir was a flashpoint that could trigger a nuclear war.⁵⁸

The threat may become a reality if India and Pakistan do not confine themselves to conducting tests but start equipping their armed forces with nuclear weapons in earnest. Experts on the cold war period see a whole panoply of reasons why the nuclear deterrence that ultimately kept the USA and the USSR from engagement in a nuclear conflict will not work in the context of South Asia.⁵⁹ Particular attention is focused on the element of chance or accident that could lead to tragic consequences.⁶⁰

A different view is that, since South Asia will never again be nuclear-free, the task of regional leaders is to turn it into a region free from wars and conflicts. India and Pakistan must begin a constructive dialogue that will reduce the nuclear threat for the region and, as the well-known Indian analyst Raja Mohan believes, must 'find ways for peaceful nuclear co-existence'.⁶¹

The Kashmir problem stands in the way of stabilization of the situation in South Asia. Its basis is the incompatibility of approaches to the fate of Kashmir on the part of secularist India and Islamic Pakistan. This essentially ideological conflict has turned into a territorial dispute between India and Pakistan over the state of Jammu and Kashmir. The parties base their positions on divergent basic premises: India considers Kashmir an inalienable part of its territory and the Kashmir problem to have been settled; Pakistan considers it unsettled and demands the holding of a plebiscite in Jammu and Kashmir under international supervision to decide its fate. At present the situation is aggravated by the fact that a movement for independence is growing in Kashmir itself, with the assistance of the Kashmiri diaspora in the West. Pakistan's position has been unchanged for 50 years and is based on United Nations resolutions.⁶²

Different solutions can be envisaged. It seems that there must be a compromise in the form of recognition of the long-standing status quo, under which, although neither side stands to gain, neither will lose anything. In other words, the most probable solution to the problem is the recognition of the Line of Control in Kashmir as the international border between India and Pakistan.

⁵⁷ Khan, M. A., 'Nuclearisation of South Asia and its regional and global implications', *Focus on Regional Issues* (Institute of Regional Studies, Islamabad), vol. xvii, nos 1-2 (1998).

⁵⁸ *Far Eastern Economic Review*, no. 29 (16 July 1998), p. 20.

⁵⁹ Erlanger, S., 'The new cold war in South Asia?', *International Herald Tribune* (International edn), 13 July 1998.

⁶⁰ Erlanger (note 59); and Thakur, R., 'Next to subcontinent face-off, the cold war looks safe', *International Herald Tribune* (Paris edn), 20 July 1998.

⁶¹ Mohan, C. R., 'Challenge of peaceful nuclear co-existence', *Mainstream* (New Delhi), vol. 36, no. 24 (6 June 1998), pp. 9-10.

⁶² UN Security Council resolutions S/726 (21 Apr. 1948) and 995 (13 Aug. 1948); and a resolution of the UN Commission for India and Pakistan of 5 Jan. 1949 referred to in *United Nations Yearbook 1948/49* (UN and Columbia University Press: New York, 1950), pp. 280-81.

The realists and the pragmatists in both Delhi and Islamabad are tacitly preparing public opinion for the need to accept this.⁶³ However, the implementation of this variant will require time and joint effort by the two sides, a solution to the problems of socio-economic development of the state of Jammu and Kashmir, the formation of the political structure, demilitarization and CBMs at the border, the development of regional cooperation in South Asia and even the establishment of bilateral relations between the parts of divided Kashmir. The international community might lend assistance to this evolution of affairs. Russia at a minimum has to abstain from supporting one side or the other in order to help prevent the militarization of both sides of Kashmir and the activities of the insurgents. The settlement of the situation in Afghanistan and the end of infiltration into Kashmir by Taleban Islamic militants could also play a positive role.⁶⁴

VII. Conclusions

Analysis of the geopolitical situation in South Asia shows that certain challenges to Russia's national security stem from that region. They are caused by internal socio-economic and political factors, as well as by the character of relations between the states of the region.

Some arise from the general instability in a vast region located close to the boundaries of Russia and several CIS states, from heightened religious and ethnic extremism, separatism, mounting terrorism and crime and expanding drug trafficking.⁶⁵ The situation in and around Afghanistan and the threat of the establishment there of an Islamic fundamentalist regime are serious factors for destabilization. Another hitherto latent danger is uncontrolled migration from the countries of South Asia with their massive poverty and disease, population growth, ecological problems and so on.⁶⁶

It is clear that the security of Russia and the other CIS countries cannot be ensured solely by fortifying their southern borders, although this, too, is of crucial importance. The realities of today's life in Russia do not give it suffi-

⁶³ At an international seminar in Moscow in Oct. 1995, with the participation of experts from the Institute of Strategic Research of Islamabad and in which the authors of this chapter took part, representatives of different social groups of both India and Pakistan were prepared to discuss this variant. See also, e.g., Asia Society, 'Report of a Joint Russian-American study mission', New York, 1993.

⁶⁴ In May 1999 heavy fighting broke out in the Kargil sector of Jammu and Kashmir, continuing for two and a half months, between Indian forces, on the one side, and Islamic militants together with members of Pakistan's regular army, who violated the Line of Control, on the other. These events had an extremely adverse impact on international relations at various levels. Relations between India and Pakistan were badly damaged and the process of bilateral negotiations dramatically set back. The military conflict in Kashmir between the 2 long-standing rivals who already possessed nuclear weapons dealt a serious blow to global security and created a potentially explosive situation near the CIS southern borders, threatening Russia's own security as well.

⁶⁵ For details, see Chufirin, G. (ed.), *Narkobiznes: Novaya Ugroza Rossii s Vostoka* [Drug dealing: a new threat to Russia from the East] (Institute of Oriental Studies: Moscow, 1996), pp. 31–45, translated as 'The drug trade: a new security threat to Russia from the East', Paper presented at the Third Meeting of the Council for Security Cooperation in the Asia-Pacific (CSCAP) Working Group on Transnational Crime, Manila, 23–24 May 1998.

⁶⁶ *South Asia and the United States After the Cold War* (note 7), p. xii.

cient material possibilities to assist positive socio-economic and political processes in South Asia. One—perhaps the most promising—way to improve the situation in South Asia lies in the relaxation of tensions in relations between the regional states, the settlement of contentious issues between them by peaceful means and the stopping of the arms race.

The appearance of two new possessors of nuclear arms in South Asia is a serious challenge to Russia's national security. Although their potential cannot be compared in quantitative terms with that of the 'nuclear five', it is known that India has at its disposal 50–60 nuclear warheads and Pakistan 15–24.⁶⁷ The explicit danger to Russia is the threat of the armed forces of India and Pakistan being equipped with missiles and nuclear weapons. This is associated with the slackening of the international regime of non-proliferation of nuclear weapons and the aggravation of the situation in the region. In the process, irretrievable damage may be caused to the non-proliferation regime and the main instruments for its enforcement, the NPT and the CTBT.

For India and Pakistan themselves the nuclear arms race may have truly catastrophic consequences. Huge additional expenditure will make the existing socio-economic conflicts more acute. For the Pakistani economy, which has in recent years been in a state of chronic crisis, the consequences may be dire. The risk of nuclear confrontation, including an accidental one, has also increased sharply. Only a general reduction of global tension, scrupulous fulfilment by the nuclear powers of existing international agreements and treaties, CBMs, the activation of special measures of mutual control, respect for the Indo-Pakistani agreement not to attack each other's nuclear installations, and the continuation of bilateral negotiations on all disputes can reduce the risk of nuclear confrontation in South Asia.

Like the other parties involved, Russia could act vigorously in the UN, consistently fulfil the recommendations of the meetings of leaders and foreign ministers of the five permanent members of the UN Security Council and the Group of Seven industrialized countries (the G7) aimed at consolidating the non-proliferation regime, peace and stability in South Asia, and take part in the working group set up to analyse the nuclear problem of India and Pakistan.⁶⁸ It is also necessary to devise measures to prevent the export from India and Pakistan of materials and technologies for the production of weapons of mass destruction and missile systems, as well as their export to India and Pakistan from other countries. Certain guarantees could be provided by imposing IAEA control over the nuclear installations of India and Pakistan, which, not being signatories to the NPT, do not have full-scope safeguards. The participation of the South Asian countries in the international non-proliferation regime could be facilitated by their accession to the CTBT and by their joining the talks concerning the Fissile Material Treaty (FMT), all the more so as after the tests

⁶⁷ Subrahmaniam (note 53); and Burns, J. F., 'India carries out nuclear tests in defiance of international treaty', *New York Times*, 12 May 1998.

⁶⁸ Kvok, B., 'Yadernye ispytaniya v Indii i Pakistane' [The nuclear tests in India and Pakistan], *Mezhdunarodnaya Zhizn*, no. 8 (1998), pp. 37–38.

in May 1998 both India and Pakistan pledged not to resume them in the future. The observance of commitments for a substantial reduction of Russian and US nuclear weapons, followed by the other nuclear weapon states, might provide a favourable background for all these actions.

The Duma has not yet ratified the 1993 Russian–US START II Treaty (Treaty on Further Reduction and Limitation of Strategic Nuclear Arms), which was ratified by the US Senate in January 1996. Russian parliamentarians once again postponed this matter in December 1998. The division of political forces in the Duma regarding START II is as follows. In favour of ratification are Our Home Is Russia, Yabloko and Rossiyskiye Regiony (Russian Regions). Opposed is the Liberal Democratic Party of Vladimir Zhirinovskiy. The treaty's fate therefore depends on the Communist Party of the Russian Federation and its allies, who have not yet determined their attitude to it.⁶⁹ The executive branch and the military are in favour of ratification. It should be kept in mind that the missile attacks by the UK and the USA on Iraq in December 1998 have greatly complicated the situation with the START II Treaty, not only in the Duma but also in Russian society. Many think that Russia is not insured against such attacks, and therefore the movement toward disarmament is ill-timed. Duma deputies were given a wonderful opportunity, without aggravating their relations with the government and prime minister, to put START II on the back burner for the foreseeable future.⁷⁰

Finally, a positive role might be played by the establishment of equal and fair relations between powers outside the region and the South Asian countries, and by the elimination of asymmetry and imbalance in their relations with India and Pakistan. One-sided support to one of the parties to any dispute sustains and freezes the state of tension, whereas cooperation with both sides in the conflict may create conditions for a constructive dialogue with the protagonists.

As is known, in South Asia Russia has traditionally relied on joint action with India. Even after India carried out its nuclear explosions, the implementation of the Integrated Long-Term Programme of Cooperation in Science and Technology, to the total amount of \$8–10 billion, is continuing; an understanding has been reached on supplying the Su-30MK and Su-30MKI fighters;⁷¹ and an agreement has been signed on the construction of an atomic power station in Kudankulam in Tamil Nadu with two reactors from Russia.⁷² These were contracted for previously and Russia badly needs the income from them if it is to escape from the dire financial and economic crisis which at present constitutes

⁶⁹ Yuriy Maslyukov, former member of the Communist fraction in the Duma and First Deputy Prime Minister in the Primakov Government, showed himself to be a pragmatic supporter of START II. He argued that the treaty is necessary for Russia and lamented the danger of postponing its ratification. Maslyukov, M., 'Dogovor SNV-2 i sudba strategicheskikh yadernykh sil Rossii' [The START II Treaty and the fate of Russia's strategic nuclear forces], *Izvestiya*, 16 Dec. 1998, p. 1.

⁷⁰ Korsunskaya, D., 'Udary po Iraku razrushili SNV-2' [Strikes against Iraq have wrecked START II], *Vremya-MN*, 18 Dec. 1998, p. 1.

⁷¹ 'Indian official discusses fighter contract in Moscow', Interfax, Moscow, 17 June 1998; and 'Russia, India push defence ties', Reuters, Moscow, 18 June 1998.

⁷² 'India, Russia sign Koodankulam deal', Bhaarith ek khoj: Discover India, News Headlines, 22 June 1998, URL <<http://www.mahesh.com/india/>>.

the main menace to its national security. During Prime Minister Primakov's visit to India on 20–22 December 1998 a long-term Agreement on Military–Technical Cooperation up to 2010 was signed, which provides for India to buy high-technology weaponry from Russia worth \$16 billion over the next decade. Primakov told reporters that ‘a lot in the region depends on the policies pursued by China, Russia and India. If we succeed in establishing a strategic triangle, it will be very good’.⁷³ He added that the proposal was made within a framework of partnership between the three countries to bring about greater stability in the world and was not just a formal initiative.

At the same time, an improvement of Russia's relations with Pakistan as the second party to the South Asian confrontation seems possible and must run in parallel to the further expansion and strengthening of relations with India. The task is to gain a new partner without spoiling relations with the old one, given the tensions between them. The expansion of Russia's ties with Pakistan may contribute to the creation of a favourable external environment for settling the major points at issue in the Indo-Pakistani relationship and may enhance Russia's leverage in Afghanistan with a view to the speediest possible settlement of the situation there. This will not only eliminate the challenges for Russia which the conflict in Afghanistan presents but also diminish the danger from South Asia as a whole. Besides, the stabilization of the situation in Afghanistan and the expansion of ties with Pakistan would enable the Central Asian states to establish the advantageous shortest arterial roads to the Indian Ocean, to which Russia, too, would have access.

All these measures would help to neutralize the negative consequences of the emergence of India and Pakistan as nuclear weapon states, maintain and consolidate the non-proliferation regime, and reduce the challenges to Russia coming from South Asia.

⁷³ *Times of India*, 22 Dec. 1998, p. 1.

16. Russia in South Asia: a view from India

Vinay Shukla

I. Introduction

The end of the cold war and the disintegration of the USSR destroyed the whole fabric of post-war security arrangements on the periphery of the USSR in Europe as well as in Asia.

Russia, steeped in the legacy of the former Soviet Union, by inertia continued to regard itself as the post-cold war incarnation of the USSR, especially in repairing and re-forging its relations with the West and its immediate European neighbours, but in the initial period failed to identify its national interests in the vast Central and South Asian regions. The shrinking of the strategic space, the emergence of several fledgling buffer states incapable of reliably separating it from the frontiers of the Islamic world, and the withdrawal of Russian troops to several thousand kilometres north of the turbulent borders in Central Asia did not add to Russia's national security. On the contrary, they presented new challenges and triggered a realignment of forces, both local and foreign, in the region and in its immediate neighbourhood.

II. South Asia: Russia's strategic neighbour

Today South Asia is perhaps one of the most challenging regions for Russia from the point of view not only of security in its traditional meaning but also of Russia's prospects of emerging as an economic power able to act as a bridge between the developed 'North' and the developing 'South' in such a way as to assure its vital economic security interests in the emerging world order.

The most notable point about South Asia is that it has been free from inter-state wars for over a quarter of a century. Apocalyptic predictions of a fourth Indo-Pakistani war, over Kashmir, quickly escalating into a nuclear exchange, have been belied. The two countries have not taken their disputes and differences to the battlefield since December 1971. A proxy war in Kashmir has, of course, gone on for about 10 years because the insurgency there is backed by a constant supply of arms and infiltration of trained militants across the border, but the military stand-off is generally limited to sporadic exchanges of fire across the Line of Control.¹ A positive element of great importance is the readiness of India and Pakistan to continue their dialogue to patch up their relations, which have been strained ever since Partition in 1947, although with periodic interruptions resulting from domestic political developments.

¹ The ceasefire line delineated in the 1972 Simla Agreement.

Hurdles on the road to rapprochement must not be underestimated, as the two countries' rivalry has acquired a new, distinct nuclear dimension. However, after the bellicose rhetoric of the initial period after their respective nuclear tests of May 1998, India and Pakistan indicated their readiness to embrace the rules of the game evolved by the nuclear-weapon states during their decades-long rivalry in the course of the cold war. Meeting in New York at the UN General Assembly in September 1998, Indian Prime Minister Atal Bihari Vajpayee and then Pakistani Prime Minister Nawaz Sharif agreed to resume their bilateral political dialogue on all issues of concern, including Kashmir. The Islamabad round of talks at foreign secretary level in mid-October 1998 once again proved that this is an uphill task, but both neighbours are firm about continuing their dialogue. The resumption of a direct bus service between New Delhi and Lahore in February 1999, for the first time since Partition, was part of 'bus diplomacy'. Vajpayee travelled to Lahore in February 1999 to inaugurate the new service and constructive talks with Sharif resulted in the Lahore Declaration, signed by the two leaders. The two countries committed themselves to resolve all issues, including that of Jammu and Kashmir; refrain from intervention in each other's internal affairs; intensify their dialogue in the interests of an early agreement according to the agreed agenda; take steps to reduce the risk of accidental or unauthorized use of nuclear weapons; and develop an extensive framework of confidence-building measures (CBMs) in the nuclear and conventional weapon fields.²

On no other issue has there been so much misinformation and biased propaganda as on the risk of South Asia being the flashpoint of a possible nuclear conflagration. The mutual deterrent nuclear capability of the two countries (acquired by India after its first test in 1974 and by Pakistan in 1987)³ was a factor for stability for over 10 years.

A major improvement in India's relations with its immediate neighbours other than Pakistan has been key water-sharing agreements with Bangladesh and Nepal. The South Asian Association for Regional Cooperation (SAARC)⁴ continues to be an instrument for establishing better relations in South Asia and, despite its relatively slow growth, has made progress in the late 1990s. There are moves away from the South Asia Preferential Trade Arrangement (SAPTA) of December 1995 towards a South Asian Free Trade Agreement (SAFTA) to be concluded by 2001. Bearing in mind the geographic configuration of the SAARC area, arrangements for sectoral cooperation in different parts of the subcontinent are also being developed. For instance, in the east there can be economic cooperation between India, Bangladesh, Bhutan and Nepal, and in the south between the Maldives, Sri Lanka and India.

Embracing the global trend, most countries of South Asia have embarked on economic liberalization. The stabilization of democracy in Bangladesh and Nepal has provided the impetus for economic and political cooperation. In Paki-

² Lahore Declaration, URL <<http://www.meadev.gov.in>>.

³ See also section V of this chapter.

⁴ For the membership of SAARC, see appendix 1 in this volume.

stan as well, in spite of ups and downs, there is a definite advance in the democratic process. Even today, however, Pakistani democracy remains circumscribed by the power and influence of the army. To the extent that democracy takes root in the region in general, and in Pakistan in particular, the trend is bound to be towards economic and political cooperation rather than warfare. Countries tied together in a fabric of economic cooperation and partnership are unlikely to declare war on one another even though tensions among them may persist.

In short, interstate wars can be virtually ruled out in South Asia. Even so, serious security problems exist in almost all the countries of the region. They arise from both domestic and external factors.

Religion, ethnicity and politics

The mixture of religion, ethnicity and politics can be highly explosive and pose a lethal threat to the stability and integrity of multi-ethnic, multi-religious, multilingual and multicultural nation-states. The collapse of the Soviet Union and the conflicts in Trans-Dniester, Abkhazia, South Ossetia and Chechnya speak for themselves. The developed countries of the West are not unaffected: Northern Ireland and the Basque region of Spain have become synonyms for separatism combined with bloodshed and terrorism.

While the rest of the world only faced the problems arising from religious extremism and ethno-nationalism relatively recently, the Indian subcontinent became their victim from the day colonial rule there ended in 1947. Partition at the time of Independence was an exercise in managing ethno-nationalist problems through territorial arrangements based on democratic principles. This was unfortunately complicated by the claim that religion was the main, if not the sole, determinant of national identity. The two-nation theory, advocated first by the Muslim League in pre-Partition India, was later adopted as a national ideology by Pakistan.

Inevitably, the doctrine that nationhood depended almost entirely on religion came into conflict with other criteria for defining ethnic and national identities. The contradiction finally led to the secession from Pakistan of its eastern wing, now Bangladesh. It has been at the root of the dispute between India and Pakistan over Kashmir, with Pakistan insisting that religion alone should determine Kashmir's future, and secular India, with a vast Muslim population of its own, opposing this.

Sectarian violence apart, Bangladesh, India, Pakistan and Sri Lanka have all been victims of ethnic insurgencies. Of all the South Asian countries, Sri Lanka has suffered most: its ethnic insurgency, led by the Liberation Tigers of Tamil Eelam (LTTE), has gone on since 1973 and is remarkable for its virulence. There was a time when the Indian Tamils also had a secessionist movement. This was overcome by the Indian commitment to democracy, federalism and secularism. The Tamil leader C. N. Annadurai, who used to burn copies of the Indian Constitution in public, eventually became Chief Minister of Tamil Nadu

and Tamils have held high office, including that of president, army chief and so on. A rash of other insurgencies, from the sensitive north-eastern region to Punjab, have been contained with a great measure of success, if not completely.

The installation of a coalition government led by the Hindu nationalist Bharatiya Janata Party (BJP) alliance in India after the elections of April 1998 was a reaction to a spree of religious fundamentalism and extremism in India's neighbourhood and to the BJP's call for a universal civil code for all citizens which would have deprived the 180 million-strong Muslim minority of several 'privileges'. After assuming power the new government swore allegiance to the constitution of secular India and dropped many controversial items on its election agenda. However, the attacks on Christians in Gujarat and Orissa in January 1999 and disruption by Hindu fundamentalist groups of the cricket test match with Pakistan in February 1999 showed that the BJP was not in a position to restrain its allies.

Illegal arms, narcotics and terrorism

In the late 1950s and 1960s, Naga and Mizo insurgents in the Indian north-east were given arms by Pakistan (through its eastern wing, now Bangladesh) and by the China of Mao Zedong. This ended with the liberation of Bangladesh and with Deng Xiaoping's ascent to power in China. Soon afterwards, however, the Afghan War wrought havoc by flooding the region, principally Pakistan, with small arms in vast quantities. Of the nearly three million Kalashnikovs and other weapons supplied by the USA and Saudi Arabia, not many reached Afghanistan. Huge quantities were diverted to Punjab and Kashmir and other parts of the subcontinent.⁵

The spread of illegal arms and narcotics goes hand in hand terrorism, not only in South Asia. The Afghan War fuelled these vicious activities and narco-terrorism has become a harsh reality. Powerful drug syndicates use terrorists and insurgents as a convenient cover for their lucrative activities while to the terrorists the drug barons are a source of finance. Improved technology and facilities for specialized training, modern light arms and difficult-to-detect plastic explosives have greatly enhanced the terrorists' capacity to inflict damage. Training facilities have increased because of the demobilization of forces in many countries and because some intelligence agencies have found it expedient to set up training establishments on their own or through front organizations.

Russia in the region

Since Russia has traditionally good relations with the other states of South Asia and they do not pose any direct threat or challenge to Russia's national security or vital interests, at least for the foreseeable future, the analysis in this chapter is limited to the dominant players on the South Asian stage, India and Pakistan.

⁵ Malhotra, I., 'Security issues in Southern Asia', *Strategic Analysis* (Institute for Defence Studies and Analysis (IDSA), New Delhi), vol. 20, no. 2 (May 1997), pp. 223–32.

This must, however, also be seen in the context of the new regional equations emerging with the gradual formation of a multipolar world order, especially after the nuclear tests by India and Pakistan in May 1998. The influence, role and interests of outside powers, especially China and the United States, in the region as reflected in their bilateral relations with the South Asian states also pose challenges, as well as opening new opportunities for Russia in playing its role of a great Euro-Asian power.

III. Indian–Russian relations after the end of the USSR

Moscow's South Asia policy has traditionally been essentially India-centric. It has been instrumental in maintaining regional peace and stability and an effective mechanism in ensuring the USSR/Russia's own vital strategic and security interests.

Indo-Soviet relations always played a key role in maintaining the security of and balance of forces in the region, especially after 1971 when thanks to Soviet political and military backing Bangladesh emerged on the map of the world.

Speaking at a round-table discussion on Indo-Soviet relations in July 1988, former Soviet Deputy Foreign Minister Igor Rogachev described the relations between the USSR and India as a forerunner of President Mikhail Gorbachev's 'new thinking' in international affairs.⁶ However, in the early post-Soviet period relations with India were seen in Russia as part and parcel of the Soviet-era communist ideology. In the 'three circles' foreign policy doctrine of Russia's first Foreign Minister, Andrey Kozyrev, India was placed in the third circle with the rest of the world, while relations with the West were placed in the first circle. In the second circle were the countries of the 'near abroad'—the former Soviet republics.

Unlike the Soviet Union, which needed a 'special relationship' with India in its political and strategic rivalry with both the West and China, Russia at that time did not seem to need India as a strategic ally. With the emergence of the former Soviet republics of Central Asia as independent states, the Russian and Indian borders moved further apart. India did not impinge on the immediate concerns of the new Russia.

The foreign policy concept made public by Kozyrev in January 1993 put Russia's priorities in this order: (a) the Commonwealth of Independent States (CIS); (b) arms control and international security; (c) economic reform; (d) the United States; (e) Europe; (f) the Asia–Pacific region; (g) West and South Asia; (h) the Near East; (i) Africa; and (j) Latin America.⁷ Thus, on the list of 10 priorities, India and South Asia ranked seventh.

On the other hand, Russia appeared to be improving ties with Pakistan. In November 1991, just before the Soviet collapse, Russia for the first time voted

⁶ Attended by the author. Part of the year-long Festival of India in the Soviet Union in 1987–88.

⁷ At the annual press conference of the Foreign Minister in Moscow attended by the author in Jan. 1993.

in the UN for a proposal sponsored by Pakistan for a nuclear-weapon-free zone in South Asia, much to the consternation of India.⁸

Two different schools of thought existed in Russia at this time regarding policy towards India. One favoured retaining the traditional special relationship: India should be given priority in Russia's policy in South Asia, while at the same time good relations were developed with other South Asian countries, including Pakistan. The other school favoured ending the special relationship. According to this approach, looking at developments in the region 'through Indian spectacles' affected Russia's relations with other regional actors, above all Pakistan. This second view was associated with the Foreign Ministry headed by Kozyrev. The first was prevalent in the academic community and parliamentary circles.⁹ In the last phase of the Soviet Union and the early period of the presidency of Boris Yeltsin, the advocates of the second approach had the upper hand. Nevertheless, in May 1992 the then Russian State Secretary, Gennady Burbulis, in an interview on the eve of a visit to India—the first by a new Russian leader—was forced to accept that Russia's relations with India have to be different from its relations with other countries of the region and preferred to describe them as relations of 'spiritual pragmatism'.¹⁰

Things started to change with the appointment of Yevgeny Primakov as Foreign Minister in January 1996; India was the first country to which he paid an official visit in March, two months after his appointment. This was the time when Russia adopted the foreign policy which suited its geographical and geopolitical realities, reflected in its state symbol—the two-headed eagle looking in two opposite directions. Today in the Russian political establishment there is a growing realization of the importance of multi-faceted ties with India and a broader consensus has crystallized on the need to expand them.

The fragmentation of the Soviet empire ripped apart its tightly knit military-industrial complex, resulting in the breakdown of regular supplies of spares for the Indian Armed Forces and jeopardizing India's national security. This forced the Government of India to send its Defence Minister to Moscow in March 1992 to establish contact and resolve the issue of military supplies. However, his mission was a failure as he was able neither to arrange for spares nor to meet any senior Russian politician.

The continued relevance of a strong and healthy relationship between India and Russia in the changed global environment was a point of dispute among a section of influential public opinion in India also.¹¹

Against the backdrop of the grim state of bilateral relations came the controversy over the Indo-Russian 'cryogenic deal' in 1993. Russia was to supply

⁸ Thakur, R., 'South Asia', eds R. Thakur and C. A. Thayer, *Reshaping Regional Relations: Asia-Pacific and Former Soviet Union* (Westview Press: Boulder, Colo., 1993), p. 176.

⁹ Shaumian, T., 'Russia's eastern diplomacy and India', *International Affairs* (Moscow), Dec. 1993, p. 55.

¹⁰ 'Burbulis arrives for crucial talks', *National Herald* (New Delhi), 6 May 1992.

¹¹ Sharma, R. R., 'Indo-Russian relations in the emerging context', eds M. Rasgotra and V. D. Chopra, *India's Relations with Russia and China: A New Phase* (International Institute for Asian-Pacific Studies: New Delhi, 1997), pp. 65–73.

India with technology for the production of cryogenic booster engines for the Indian geo-stationary space launch vehicle (GSLV). This was considered by the USA to be a violation of the Missile Technology Control Regime (MTCR). The manner in which the deal was scuttled made it glaringly apparent to the whole world that the USA was calling the shots and Russia, the successor state of the once mighty superpower, was meekly obeying. In spite of assurances by President Yeltsin, on 14 July 1993 the Indian Ambassador in Moscow was summoned to the Russian Foreign Ministry to be informed of Russia's decision not to supply India with the technology. This shocked a sizeable section of vocal opinion in India as well as Russia and generated fresh doubts in India about Russia's reliability as a partner and its capability to withstand outside pressure in defence cooperation, at a time, moreover, when voices were getting stronger urging the Government of India to review its ties with Russia. In fact the low priority accorded to India in Russian policy was reciprocated by India.

India was trying to adjust to the post-Soviet reality. In mid-1991, the Narasimha Rao Government accelerated the process of liberalizing the economy by removing controls. It sought International Monetary Fund (IMF) and World Bank loans, accepted some of the IMF–World Bank conditionalities and opened up the economy to foreign investment. India and the USA made conciliatory gestures to each other and sought new areas of cooperation, although the divergence of interests in important areas continued. Greater attention was also given to mending fences with China.¹²

During this period of uncertainty in Indo-Russian relations, Russia was seeking some compromise and synthesis between the two divergent schools of thought regarding the approach to India. The basic geopolitical factors that lay at the root of the decades-long, uninterrupted Indo-Soviet friendship could not be ignored altogether. The Russian defence industry was very keen to restore defence ties with such a large and lucrative market and was the only field in which Russia could compete with the West. India was equally keen on the restoration of the supply of spare parts and military goods from Russia, as 60–70 per cent of its defence imports had been from the Soviet Union. The Soviet Union was India's second-largest trading partner. A very large part of its export of consumer goods was to the former Soviet Union. India and the new Russia urgently needed to settle certain important issues left over from the Soviet era and put their relations back on the rails. These issues were bilateral trade, the supply of defence equipment and spare parts to India, the rupee : rouble exchange rate, India's nearly 10 billion rouble debt to the former Soviet Union, and the legacy of multifaceted cooperation which the two countries had inherited.¹³

In October 1992 a summary of the long-awaited foreign policy concept prepared by the Russian Foreign Ministry was made public.¹⁴ As regards India, it

¹² Bakshi, J., 'India in Russian strategic thinking', *Strategic Analysis* (IDSA, New Delhi), vol. 11, no. 10 (Jan. 1998).

¹³ Bakshi (note 12), pp. 721–36.

¹⁴ Shaumian (note 9).

reflected an attempt to paper over the two divergent approaches. A certain ambiguity in Russia's stand on India, however, continued. Russia did not want its policy to be 'deliberately pro-India'. Nor did it want policy towards India to be artificially restrained in the name of striking an abstract balance and 'equi-distance' between India and Pakistan. Russia wanted its policy towards India to be pragmatic and flexible.

President Yeltsin's visit to India in January 1993 was a recognition of India's role in contemporary international life and an attempt to search for a formula of interaction in the changed, post-Soviet scenario. During the visit the two countries signed a new 20-year Friendship and Cooperation Treaty.¹⁵ The word 'peace', which had been used in the 1971 Treaty of Cooperation and Friendship between India and the USSR, was not retained in the new treaty, signifying that it did not have any strategic dimension, nor was the security clause (Article 9), which had stipulated immediate 'mutual consultations' and 'appropriate effective measures to ensure peace and security of their countries'. In the new treaty, India and Russia chose to commit themselves to a negatively worded clause only, whereby each side would refrain from taking any action that might affect the security interests of the other.

The subsequent development of the relationship is discussed in section VIII below.

IV. Russia and Pakistan

In South Asia Moscow traditionally had good or warm relations with all the regional countries except Pakistan, which had joined the pro-Western military alliances the Central Treaty Organization (CENTO)¹⁶ and South-East Asian Treaty Organization (SEATO)¹⁷ along the Soviet frontiers in the south. Pakistan's good relations with China, the Soviet Union's ideological rival, were another irritant in the way of closer relations.

There was a period of thaw in their relations after the Soviet Union's successful mediation to end the 1965 Indo-Pakistani War: the thaw continued until 1971 when the Soviet Union and India signed the Treaty of Cooperation and Friendship, which provided for military assistance in the event of aggression. The Soviet backing for India's war effort in Bangladesh (formerly East Pakistan) in 1971 finally chilled relations between Pakistan and the Soviet Union. In the late 1970s the Soviet military intervention in Afghanistan transformed Pakistan into a front-line state in the last lap of the cold war. It still clouds Russian-Pakistani relations and the mind of the common man in both countries.

Pakistan is the only country of South Asia with which Russia needs to improve and normalize its relations.

¹⁵ 'India-Russia relations', 10 Aug. 1998, URL <<http://www.indianembassy.ru>>.

¹⁶ CENTO was founded in 1955 and originally consisted of Iran, Iraq, Pakistan, Turkey and the UK. It is currently inactive.

¹⁷ SEATO was founded in 1954 and originally consisted of Australia, France, New Zealand, Pakistan, the Philippines, Thailand, the UK and the USA. It is currently inactive.

In the changed geopolitical scene following the break-up of the Soviet Union, Pakistan began to seem more important from Russia's point of view. Situated close to the newly independent Central Asian republics and adjacent to Afghanistan, Pakistan seemed to be in a position to influence developments there. Some held the view that during this period the 'key Islamic actors' in the region (Iran, Pakistan and Turkey) assumed priority over India.

In December 1991, Russian Vice-President Alexander Rutskoy, an Afghan War veteran, visited Pakistan. As a pointer to growing warmth in Russian–Pakistani relations, an international conference was held in Moscow in April 1992 on relations between Pakistan and the CIS. Moreover, the supply of US arms to Pakistan having stopped in 1990, Pakistan was in search of new allies and sources of military hardware. It tried to move closer to Russia. To the chagrin of India, reports started building up that Pakistan was exploring the possibility of buying arms from Russia. India was apprehensive that the 'garage sale' of Russian arms in a desperate bid to earn hard currency would only fill the armouries in its neighbourhood, more particularly in Pakistan and China, posing a threat to its own security.¹⁸ In 1992 Russia was very close to signing a deal with Pakistan for the supply of Su-27 fighter jets, Kozyrev having cleared the proposal. However, the leaders of the powerful military–industrial complex succeeded in convincing President Yeltsin that by a one-off sale of arms to Pakistan Russia would ultimately lose the vast Indian market. During his 1993 visit to New Delhi, speaking at a news conference, Yeltsin declared that Russia 'will not provide any military aid to Pakistan'.¹⁹

The cash-starved Russian defence industry continued to explore the possibility of selling arms to Pakistan and clandestine negotiations were held through small firms acting as middlemen. However, in spite of Russia's repeated declarations of readiness 'in principle' to sell arms to Pakistan, all Pakistan could get from Russia was some dual-purpose Mi-17 helicopters in 1996.²⁰

Russia's policy of 'equidistancing' India and Pakistan continued until July 1994, when, the day after a visit by Indian Prime Minister Narasimha Rao, the Pakistani Foreign Minister came to Moscow at the invitation of Kozyrev. The two foreign ministers finalized the draft of a bilateral treaty which was to lay the foundation of their relations in the post-cold war era. It was to be signed by Prime Minister Benazir Bhutto during her Moscow visit in December 1994. However, because of Yeltsin's health problems, the visit was cancelled, although officially his and Bhutto's tight schedules were given as the reasons for postponement. This was perhaps the most unfortunate development in the relations between the two countries, especially when they were very close to holding a summit meeting.

The next high-level contact between Russia and Pakistan took place only in the summer of 1997 when the Pakistani Foreign Minister, Gauhar Ayub Khan,

¹⁸ Subrahmanyam, K., 'Russia in changed scenario', *The Tribune* (Chandigarh), 26 June 1992.

¹⁹ The author attended the conference in Jan. 1993.

²⁰ Statement of Russian Foreign Ministry Spokesman Grigory Karasin, 6 July 1994, at a press briefing attended by the author.

visited Moscow for talks with Foreign Minister Primakov. By this time Pakistan's involvement in Afghanistan through the Taleban had widened the differences between it and Russia. At the press conference after the talks Primakov cautioned Pakistan that by backing the Taleban and involving itself more deeply in Afghanistan it was committing the same blunder as the Soviet Union, while Ayub Khan insisted that its recognition of the Taleban regime was legitimate as it controlled the capital and most of the territory of the country. He also denied Pakistani interference in Afghanistan.²¹

In March 1998, Russian Deputy Foreign Minister Grigory Karasin visited Islamabad for foreign ministry-level consultations on bilateral and regional issues, including the Afghan settlement. In a move to introduce some dynamism in its relations with Pakistan, Russia appointed an old India hand, Andrey Gulyayev, as its Ambassador to Pakistan in mid-1998. Continued efforts to patch up bilateral relations precipitated a visit to Russia by Nawaz Sharif in April 1999—the first by a Pakistani head of government in 25 years.

No doubt good relations between Russia and Pakistan have great importance and independent value. They could become a factor for stability, especially now that the nuclear factor has been added to the regional equation. However, this should not be at the expense of ties with India—an impression given to India after the break-up of the USSR.

Learning the lessons from the recent past, Primakov, then Russian Prime Minister, confirmed to Prime Minister Vajpayee in December 1998 that Russia had no plans to sell arms to Pakistan which could be used against India.²²

V. The nuclear dimension in the South Asian security calculus

With the series of nuclear tests by India at Pokharan in May 1998, reciprocated by Pakistan, the security calculus in South Asia acquired a qualitatively new aspect. What had hitherto been covert or a matter of speculation and guesswork for political and defence analysts and the intelligence community became evident for the public at large.

India exploded its first nuclear device in 1974 and Pakistan is believed to have acquired a nuclear capability in 1987.²³ The exchange of 'nuclear salutes' in May 1998 merely created a need to evolve a *modus vivendi* for the now overt nuclear rivals—the tests in their essence did not change the security balance in South Asia, although they had global political implications.

India has the minimal capability to protect itself against any political 'use' of nuclear weapons against it and the capability to retaliate against their actual use against it. Rash judgements have already been passed that its nuclearization will start an arms race, intensify Indo-Pakistani rivalry at the very least, and possibly lead to a nuclear holocaust. Curiously, the same arguments were heard after

²¹ The author attended the press conference.

²² 'India, Russia for strategic tie-up', *The Hindu*, 23 Dec. 1998.

²³ Singh, J., *India Perspective* (New Delhi), special issue, Aug./Sep. 1998.

Pakistan acquired a nuclear capability in 1987, and crisis scenarios were built up in 1990 although India had not weaponized.

Three neighbouring states—China, India and Pakistan—now ‘officially’ or ‘unofficially’ have nuclear weapons. The nuclear weapons of two of them—China and Pakistan—are directed against India, with whom they have long-standing territorial disputes. This calculus did not exist even during the worst days of the cold war between the former Soviet Union and the United States and the military blocs led by them.

At the same time the argument that nuclear weapons in South Asia could actually support stability cannot be ignored. If it was possible to have a stable nuclear relationship between the United States, the Soviet Union and China during the cold war, then why not a stable relationship between China, India and Pakistan?

Rationality under stress would be difficult for either power to maintain, some may argue. However, this is not the reality. Indian and Pakistani decision makers have always been quite rational when on the brink of war or during the conduct of war. As a former Indian Army Chief, General K. Sundarji, noted, ‘India and Pakistan are not crazy states. They share a civilization going back 5000 years. During the three wars fought against each other, they have displayed enormous restraint in targeting civilian industry or infrastructure’.²⁴ The presence of weapons of mass destruction in each other’s backyards could lead to paranoia and invite pre-emptive nuclear strikes—after all, there would be no warning time—but nuclear attacks could produce fall-out in the territory of the attacker, since India and Pakistan are contiguous. There is therefore a mutual built-in deterrent system between India and Pakistan.

India and Pakistan already understand the logic of nuclear strategy as played out by the nuclear powers during the cold war. They understand the conditions of nuclear stability and instability.

The ‘frequent wars in South Asia’ argument suggests that the nuclearization of South Asia would increase the chances of nuclear war. However, the situation has actually proved to be the opposite. A nuclear India or Pakistan would not even dare to engage in conventional war for fear of escalation to the nuclear level. The latent nuclear weapon capabilities in India and Pakistan may have paralysed military action at the conventional and nuclear levels.

Policy statements by the leaders of India and Pakistan reflect the sense of responsibility among the political elites in both countries resulting from their nuclear status. In a statement to both chambers of the Indian Parliament on 3 August 1998, Prime Minister Vajpayee declared that the Indian nuclear weapons were not directed against any country and that the Indian Government was firm on the policy of seeking a peaceful solution of all outstanding issues with Pakistan.²⁵ At the foreign secretary-level talks in Islamabad in October 1998, India and Pakistan broadly agreed on CBMs to avoid unauthorized and acciden-

²⁴ Sundarji, K., ‘Indian nuclear doctrine: notions of deterrence’, *Indian Express*, 25 Nov. 1994.

²⁵ Indian Ministry of External Affairs, ‘Indian nuclear policy’, URL <<http://www.meadev.gov.in>>.

tal use of nuclear weapons. India also proposed that the two countries should refrain from attacking each other's nuclear as well as civilian installations.²⁶ The Pakistani Army chief, General Pervez Musharraf, also ruled out war with India, saying that because it had nuclear weapons his country had an 'impregnable' defence.²⁷ Nawaz Sharif in an interview to a leading Indian newspaper in February 1999 proposed direct talks between India and Pakistan on nuclear and missile issues as well as on the 1996 Comprehensive Nuclear Test-Ban Treaty (CTBT) and a possible future Fissile Material Treaty (FMT).²⁸ The memorandum of understanding signed by Sharif and Vajpayee in Lahore in February 1999 provides for CBMs, including advance notification of missile tests, and interaction in international disarmament forums.²⁹ In April 1999, before testing their long-range, nuclear-capable, Agni II and Ghauri/Hatf-II missiles, India and Pakistan, respectively, notified each other in advance in the spirit of the Lahore Declaration. Although Pakistan tested its Ghauri-II and Shaheen missiles within days of the Indian test of the Agni II, Sharif declared that Pakistan does not want to involve itself in an arms race with India.³⁰

The reality is that there has been no such 'race' between India and Pakistan even in the conventional arena. India has cut back its defence spending from 3.6 per cent of gross domestic product (GDP) in 1987 to around 2.4 per cent in 1999. Pakistan's defence spending has also been coming down as a share of GDP since 1993, although more gradually. Pakistan does not have the economic and technological base to build a large nuclear arsenal.³¹ Output of military goods from the Indian defence industry fell by 57 per cent between financial years 1990/91 and 1996/97, while Pakistani funding for military production between 1993/94 and 1996/97 fell by 33 per cent.³²

VI. Russia's dilemma

The different views emanating from Russia following the Indian nuclear tests and Pakistan's response are symptomatic of the dilemma of the Russian state and strategic community. Official spokesmen and commentators have all emphasized that the tests placed Russia in a difficult situation. At the same time, Russia also values its tested and traditional friendship with India.

²⁶ 'India, Pak. broadly agree on CBM to avoid N-conflict', *Deccan Herald*, 21 Oct. 1998.

²⁷ 'Sharif confirms development of Shaheen missile', *The Hindu*, 30 Jan. 1999.

²⁸ 'Let's discuss the N-issue, the missile issue . . .', *Indian Express*, 3 Feb. 1999.

²⁹ See note 2.

³⁰ 'Pakistan not for arms race with India: Nawaz', *Times of India*, 18 Apr. 1999. Unfortunately in the summer of 1999 the positive trend which the Lahore Declaration had strengthened was destroyed by the Pakistani incursion across the Kargil sector of the Line of Control in Jammu and Kashmir. The outbreak of hostilities between the 2 unrecognized nuclear powers caused grave concern internationally, since such hostilities had led to full-scale war between India and Pakistan in 1965 and 1971. Leading nations, including Pakistan's long-time ally, China, Russia and the USA, demanded the restoration of the status quo ante on the Line of Control and urged Pakistan to withdraw its armed men from the Indian sector, plunging the Pakistani Government into global diplomatic isolation over the issue.

³¹ Singh, J., *India Perspective* (New Delhi), Special issue Aug./Sep. 1998.

³² Arnett, E., 'Nuclear deterrence, nuclear tests and science in South Asia: selected statistics and quotes' [no date], URL <<http://www.sipri.se/projects/technology/Stats.html>>.

During the Soviet era, Moscow tried to reconcile apparently contradictory aspects of its policy by making a general appeal in favour of universal adherence to the 1968 Non-Proliferation Treaty (NPT) but refraining from overtly criticizing India for not signing it. The Soviet leadership did take note of India's compulsions, refrained from criticizing India for its peaceful nuclear test in 1974 and consistently showed understanding for India's nuclear stance. Itself locked in a ideological stand-off with China, which had not signed the NPT at that time and with which it had an unresolved border dispute, the Soviet Union repeatedly expressed its serious concern at the reports of secret Chinese assistance, tolerated and connived at by the West, to Pakistan's nuclear programme.

The Delhi Declaration on a Non-Violent and Nuclear-Free World, signed in 1986 by then Soviet General Secretary Gorbachev and Indian Prime Minister Rajiv Gandhi,³³ could be seen as an embodiment of this understanding as well as clear support for the Indian stand of seeking global, non-discriminatory nuclear disarmament within a given time-frame.

Persistent economic woes, political uncertainties and the disarray in its armed forces coupled with the slow pace of military reforms as a result of economic constraints have forced Russia to rely more and more on its nuclear strategic forces for ensuring its security and territorial integrity. Former Secretary of the Russian Security Council, General (retired) Alexander Lebed, in an interview to the Russian NTV television channel on 15 November 1998 declared that the Russian Armed Forces were not in a position to fight a conventional war because of the rash cuts made under the so-called reforms and stressed the need to pay more attention to the strategic nuclear forces.

While the Soviet Union was committed to no-first-use of nuclear weapons, present-day Russia no longer is. Russian nuclear doctrine has moved closer to that of the other Western countries—the USA, the UK and France—that rely on nuclear deterrence, albeit at lower levels of arsenals, and without the promise of no-first-use. On the nuclear strategic issue, Russia stands firmly with the West. On 14 November 1998, along with the USA, the UK and France, Russia voted against a UN General Assembly resolution tabled by India calling for a review of the nuclear doctrines of the nuclear-weapon states and a ban on the use and threats of the use of nuclear weapons in order to move towards global disarmament.

Post-Soviet Russia's official line vis-à-vis India is that the differences over the NPT and the CTBT would not be allowed to come in the way of their multi-faceted cooperation. The task of putting pressure on India on the nuclear issue is largely left to the USA.

For historical reasons the present system of international relations is mainly dominated by the Western powers led by the USA. Russia has been accepted in most forums as a part of the system. However, the fact remains that, although Russia has no overwhelming impulse and no need to question or oppose the

³³ Kaushik, D., 'India's relations with Russia and China: an overview', eds Rasgotra and Chopra (note 11).

basic parameters of the present world order, it is still not a very satisfied member of the system. The eastward expansion of NATO raises the serious spectre of a security threat for Russia. It is piqued by the US policy of cultivating the former Soviet republics and giving a prop to their independence so that a resurgent and cohesive Eurasia does not once again pose a challenge to the West as the Soviet Union did earlier. The declaration by the USA that oil- and gas-rich Central Asia and the Caucasus are a sphere of US interests particularly irked Russia, as did the overtures of NATO to Ukraine, the Baltic states and other former Soviet republics.³⁴

As regards India, there is clear consensus in Russia regarding the need to cement their ties.

India's nuclear tests therefore put Russian policy makers in a dilemma. In its official response Russia was unequivocally critical. President Yeltsin complained that 'India has let us down'.³⁵ The official statement issued by the Russian Foreign Ministry on 12 May 1998 expressed 'alarm and concern' and 'very deep regret in Russia' over the Indian action and urged India to reverse its nuclear policy and sign the NPT and CTBT. Apprehension was expressed that India's policy could lead to a chain reaction in South Asia and beyond. This, in fact, became the main theme of all Russian pronouncements on the subject. Then Foreign Minister Primakov remarked that India's decision to carry out the tests was 'short-sighted' and 'unacceptable' to Russia. He felt that there was a serious risk of conflict between India and Pakistan and added, 'We especially would not want Pakistan to follow in India's footsteps'. Russia is at one with the other P5 countries (the five permanent members of the UN Security Council) in their desire to keep the nuclear 'club' small and exclusive, and not allow new entrants. It is not prepared to recognize India and Pakistan as nuclear-weapon states since according to the NPT only those states which had nuclear weapons or had exploded a nuclear device before 1 January 1967 can be regarded as nuclear-weapon states. At the same time, Russia made it clear from the very outset—in contrast to the USA—that it opposed sanctions on India on the grounds that they would only prove counter-productive. Russia would rely on diplomacy to try to bring about a change in India's nuclear policy.

It soon became evident that the nuclear tests would not come in the way of Indo-Russian cooperation. It was announced that Russia's cooperation with India in the civil nuclear sector would continue. On 14 May, just a day after the second Indian test, the annual conference of the Joint Indo-Russian Council, which oversees the integrated long-term programme of technical and scientific collaboration between the two countries, opened in Moscow in an atmosphere of goodwill and friendship. The Russian Co-chairman of the Council, Academician Yury Marchuk, in conversation with this author called for an intensi-

³⁴ 'Geopoliticheskaya situatsiya v post-Sovetskom prostranstve i problemy voyennoy bezopasnosti Rossii' [The geopolitical situation in the post-Soviet space and problems of Russia's military security], in *Evolution of Military Security Structures: Russia's Role and Place: Geopolitical Aspect* (Institute of National Security and Strategic Studies: Moscow, 1997), Natsionalnaya Elektronnaya Biblioteka, URL <<http://www.nns.ru>>.

³⁵ 'Indiya podvela nas' [India has let us down], *Kommersant Daily*, 13 May 1998.

fication of high-level contacts and cooperation. In June 1998 Russia's Atomic Energy Minister, Yevgeny Adamov, visited India to sign a supplement to the agreement of 1988 on the construction of an atomic power plant in Kudankulam in the southern state of Tamil Nadu.

Russia gave a clear signal that despite differences on the nuclear issue it would be 'business as usual' with India. It also made it clear that India's nuclear strategic programme was purely indigenous and that there was no question of Russian military nuclear technology being transferred to India.

The leaders of some opposition parties in Russia took a pro-India stand. The General Secretary of the Communist Party of the Russian Federation, Gennady Zyuganov, welcomed the Indian tests. Gennady Seleznev, Speaker of the State Duma (the lower house of the parliament) and a prominent communist, lauded India's determination in continuing its nuclear weapon programme despite US pressure.³⁶

Following the Indian nuclear tests a barely concealed and widespread Russian grudge against the West at the treatment meted out to Russia after the break-up of the Soviet Union came to the fore in media comments. India's carrying out of the tests was seen as questioning the essentially unfair and iniquitous world order that the West was seeking to impose. An understanding and sympathetic approach was adopted towards India's position and the reasons that had led it to conduct the tests. A headline in *Izvestiya*, for instance, read: 'Moscow will not quarrel with its ally: Indian nuclear tests do not threaten Russia'.³⁷

It was clear from the very beginning that Russia's main worry, rather than the Indian tests themselves, was the threat of other threshold countries, above all Pakistan, also overtly 'going nuclear'. Russia urged Pakistan to show maximum restraint in connection with India's tests and adhere to all non-proliferation norms. It was concerned that the Indian tests could disturb the current fragile balance among the nuclear-weapon powers and open the floodgates of nuclear proliferation. The emergence of new nuclear powers would destabilize the situation and lead to a new arms race in Asia. A number of 'threshold' states, notably Iran, Iraq and Israel, are situated in close proximity to the southern 'underbelly' of the former Soviet space and thus have a direct impact on Russian security.

However, Russia had little leverage with Pakistan. On the bilateral level, Russian diplomats made a point of assuring the Indian side that Russia's policy would remain as before and that India would remain Russia's 'strategic partner'. Perhaps this was a factor in India's adopting the tactics of negotiating the post-nuclear scenario with the USA only. After negotiations between the Indian Prime Minister's special envoy, Brajesh Mishra, and Primakov in June 1998, Russia did not make any active attempt at a political dialogue with India

³⁶ Interfax, *St Petersburg Dateline*, 22 May 1998.

³⁷ Yurkin, M., 'Moskva ne budyet ssoritsya so svoym soyuznikom: indiskiye yadernye ispytaniya ne ugrazhayut Rossii' [Moscow will not quarrel with its ally: Indian nuclear tests do not threaten Russia], *Izvestiya*, 14 May 1998.

on the nuclear issue except for a blanket criticism of India and Pakistan in various international forums and urging them to join the NPT and the CTBT.

India did not at first find it necessary to continue the dialogue with Russia, particularly after the Russian financial and government crisis of August and September 1998, but there were increasingly calls in India for closer cooperation with Russia. In November 1998 an Indian parliamentary delegation visited Russia for talks with Prime Minister Primakov and the leaders of the Duma, the Federation Council (the upper house of the Russian Parliament) and the whole spectrum of the Russian political elite.

After the US-led missile strikes on Iraq in December 1998, which sidelined the UN Security Council of which Russia is a permanent member, the Chairman of the Federation Council, Yegor Stroyev, who ranked third in the Russian hierarchy, declared on the record that Russia was not opposed to India 'going nuclear' since India as a 'great power' and 'a nation of continuously developing culture' has the right to possess nuclear weapons for 'self-defence'.³⁸

The differences between India and Russia over the present nuclear non-proliferation regime, which divides the nations into nuclear 'haves' and 'have-nots' in perpetuity, are not new. From India's point of view it was selfish of Russia in the name of global non-proliferation not to be prepared to allow India to have nuclear weapons when Russia itself has adopted a stance on retaining its own nuclear weapons because of the poor state of its conventional forces.

During Prime Minister Primakov's talks with Vajpayee in New Delhi in December 1998 the nuclear issue was discussed in the same terms, Primakov repeating the Russian position that India should sign the NPT and accede to the CTBT. Vajpayee, in turn, pointed out that after India's nuclear tests the suggestion that it accept the NPT had become superfluous. As for the CTBT, India had declared a unilateral moratorium and was engaged in negotiations with the USA on the test-ban issue.

Russia, it was known, had urged India before its May 1998 tests to accept the NPT. It continued with this plea now, although on the basis of different reasoning. Primakov put it as follows: 'You have conducted the tests now. Tomorrow, you may become a permanent member of the Security Council. This may serve as a campaign for proliferation'. Unlike the other members of the P5, however, Russia stopped short of making an issue of it. The joint press statement mentioned the nuclear issue briefly: 'During the talks, views were also exchanged on a wide range of important international issues of mutual interest. In these discussions, both sides supported the process of nuclear non-proliferation'. Official sources said that India had supported non-proliferation in its capacity as a nuclear-weapon power. There was nothing to suggest that Russia disputed that interpretation.³⁹

³⁸ 'Yegor Stroyev defends India's nuclear tests', *Hindustan Times*, 7 Feb. 1999.

³⁹ 'India, Russia for strategic tie-up' (note 22).

VII. Outside players in South Asia

In the post-World War II era South Asia has been a playground for outside forces, including China, the United States and the former Soviet Union, which tried to fill the vacuum created by the departure of the British rulers.

Kashmir, strategically located and with a predominantly Muslim population, was an asset that Pakistan was determined to gain. With this strategic view, the war of 1947 was fought and Pakistan occupied parts of Kashmir. The 1965 Indo-Pakistani War opened with an attempt by Pakistan to gain Kashmir and the Rann of Kutch. Pakistani diplomacy and military strategy were harnessed to seek active Western assistance, notably US aid, by projecting the border dispute as an Indian plan for hegemony, abetted by the forces of communism. After the USA embargoed arms supplies during the war, Pakistan aligned itself with China in order to build up its military strength and counter India.

The 1971 Indo-Pakistani War saw direct intervention by the two superpowers when the US naval presence in the Indian Ocean brought in the Soviet Navy. At one stage it looked as if there would be direct confrontation. For the first time the USA and the USSR were directly involved in the Indian Ocean. The USA agreed to the Pakistani demand (supported by a UN ruling of 1949) for a plebiscite in Kashmir. The Soviet Union accepted the partition of India and Pakistan as legitimate. The superpowers gave the adversaries the assistance needed to go to war with the intention of transforming this regional war into a proxy war.

South Asia experienced a rise in defence expenditure soon after the 1971 Indo-Pakistani War. Both India and Pakistan opted for self-reliance in defence. Simultaneously Pakistan tried to accumulate weapons from all available sources. US fears became more intense when India exploded a nuclear bomb in May 1974. This enabled Pakistan to persuade the USA in 1975 to lift the arms embargo under the pretext that the USSR had dumped excess arms in India. The USA had in fact been supplying weapons to Pakistan throughout in pursuance of its policy of containment of communism, which was later reinforced by the presence of the USSR in Afghanistan and the revolution in Iran.

While the withdrawal of the Soviet forces from Afghanistan did not reduce the interests shared by Pakistan and the USA, it changed their tenor. Instead of containing Soviet influence in the subcontinent, the USA was now more anxious about containing the growing influence of China, both economically and militarily, in East Asia. The significance of Pakistan in helping to stabilize Afghanistan cannot be ignored: it is essential not only for the peace of the region but also for the vast resources of oil and natural gas in Central Asia, which can cross to Pakistan through Afghanistan.⁴⁰

China is another major player in South Asia. After the end of its honeymoon with India in the 1950s and the 1962 Sino-Indian War, China was in search of new allies in South Asia antagonistic to India. Pakistan was a suitable candidate, bordering India as it did both to its east (until the liberation of Bangladesh

⁴⁰ Muni, S. D., 'The emerging cold war in Asia: India's options', *Strategic Analysis* (IDSA, New Delhi) vol. 19, no. 12 (Mar. 1997).

in 1971) and to its west. The problem was that Pakistan was a US ally and a forward post of anti-communism, 'containing' China and the Soviet Union. However, in order to avoid dependence on one armaments supplier, Pakistan gradually moved towards China. In March 1965 President Muhammad Ayub Khan visited China and secured not only Chou En-Lai's assurances of support to Pakistan in the event of an Indian aggression but also military supplies.

China is still a key player in providing arms to Pakistan. As Pakistani dependence on US arms diminished after the 1971 war, China became a willing participant in military collaboration and technology transfers, not only in order to establish military links with Pakistan but also because it helped to subsidize its own research and development (R&D) programme.

China's technical assistance to Pakistan in its nuclear programme is of special concern to India. Reiterating Indian security concerns, the Indian Minister of State for External Affairs, Vasundhara Raje, said in Parliament on 17 July 1998 that the government had communicated to various countries, including China, its apprehensions about the defence cooperation between China and Pakistan, including the supply of materials and technology. Starting with the transfer of technology for building a reprocessing plant at Nilore in 1965 and the May 1976 agreement to supply heavy water, the nuclear cooperation between the two countries has evolved considerably. Chinese scientists have visited Kahuta and China has provided a design of one of its own atomic bombs and enough highly enriched uranium for two bombs.⁴¹

China's technical assistance to Pakistan's nuclear programme is intended to balance India's dominance in the region. Much to the liking of China, Pakistan's role in engaging India on its western border is not diminishing.⁴²

In the post-cold war era the process of formation of a new democratic world order based on the principle of multipolarity has taken on exceptional intensity in South Asia since the Indian and Pakistani nuclear tests. Russia is the only member of the P5 which has yet to adopt a well-thought-out, long-term strategy in South Asia, not only to safeguard its own interests and the security of its allies in former Soviet Central Asia but also to make the Indian subcontinent a bridgehead for its economic expansion in the Third World. The return of Russia to South Asia would be a welcome development, since it would create a new balance based on a multiplicity of outside forces.

The change of government in Moscow following the economic meltdown of late 1998 heralded the beginning of a new era of national awareness in post-communist Russia. Although three-quarters of Russian territory is in Asia, the Russian political elite has been mainly Europe- or Western-oriented: Russia has always exhibited the 'white man' syndrome. History, however, demonstrates that Russia has been strong only when it has had a sound political, military and economic position in Asia. India is the pivotal centre of power in South Asia and Russia's traditional ally.

⁴¹ *Daily Review*, URL <<http://www.meadev.gov.in>>.

⁴² Wirsing, R. G., *India, Pakistan, and the Kashmir Dispute: On Regional Conflict and its Resolution* (Macmillan: Basingstoke, 1994), p. 107.

VIII. From special relationship to strategic partnership in the next millennium

After the collapse of the cold-war era special relationship and with uncertainty looming on the horizon, a breakthrough in Russian–Indian relations was achieved in the summer of 1994 when then Indian Prime Minister Narasimha Rao visited Moscow and the two countries signed the Moscow Declaration on the Protection of the Interests of Pluralistic States.⁴³

Time has shown that the statements at the highest political level about the concurrence of the long-term vital interests of the two countries are not mere rhetoric but are based on shared concerns. Realizing this, the two political leaders declared the huge land mass between them to be a zone of their vital national interests.⁴⁴

India and Russia are two powerful poles at two opposite ends of the vast Central Asian region, which has become the arena for the rivalry of outside forces which are attempting to export militant fundamentalism to the newly independent states or stoking the fire of the 20-year civil war in Afghanistan— with which both India and Russia have traditional friendly ties. In view of these realities the leaders of the two countries made the commitment in December 1998 to upgrade their relations to the level of ‘strategic partnership’, replacing the ‘special relationship’ of the Soviet era. However, the process of transformation of their relations into a strategic partnership is far from complete and at times, for various subjective and objective reasons, including the changed economic and political scenarios in both countries, has proved quite painful.

During Primakov’s visit to New Delhi in December 1998, which took place against the background of the US-led missile strikes against Iraq, India and Russia agreed to formalize their strategic partnership by signing a pact at their next summit meeting at some time in the summer of 1999. A joint statement, issued after the conclusion of Primakov’s talks with the Indian leaders, said that the new arrangement ‘will set new parameters and guide the further development of the close partnership between India and Russia’.⁴⁵

Strategic partnership has several aspects, including a high level of mutual trust, shared interests and concerns, and respect for each other’s territorial integrity. Defence cooperation is a key aspect of strategic partnership between any two nations, and Indo-Russian relations are no exception. The restoration of regular defence supplies to India from Russia in the mid-1990s played a key role in stabilizing the situation on the Indian subcontinent.⁴⁶

In the post-Soviet era Indo-Russian defence cooperation itself has undergone radical changes. The two countries are not only involved in joint defence research, but are also moving towards technology transfer and joint production

⁴³ ‘Moscow Declaration on the protection of the interests of pluralistic states’, 30 June 1994. ‘Indo-Russian relations’, URL <<http://www.indianembassy.ru/indrus1.htm>>.

⁴⁴ Personal communication from diplomatic sources, Mar. 1997.

⁴⁵ See note 22. At the time of writing, no other summit meeting had been held.

⁴⁶ For details of major conventional arms transferred from Russia to India since 1992, see appendix 3 in this volume.

of military hardware. The \$1.8 billion Su-30MKI deal is only one example. When Russia offered this aircraft to India in 1994, it was still on the drawing-board because of lack of finance for the Russian defence industries. However, in exchange for financing for R&D, Russia offered India the spin-off from the research. Talking to the author in February 1997, General Oleg Sidorenko, Deputy Director General of Rosvooruzheniye, the Russian arms exporting agency, underlined the unique nature of the deal: at the turn of the century the Russian and Indian air forces would be inducting this state-of-the-art multi-role fighter simultaneously, only under different names. He claimed that it was unprecedented (it is indeed unusual) for an exporting country to supply the latest technology to another power even before it is adopted by its own armed forces, and that this indicated the level of trust between India and Russia. Russia is also helping India develop ships and submarines and upgrade its 125 MiG-21bis fighter aircraft, produced indigenously under Soviet licence, to a fourth-generation aircraft.

India was the only country in the world with which Russia signed, in 1994, a long-term military–technical cooperation programme until the year 2000 worth \$7–8 billion.⁴⁷ During Primakov's New Delhi visit in December 1998 the two countries signed a new arrangement until 2010, of which the value is estimated at around \$15–17 billion.⁴⁸ It puts greater emphasis on joint R&D work. India will be able to conduct user trials in Russia while Russia will send experts to India to help with the integration and upgrading of Russian weaponry according to India's needs. The scheme has already been tried out in the ongoing modernization of India's MiG-21s and the upgrading of the Su-30s into Su-30MKIs to improve their manoeuvrability and firepower.⁴⁹

A new dimension to their defence cooperation was added in 1996 when for the first time India and Russia signed an agreement on inter-services exchange. This unique agreement also provides for exchange of sensitive operational information.

Common security concerns

Extremist and fundamentalist forces were those best prepared to fill the vacuum created in the immediate proximity of South Asia by the disorganized retreat of Russia from Central Asia after the break-up of the Soviet Union. Their immediate goals in no way serve the national and security interests of Russia and its allies in Central Asia, or of its friends in South Asia, such as India, or of China. Russia's hasty retreat led to the fall of the regime of President Mohammad Najibullah in Afghanistan and sparked off a bloody civil war in Tajikistan.

The 1994 Moscow Declaration is a charter for Russian–Indian cooperation in their national and international security. It is a document of key practical value to many countries of the contemporary world with multi-ethnic, multilingual

⁴⁷ Personal communications from diplomatic sources.

⁴⁸ Personal communications from diplomatic sources.

⁴⁹ 'India, Russia to expand defence cooperation', *The Hindu*, 14 Nov. 1998.

and multi-religious societies, but unfortunately has failed to attract due attention from the international community. Article 6 of the Declaration says:

India and Russia, being among the largest multiethnic, multilingual and multireligious States, recognize their responsibility for opposing the threats to democracy and peace together with other members of the world community. They believe that the experience accumulated by them in governing their societies on the basis of their commitment to unity in diversity can make a valuable contribution in this respect. They are convinced that the guiding principles of every democratic society, such as equality, rule of law, observance of human rights, freedom of choice and tolerance should be equally applicable to international relations. These must be based on respect for sovereignty, equality and territorial integrity of States, non-interference in their internal affairs and peaceful coexistence.⁵⁰

Article 5 defines the challenges to the security and national interests of the two countries: ‘Tension and violence still persist in the world. As ideological and other barriers to mutually beneficial cooperation are being overcome, new challenges to security and stability are emerging. In particular, there is a growing threat from the forces of aggressive nationalism, religious and political extremism, terrorism and separatism, which strike at the unity of pluralistic States’.⁵¹

It is also appropriate to quote again from another document released almost three years after the Moscow Declaration—Russia’s national security concept, published by the Security Council of the Russian Federation in 1997:

Threats to the national security of the Russian Federation in the international sphere take the form of attempts by other states to oppose the strengthening of Russia as an influential centre in the emerging multipolar world. This is reflected in actions aimed against the territorial integrity of the Russian Federation, sometimes through the use of inter-ethnic, religious and other internal contradictions, as well as territorial claims which are sometimes based on the lack of a clear-cut legal state border.⁵²

India’s security concerns could be expressed in exactly in the same words.

Untapped economic potential

Economic interaction and trade are key, if not the most important, elements of a full-blooded strategic partnership.

As the world approaches the new millennium, economic issues and interests are beginning to dominate ideology and political differences. The globalization of national economies has become the ideology and driving force of international life. Unfortunately, the formerly centralized Russian economy with its immense scientific and technological potential failed to adapt to the elemental forces of the market, as a result of policies uncritically adopted at the beginning

⁵⁰ See note 43.

⁵¹ See note 43.

⁵² RIIA Novosti, Mar. 1997 (unofficial translation).

of the reforms. This had a negative effect on Russia's trade and economic interaction with India. India was the former Soviet Union's biggest trade partner among the developing nations with an annual trade turnover of \$5–7 billion. In 1998 trade between India and Russia was less than \$1 billion.⁵³

Over the past decade Russian industry has lost many opportunities to win orders for the modernization of Soviet-built installations in India simply because it was used to working under intergovernmental agreements and had not evolved mechanisms for competing in the market. The Primakov Government finally restored the allocation of up to 50 per cent of annual debt repayments by India in rupees, equivalent to \$1 billion, for the import of services and commodities including tea and pharmaceuticals from India, instead of auctioning them at a heavy discount to commercial banks and companies.⁵⁴ Part of this money was to be allotted to Russian industry for investing in joint projects in India.

Russian know-how and technology in tandem with India's rich human resources and marketing skills could work wonders. Russia can become a major player in the development and modernization of the infrastructure and core industries in India such as power generation, coal-mining and exploration for hydrocarbons. In October 1998, for the first time in 15 years the Indian Minister for Petroleum and Natural Gas visited Moscow to explore opportunities for investment in the Russian oil and gas sector on a production-sharing basis in order to ensure a reliable supply for the Indian market at the beginning of the next century. India already consumes 100 million tonnes of crude oil per year, and this figure is increasing by 5 million tonnes per year. India is ready to invest up to \$1 billion initially, especially in onshore and offshore exploration in the Sakhalin and Astrakhan oil and gas fields.⁵⁵ This could be the beginning of the Russian–Indian 'strategic energy partnership'.

The agreement on trade and economic and scientific–technological cooperation until 2010 signed in New Delhi in December 1998 seeks to boost bilateral trade and economic interaction in a qualitative sense. Although neither side has so far made public the details of the agreement, it is believed that Russia will provide dual-purpose technology to India, which so far it has been unsuccessfully seeking from the West. According to Russian and Indian diplomats the agreement does not violate any international obligations undertaken by the contracting parties. However, the statement of the Russian Ambassador in New Delhi, Albert Chernyshev, about Russia's efforts to seek a lifting of restrictions on the transfer of sensitive technology to India indicates that this could become a major component of their trade and economic interaction.⁵⁶

Full-blooded strategic partnership with India based on sound political, economic and military cooperation and interaction would have several positive

⁵³ Statistics supplied by the Indian Embassy, Moscow.

⁵⁴ Indian Finance Minister Yashwant Sinha's speech at the Indian Business Association, Moscow, Nov. 1998, attended by the author.

⁵⁵ 'India to invest \$1 billion in Russian oil', *Financial Express* (Mumbai), 20 Oct. 1998.

⁵⁶ ITAR-TASS, 30 Dec. 1998.

aspects for Russia in South Asia. First of all it would revive trust in Russia as a reliable partner, which has been squandered over the last decade; and, second, it would recover the enormous South Asian market for Russia's once well-known heavy machinery and equipment.

At one juncture it seemed that Russia was seeking strategic partnership with India to offset the growing Chinese influence and ambitions in South and Central Asia, just as it is forging a partnership with China to challenge the 'US global hegemony'. However, Russia wishes to forge a broader alliance of the three giants to lay the foundation of the Asian security system. The idea of a Russia-India-China 'strategic triangle' mooted by Prime Minister Primakov in New Delhi indicates this; and in his annual year-end address to the nation on ORT TV on 28 December 1998 President Yeltsin named China and India along with Russia as the poles of a multipolar world order. Other countries should 'draw their strength from these poles', he explained. In this calculus even Pakistan can find its place by drawing strength from China and Russia, while India, itself one of the poles, could also rest on Russia's strength. The only drawback is that India is not a veto-holding member of the UN Security Council and its nuclear status is not recognized by the 'nuclear club'.

Perhaps this explains the greater tilt towards China in Russia's foreign policy and the intensive political dialogue with China and exchange of high-level visits. Since becoming Russian President, Yeltsin has had six summit meetings with the President of China, Jiang Zemin, but only three with the Indian prime ministers. This China 'tilt' causes some concern about Russia's ability to stand by India in the event of a conflict, as it may adopt a policy of neutrality just as the Soviet Union did during the 1962 Sino-Indian War.

India needs a clear signal from Russia about its vision of India's role in the multipolar world, since China does not see any global role for India, nor does it want India to dominate South Asia.

IX. Conclusions

Developments from now on depend on how and when Russia manages to overcome the systemic crisis of transition. Today it is not in a position even to recapture and retain its markets in Central Asia—a bridge to South Asia and beyond. However, this could be achieved in close cooperation and partnership with India, which is poised to become a major player in the Central Asian states with which it has ancient cultural and civilizational bonds.

Russia still enjoys the respect and affection of millions of Indians and by actively cooperating with India the Russian economy could rebound.

In the foreseeable future Russia's South Asia policy will essentially remain India-centric because even within a reduced global role it assures Russia's geopolitical interests in one of the most challenging and promising regions.

Part V

Russia in Asia–Pacific



North-East Asia is defined for the purposes of this volume as consisting of China, Japan, Mongolia, North Korea and South Korea.

17. Russia in the Asia–Pacific area: challenges and opportunities

Vyacheslav B. Amirov

1. Introduction

Not for the first time in its history, Russia is facing new realities in its standing in the international arena—realities which emerged mainly because of internal and economic problems that had accumulated over decades. Since the collapse of the Soviet Union, Russia, having lost the Baltic states, Belarus and Ukraine, has shifted east. That is one reason, among others, why its place in the Asia–Pacific arena and its relations with the countries of the region have become even more important than they were under the USSR—although the real significance of the region was not realized by the Soviet rulers.

Although the last years of the Soviet Union witnessed some improvements in its relations with countries of the Asia–Pacific region, in some critical aspects and cases the legacy of the past is a burden for the new Russia. There are some unresolved issues with its neighbours and, more important, old-style approaches to various problems persist which the policies of perestroika and ‘new thinking’ were not able to correct.

It is clear that the working-out of a long-term national strategy towards Asia–Pacific cannot be expected until after the next presidential election in Russia. It is not, however, clear whether such a policy will reflect Russia’s genuine national interests. There are still too many questions, and a reliable policy, if one is finally adopted, cannot be formulated without a critical assessment of the legacy of the past, taking into account the fact that neither the old Russia nor the Soviet Union could cope properly with the realities and the state authorities quite often took decisions which were not in the national interests.

One critical point about Russia’s future in the region that arises from the historical experience is why, while Russian explorers reached the Pacific coast ahead of others, the far eastern regions are still seen in Moscow as remote. Perhaps the main reason was a long-prevalent perception of the Russian far east as the country’s backyard, a place to send criminals and political prisoners, and at the same time as a stronghold of European Russia, a Russian fortress in the region against its enemies.

While the USSR finally managed to establish firm control over the regions of the Russian far east and to defend its borders, it did not try, to say the least, to establish comprehensive and friendly ties with its immediate Pacific neighbours and other countries of the region. This was in marked contrast with the initiatives taken in Europe after *détente* began there in the 1970s. A continued

mood of confrontation limited the USSR's ability to exert influence on international affairs in Asia–Pacific and any opportunities for this were destroyed by the Afghanistan adventure. When perestroika began, then Soviet General Secretary Mikhail Gorbachev made the improvement of the country's image in Asia–Pacific one of the key elements of his 'new political thinking' on foreign relations. Initially the new approach to Asia–Pacific was successful in some ways, mostly thanks to some obvious steps such as the withdrawal of a 'limited contingent' of Soviet troops from Afghanistan, but when it came to more difficult issues which required breakthrough decisions the new thinking failed. Perhaps the best example of this was the issue of the four islands of the Kuril chain, which is still preventing genuine rapprochement between Japan and Russia. Gorbachev probably did not have a free hand to solve this difficult matter once and for all—internal political opposition and the rigidity of the Japanese position were the main obstacles—but under the 'new thinking' approach there was at least a possibility to return to the Soviet–Japanese Joint Declaration of 1956.¹ Comparison with Europe is again suggestive: there Gorbachev made much more far-reaching concessions. When, after years of hesitation, he finally paid a state visit to Japan in April 1991 the moment for a breakthrough had already passed.

In the economic field there was general understanding among the Soviet leadership after 1985 that the economy of the Russian far east was seriously underdeveloped. An approach to boosting economic development in this vast region of the Soviet Union was far from new, and much less new than in the economy in general: the Programme for the Economic Development of the Far East and Siberia for 1986–2000, adopted by the Soviet Government in 1986, embodied unchanged ideology. The failure of the programme was predictable from the beginning because it had no working mechanism to ensure that it was fulfilled, to say nothing of unrealistic objectives and wrong, bureaucratic ideology. The general decline of the economy that followed, starting in 1988, took the programme off the 'urgent' agenda of government economic policy.

Most unfortunately, for its last 10–15 years the USSR, by its own choice, was isolated from the most important regional phenomenon—the emergence of the Asia–Pacific economic community. Instead of joining it, the USSR spent those years on the sidelines of economic and political integration in the region. Russia cannot pursue a genuine new policy without leaving such irrational behaviour behind it. It has already paid a heavy price for it.

Objectively, while leaving the economy and particularly the financial sector close to ruin, the Gorbachev Administration made substantial progress in defusing tensions between the Soviet Union and its neighbours and improving Russia's image in Asia–Pacific. It at least provided some foundation for further improvement in its relations with its Asia–Pacific neighbours and its general stance in the region.

¹ Japan and the USSR restored diplomatic relations in 1956. Among other things, the 1956 Joint Declaration stated that the USSR would transfer the islands of Hibomai and Shikotan to Japan after the conclusion of a peace treaty between the 2 countries. It was ratified by both but never implemented.

II. The new Russia's posture in the Asia–Pacific area

The demise of the Soviet Union, the appearance of a much weaker Russia and the emergence of China as a new regional power are the main changes in Asia–Pacific in the 1990s. With substantially reduced capabilities for a strong military presence in the region and a serious economic crisis, Russia found itself a second-rate regional power in the area compared to the United States, Japan and China, which has succeeded to the Soviet Union's influence over military and political developments in the region and has accumulated substantial and growing economic might. Russia thus has no choice but to live with the perception of being reduced from a superpower to a regional power.

A complex combination of internal and external factors defines the posture of the new Russia in Asia–Pacific. This complexity arises from the emergence of a multipolar and more uncertain world with the end of the cold war. Profound internal changes in Russia have produced a number of domestic factors which have started to influence Russian foreign policy—among them, to name but a few, public opinion, the interests of the regions which are sometimes in conflict, and the confusing influence on foreign policy of the Foreign Ministry, the oil and gas companies, the Defence Ministry and other actors.

Internal factors play a much more significant role in the determination of foreign policy than in the 'good old days' of the Soviet Union and represent a quite new phenomenon, but they are not yet structured in a well-established framework that reflects the national interests. This is quite natural for a country which is going through a period of transition, but it has made external factors even more important in playing a positive role to counteract the negative effects of domestic factors. This is particularly relevant to Russia's standing in Asia–Pacific.

The new Russia now finds itself an independent state with at least three urgent tasks ahead of it: to prevent a further disintegration of the country, a threat which has arisen from economic collapse; to concentrate the nuclear forces of the former Soviet Union in its own hands; and to carry through a more or less smooth and peaceful divorce with the former Soviet republics now in the Commonwealth of Independent States (CIS) and establish relations with them as newly independent states.

Paradoxically, the relatively calm situation in the Asia–Pacific region was the most probable reason for Russia's limited activity in this area during the first years of its new statehood. Indeed there were no immediate threats for the central government, in the far east particularly, after the working of the financial system in the country had been restored. The nuclear forces were under control and Russia had gained no new neighbours in the Far East as it had to the west and the south. The federal government thus paid relatively little attention to internal developments in the Russian far east or to relations with the Asia–Pacific countries. There were of course exceptions, particularly steps towards the further development of relations with China. Japan and the persistent Kuril Islands issue demanded some attention, and there were some naive expectations

of economic ties with South Korea and Taiwan. In general however, until Yevgeny Primakov became Foreign Minister in January 1996, the Russian authorities did not understand the simple fact that it is very important for Russia to have a consistent policy to make real efforts to develop its ties with the Asia-Pacific countries on a comprehensive basis.

Even given the reasons for it, this lack of understanding can under no circumstances be justified, particularly as the Russian authorities found the time and resources to deal with external and domestic matters that were much less relevant to the country's future than its place in the Asia-Pacific arena, such as Iraq, the situation in the Balkans and even NATO's eastward expansion.

Economic interaction in new forms, based on non-government ties, which replaced state-to-state trading, between Russia and the countries of the Asia-Pacific region has increased substantially in the 1990s. There are some sensitive areas for Russia's export products in Asia-Pacific, for example, rolled steel, where the Asia-Pacific countries in recent years have consumed the lion's share of Russian exports,² and oil, fertilizers, and forest and some other products. This is why Russia suffered from the Asian financial and economic crisis of 1997-98. In its turn, the economic crisis in Russia has dealt a severe blow to what is called the 'shuttle' trade between Russia and China and delayed some promising projects on Russian territory with the participation of companies from East Asian countries. Despite this recent activity, however, Russia's economic engagement with the region remains relatively insignificant, especially compared to its trade and investment ties with Western Europe. Outside the CIS its main trading partners are mostly European. Only three—China, Japan and the United States—are in Asia-Pacific, and the latter cannot be considered a 'pure' regional country.³

After Gorbachev's first steps to improve the image of the USSR in Asia-Pacific, a second important set of steps should be taken to correct the balance between the economic, political and military stances of Russia in the region, to make its links with the region more efficient and to provide the opportunity for it to become a more useful member of the Asia-Pacific community.

III. The Russian far east

After the end of the cold war and the confrontation with the West, Russia can feel more secure in general. At the same time a sense of insecurity, legitimate or not, has increased in some Russian regions. The far east is one of them. There are two main reasons for this: (a) a perception of China as a potential threat for Russia which is felt for various reasons by quite different parts of society and political forces, from the liberal former Prime Minister Yegor Gaidar to the nationalists; and (b) economic and political instability in the Russian far east

² Sinitskiy, A., 'A compromise by American rules', *Finansovye Izvestiya*, 2 Mar. 1999, p. iii.

³ *Rossiya v Tsifrah: Offitsialnaya Statistika, 1997* [Russia in figures: official statistics, 1997] (Russian State Committee for Statistics: Moscow, 1997).

itself. At the moment it is one of the most economically depressed areas and is losing population, which is a particularly sensitive matter taking into account comparable figures for neighbouring countries.

The economic development of the Russian far east is one of the key elements in improving the quality of Russia's engagement in Pacific affairs. This vast region is going through a process of adaptation to new economic and political realities with a new system of incentives and disincentives for economic development. In the long run this adaptation will provide an opportunity for a significant improvement of its economy—a reduction of the military component in industrial production and a relocation of productive forces according to cost and saving considerations. For the time being, however, the region is experiencing very difficult times and is in desperate need of assistance from the federal government and of healthy (as opposed to some current developments and the prevalence of the grey and black markets) foreign economic ties, including a substantial influx of foreign capital. Unfortunately, particularly since the second half of 1993, the Russian far east has been a region of mostly bad news. The political situation there cannot be described as favourable for economic development. This is true first and foremost of Primorskiy Krai (the Maritime Province), which is usually seen as and in reality is a Russian window to the Asia–Pacific region. From this point of view the Russian far east and Primorskiy Krai in particular have not received enough positive attention from Moscow. On the contrary, this attention is mostly negative.

While the federal government has some responsibility for this situation, so do the authorities of Primorskiy Krai. Prolonged political confrontation there, particularly between its governor, Yevgeny Nazdratenko, and the mayor of the capital, Vladivostok, and periodic confrontation between the governor and important political figures in Moscow have made Primorskiy Krai a zone of political absurdity. Continuing strikes in the coal, energy and social services sectors do not help to attract foreign investors. The foreign media refer to it as 'lawless'.⁴ The poor image of the Russian far east inside the country is also mostly due to the economic and political performance of Primorskiy Krai since Nazdratenko took office in 1993, as head of the regional administration.

There is no doubt that the Russian far east should play a significant and in some ways a crucial role in developing Russia's ties with the countries of the Asia–Pacific area. At the same time Russia's engagement with the region cannot be reduced to the far east alone. Other parts of Russia have the potential to develop economic ties with Asia–Pacific, particularly because the bulk of the economic might (except for natural resources) of the country—industry, the research centres and the main financial institutions and markets—remains in European Russia. This is why in order to develop its far eastern regions Russia needs a major shift of resources away from its European part.

⁴ 'Russia's latest experiment', *The Economist*, 19 Sep. 1998, p. 37.

IV. Russia's place in the region: an agenda for the future

The domestic situation

It is easy to see that Russia's current position in the region does not suit its national interests. The underdeveloped Russian far east faces giant neighbours; Russia has a low profile in the economic activity of the region; its political influence has diminished since the disintegration of the Soviet Union; its military power is consequently reduced.

What should be done and what can be done to improve Russia's standing in the region and to develop bilateral relations with the regional states?

Both domestic and external factors will affect the development of Russia's ties with Asia-Pacific. The most general of them is that, while Russia is going through a transitional period in its political and economic life, and is at present moving from crisis to crisis every year, there will inevitably be an element of instability in its policy. The prospects for policy are still unclear as long as the transitional period continues and while Russia is still working out a real vision of its national interests a comprehensive and consistent policy cannot be expected. Different political forces have different approaches to Asia-Pacific affairs. Another matter for concern is that the constant changing of officials at the top level (up to the level of deputy prime minister) responsible for bilateral ties with countries of the region does not help the development of comprehensive relationships.

In the medium term the main challenge for Russia is to increase the level of its economic engagement with the region. Clearly the upgrading of the economy of the Russian far east will help to add weight to the country's voice in the region. Russia needs to balance its ties with Europe and the United States with more emphasis on relations with the CIS and Asia-Pacific countries. It is a matter of concern that the president, the government and the State Duma continue to waste not only rhetoric but also time and other important resources on issues that are irrelevant to Russia's national interests at the expense of serious activity in building new types of relations with the Asia-Pacific countries and of attention to some other important directions of the country's foreign relations.

Russia does not need to play a great-power game. It is too costly. To avoid the trap of great-power nostalgia, it should look outside the previous framework of the Soviet Union's place in the international arena. Russia's present role in the world, even more than in the past, is hugely constrained by its economic weakness. Apart from nuclear issues, where it has its responsibilities (and will try to maintain its status as the world's second-largest nuclear power), it should stop playing a great-power game. It should not make mistakes such as joining the Group of Seven industrialized countries (G7) or pretend to be an equal partner because it does not have the resources for this.

Two questions remain. The most important and general is the legacy of President Boris Yeltsin in due course—whether the succession under the current constitution will be peaceful and whether the next president will continue to build a market economy and civil society. The other is whether there is any possibility of changing the situation in the Russian far east, particularly in the politically most troubled region of Primorskiy Krai. A new, more far-sighted and more reasonable team in the governor's office is badly needed after the next elections.

Domestically Russia's prospects in the region will depend on the development of genuine federalism, which will provide a solid ground for a stable relationship between the central government and the regions. In the case of the Russian far east this will depend particularly on whether central government is able to change its old perception of the region as the 'far east' to the more far-sighted one of 'Pacific Russia' and to promote the region both internally and externally. This is not merely a semantic change.⁵ It will require first of all a change of attitude, initially in domestic public opinion in the interests of a better understanding of the real importance of this vast territory (in addition to Siberia) for the country's future.

For that purpose it might be useful to apply an old propaganda technique of the Soviet Union—the propaganda of 'Great Komsomol' building projects designed to foster an all-nation attitude towards big projects and encourage the development of the region, based this time not on falsifications and slave labour but on market incentives, including federal concessions and direct funding of infrastructure development but with the support of well-defined propaganda in the mass media.

A new attitude towards the region should be consistent with new substance in federal government policy. With its limited resources, Russia must select priorities. The most preferable option is the development of the infrastructure in the far east. The lack of roads between the Pacific coast and eastern Siberia is well known and an explosion of air fares and railway tariffs since 1992 has put the far east even further away from European Russia. The federal government can reverse this situation and a reduction in railway tariffs is an easy option for it. Despite unemployment Russia also needs additional labour in places like the far east and should work out a clear immigration promotion policy backed by federal funds which could be switched from programmes where they are currently wasting.

To choose the far east as a showcase for developing genuine federalism in Russia could be a good idea. While reform fatigue is making it more difficult to take some common-sense measures for spending cuts, it could allow for the introduction of some tax and tariff concessions for the so-called growth points such as the Nakhodka Free (so far free in name only) Economic Zone, which

⁵ The term 'Pacific Russia' was suggested to the Soviet Government as early as 1988 by a Malaysian participant at the steering committee for the Conference on Asia–Pacific Security, held in Vladivostok, and it has been used recently, e.g., by the Australian Department of Foreign Affairs and Trade, which issued a report in 1996 with the title *Pacific Russia: Risks and Rewards*.

may help to put the economy of the whole of Primorskiy Krai on the path of growth.

A 'natural' free economic zone could be established on Sakhalin Island, whose economy will hopefully be boosted by the development of new oilfields. The coming on-stream of the Sakhalin-1 and Sakhalin-2 oil projects and others to follow with substantial participation of foreign capital may be an important breakthrough for the economy of Pacific Russia and could persuade foreign investors to look more favourably at other opportunities throughout the region. This kind of approach has nothing to do with the current federal Programme for the Economic and Social Development of the Russian Far East and Eastern Regions next to Lake Baikal for 1996–2005, which is a replica of the previous programme for 1986–2000 and should be forgotten as another purely bureaucratic document doomed from the start.

Economic relations with Asia–Pacific

Russia desperately needs to increase substantially the economic element of its position in the Asia–Pacific region. Membership in the Asia–Pacific Economic Co-operation forum (APEC)⁶ should help it or at least give it the opportunity to upgrade its ties with the nations of the Western Pacific, encourage the Russian authorities to adapt the economy to international realities, and provide better access to regional markets. Russia faces a challenge in ensuring that it is an asset and not a liability for APEC. Its acceptance into full membership of APEC is considered by some countries and observers in the region as a political gesture from China, Japan and the USA, which supported Russia's joining for different reasons, but not for the sake of further trade liberalization in the Pacific area.⁷ It is also seen as stretching the definition of 'Asia'. Since not all member countries are happy about Russia's joining APEC, it is an immediate task for Russian diplomacy to defuse their concerns.

Ironically Russia has been united with the East Asian countries in the group of emerging markets by the financial and economic crisis, which initially erupted in East Asia and later overpowered Russia. Now Russia and the East Asian countries are suffering from capital flight and the resulting economic problems. Paradoxically, while hitting the Russian economy, the crisis in East Asia may bring Russia closer to the region than it was in the better times of the Asian 'economic miracle' because of a common interest in reducing the damaging effect of international capital flight and internal policy measures to avoid scaring off foreign investors. Recent developments have clearly demonstrated the increasing importance of the economic component of regional security. Here, in economic security, there is common interest for Russia and its East Asian neighbours.

⁶ For the membership of APEC, see appendix 1 in this volume.

⁷ See, e.g., Cook, P., 'Our APEC shortcomings', *Australian Financial Review*, 5 Dec. 1997, p. 37.

A wave of protectionism is now detectable, returning to some countries' policy in Asia–Pacific under the influence of the economic crisis. In the case of Russia, to follow a protectionist path can only preserve the existing inefficiency of its economy and put it further behind the industrialized nations. That is why working together with members of APEC for the liberalization of trade and investment is in Russia's genuine national interests.

The economic crisis in East Asia is also encouraging a resurgence of xenophobia in several countries. Russia should not pick up this disease, which will do no good for its own economy or its domestic political situation. Some East Asian countries have expressed dissatisfaction with the competition Russia presents for International Monetary Fund (IMF) funds. While it is in desperate need of such money, Russia should understand that this kind of competition does not help to improve its image and standing in the region.

The security and military situation

The two main questions are: (a) Russia's security position now and in the foreseeable future; and (b) what part Russia can play in preserving stability and improving the general security situation in the region.

The end of the great-power confrontation made more obvious the old conflicts in the Asia–Pacific area and the ambitions of regional powers. The possibilities for regional conflict may even have increased after the end of cold war. Formerly, the confrontation of two great powers made regional conflicts more dangerous because a small regional conflict could turn into a global one; now that link does not exist in most cases. Outstanding disputes of different scale and importance still threaten to create military tension in the region at any time.⁸ The economic crisis in Asia has also meant new tensions or brought old ones to the surface. Ironically some of them are inside the Association of South-East Nations (ASEAN),⁹ which has been developing itself in recent years as a cornerstone of regional political dialogue. This process entered a new stage with the establishment of the ASEAN Regional Forum (ARF) in 1993.¹⁰ Tensions have returned between Malaysia and Singapore, Indonesia and Malaysia, and so on. This new outbreak of disputes undermines the framework of relationships within ASEAN which has been building up over decades. Major riots in Indonesia against its Chinese population have led to a deterioration of relations between Indonesia and China—the two most populous countries in the region.

These developments should be of real concern for Russia. It cannot feel safe under such circumstances. In particular, the deteriorating relations within ASEAN show more clearly the absence of a regional mechanism to defuse tensions and potential conflicts.

⁸ See, e.g., Swinnerton, R., 'The strategic environment and arms acquisitions in South-East Asia', eds B. Gill and J. N. Mak, *Arms, Transparency and Security in South-East Asia*, SIPRI Research Report no. 13 (Oxford University Press: Oxford, 1997), p. 26.

⁹ For the membership of ASEAN, see appendix 1 in this volume.

¹⁰ For the membership of the ARF, see appendix 1 in this volume.

Russia's behaviour and its possible role in regional security may develop in different directions depending on circumstances.

Russia still has a nuclear destruction capability but is weak in conventional forces. It has no resources to build itself up militarily in the region for the next eight or 10 years. It can improve its military capabilities only by reducing numbers (both of personnel and of ammunitions), regrouping and concentrating on some particular areas of a strictly defensive character. Lack of money for any military build-up or for major technological renewal of its armed forces is at present keeping Russia from taking part in the arms race which has speeded up in Asia-Pacific, especially in East Asia, in recent years.¹¹ That arms race is at present stopped by the economic crisis, but some countries are continuing their military build-up and others will join them again once the economic situation improves.

The same situation exists in Russia. While the country has simply no money now to take part in an arms race, it cannot be ruled out that it will join in if at some time in the future money is available. The great uncertainty remains in domestic economic and political developments, which may affect the regional situation in different ways, encouraging or discouraging Russia to increase its efforts for a military build-up.

Russia has colliding interests in arms exports, on the one hand, and in long-term stability and avoiding conflicts in the region, on the other. Before the economic meltdown East Asia was a key market to develop for Russian arms dealers seeking new partners.¹² There are two aspects to this—the legacy of the former competition with the West and the desire of Russian arms producers to survive under new and difficult economic circumstances. Russia's arms export activity has led to some tension with the United States, which considers the region a traditional and growing market for US arms manufacturers¹³ and does not welcome such new competitors as Russia. Russia will also undoubtedly meet fierce competition from arms producers of other countries as well.

It would be unrealistic to expect Russian defence enterprises, which often have strong support from the regional authorities for their export activity, to exercise self-restraint in arms exports dealings, particularly aircraft producers. The only possible answer for the Russian state is to take a balanced approach to arms sales. This will help to avoid unnecessary clashes with the USA and may lead to agreement with the USA not to put too much fuel into the arms race in the region. On the domestic side it is in Russia's genuine interest to reduce the military component in its industry. An export-led recovery in the defence industries may prevent this and preserve old distortions in the economy, delaying

¹¹ Military expenditure in East Asia in 1998 was \$116 billion, up from \$95 billion in 1990. Sköns, E. *et al.*, 'Military expenditure', *SIPRI Yearbook 1999: Armaments, Disarmament and International Security* (Oxford University Press: Oxford, 1999), p. 300.

¹² See, e.g., Sergounin, A. A. and Subbotin, S. V., *Russian Arms Transfers to East Asia in the 1990*, SIPRI Research Report no. 15 (Oxford University Press: Oxford, 1999).

¹³ Asian countries have displaced the Middle East as the primary buyers of US weapons. Smart, T., 'Arms firms increasingly looking to deals abroad', *Japan Times*, 20 Feb. 1999, p. 11.

improvement in the living standards of the Russian population and doing no good for domestic security.

While Russia is interested in developing economic ties with all the Asia–Pacific countries, given its limited resources and the need to put the bulk of them into economic development, the country has to concentrate on the northern Pacific in its political and military strategy in the Asia–Pacific region for the next 10–15 years at least.

Russia has limited capability to exert any military pressure now (apart from nuclear pressure) as the Soviet Union used to do. The question is whether its limited capability in conventional forces could encourage the appearance of new threats to it. One of the answers may be that the very contacts between defence officials from China, Japan, South Korea, Russia and the United States which have been developing recently are improving the whole atmosphere of relationships in the northern Pacific and provide a promising opportunity for Russia to ensure its security.

Throughout the region Russia can play an important role in achieving a great task—preventing the dissemination of weapons of mass destruction, preventing the appearance of new nuclear powers, and improving control over chemical weapons, the spread of missile technology and so on.

In general, to leave militarism and a defensive approach in political thinking in the past will allow Russia to avoid their influence on its political strategy and day-to-day politics and give it more opportunity to establish a solid and secure environment on its Pacific boundaries.

Bilateral relations

The transformation of our world from a bipolar to a multipolar one provides new political opportunities for Russia and in particular the flexibility to make a deal with any partner. Another challenge for Russia is to cultivate new partners (such as South Korea) and not to lose old ones (such as Viet Nam). The new situation also demands and at the same time allows for new types of partnership with old friends, substituting partnerships based on mutual interests for old alliances based on political ideology.

Perhaps the best example of this in Asia–Pacific is Russia’s relations with Viet Nam, formerly the USSR’s most important ally in Asia–Pacific, where the Soviet Union invested huge amounts of money. Russian diplomacy has wasted several years recently in doing almost nothing to develop economic and political ties with Viet Nam, paying very little attention to its erstwhile closest ally, which is important to it in the region. Only a visit to Moscow by the Vietnamese President in the autumn of 1998 and the conclusion of an agreement to form a joint venture to build an oil processing plant in Viet Nam give some hope that the first step in the right direction has been taken to establish new ties.¹⁴

¹⁴ Shapovalov, A., [Pause is left in the past], *Kommersant Daily*, 25 Aug. 1998, p. 2.

The rapprochement between China and Russia has finally developed into a 'strategic partnership', which both sides clearly do not intend to overestimate. Russia considers China its most significant neighbour in the region but will keep a rather dual, biased approach to their relations. Some nostalgia persists in parts of the Russian elite for the old days of friendship between China and Russia, but there is a more or less general understanding that a return to the situation of the 1950s is impossible. There has been something of a rush to develop ties with China, and some anti-Western feeling on both sides, although for different reasons. Only when the Chinese authorities decided in favour of Western companies tendering to supply equipment for the huge Three Gorges hydroelectric project, at the expense of a Russian consortium, was it shown that financial conditions and advanced technology meant more than former friendship and current strategic partnership.

On the other hand, as mentioned above, there is also a sense of insecurity towards China expressed by quite different political forces in Russia. Such bitter opponents as Gaidar and Nazdratenko have publicly voiced concern over relations with China, although their reasons have not always been the same. Nazdratenko usually plays a nationalist card, using the threat of Chinese invasion and mentioning particularly the illegal immigration of Chinese citizens into the Russian far east. Gaidar shares the concerns over China's policy now and even more for the future but is above all strongly against the idea of Russia following the pattern of Chinese economic and political reforms under any circumstances—in which view he is joined by some Russian political forces and part of the general public.

This sense of insecurity has been felt for decades in the Russian far east. It was connected with the economic weakness and underpopulation of the region. Under the Soviet Union this combination of negative factors was compensated for by military might. For Russia, after the end of cold war and with much reduced military capabilities, China with its rapidly growing economy is now the most important reason for feelings of insecurity in the East.

Despite the continuing improvement of the relationship between China and Russia in recent years, fear of China has increased in Russia, aggravated by the fact that Russia has less choice and flexibility in its relations with China because of its relative weakness. For example, in the case of arms sales Russia may be forced to satisfy some Chinese requests it would not consider if the circumstances were different. Too close cooperation with China in military deals will harm Russia's relations with Japan and the United States and countries such as Indonesia will also not be happy. In the long run Russia will feel some danger from China's growing economic might, its comparative advantage in the size of its population and some military dangers.

Excessive expectations in some fields of bilateral relations—the result of a poor understanding of the genuine national interests of Russia and its partners on the part of the Russian authorities and some still influential political forces—will disappear one way or another.

There are, however, instances where China and Russia have common interests in developing fairly close ties, particularly to counterbalance the political influence of the one remaining superpower, the United States. Both countries will feel more comfortable in a multipolar world. Neither, however, will go so far as to call their relationship an alliance. There are also interests in economic cooperation, especially in the far east where energy is of great significance for developing bilateral ties.

That is why it is extremely important for Russia to develop its relations with Japan. Economically they could be much more important than the relationship with China. Japan accounts for about 70 per cent of the East Asian economy,¹⁵ and despite its current economic difficulties has much more capacity for investment in the Russian economy than any other country in the region. While it is very important for Russia to keep good-neighbourly relations with China, therefore, it is even more important to reach a higher stage in its relations with Japan.

The development of comprehensive ties and a better understanding with Japan can help Russia economically and politically and will balance Russia's relations with China. For both Japan and Russia it is important to eliminate the territorial issue as an impediment to a 'great leap forward' in bringing their bilateral relations up to the requirements of modern times. There is some hope for a solution since the initiative of the then Japanese Prime Minister, Ryutaro Hashimoto, in 1997 and following the 'no-necktie' meetings between him and President Yeltsin in November 1997 and April 1998. (Symbolically, the first of these took place in Krasnoyarsk where 10 years before Gorbachev had made his second important speech on the Soviet Union's policy in Asia–Pacific.) It remains to be seen if this new start will be fruitful or whether another 'Krasnoyarsk' will be needed 10 years from now.

The problem still is the issue of the southern Kuriles, where neither party is ready for a breakthrough. It is unrealistic to expect that the current or foreseeable domestic political situation will allow the Russian authorities to go far enough to meet Japan somewhere on the way to mutual agreement, mainly because of opposition from the communist and nationalist political forces; nor is Japan ready to change its inflexible position. There is a real possibility that only new political leaders on both sides will be able to take a breakthrough decision or to defuse the territorial issue.

Russian public opinion is likely to accept a trade-off after genuine public discussion—a compromise on the territorial issue for the sake of good economic and political relations with Japan—particularly if the latter were to provide financial assistance for economy of the Russian far east. For example, cooperation for the economic development of Sakhalin Island would definitely help to resolve the territorial issue and provide a more solid foundation for the relationship between the two countries.

¹⁵ *International Herald Tribune*, 21 Sep. 1998, p. 4.

The relationship with Japan has its own significance for Russia quite apart from any balance of power, and a substantial upgrading of their relations will improve Russia's security position in the region and help it to join the mainstream of regional economic integration.

During the 1990s South Korea has become an important partner of Russia. Although much should still be done to make their relations genuinely fruitful, their economic element is promising. Their relations have also become a very important factor for stability on the Korean Peninsula, which is the most important area of immediate concern for Russia in the region. The unfortunate 'spy scandal' of July 1998¹⁶ showed the spontaneous reaction of both sides and the absence of a solid foundation for their relations. Such a foundation should and could be built as soon as possible. It is in Russia's vital strategic and economic interests in the region.

The relationship with the United States is of a global nature, but for Russia to keep strategic interaction with the USA in the northern Pacific is of particular importance.

V. Final considerations

The best policy for Russia in Asia–Pacific is to be an acceptable partner for everyone while preserving its national interests. This means shedding its 'historical baggage' of old suspicions, which can lead to wrong decisions and in some situations limit the room for manoeuvre. It means escaping from its feelings of defeat in the cold war. There was no defeat: the Soviet Union collapsed mostly for internal reasons. It means giving up the 'Russian idea' or the 'Russian mission' in order to be as pragmatic as possible. It means Russia leaving aside the image of a great power for a more sober or modest one and defining itself as not a global but an important regional power. It means pursuing a proactive instead of reactive policy in Asia–Pacific while Russia has limited resources and a limited number of cards to play. It means pursuing a common-sense policy, contributing to the regional security and cooperation, and not adding external liabilities to internal economic and political instability.

1. Despite the need to keep a lower profile than before and to live according to its means, Russia cannot allow itself to be ignored where and when it has a legitimate interest, as in the case of the Korean Peninsula. This is one of the most instructive examples showing Russia's partners why it is not in their interest to isolate Russia from taking part in solving problems where Russia is one of the main participants. The initial diplomatic structure for talks on a new peace regime for the two Koreas included only China, the two Koreas and the USA, leaving Russia and Japan outside, and did not help to solve the problem on the Korean Peninsula or even to calm it down, as was clearly demonstrated by North Korea's behaviour.

¹⁶ See chapter 24, section II, in this volume.

2. It is clear that the only suitable strategy for Russia from the point of view of its national interests in Asia–Pacific is one of ‘constructive engagement’ in the economic and political integration in the region for the development of confidence-building measures and the prevention of an arms race. The goal is to get international assistance in the forms of trade (both goods and services such as tourism) and investment to develop the Russian far east and to secure for it a favourable international environment.

One question for Russia is what effort to put into Asia–Pacific. Will it still be the most important region in the next century, as was forecast before the East Asian ‘meltdown’ of 1997. Despite recent difficulties in the long-term prospects, the region remains the most promising one in the world and demands a comprehensive approach from Russia. If Russia can find the domestic resources to pursue a comprehensive policy it will help, on its side, to promote continuing Asia–Pacific integration.

3. Russian domestic and foreign policy, while rejecting ambitious goals, should concentrate on providing for immediate national interests. Instead of taking global initiatives (an old Soviet habit) for the sake of making a diplomatic fuss, it must concentrate on concrete measures.

4. Now that attention towards Asia–Pacific has been restored in the Foreign Ministry and the government in general, practical measures are needed to promote the development of the Russian far east, and not simply economic development but growth of good quality designed to raise living standards, first of all by developing the region’s infrastructure. By setting proper goals Russia will avoid wasting the limited resources it has for national rebuilding.

The restructuring of the Russian economy on a new basis is a fact, and needs economic interaction both with other parts of Russia and with partners from Asia–Pacific under a well-designed, comprehensive strategy of the Russian Government. Russia desperately needs to work out a strategy to prevent a decline of standards of living in the far east and to prepare it for economic cooperation with partners in the region.

5. The final factor is political uncertainty. One task is to form a consensus on how to face new challenges in Asia–Pacific in order to be able to carry out an appropriate policy and to create a more secure and predictable environment for Russia. For Russia perhaps the most urgent task is to be predictable itself. The political and economic crisis of August 1998 showed how weak the Russian economy and political systems, which since the beginning of the 1990s have been going from one crisis to another, still are. Only time will show how Russia is going to survive the resulting chill wind.

18. Sino-Russian relations after the break-up of the Soviet Union

Chen Qimao

I. Introduction

China has the largest population in the world, while Russia is the largest nation in terms of territory. Both are permanent members of the United Nations Security Council. Obviously, the significance of Sino-Russian relations extends far beyond the interests of the two nations. It also affects the stability of Asia and the world at large.

Sino-Soviet relations before the disintegration of the Soviet Union were characterized by a number of ups and downs. In February 1950, just four months after the establishment of the People's Republic of China (PRC), the two countries signed the Treaty on Friendship, Alliance and Mutual Cooperation.¹ The first half of the 1950s were a honeymoon period. However, by the late 1950s differences in national interests and ideologies emerged, leading to serious disputes in the early 1960s which developed into acute conflicts and border clashes in 1969. Hence, in the late 1960s and 1970s, the Soviet Union regarded China as one of its main rivals and stationed approximately 1 million troops and one-third of its SS-20 intermediate-range ballistic missiles along the Sino-Soviet border, threatening to make a 'surgical' first strike on China's nuclear bases. Under serious threat, China had to prepare for a military intrusion from the north. However, in the 1980s, the two countries came to the realization that tense relations were not in the interests of either side and they made efforts to alleviate the situation. Their efforts resulted in the normalization of relations during a state visit to Beijing by then Soviet President Mikhail Gorbachev in May 1989.

In December 1991, the Soviet Union disintegrated into 15 independent republics and Russia succeeded it as a permanent member of the UN Security Council. Sino-Russian relations thus faced a new test. Could the two countries maintain normal relations regardless of their different social systems and ideologies, or would their relations deteriorate even to a state of hostility? This was not only of concern to the two neighbouring countries but also to many others, especially the United States, Japan, and other North-East Asian and European nations. Fortunately, the leaders of both China and Russia handled the transition in the relationship carefully and skilfully.

¹ Xue Mao Houn and Pei Jian Zhang, *Zhong guo Weijiao* [Contemporary Chinese diplomacy] (China Social Science Publishing: Beijing, 1988), pp. 24–25.

So far their relations have developed smoothly and are as good as they have ever been. Because of their strategic significance there are bound to be different views of and comments about Sino-Russian relations worldwide. In China and Russia there are also different views of the relationship, which is close to the interests of both countries. This chapter aims to describe the development of Sino-Russian relations after the disintegration of the Soviet Union, to examine the foundations of and the problems remaining in the relationship and, finally, to examine the different courses the relationship may take in the future.

II. The development of relations

On 25 December 1991, Mikhail Gorbachev was forced to resign from the Soviet presidency and the flag of the Soviet Union fell. China lost no time in establishing diplomatic relations with Russia and the other new republics. On 27 December 1991, Chinese Foreign Minister Qian Qichen sent letters to the new republics, including Russia, informing them that China recognized their independence and was preparing to establish diplomatic relations with them. Two days later the Chinese and Russian deputy foreign ministers signed a protocol expressing the mutual desire to develop a 'good-neighbourly', friendly relationship on the basis of the Five Principles of Peaceful Coexistence² and China expressed its support for Russia as successor state to the Soviet Union in the United Nations. Thus the two nations made a first key step towards normalization of their relations.

Since then Sino-Russian relations have developed in a smooth and healthy direction. There have been three stages in the development of the relationship.

1. In December 1992 Russian President Boris Yeltsin visited China and met Chinese President Yang Shang Kun. This was the first summit meeting between China and Russia. The two signed a Joint Statement on the Foundation of Mutual Relations, stipulating that they would establish a good-neighbourly and mutually beneficial relationship on the basis of the Five Principles of Peaceful Coexistence. The document set the tone of friendship and cooperation.³ In addition, they signed a further 24 agreements on cooperation in various areas, providing good prospects and ample scope for the development of bilateral relations. This first stage of relations after the disintegration of the Soviet Union could be called the stage of friendly, cooperative partnership.

2. In September 1994 Chinese President Jiang Zemin visited Russia for a second summit meeting with Yeltsin. This produced a second joint statement defining the bilateral relationship as a 'constructive partnership oriented toward

² The Five Principles of Peaceful Coexistence are: mutual respect for sovereignty and territorial integrity; mutual non-aggression; non-interference in each other's internal affairs; equality and mutual benefits; and peaceful coexistence. First incorporated into a trade agreement between China and India of 29 Apr. 1954, they were presented in Apr. 1955 to the Bandung Conference of African and Asian states.

³ Shanghai Institute for International Studies, *Guoji Xingshi Nianjian 1993* [SIIS yearbook: survey of international affairs] (Shanghai Education Publishing House, 1993), p. 107.

the 21st century' and a statement affirming the two countries' commitment to no-first-use of nuclear weapons and not to target nuclear-armed missiles against each other. The two leaders also signed an agreement delineating the 55-km western sector of the Sino-Russian border.⁴ (An agreement on the 4300-km eastern border, signed by China and the former Soviet Union in May 1991, was awaiting implementation.⁵) This second summit meeting brought Sino-Russian relations to a new stage, which could be termed the stage of constructive partnership.

In May 1995 Jiang visited Russia to attend the 50th ceremony commemorating victory in World War II. During his visit Russia confirmed its support for the 'one China' principle and its opposition to Taiwan joining the UN. It also stated that it would abide strictly by the Sino-Soviet eastern border agreement despite some opposition from local officials in the Russian far east. China confirmed again that the Chechnya issue was an internal matter for Russia and that no other country should intervene, expressed its support for Russia's application to join the Asia-Pacific Economic Co-operation forum (APEC),⁶ and suggested that the two countries might cooperate further in UN affairs. This visit consolidated and developed the constructive partnership.

3. In April 1996 the third Sino-Russian summit meeting was held in Beijing. Jiang and Yeltsin signed a new joint statement proclaiming the forging of a 'strategic partnership of equality and trust oriented towards the 21st century'.⁷ Both nations appealed for the establishment of a just international political order. The Chinese leaders expressed their understanding of and support for Russia's position against NATO's eastward expansion and Russia committed itself to further strategic cooperation with China to make their shared border and their borders with the new Central Asian nations more peaceful and stable. The two countries also decided to increase their bilateral trade to \$20 billion by the end of the century. On 26 April, the heads of state of China, Kazakhstan, Kyrgyzstan, Russia and Tajikistan met in Shanghai and signed an agreement on confidence building in the military field in the border area.⁸ Since then, Sino-Russian relations have developed beyond a bilateral relationship, with greater cooperation in the international arena. This indicates that the relationship has reached a stage of strategic partnership.

In April 1997 the strategic partnership moved to a new level when Jiang visited Yeltsin for a fourth summit meeting. They issued a joint statement on the development of a multipolar world order rather than a unipolar world dominated by a single superpower, and expressed their determination to strive for a new international order based on the Five Principles of Peaceful Coexistence.⁹ Another important event during Jiang's visit was the signing by the leaders of

⁴ [SIIS yearbook, 1995], p. 91.

⁵ This was approved by the Chinese National People's Congress in Dec. 1994 and by the Russian State Duma in June 1995. See section IV in this chapter.

⁶ For the membership of APEC, see appendix 1 in this volume.

⁷ [SIIS yearbook, 1997], p. 114.

⁸ [SIIS yearbook, 1997], p. 109.

⁹ For the text of their statement, see *Rossiyskaya Gazeta*, 25 Apr. 1997, p. 3.

China, Kazakhstan, Kyrgyzstan, Russia and Tajikistan of a Treaty on Mutual Reduction of Military Forces in Border Areas which, combined with the agreement on confidence building in the military field signed in April 1996, constituted a new kind of security mechanism in Central and North-East Asia.¹⁰ Jiang and Yeltsin also announced the setting up of a committee on Sino-Russian friendship, peace and development for the 21st century.

In November 1997 President Yeltsin made his third visit to China for the fifth summit meeting since 1992. The most important outcome was the accomplishment of the demarcation of the 4300-km eastern border, thus settling a long-standing dispute and leaving only the question of three small islands to be settled by future generations.¹¹ This was a major breakthrough, especially considering the opposition to the settlement from some local officials in the Russian far east. Demarcation of the 55-km western sector of the border was completed in 1998.¹² A further important development was the setting up of a biannual meeting mechanism at prime ministerial level, which has run well. In June 1997 Russian Prime Minister Viktor Chernomyrdin visited China; in February 1998 Li visited Russia again. The meetings focused mainly on economic cooperation. A wide range of projects was discussed, including cooperation in machine-building, aeronautical and aerospace technology, the building of a gas pipeline from eastern Siberia to north-east China, and the building of a thermal power network in China. There were a number of agreements including one on the construction of a nuclear power plant in Lianyungang City, Jiangsu Province.

During Chernomyrdin's June 1997 visit the two countries signed a trade agreement for the years 1997–2000 and decided to establish a committee for coordinating border trade and regional economic and commercial cooperation.¹³ They discussed joint economic programmes, including the natural gas pipeline project mentioned above. Through their efforts economic and trade cooperation has made remarkable headway. The value of bilateral trade reached \$6.8 billion in 1996—far more than the annual value of Sino-Soviet trade at its height in 1991 (see table 18.1)—and it is becoming more orderly and regular, the greater part of it being conducted in cash and between major companies. In July 1998, then Russian Prime Minister Sergey Kiriyenko made a working visit to Beijing, meeting Jiang and the new Chinese Prime Minister, Zhu Rongji. The two prime ministers discussed mainly economic cooperation programmes and reached several new agreements.¹⁴

¹⁰ Lachowski, Z., 'Conventional arms control', *SIPRI Yearbook 1998: Armaments, Disarmament and International Relations* (Oxford University Press: Oxford, 1998), pp. 526–27.

¹¹ See section IV in this chapter. The 3 small islands still under dispute are Hei Zia Zi (Ussuri) Island and Yinlong (Tarabarov) Island, located at the intersection of the Amur and Ussuri rivers near Khabarovsk, and Bolshoy Island in the Algan River near Manzhouli.

¹² *Renmin Ribao* [People's daily], 24 Nov. 1998, p. 1.

¹³ [SIIS yearbook, 1998], p. 301.

¹⁴ *Xinhua Yuebo* [Xinhua monthly], Aug. 1998, p. 149.

III. The foundation of the relationship

The flourishing state of Sino-Russian relations is not accidental but solidly based.

The first element of the foundation of the relationship is mutual respect. The two countries suffered considerably as a result of their ideological disputes between the 1960s and the 1980s and are now confronted with the arduous task of developing their national economies. They badly need stability in the international environment, particularly in the immediate neighbourhood. When dramatic changes occurred in the former Soviet Union and Eastern Europe, Chinese paramount leader Deng Xiaoping declared that 'no matter whatever change might occur in the Soviet Union, we should calmly develop relations including political relations with the country on the basis of five principles of peaceful coexistence, and should not launch ideological debate once again'.¹⁵ The Chinese Government has followed this consistently. Russia, under the leadership of Yeltsin, affirmed its commitment to all the positive achievements of Sino-Soviet relations and to the continued implementation of the obligations of the treaties and agreements signed by the Soviet Union and China in May 1989 and May 1991. It also confirmed again its support for China's position on the Taiwan issue. On 15 September 1992 President Yeltsin signed the 'Order on the Russian Federation's relations with China' and reaffirmed that (a) there is only one China; (b) the PRC Government is the sole legal representative of China; (c) Taiwan is a part of China; and (d) Russia will never establish official relations with Taiwan.¹⁶ So far Russia has handled its relations with Taiwan cautiously, restricting non-official contacts. This is very important for the maintenance of normal and friendly relations between China and Russia.

A second element is the two countries' shared views on an increasing number of international issues in the light of the challenge from the United States and its allies. In the first years after the collapse of the Soviet Union, Russia adopted a pro-Western foreign policy, hoping for economic aid from the West and for recognition as a strong power and an equal partner of the United States. Later, however, deeply disappointed by the level of Western aid and by Western countries' fierce competition over the sphere of influence in the newly independent states, Russia switched to an 'omni-directional' or 'two-headed eagle' policy, pursuing relations with both Western and Eastern countries. Especially after 1995, under heavy pressure from NATO's eastward expansion led by the United States, Russia attached greater importance to its relations with China, India and other Asian countries.

China also faces US pressure on human rights, interference on the Taiwan issue and the threat of 'containment'. Naturally, the two countries sympathize with, support and cooperate with each other on many international issues. They agree extensively on the post-cold war situation. Both believe that the world is

¹⁵ *Selected Works of Deng Xiaoping*, vol. 3 (People's Publisher: Beijing, 1993), p. 353.

¹⁶ *Renmin Ribao*, 18 Sep. 1992.

evolving from a bipolar structure to a multipolar one. Neither can accept a unipolar world. Both are willing to contribute their due share to the establishment of a new, equitable and reasonable international order in which no one country dominates another. In addition, both oppose the re-emergence of hegemonies and power politics and the resurgence of cold-war thinking. This provides a solid political foundation for the Sino-Russian rapprochement.

The third element is that the two countries have great potential for economic cooperation. China is a large country with rich human resources, a large market and a good agricultural and industrial base but is relatively lacking in natural resources, including oil, natural gas, water, forest and arable land, and is relatively weak in high technology. Russia is a large country with rich natural resources and an industry with great potential, and is very strong in some high-technology areas but weak in light industry and agriculture. In addition, Russia has a relative lack of labour resources in relation to its large territory. Naturally, the two nations can help and cooperate to mutual benefit.

IV. Problems

While the progress achieved by China and Russia in their relations in recent years is significant, some remaining problems should not be ignored.

Bilateral trade

Economic cooperation between China and Russia is not commensurate with their highly developed political relations. Table 18.1 shows the value of their trade in 1991–97. It should be noted that, although since 1992 annual trade has exceeded the highest figures achieved in Soviet times, it is still very low—less than 2 per cent of China's total foreign trade by value,¹⁷ and less than 10 per cent by value of the trade between China and Japan.¹⁸ Moreover, its growth is not yet stable and fluctuates from year to year.

In 1994, the value of the bilateral trade fell by one-third. This was a major setback to economic cooperation between the two countries. The causes of the drop are somewhat complicated. First, before 1994 citizens of the two nations did not require a visa when travelling between China and Russia. Taking advantage of this opportunity, tens of thousands of small Chinese speculators flowed over into the Russian market with inferior goods, causing considerable harm to China's commercial credibility. In 1994, in order to check speculation, Russia strengthened its border controls, tightened its export control laws and raised import and export taxes. Border trade, which accounted for a high proportion of the bilateral trade, was drastically reduced. Second, Russia has

¹⁷ According to China's official statistics the value of its total foreign trade in 1997 was \$325 billion. *Zhengfu Gongzuo Baogao* [Government report 1997, made by the Prime Minister, Li Peng] (People's Publisher, Beijing: 1998), p. 13.

¹⁸ According to official Japanese statistics, the value of trade value between China and Japan in 1995 reached \$57.8 billion. [Japan–China economic cooperation monthly], Aug. 1996 (in Japanese).

Table 18.1. Bilateral trade between China and Russia, 1991–97

Year	Value of trade (current US \$b.)	Comparison with previous year (%)
1991	3.90	. .
1992	5.86	+ 50.0
1993	7.68	+ 31.0
1994	5.10	- 33.5
1995	5.46	+ 6.0
1996	6.80	+ 24.5
1997	(6.00)	(- 11.7)

Sources: Liu De Xi, Sun Yan and Liu Song Bin, *Sulian Jiatikedi Zhong e Guanxi* [Sino-Russian relations after the disintegration of the USSR] (Heilongjiang Education: Harbin, 1996), pp. 127, 128, 136, 139; Goskomstat [Russian State Committee for Statistics], [Statistics handbook 1996] (Russian State Committee for Statistics: Moscow, 1997), p. 142 (in Russian); and Xinhua News Agency Moscow report, 19 Feb. 1998.

suffered a serious recession and a capital shortage since 1993. Its trade and investment environment further deteriorated in 1994 while China began to adjust its economic policy in 1993 and its demand for Russian products fell. Third, some Russian corporations were not always able to provide quality goods to their Chinese partners or meet contract deadlines, which seriously harmed their commercial credibility. Finally, a large amount of Western consumer goods were flowing into Russia, greatly reducing China's share in the Russian market. These factors combined made the fall inevitable.

After the 1994 drop the two governments took some measures to revitalize bilateral trade and the situation has improved somewhat in recent years, but progress is still unstable and in 1997 bilateral trade fell again, by 11.7 per cent. Both China and Russia are dissatisfied, Russia especially so when it failed to secure the contract for the Three Gorges power project, although China had promised to give favourable consideration to its bid. Some Russians complained: 'Between Chinese and Americans, there is cooperation but no friendship, while between Chinese and Russians, there is friendship but no cooperation'.¹⁹

To increase their bilateral trade to \$20 billion by the year 2000, the two countries have made considerable efforts to promote economic cooperation. Still there are many difficulties. Since both are at present pursuing a market economy, the level and speed of economic cooperation, unlike political cooperation, cannot simply be decided by the leaders. It dictates its own terms. Both China and Russia are capital importers and cannot help each other in this regard. Neither China's consumer goods nor Russia's heavy industrial products are the best in the world or the most attractive to the partner country.

¹⁹ Personal communication with a senior official of the Chinese Ministry of Foreign Trade and Economic Cooperation.

Misunderstandings and suspicions

For historical, cultural and geopolitical reasons, there are still some misunderstandings and suspicions among the population on both sides. In the early 1990s there were some difficulties with the demarcation of the eastern sector of the border between the two countries. Under the agreement on the eastern border signed in 1991²⁰ an area of 15 km² in Russia's Primorskiy Krai (Maritime Province), including some small islands in the Amur and Ussuri rivers and small pieces of land along the Tumen River, was to be transferred to China. This was in full conformity with the principle of international law that border rivers should be demarcated along the central line of the navigation route. However, some local officials in Primorskiy Krai denounced the agreement, alleging that the land to be handed over would include 'two strategic sections of the Tumen River that would provide direct access to the Sea of Japan' and that 'the Chinese were expected to build a seaport in the area that could compete with existing Russian Far East ports'.²¹ This allegation is totally groundless. China has no intention of building a seaport on the Tumen River, and it is not actually feasible to build a seaport on the small pieces of land transferred.

For a time this issue was an obstacle for the final solution of the border disputes. Fortunately, under the leadership of Yeltsin, the Russian Government took a steady position on the implementation of the border agreement. Then Foreign Minister Andrey Kozyrev denounced allegations that the agreement harmed Russia's sovereignty and rejected the demand for a review. In 1995 the State Duma, after holding a hearing on the border problem, reconfirmed the 1991 agreement and stressed that it would not be revised. On 25 April 1996 President Yeltsin issued an order to accelerate the demarcation of the eastern border. Meanwhile China took a steady but restrained attitude towards the issue and consulted with the Russian Government closely.

Now the border disputes are basically resolved. Nevertheless, some Russians still fear that China will claim territory from Russia in the future. Their fears are based on earlier statements by China that the border treaties signed by the two nations in the 19th century were unfair. This is a misunderstanding. It is true that in border negotiations in the 1960s China said that the border treaties signed by Qing China and tsarist Russia in the 19th century, including the 1858 Ai Hui Treaty, the 1860 Beijing Treaty, the 1864 Treaty on demarcation of the north-west border and the 1881 Yi Li Treaty, were unequal treaties imposed on China by Russia. However, at the same time China declared: 'Considering the reality, China is willing, through peaceful negotiations, to resolve the border disputes between the two countries comprehensively and to redefine the whole demarcation line on the basis of those treaties. China is not demanding back the territories grabbed by tsarist Russia'.²² Firmly adhering to this position, the

²⁰ See section II in this chapter.

²¹ *Asian Survey*, vol. 36, no. 1 (Jan. 1996), p. 106.

²² 'Statement of the Chinese Government', *Renmin Ribao*, 24 May 1969, p. 1; and 'Chinese Foreign Ministry document', *Renmin Ribao*, 8 Oct. 1969, p. 1.

Chinese Government negotiated with the Soviet Union and then Russia to reach the two border agreements. China is happy to see a final settlement of the disputes and has no intention of raising the problem once again.

Some Russians still harbour the old 'yellow peril' thinking. They think that a strong and prosperous China might be a threat to Russia, especially to its far east. In China, some fear that when Russia recovers from its current difficulties it might resume its expansionist policy and constitute a threat to China. This is obsolete thinking, reflecting the hostile past. Nevertheless, it is a problem, and indicates the need for greater exchange between the peoples of the two countries in order to promote mutual understanding.

Illegal immigration

Another source of friction has been the issue of illegal Chinese immigrants in the Russian far east. In 1994 the Russian news media, with the support of some local officials in the Russian far east, issued a number of reports about China's 'expansion' in the far east, claiming that an estimated 2.5 million Chinese had entered the Russian far east in search of jobs and business opportunities.²³ General Pavel Grachev, then Russian Defence Minister, even asserted that Chinese nationals were conquering the Russian far east by peaceful means.²⁴ Clearly the problem was greatly exaggerated. According to Emil Payin, adviser to the Russian President, 'The Chinese immigrants mainly concentrated in four cities, Vladivostok, Khabarovsk, Blagoveshchensk, and Nakhodka. As a matter of fact, the total population of the four cities in 1993 was 1.8 million. The two-million figure, hence, is not worth refuting. In fact, in 1992 and 1993, the amount of Chinese immigrants was no more than 50 000 and 80 000, respectively. By 1997, it was no more than 200 000'.²⁵

Payin also pointed out that the real problem was that the economy of the Russian far east had been bogged down in a long-term crisis since 1988. In 1990 the situation deteriorated: the region could not get food, consumer goods or other necessities from the Russian European regions and had to rely on border trade with China. Chinese immigrants flowed in with capital and goods. By 1993, 43 per cent of joint ventures in the Russian far east region were established by Chinese investors. Chinese workers found employment on farms and in the building industry as cheap labourers. At the same time, China opened its own market to Russians. In 1993 the region's exports to China were 33.6 per cent by value of its total exports, next only to its exports to Japan. This was obviously beneficial to the region's economy. The problem was that some Chinese entered the region and made money illegally, and among those illegal immigrants the crime rate was relatively high.²⁶

²³ ITAR-TASS, 26 Jan. 1994, in Foreign Broadcast Information Service, *Daily Report—Central Eurasia (FBIS-SOV)*, FBIS-SOV-94-17, 26 Jan. 1994, pp. 24–25.

²⁴ *Asian Survey* (note 21).

²⁵ Pain, E., 'Problem: "illegals" on Amur shores. On Chinese immigration to the Russian far east', *Rossiyskiye Vesti*, 6 May 1997 (in Russian), in FBIS-SOV-97-093, 15 May 1997.

²⁶ Pain (note 25).

Payin's report and analysis may be close to the facts. The Russian far east and north-eastern China are highly complementary. The former is a large territory with rich resources but a relatively small population. Lack of labour and capital is a major problem in its development. North-eastern China has a big population and a large, cheap labour force, and is more developed than the Russian far east. Clearly the two regions can gain benefit from cooperation. The problem is good management. In 1994 the Russian Government strengthened its border controls by removing 20 border checkpoints from the control of local governments and putting them under Moscow's direct control, terminated the liberal visa system and restricted the issuing of visas to Chinese businessmen.²⁷ In 1995, Russia's Federal Immigration Service and China's defence, civil and public security ministries concluded three agreements to prevent illegal migration and illegal trafficking in arms, ammunition, drugs, and poisonous and radioactive materials.²⁸ Since then the situation has improved substantially. Further cooperation on border control and migration is needed. Any exaggeration of the issue is not in the interests of either country.

V. Conclusions: Sino-Russian relations in the future

Since China and Russia are large countries with considerable strategic significance, the future of their relations is of concern to the rest of the world. A variety of views have been expressed in the context of this problem. Roughly divided, they can be presented in three possible scenarios for the development of Sino-Russian relations.

Scenario one: alliance against the USA

Some Western scholars suggest that, under certain conditions and on the basis of the current strategic partnership between the two nations, Russia will try to unite with China and probably Iran to form an alliance against the USA.²⁹ This is very unlikely.

The important question is how to assess the strategic partnership between China and Russia. It was initiated by President Yeltsin and accepted by China. It is a new type of state-to-state relationship based on the Five Principles of Peaceful Coexistence. 'Strategic' here does not mean a military alliance but indicates that the two countries will cooperate in bilateral affairs and in the establishment of a fair, reasonable and stable international order. Both China and Russia believe the world to be in a state of change and believe that the new world configuration will be a multipolar one. Both have an omni-directional foreign policy, which entails that they would like to keep good relations with all countries. China wants to maintain good relations with both Russia and the

²⁷ *Asian Survey*, vol. 35, no. 1 (Jan. 1995), p. 103.

²⁸ *Asian Survey* (note 21).

²⁹ Brzezinski, Z., *The Grand Chessboard: American Primacy and its Geostrategic Imperatives* (Basic Books: New York, 1997), pp. 115, 116.

United States, while Russia wants to maintain good relations with China and the United States. They are well aware that the United States is still the strongest power in the world and will certainly be one pole of the future multipolar world. Neither China nor Russia will challenge its primacy in today's world. As a matter of fact, both China and Russia have decided to establish a strategic partnership with the USA.³⁰ What they do not want to see is US 'world leadership' or a 'unipolar world'. Nor, in fact, do most Americans. According to a poll held in June 1996, only 13 per cent of Americans endorsed the idea that 'as the sole remaining superpower, the United States should continue to be the permanent world leader in solving international problems'. An overwhelming majority of respondents (74 per cent) preferred that the USA 'do its fair share in efforts to solve international problems together with other countries'.³¹

The Sino-Russian strategic partnership is characterized by three 'nons'—non-confrontation, non-alliance and non-aiming at any third country. Some people believe that, since both have expressed their opposition to hegemony in any form, their strategic partnership must be directed against the United States. This is also a misunderstanding. China regards anti-hegemonism as a basic principle of its foreign policy and considers it necessary to oppose hegemony in order to protect sovereignty and safeguard world peace. It will oppose the pursuit of hegemony whether by a global or a regional power or any other. This does not mean that it regards that particular power as its enemy. China will not cease its efforts to improve relations with the United States, despite opposing US hegemonic policy or action on specific issues. Conversely, it will not give up the anti-hegemony principle in order to improve relations with the United States.

Russia holds similar views in this regard. Hence it is not correct to say that their strategic partnership is directed against the United States. The limitation is very clear: when Russia denounced the eastward expansion of NATO, China only expressed its understanding, sympathy and moral support and did nothing further. When China criticized the September 1997 Guidelines for US–Japan Defense Cooperation and asked Japan and the USA to clarify whether their defence cooperation covered the Taiwan Strait or not, Russia kept silent.

The fact that China has procured some weapons from Russia should not be exaggerated. By 1996 its main procurements from Russia included 50 Su-27 fighter aircraft, surface-to-air missiles, 10 Il-76 transporters and 2 Kilo Class submarines.³² In addition, it is reported that the two countries signed an agreement to produce an updated model of the Su-27 fighter aircraft in a Shenyang factory.³³ In comparison with the procurement of advanced weapon

³⁰ After a summit meeting in Washington, China and the USA declared their intention to establish a constructive strategic partnership in a statement of 29 Oct. 1997. [SIIS yearbook, 1998], p. 410.

³¹ Brzezinski (note 29), p. 221.

³² See appendix 3 in this volume.

³³ Japanese National Institute for Defense Studies, *East Asian Strategic Review, 1996–97* (Japanese National Institute for Defense Studies: Tokyo, Dec. 1996), pp. 109–10.

systems by India, Japan and even Taiwan in recent years, China's procurement is modest.³⁴

In terms of relations with Iran, it is true that both China and Russia regard Iran as an important developing country and are maintaining good relations with it, but this does not mean that they share the same views as Iran on international affairs. Neither China nor Russia would like to see ultra-nationalism or religious fundamentalism in any region of the world after the cold war. In this respect they share common interests with many countries, probably including the United States.

It therefore seems impossible that China and Russia would ally themselves against the USA unless the USA makes terrible mistakes in regarding them as its enemies.

Scenario 2: a return to conflict

Some observers suggest that conflicts between China and Russia might emerge again if China becomes stronger or Russia recovers its great-power status. This is also very unlikely. As mentioned above, the border disputes are resolved and China is happy to see the problem settled once and for all. China has no intention to penetrate into the Russian far east through immigration. Its position is clear: all Chinese immigrants should abide strictly by Russian law. China sincerely hopes to cooperate with Russia to improve the management of migration and settle the problem of illegal immigrants. As long as the two countries stick to the Five Principles of Peaceful Coexistence, there is no reason why they should not live together peacefully, cooperatively and harmoniously. The only possible cause of conflict would be if one of them became powerful and adopted a hegemonic stance. China has made it very clear that it will never pursue hegemony or seek a sphere of influence. At the Sixth Special Session of the UN General Assembly in April 1974, Deng Xiaoping even said that if China were to develop a hegemonic stance some day in the future the world's population should expose, oppose and topple it together with the Chinese people.³⁵ This reflects China's firm determination never to seek hegemony or to bully, threaten or invade other countries.

Historically, Russia has had a tradition of expansionism. However, the world situation has changed drastically. Peace and development are the theme of the current epoch and economic matters have become the most important factors in international relations. Russia has also changed tremendously. Drawing lessons from history, Russia is concentrating on economic reform and revitalization, and hence needs a peaceful environment. There is no reason why this great country should repeat the mistakes of history. The probability of this scenario is thus slight, if not zero.

³⁴ See, e.g., Hagelin, B., Wezeman, P. D. and Wezeman, S. T., 'Transfers of major conventional weapons', *SIPRI Yearbook 1999: Armaments, Disarmament and International Security* (Oxford University Press: Oxford, 1999), p. 426.

³⁵ Deng Xiaoping's speech at the 6th Special Session of the UN General Assembly, *Renmin Ribao*, 11 Apr. 1997, p. 1.

Scenario 3: normal relations and limited strategic cooperation

A third scenario is that the two countries maintain a normal, friendly and harmonious relationship, handling disputes through continual dialogue and consultation. Economic cooperation will be pushed forward step by step, but the achievement of the \$20 billion goal for bilateral trade should be postponed to the early 21st century. In international affairs, the two nations will further their strategic dialogue and cooperation and support each other in many but not all areas. China will support Russia's legal interests but not its dominance in other newly independent states on the territory of the former Soviet Union.

China will also support Russia in playing an important role in the Asia-Pacific region. In North-East Asia, China regards Russian-Japanese rapprochement as a positive development, conducive to the strategic balance of power in the region. Both China and Russia want to see peace and stability on the Korean peninsula. In Central Asia China and Russia are cooperating smoothly, both keeping a vigilant eye on religious fundamentalism and ultra-nationalism. China regards Central Asia as one of its sources of energy supply in the near future, and has made some investments in oil exploration which have so far been supported by Russia. However, as Russia regards the Central Asian republics as its 'near abroad', some conflicts of interest involving the region may emerge in the future. In South Asia, both China and Russia denounced India and Pakistan for their nuclear tests of May 1998, but while China stressed that India, having initiated a nuclear weapon competition, had seriously threatened peace and stability in Asia, Russia did not stress the fact. India is Russia's traditional strategic partner, while China maintains fairly close relations with Pakistan. Some differences of opinion in this respect might therefore emerge under certain conditions. Hence the principle of seeking common ground while reserving differences is also applicable in Sino-Russian relations. This is the most plausible scenario.

Obviously, the third scenario is not only in the interests of China and Russia, but also the most favourable for peace and stability in the Asia-Pacific region and the world at large. No country has reason to fear a healthy development of Sino-Russian relations—rather there is every reason to support and encourage it.

19. Russia and China: what is in the pipeline?

Yuri V. Tsyganov

I. Introduction

One of the many historic developments of the past decade is the rapprochement of China and Russia, which may prove extremely important for the future of international relations. The initial changes in Russian policy towards China may be traced back to the period of Soviet President Mikhail Gorbachev in the late 1980s. With the withdrawal of troops from Afghanistan, troop reductions in the Russian far east and a more balanced approach to the settlement of the Cambodian crisis, the USSR largely responded to China's preconditions for a normalization of relations. Gorbachev's visit to Beijing in May 1989 put a formal end to the period of mutual distrust and alert.

Gorbachev's policy brought changes in attitudes to China among the Soviet conservative ruling elite and military. Cooperation between Soviet and Chinese defence bodies, including cooperation on the issue of arms, became one of the cornerstones of the new partnership. In the view of Gorbachev's conservative critics, the Chinese experience in economic reforms presented an attractive alternative to Gorbachev's domestic political reform and pro-Western orientation in foreign policy. This resulted in demands from a wide spectrum of Russian political forces, ranging from the leftists to the centrists, that the lessons to be learned from the Chinese experience be incorporated in the Russian reforms of the early 1990s.¹ Russian democrats, meanwhile, considered China a totalitarian communist state and avoided any contact with it, emphasizing instead the Western dimension of Soviet foreign policy.

Closer relations with China, a stress on Sino-Russian cooperation as a priority for Russia's Asia-Pacific policy and strategic cooperation with China have since emerged as characteristics of the conservative influence on Russian foreign policy. In turn, China was one of the countries to recognize the Emergency State Committee attempted *coup d'état* of August 1991 and was deeply cautious about Russian reform and the possible future effect of the demise of socialism. Russian efforts for integration into the world democratic community also coincided subsequently with a major campaign in the West to protect human rights in China after the Tiananmen Square incident of 1989, strengthening the Russian democrats' view of China as a communist totalitarian regime.

¹ Russian sinologists (most of whom advocate government interference and slow economic reforms) provided a theoretical explanation for this. See, e.g., Ostrovskiy, A. V., 'Otsenka vozmozhnostey ispolzovaniya opyta kitayskikh reform v Rossii' [Assessment of the possibilities of using China's experience of reform in Russia], in *Opyt Rynochnykh Preobrazovaniy v Kitae* [China's experience of market reforms] (Institute of Far Eastern Studies: Moscow, 1996), pp. 163–72.

The defeat of the 1991 coup, the Soviet Communist Party's loss of power and the victory of anti-communist pro-Western political forces temporarily froze the Sino-Russian rapprochement. An overwhelmingly pro-Western political orientation and the stress that the Russian authorities at first put on the issue of human rights in China did little to overcome this growing gap in mutual perceptions. Thus, in Russian international priorities China came after the United States, Western Europe, Japan and South Korea. It was not by chance that the Russian Foreign Ministry even asserted in 1992 that China was of secondary importance in Russia's foreign policy.²

In early 1992 there was a chance to develop a radically new Russian approach to North-East Asia which would place major emphasis on relations with Japan as a member of the Western community that might provide the voice of influence much needed by Russia. However, this met fierce domestic opposition. From the very beginning, foreign policy was targeted by opposition groups who insisted on a more versatile Asian dimension, as opposed to the line of the then Foreign Minister, Andrey Kozyrev, for cooperation with the West. The Asian partners favoured were China and India rather than Japan.

Since 1993 China has emerged as Russia's most natural cooperation partner. There were several reasons for this. First, Sino-Russian relations in the 1990s did not suffer significant setbacks, unlike the dialogue with Japan which was complicated by the dispute over the southern Kuril Islands or the efforts to integrate Russia in Asia-Pacific regional institutions. The ground had been prepared by Gorbachev. The concentration of both countries on domestic economic priorities and the parallel, although uneven, reduction of troops along the border,³ the first agreement on the delimitation of the eastern part of the border signed in 1991⁴ and the elimination of territorial claims⁵ calmed the perceptions of persistent threat that had been felt from the 1960s to the 1980s and removed ideological competition from the agenda. President Boris Yeltsin's visit to Beijing in December 1992, his second in the Asia-Pacific region after Seoul, restored the atmosphere of normal relations.

The second key factor that contributed to improved relations was the expansion of Russian arms sales to China and increased military-technical cooperation between the two.⁶ As a result of the Tiananmen Square incident sanctions had been imposed on China by the West which restricted the supply of modern arms and military technology⁷ while the under-financed Russian military

² Goncharov, S., 'Osobyie interesi Rossii: v chem oni zaklyuchayetsya?' [Russia's special interests: what are they?], *Izvestiya*, 25 Feb. 1992, p. 5.

³ Savenkov, Yu., 'Kitaytsy budut letat na Su-27' [Chinese to fly Su-27s], *Izvestiya*, 3 Mar. 1992, p. 4.

⁴ See chapter 18 in this volume.

⁵ Savenkov, Yu., 'Kak Ostrov Damanskiy stal kitayskim' [How Damanskiy Island became Chinese], *Izvestiya*, 23 Mar. 1992, p. 6.

⁶ See, e.g., Sergounin, A. A. and Subbotin, S. V., 'Sino-Russian military-technical cooperation: a Russian view', ed. I. Anthony, SIPRI, *Russia and the Arms Trade* (Oxford University Press: Oxford, 1998), pp. 194-216.

⁷ Immediately before Yeltsin's 1992 visit to China, the Japanese Kyodo news agency revealed secret instructions of the Chinese Communist Party Central Committee to develop military collaboration with Russia with the aim of obtaining an end to the embargo of the West on the export of military technology to China.

industry, experiencing a decline in domestic sales, benefited from the increase in demand from China. China soon became its largest customer and one that, unusually, was eager to expand its purchases.⁸

A third factor was the growing gap of perceptions and alienation from the West. Throughout the 1990s China has encountered challenges from the West on questions of human rights, its stance on Taiwan, its military programmes and especially activities around the Taiwan Strait and the South China Sea islands. Russia's concerns lay elsewhere, namely, in the general trend towards a more assertive foreign policy, periodically diverting attention to the situation in the Baltic countries, Iran, Iraq, Libya and the former Yugoslavia, and in the intensifying dispute over NATO expansion—issues which remained remote from China. Even so, a general trend towards distancing themselves from the West and rejecting the model of a US-led international community, an insistence on the need for a multipolar post-cold war international system, and the clear lack of direct conflicts between them all opened the way for China and Russia to give each other at least verbal support and to prepare the ground for strategic partnership aimed at bringing about a multipolar world.

The gradual discovery of China as Russia's most suitable partner in Asia did not stem from any calculated strategy. It emerged as a result of Russia's rather unsuccessful attempts to formulate guidelines for a new Asia-Pacific policy. It was a last attempt to improve cooperation with its Asian neighbours and to escape from the limits imposed on it by the cautious vision and lack of political will of every other possible partner. The intensive development of Sino-Russian cooperation after 1993 mirrored the trend in Russian foreign policy away from the 'romanticism' of Atlantic cooperation and towards a new assertiveness. This enabled Russia to find another important critic of the US-led world and yet one that was outside the club of 'pariah nations'.

However, the Sino-Russian 'strategic partnership' does not of itself enable Russia to find a new Asia-Pacific or North-East Asian strategy. The stake on priority engagement with China did not simplify Russia's aim to determine and pursue its goals in Asia-Pacific. The dialogue with China did not touch on cooperation on issues vital for Russia's Asian policy, for example, its role on the Korean Peninsula and the resolution of Korean problems, arms control, the establishment of confidence-building measures (CBMs) in Asia-Pacific (except directly where border arrangements were concerned), Russia's integration into regional structures and so on. It does not settle Russian problems in Asia-Pacific or remove the need for further search for accommodation with other regional powers. The revival of Russian-Japanese dialogue in 1996-97 reflects this last need.⁹ It is oriented not so much for mutual practical assistance in international or regional issues as for a parallel global response to the United States' and its allies' attempts to impose their views on China and Russia

⁸ Anthony, I., 'Trends in post-cold war international arms transfers', ed. Anthony (note 6), p. 30, citing the SIPRI arms transfers database.

⁹ See chapters 20 and 21 in this volume.

through mutual support on issues where their interests do not overlap. Sino-Russian relations seem to be a trump card in Russia's relations with the West.

China recognized the new Russia as early as December 1991 and in early 1992 adopted a decision to stimulate contacts with Russian business circles. To revive bilateral cooperation, China used existing channels in Russia, primarily with military industrial cooperation and with trade and economic relations which might provide a new basis for bilateral ties.

During 1992 China and Russia managed to overcome their ideologically determined mutual distrust and alienation. The prospect of practical gains from cooperation, primarily in the military industrial sphere, on the basis of agreements reached in the late Gorbachev period finally prevailed. Various contacts on different levels were made. By the time of Yeltsin's December 1992 visit to Beijing the ground for the intensive development of economic cooperation was thoroughly prepared. The Joint Statement on the Foundation of Mutual Relations between the Russian Federation and China was signed.¹⁰ Each made a commitment not to join alliances directed against the other and not to allow any third party to use its territory to endanger the security of the other.

The view that the principal object of this declaration was to secure the Sino-Russian border in order to concentrate efforts on economic transformation is commonly accepted but not quite correct. In the 1980s both countries gave top priority to economic development and gradually left ideological stereotypes behind them. Even in the era of greatest hostility, neither of them considered an armed conflict on a strategic scale as realistic,¹¹ although both spent large amounts on a military build-up on the border.¹² The reduction of ideological confrontation resulting from the reforms in both countries and the consequent improvement of bilateral ties therefore easily opened the way for a radical and rapid reduction of military confrontation in the Far East.

II. Strategic relations

For at least three decades relations between China and Russia had been based on the triangular interdependent logic of the balance of power between the USSR, the United States and China. The level of confrontation between the participants and their power potential largely determined the functions of the triangle. The logic assumed that the two weaker and/or more passive sides would cooperate to meet the challenge of the strongest and/or most active. In the 1970s, despite supposed *détente*, Russia was the most offensive, but in the late 1980s the United States gradually took a more active stance. Under these

¹⁰ Kononenko, V. and Skosyrev, V., 'S velikoy Kitayskoy steny B. Yeltsin prizval k sblizheniyu Rossii s Kitayem' [From the Great Wall of China Boris Yeltsin calls for Sino-Russian rapprochement], *Izvestiya*, 18 Dec. 1992, p. 1.

¹¹ Brezhnev, A. A., 'Kitay: ternisty put k dobrososedstvu' [China: the thorny path to good neighbourliness], *Mezhdunarodnye Otnosheniya*, 1998, pp. 177–78.

¹² Russian sources estimate military expenditures related to the 'Chinese threat' at \$100 billion in pre-reform prices over 20 years before the normalization of relations. Brezhnev (note 11), p. 8.

conditions and within the logic of triangular relations China put the accent on enhancement of relations with the 'weaker' side—the USSR.

With the collapse of the USSR the triangle seemed to vanish, too. However, tensions between Russia and the West, confusion over relations among the countries of the Commonwealth of Independent States (CIS) and Russia's weak position in the Asian–Pacific region (aggravated by the unsettled territorial dispute with Japan) subsequently led the Russian leadership to return to a triangular logic in its foreign policy.

Thus, by the mid-1990s the 'triangular' political motivation re-surfaced as dominant in Sino-Russian relations. During his visit to Beijing in January 1994, Russian Foreign Minister Andrey Kozyrev proposed to raise bilateral cooperation to the level of strategic partnership, an idea accepted by China after a period of hesitation.¹³ The Joint Declaration signed during the visit to Moscow of President Jiang Zemin in September 1994 characterized Sino-Russian ties as 'new relations of cooperative partnership'.¹⁴

Russia's rapprochement with China was smoothed by the fact that the two countries can easily and with minimal effort support each other in two issues that are vital for them, the expansion of NATO and the problem of Taiwan. The Joint Declaration signed in Beijing on 26 April 1996, formulating 'partnership relations of equality and confidence oriented to strategic interaction in the 21st century',¹⁵ was a new step forward. China has stated that it understands the Russian position against NATO expansion eastwards and supports Russian actions to preserve the federation, treating the Chechnya issue as an internal matter. Russia in its turn has reiterated that the Chinese Government is the only legal administration to represent all of China and that Taiwan is an integral part of Chinese territory. Russia will therefore not establish official relations or have official contacts with Taiwan. Russia also recognized Tibet as an integral part of China.

In general in 1991–96 Sino-Russian relations furthered the debate on 'partnership relations of equality and confidence oriented on strategic interaction in the 21st century' as a major issue. The year 1996 was also marked by the visit to Moscow of the Chinese Prime Minister, Li Peng, an agreement to intensify top-level contacts (not less than once a year), and the starting of a business cooperation structure similar to the Gore–Chernomyrdin Commission.¹⁶ In June 1997 the two governments signed a 10-year agreement to establish a mechan-

¹³ Skosyrev, V. and Eggert, K., 'Ministry inostrannykh del Rossii i Kitaya navodyat poryadok na granitse' [The Russian and Chinese foreign ministers put the border into order], *Izvestiya*, 29 Jan. 1994, p. 4.

¹⁴ Savenkov, Yu., 'Risuyesh derevo, pochuvstvy, kak ono rastet' [Before painting the tree, sense how it grows], *Izvestiya*, 2 Sep. 1994, p. 3.

¹⁵ Platovskiy, A., 'Politicheskiy duet v Pekine zvuchal na redkost slazhenno' [The political duet in Peking sounded uncommonly harmonious], *Izvestiya*, 26 Apr. 1996, p. 3.

¹⁶ The US–Russian Joint Commission on Economic and Technological Cooperation, set up in 1993 as a joint initiative of then Russian Prime Minister Viktor Chernomyrdin and US Vice-President Al Gore to promote cooperation on a wide range of issues related to energy, the environment, science and technology, space exploration and defence conversion.

ism of regular meetings between their two heads.¹⁷ This is aimed at developing bilateral cooperation in trade and economic matters, military exchange, scientific cooperation, energy and nuclear energy production, and transport. Within the framework of this mechanism relevant commissions were established.

The April 1997 summit meeting highlighted the desire to demonstrate to the international community (primarily the United States) the correlation between the geopolitical postures of the two nations, as represented in the Joint Declaration on a Multipolar World and the Emerging New International Order of 23 April 1997.¹⁸ The document is unique for post-Soviet Russia: nothing of the kind has been agreed with any other country. Both sides praised the declaration as 'a result of serious analysis of international relations in the post-confrontation period' showing common views on and approaches to the post-cold war international situation.¹⁹

The Sino-Russian rapprochement is basically a reaction to the changing balance of power in world politics, enabling the two countries to act in parallel rather than as allies. Their efforts to develop a strategic partnership seek to counter the US line of preserving a unipolar international system and seek the establishment of multipolarity with both countries playing the most independent roles possible. The objectives of joint action by China and Russia are concurrent self-determination, independent influence and separate bargaining positions rather than a close military and political alliance. It is symbolic that the search for terms to define the stages of their bilateral cooperation has been mostly a search for labels to attract the attention of third parties (the United States and Japan). At the same time it is constantly stressed that it is not an alliance relationship.

China and Russia have successfully used the triangular relationship of China, Russia and the USA for their own interests. The verbal support Russia received from China on the question of NATO expansion made it easier for Russia to bargain with the West, to receive compensation in the form of participation in the Group of Seven leading industrial nations (G7), to be admitted to the Paris Club of Industrial Country Creditors²⁰ and to restructure debt with the London Club of private lenders.²¹

The Krasnoyarsk meeting between Yeltsin and Japanese Prime Minister Ryutaro Hashimoto in November 1997 was the result of Russian efforts to gain an alternative partner in Asia and avoid being oriented exclusively towards China. As is well known, one of Japan's main concerns was to balance stable relations with Russia against China's growing power.

¹⁷ *Problema Dalnego Vostoka*, no. 4 (1997), pp. 95–96.

¹⁸ Savenkov, Yu., 'Moskva i Pekin prizyvayut zhit družno' [Moscow and Peking call for friendship], *Izvestiya*, 24 Apr. 1997, p. 3.

¹⁹ Karasin, G., 'Rossiya i Kitay na poroge tysyacheletiya' [Russia and China on the threshold of the new millennium], *Mezhdunarodnaya Zhizn*, no. 6 (1997), pp. 13–18; and Zhan Deguang, 'Strategic partnership oriented towards the 21st century', *Mezhdunarodnaya Zhizn*, no. 6 (1997), pp. 19–22.

²⁰ Russia became a full member in Sep. 1997.

²¹ Kovalenko, Yu., 'Chubais prevratil Parizhskiy Klub v agenta Kremlya' [Chubais turns the Paris Club into an agent of the Kremlin], *Izvestiya*, 19 Sep. 1997, p. 3.

China seems to have a clearer idea than Russia what to do with the possibilities that are open to it. In its turn, it was given the opportunity for constructive dialogue with the United States. As Li Fenglin, China's ambassador to Russia, put it, 'the Chinese–Russian strategic partnership . . . does not rule out relations of partnership between other countries. Moreover, if the world's major powers establish relations of partnership, this would benefit global peace and stability'.²² Practically, China seeks to balance its relations with Russia by promoting ties with the USA. The formula of strategic partnership that was to characterize the Sino-Russian relationship in 1996–97 was discussed by China and the USA as well.²³ A small but significant detail is that in 1996 China and Russia agreed to establish a 'hot line' between the two presidents, but actual implementation was postponed until 1998 when a similar agreement between China and the USA came into force. Li Fenglin cited the following opinion on the ties between the three parties: that between China and the USA there is cooperation without sentimentality and between China and Russia sentimentality without cooperation.²⁴ This seems to be correct.

China's current assessment of the structure of international relations is based on the premise that international forces are dispersing. Currently the USA is the only superpower in the world, but China believes that the ability of the USA to influence international affairs will gradually diminish in the near future. Thus, the world is becoming a multipolar structure, in which various powers are balanced and large-scale military conflicts are unlikely.

In the new international situation China is to continue its policy of maintaining independence and keeping the initiative in its own hands. That means that it intends to determine its position in the world arena independently, refuses to participate in any alliance or arms race, and is developing cooperation with all the nations of the world on the basis of the Five Principles of Peaceful Coexistence.²⁵ Essentially, China tries to be pragmatic and does not want any ideological affinity or dispute to determine its international relations. It has mostly removed ideological constraints on its foreign policy in order to avoid letting ideological and geopolitical factors prevail over economic expediency.

On the whole, the emergence of a military and political Sino-Russian alliance seems inconceivable as their geopolitical and strategic national interests do not coincide. China would rather avoid the prospect of becoming a party to a conflict in remote Europe in the event of threats to relations between NATO and

²² Li Fenglin, 'Chinese–Russian relations after the fifth summit in Beijing', *Problemy Dalnego Vostoka*, no. 1 (1998), p. 4 (in English).

²³ A joint statement released following the US–China summit meeting in Oct. 1997 stated that 'the two Presidents are determined to build toward a constructive strategic partnership between the United States and China through increasing cooperation to meet international challenges and promote peace and development in the world'. United States Information Agency, 'The United States and China', 27 June 1998, URL <<http://www.usia.gov/regional/ea/uschina/joint29.htm>>.

²⁴ Li Fenglin (note 22), p. 6.

²⁵ On the Five Principles of Peaceful Coexistence, see chapter 18, note 2, in this volume. In his report to the 15th Congress of the Chinese Communist Party, Jiang Zemin again stressed the 5 basic principles of China's foreign policy: 'We shall not yield to any outside pressure or enter into alliance with any big power or group of countries, nor shall we establish any military bloc, join in the arms race or seek conduct military expansion'. *Renmin Ribao* [People's daily], 22 Sep. 1997, p. 6.

Russia. Russia would not endanger its relations with the United States, Japan and other Asia–Pacific nations in the event of a conflict in the Taiwan Strait or serious confrontation over territorial claims to islands in the South China and East China seas. At the same time both countries are ready to develop military–technical cooperation, one of the major driving forces for their current ties.

CBMs along the border have an important symbolic value in bilateral relations. By signing two agreements on border delimitation in 1991 and 1995,²⁶ Russia and China settled their territorial dispute to ease cooperation on CBMs. In 1992 they signed a memorandum which provided for radical cuts in armaments along the border.²⁷ In 1994 they adopted a declaration on not targeting strategic nuclear missiles on each other and reinforced their commitments not to use nuclear weapons against each other as a first strike.²⁸ In 1996 China and four CIS countries (Russia, Kazakhstan, Kyrgyzstan and Tajikistan) signed the agreement on border CBMs, supplemented in April 1997 by the agreement on mutual reductions in their armed forces along their border.²⁹ Important as they are, however, these agreements do nothing more than stabilize the current balance of forces along the Sino-Russian border and have basically only the symbolic value of supporting broader political declarations. It was more significant that in late 1997 Russia and China completed six years of work on the demarcation of their common border.³⁰ The final demarcation has a profound influence on relations between the two countries. It removes a great irritant for both sides and eliminates possible territorial claims, above all Chinese claims to the Primorye (Maritime) region of Russia.³¹

III. Economic relations

Economic interaction in civil areas is not yet important enough to determine the extent of political cooperation. Sino-Russian economic relations are developing very slowly and chaotically in comparison to their political relations. However, the leaderships of both countries understand the importance of a stable economic basis for an effective political relationship and are encouraging economic ties. In other words, the political motivation in Sino-Russian relations heavily outweighs economic reasons, unlike Chinese cooperation with the United States and Japan where economic interests help to soften political contradictions.

²⁶ See chapter 18 in this volume.

²⁷ Kononenko, V. and Skosyrev, V., 'Menshe voisk na granitse, bolshe tovarov cherez granitsu: tsel vizita Yeltsina v Kitai' [Fewer troops on the border, more goods across the border: this is the goal of Yeltsin's visit to China], *Izvestiya*, 17 Dec. 1992, p. 1.

²⁸ Xinhua, 'China, Russia Joint Declaration, Sept. 3, 1994: to stop targeting each other with missiles', 3 Sep. 1994.

²⁹ Lachowski, Z., 'Conventional arms control', *SIPRI Yearbook 1998: Armaments, Disarmament and International Relations* (Oxford University Press: Oxford, 1998), pp. 526–27.

³⁰ See also chapter 18, section II, in this volume.

³¹ Observers note that in the first half of the 1990s the Chinese local television channels broadcast many programmes discussing the Sino-Russian treaties of the tsarist period and showing scenes of massacres of Chinese by Cossacks.

Today Russia has to acknowledge that it cannot cultivate the Chinese market on the basis of 'special relations' with the Chinese Government arising from the 'strategic partnership', but such illusions persist. For example, Russian energy equipment manufacturers expected that they would be given favourable terms in China. However, in 1997 they received a shock when they did not win the tender for supply of equipment to the Three Gorges Dam project.³² It also came as an unpleasant surprise when the USA removed its ban on US companies supplying nuclear reactors to China. Now the Russian nuclear energy export company Atomenergoexport expects to encounter stiff competition in a market that it practically considered to be its inherited estate.³³ These events show that Russian enterprises have an inaccurate idea about the Chinese market. They see it as an alternative to competition on the world market.

In 1994 China experienced something similar. There was a sharp rise in Sino-Russian trade between 1991 and 1993, when it seemed to the Chinese that they could buy Russian products at excessively low prices and that the Russian market would absorb consumer goods of any quality. Later the Russian market was saturated with consumer goods and Chinese sales fell sharply. Bilateral economic ties were highly dependent on small businesses, including individuals (called *chelnoki*—shuttles) noted for their short-termism and for using the economic crisis in Russia for their own benefit. The decrease in small companies' activities was the main reason for the dramatic reduction in trade in 1994, after the 1993 record of \$7.6 billion. Only in 1996 did turnover reach \$6.8 billion.³⁴

There have appeared in Russia industrial lobbies trying to push the government into creating favourable conditions for economic collaboration. Russian suppliers of energy equipment, energy resources and armaments have staked a great deal on China. For them, mastering the Chinese market is not only a chance to earn profits but also a form of survival. These industries still have a high level of government regulation but need government support to ensure large-scale exports of their products. Thus the 1997 increase of government activity in the field of Sino-Russian economic cooperation was not merely a campaign initiated from the top in order to strengthen the basis of political

³² In Aug. 1997 China signed contracts for the delivery of power equipment with a total output of 14 700 MW for the first machinery section of the Three Gorges Dam. The winning consortium consisted of the Anglo-French group GEC Alsthom and ABB was given a contract for the delivery of 8 power units worth \$420 million. A consortium formed by German companies Siemens and Vought and Canadian General Electric won another contract for the delivery of 6 power units for \$320 million. The Chinese counterparts in the contracts are Harbin Power Equipment and Dongfang Electrical Machinery. *Byulleten Inostrannoy Kommercheskoy Informatsii*, 16 Dec. 1997, p. 13.

³³ Under the agreement between the Government of the Russian Federation and the Government of the People's Republic of China on the construction of a nuclear power plant on Chinese territory and the Russian government loan to China, Russia would construct a nuclear power plant in the Chinese province of Liaoning. China decided to move the construction site to the province of Jiangsu and asked to increase the plant's capacity to 4 blocks each of 1000 MW. Myasnikov, V. S., 'Shestaya model otnoshenii Rossii s Kitayem' [The sixth model of Sino-Russian relations], *Biznes i Politika* (Moscow), no. 12 (1997), pp. 12–13.

³⁴ Figures are in current prices. Portanskiy, A., 'Kitay manit Rossiyu perspektivnymi mnogo-milliardnymi kontraktami v energetike' [China attracts Russia with multi-billion energy contracts], *Finansovye Izvestiya*, no. 46 (26 June 1997), p. 1.

partnership; it also mirrored the real interest of Russia's large business groups in developing cooperation with China.

However, the current trade turnover is far from the target of \$20 billion set by the two governments in 1997. In 1996 China took fifth place among Russia's foreign trade partners, after Ukraine, Germany, the USA and Belarus, with only 4.5 per cent of total Russian foreign trade. For China, Russia was its eighth most important partner. Bilateral trade grew to \$6.8 billion in 1996, an increase of 25 per cent on 1995, but in 1997 fell by 11.7 per cent (to *c.* \$6 billion).³⁵

Russian exports to China are very vulnerable to market changes because of their primitive structure. For example, in 1993 ferrous metals contributed 40 per cent of Russia's total revenue from exports to China and in 1994 50 per cent.³⁶ This caused protests by Chinese steel producers who felt that the low prices offered by CIS (mainly Russian) companies put them at a disadvantage, even though they were able to produce nearly the full range of steel products. Following these protests, in 1995 China reduced its purchases by 40 per cent. Subsequently, in late 1996 the Chinese Ministry of Metallurgy brought in anti-dumping measures against CIS producers. Inevitably, all this affected bilateral trade.

Russia's major exports to China include aircraft, cars and trucks, agricultural machines, mining and oil processing equipment, textile equipment, chemical products, construction materials, steel, timber, cement and so on. Fertilizers and ferrous metals continue to be leading export goods and are worth over 50 per cent of total deliveries. In 1996 Russia exported to China machines and equipment to a total value of \$930 million. China supplies Russia with consumer goods (\$893 million in 1996) and food products (\$427 million in 1996).³⁷

IV. Arms transfers

Today arms sales seem to be the only stable sector of Sino-Russian trade. There is some reason for concern that Sino-Russian economic ties will be reduced to trade in armaments.³⁸ Stephen J. Blank argues that the Russian Government has lost control over its arms sales programme but dares not react negatively, despite the military implications of such transfers for its own security.³⁹ The problem is that, although the government is still capable of controlling arms exports,⁴⁰ it not only gives a free hand to arms producers but helps to promote

³⁵ See chapter 18, section IV, in this volume.

³⁶ Sprogis, Ye., 'O nekotorykh problemakh razvitiya dvustoronnikh torgovo-ekonomicheskikh svyazey' [On some problems in the development of bilateral trade and economic ties], *Biznes i Politika* (Moscow), no. 12 (1997), p. 18.

³⁷ Portanskiy (note 34). All figures are in current prices.

³⁸ Russia has earned at least \$1 billion a year for the past 3 years from arms sales to the People's Liberation Army of China. 'PLA preparing to buy 20 fighter planes from Russia, says magazine report', *South China Morning Post*, 20 Aug. 1998.

³⁹ Blank, S. J., 'The dynamics of Russian weapon sales to China', 4 Mar. 1997, Internet edition, p. 2, URL <<http://carlisle-www.army.mil/usassi/ssipubs/pubs97/ruswep/ruswep.htm>>.

⁴⁰ On Russian mechanisms for the control of arms exports, see Sergounin, A. A. and Subbotin, S. V., *Russian Arms Transfers to East Asia in the 1990s*, SIPRI Research Report no. 15 (Oxford University Press Oxford, 1999), chapter 3.

their sales. In 1998 visits of Russian high-ranking military to Beijing showed that Russia was determined to promote this cooperation.

Russian arms suppliers are expanding sales to China despite objections from certain military circles. Former Russian Minister of Defence Igor Rodionov, for example, called China a potential opponent.⁴¹ The giant military production complex created in Soviet times has lost orders from the government, as Russia is not able and does not need to support such enormous amounts of military production.⁴² China's attempts to increase its regional role by modernizing its army are manna from heaven for the ailing Russian defence industry, which simply cannot turn its back on the potential Chinese market.

One of the main reasons for Russia's government support of arms sales to China is a privatization of state policy (and the whole of the state apparatus) which has taken place under Yeltsin.⁴³ The government represents and protects the interests of certain industrial lobbies, arms producers among them. Logically, given that China is a strategic partner, arms sales to it provided a good substitute for vanished government subsidies to the industry.

Chinese interest in expanding contacts with Russia is to be explained by a number of factors, including ideological, political and strategic considerations, such as the prevention of a further expansion of 'bourgeois ideology', the 'peaceful evolution' of the socialist nations to capitalism, counteracting Western pressures, and overcoming China's isolation after the Tiananmen Square incident. Sino-Russian contacts were also significantly boosted by China's adoption of plans to modernize the People's Liberation Army.

As Michael D. Swaine put it, today China is the most critical and the least understandable variable for the future Asian security structure, as current trends suggest that it will emerge as the dominant military and economic power in Asia, capable of projecting its air, ground and naval forces far beyond its boundaries.⁴⁴ Precisely that determines most of the suspicions about Sino-Russian military cooperation.

Modern Russian arms have provided China with a unique opportunity to close the technological gap between it and the military superpowers. Russia has supplied and plans to supply the most advanced weapons. They include Su-27 fighter aircraft, S-300PMU-1 (NATO designation SA-10) air defence missile complexes, Kilo Class submarines, Sovremenny Class destroyers (the ship has eight of the most modern Moskit (NATO designation Sunburn) anti-ship rocket launchers and two Stihl air-defence guided-missile launchers), T-80U tanks and the Tor-M1 (SA-15) air defence missile complex.⁴⁵ Russian Il-76 aircraft may

⁴¹ Korotchenko, I., 'Igor Rodionov vystupil za sozdaniye oboronogo soyuza stran SNG' [Igor Rodionov speaks in support of defence alliance of the CIS countries], *Nezavisimaya Gazeta*, 26 Dec. 1996, p. 1.

⁴² On the background to the promotion of arms sales to China, see Denezhkina, E., 'Russian defence firms and the external market', ed. Anthony (note 6), pp. 124-45.

⁴³ Blank (note 39), p. 2.

⁴⁴ *Strategic Appraisal 1996* (RAND: Santa Monica, Calif., 1996), pp. 186-87.

⁴⁵ 'Kitayskiye shirpotrebnosti Rossiyskikh vooruzhennykh' [Russian arms producers' demand for Chinese goods], *Profil* (Moscow), no. 17 (May 1997), p. 14; and Litovkin, V., 'Kitayskaya armiya

become the basis for installing the Falcon early-warning system, the delivery of which China successfully negotiated with Israel in July 1996.⁴⁶

China also, or even in the first instance, intends to buy Russian arms technology. In 1996 it bought from Sukhoi a licence for producing 200 Su-27 fighter aircraft in Shenyang.⁴⁷ Deliveries of finished weapon systems from Russia greatly outweigh the technology transfers. China wishes to reverse these proportions.⁴⁸

Russian arms supplies are especially important for China not only because of the Western embargo but also because China built its technological base on Soviet technology transfers and with the help of Soviet experts. Modern Russian armaments help to raise the level of Chinese professionals and to educate military personnel (including training in Russian military colleges) to use modern methods of warfare. This can be to the advantage of China's own military research and development (R&D).

V. Energy supply

Recently energy supply has emerged as a very promising area for economic cooperation between China and Russia. In June 1997 during a visit by the then Prime Minister, Viktor Chernomyrdin, and Deputy Prime Minister, Boris Nemtsov, to China, the Russian Ministry of Fuel and Energy and China's National Oil and Gas Corporation signed an agreement on cooperation in crude oil and natural gas production. Under the agreement the two parties will cooperate in exploration for the Irkutsk project, which should run a 3360-km gas supply main from the Kovykta gas deposit in the Irkutsk district of Russia through Mongolia to a Chinese port—probably Rizhao on the Yellow Sea.⁴⁹ Later in 1997 the Russian joint-stock company Gazprom and China's National Oil and Gas Corporation signed another agreement on cooperation in the natural gas industry.

The two parties are also studying the feasibility of a Western project to run a gas main from Russia through the western border of China to China's south-east. At the same time the Russian Ministry of Fuel and Energy and China's National Oil and Gas Corporation will cooperate in crude oil transport from East Siberia to China, and they will study projects for crude oil transport from Kazakhstan and Sakhalin to China. Gazprom and the National Oil and Gas Corporation intend to cooperate in tapping gas and oil fields in China.⁵⁰

Energy seems to be the only field where Russia now expects no competition from other countries in exporting to China. According to Nemtsov, the Russian

krephayet Rossiyskim oruzheniem' [Chinese Army gaining power through Russian arms], *Izvestiya*, 25 Apr. 1997, p. 3.

⁴⁶ 'Kitay poluchit Rossiysko-Izrail'skuyu sistemu rannego opoveshcheniya' [China to get Russian-Israeli early-warning system], *Finansovye Izvestiya*, no. 37 (22 May 1997), p. 1.

⁴⁷ Litovkin (note 45).

⁴⁸ Litovkin (note 45).

⁴⁹ *Problema Dalnego Vostoka*, no. 4 (1997), pp. 97–99.

⁵⁰ *Problema Dalnego Vostoka* (note 49).

Government would give implicit support to Russian energy exporters trying to develop the Chinese market.⁵¹ Successful cooperation in this sphere could have two effects. Internally it would help Russia in developing its rare competitive industries and in raising funds to support eastern Siberia and the Russian far east which have been the areas hardest hit by the economic crisis of 1997–98. Externally it would offer the basis for Russian integration into the North-East Asian regional economy, which Russia particularly needs since joining the Asia–Pacific Economic Co-operation forum (APEC).⁵² Chinese energy shortages are well known. Currently they constitute a bottleneck in the development of the Chinese economy. Russia’s expectations thus seem to have a good chance of being realized.

At the same time, cooperation in the supply of energy may have profound consequences. It will change the participants and the entire structure of their bilateral ties as large companies enjoying government support will dominate those ties. The character of cooperation on the provincial level will also change. However, the growing economic interdependence between the two economies may give rise to controversy and could turn into a ‘zero-sum game’, and if normal cooperation ties fail to develop this may strain political relations.

VI. The Mongolian dimension

Internal changes in Russia, as well as the changes in its foreign policy in which rapprochement with China has a very important part, brought on dramatic changes in the smaller triangle Russia–China–Mongolia. Mongolia used to be a hostage of Sino-Soviet relations. It took the USSR’s side and its relations with China were nearly frozen. As former Prime Minister Dyushiin Bambasuren put it, 95 per cent of the outside world did not exist for Mongolia because its foreign policy was entirely under Moscow’s command.⁵³

In the early 1990s the Mongolian People’s Revolutionary Party (MPRP), which had ruled the country for 70 years, abandoned its traditional Leninist ideology, adopted a new constitution (in February 1992) and proclaimed democratic reforms. In the autumn of 1990 the MPRP allowed a multi-party cabinet, the first in Mongolian history, to be formed. Eventually the MPRP stepped aside and allowed a democratic coalition to come to power. Changes in domestic politics and a new vision of foreign affairs were introduced.

The new foreign policy is oriented to finding a balance between Mongolia’s two powerful neighbours—China and Russia. The historical legacy complicates this task. Russia controlled Mongolia for seven decades and China, itself once under Mongol rule, in its turn conquered Mongolia in the 17th century. Inevitably, Mongolia has to take the ambitions of its two neighbours into considera-

⁵¹ *Izvestiya*, 25 Nov. 1997.

⁵² For the membership of APEC, see appendix 1 in this volume.

⁵³ Gan, M., ‘Mongoliya ne namerena byt bednym rodstvennikom’ [Mongolia does not intend to be a poor relation], *Izvestiya*, 14 Mar. 1992, p. 5.

tion, but it is also trying to gain an outer counterbalance through strengthening ties with the West, first of all with the USA.

The collapse of the USSR and Russia's domestic economic difficulties eventually brought the Mongolian economy to the brink of catastrophe. The ending of external financial aid and the implementation of world prices in foreign trade broke the traditional economic ties of decades. In the late 1980s Soviet subsidies had totalled 30 per cent of Mongolia's gross national product (GNP), while Soviet experts were an organizing elite at the top of every organization.⁵⁴ Enterprises built up with Soviet aid accounted for more than 50 per cent of Mongolia's exports and up to 100 per cent of electricity production, copper and molybdenum concentrates, coal, fluorspar and more.⁵⁵

The situation was aggravated by a certain hostility on the part of the new Mongolian leadership, which was trying to secure the country's independence, and by Russia's undervaluing of Asia in its foreign policy. However, in January 1993, when Mongolian President Punsalmaagiyn Ochirbat visited Moscow, Russia and Mongolia signed a new Treaty of Friendship and Cooperation.⁵⁶ It stipulated that neither country would join political or military alliances aimed against the other or sign agreements or treaties which violated the sovereignty and interests of the other. That, together with the fact that in 1992 Russia withdrew its 100 000 troops from Mongolia, normalized relations between the two countries.

Over the six-year period 1992–97 the volume of bilateral trade fell by half, mainly because of a fall in Mongolian exports to Russia. Nevertheless, Russia is still Mongolia's major trade partner. In 1997, 10.1 per cent of Mongolian exports went to Russia (putting Russia in third place after Switzerland and China), while Russia was the primary source of its imports (34.7 per cent).⁵⁷ Despite the fact that Russia no longer invests much in the Mongolian economy, it accounts for 30 per cent of total foreign investment in Mongolia. There are more than 150 Russian–Mongolian joint ventures.⁵⁸

Mongolia has achieved similar political arrangements with China. In May 1992 Prime Minister Bambasuren visited Beijing, the first official visit in three decades, but historical issues still overshadow Sino-Mongolian relations. The Chinese authorities had reportedly stepped up persecution of ethnic Mongolians who support the idea of independence for Inner Mongolia (an autonomous region of China) and organized demonstrations in support.⁵⁹ The nationalistic opposition in Ulaanbaatar in turn launched a campaign for the reunification of Outer and Inner Mongolia. This is impossible for purely demographic reasons:

⁵⁴ *SBS World Guide* (Hardie Grant Publishing: Melbourne, Victoria, 1998), p. 512.

⁵⁵ Vinogradov, B., 'Rossiya i Mongolia oboznachili ramki vzaimnykh interesov' (Russia and Mongolia define the framework of mutual interests), *Izvestiya*, 21 Jan. 1993, p. 5.

⁵⁶ Vinogradov (note 55).

⁵⁷ Shinkarev, L., 'Strana kochevnikov idet k rynku' [The country of nomads goes to market], *Izvestiya*, 9 Sep. 1997, p. 3.

⁵⁸ Charodeyev, G., 'Mongoly chtut pamyat Chingiskhana' [Mongols honour Genghis Khan's memory], *Izvestiya*, 20 Jan. 1998, p. 3.

⁵⁹ AP, quoted in 'Mongoly v Kitae podvergayutsya presledovaniyam' [Mongols in China suffering persecution], *Izvestiya*, 26 Mar. 1992, p. 5.

in Inner Mongolia Chinese settlers now outnumber indigenous Mongols by five to one.

According to Reuters, in March 1992 China issued a secret Communist Party document to confirm that Buryatia and Mongolia historically belong to China.⁶⁰ However, China recognized Mongolian independence in 1960 and shows no intention of changing the current status of Mongolia. The party document was therefore mainly aimed against the separatists of Inner Mongolia, not to advance territorial claims.

On the whole, the principle that Mongolia is a dependant in Sino-Russian relations did not change. Russia's and China's political and economic reforms as well as their foreign relations determine Mongolia's domestic situation and its foreign policy. This is not necessarily a bad thing. For example, if projects for Sino-Russian energy cooperation under discussion since 1994 are implemented, Mongolia will benefit greatly.

VII. Conclusions

Russia does not have a consolidated vision of the prospects for its relationship with China. It is clear that reforms are promoting the status of China from that of regional power to that of global superpower. Currently both countries are using each other to counterbalance Japanese or US regional dominance. Yet the emergence of China as a global superpower may conflict with Russian strategic interests, particularly if it succeeds in becoming an active and important partner with the Asia-Pacific countries, which is also China's ultimate regional goal.⁶¹ China would then be competing with Japan and the United States for the leading role on the Pacific rim.

On the other hand, there are different evaluations of China's social development and divergent assessments of the problems confronting it and of the ability of its leadership to cope with them. One pessimistic vision stresses the probability of isolationism, regionalization, and fluctuations and hesitations in political options. There are, however, also forecasts that China will become completely integrated into the world economy without posing any military or political threats to neighbouring countries. Judging by purely economic factors, the 'catastrophic' scenario seems improbable for the coming two decades.

However, the social and economic transformation of China is creating the basis for a profound crisis of its society, contradictions between central government and the provinces as well as between provinces, growing social tensions, an increasing discrepancy between the archaic political system and a booming economy, and deepening ethnic problems. Hence any prognosis of the future of the post-Deng Xiaoping regime is difficult to evaluate.

Pessimists assess China as a potential threat to Russia either as an authoritarian state with growing military might or as a nation doomed to repeat the fate

⁶⁰ Reuters, quoted in Portanskiy, A., 'U Kitaya net territorialnykh pretenzii k Mongolii' [China does not have territorial claims on Mongolia], *Izvestiya*, 30 Apr. 1992, p. 1.

⁶¹ Myasnikov (note 33), p. 6.

of the USSR with consequences that are difficult to foresee. They therefore counsel the avoidance of measures that would strengthen China, especially arms and weapon technology transfers. Optimists believe that the Chinese leadership is able to manage the nation, which is in Russia's interests, and assess the Chinese military build-up as the modernization of a backward army that does not involve threats to the region, except possibly Taiwan, but this is seen as China's domestic affair. An optimistic vision now prevails among the Russian leadership.

The future of Sino-Russian relations in fact largely depends on: (a) US foreign policy, that is, the results of the policy of engagement with China; and (b) the level of trust in Russian-US cooperation. Obviously ideological considerations complicate the improvement of US-Chinese relations. The US allergy to any kind of totalitarianism and its periodic emotional campaigns on human rights in China preserve mutual distrust. Joseph Nye, noting that both the liberal *New Republic* and the conservative *Weekly Standard* call China totalitarian, although today's market communism is a far cry from the real totalitarianism of Mao Zedong, assessed US policy towards China as 'a strange alliance of left and right against the center'.⁶² Unless the USA plays down these tendencies in its approach to China, China will always have a strong motivation for closer ties with Russia. On the other hand, the increasing Russian feeling of being duped, isolated and neglected by the West is leading it to find its most suitable partner in China.

The following features characterize the present Sino-Russian strategic partnership:

1. Rapprochement is motivated by the external logic of the 'triangular' strategic relationship and the main value of their cooperation is determined by a shared need to meet real or perceived challenges from the West.
2. The strategic partnership offers both countries the opportunity to overcome possible isolation in international affairs and helps them to assert their specific national interests vis-à-vis uncooperative Western nations.
3. The absence of overlap or conflict between national priorities allows the two to give each other verbal support without essential expenditures or sacrifices.
4. The slogans and declarations are vague and the partners' practical understanding of the essence of partnership is inadequate.
5. The level of political coordination on Asia-Pacific regional issues is low.
6. Military industrial and military-technical cooperation is of great mutual value, helping China to modernize the army and opening the market for the Russian defence industry.
7. The two countries have persistent perceptions of possible shared threats of a geopolitical nature and rather cautious evaluations of scenarios for the future.

⁶² Nye, J., 'As China rises, must others bow?', *The Economist*, 27 June-3 July 1998.

8. There is no real economic basis for political cooperation. However, Russia's energy supply may close the gap.

On the whole, the strategic partnership seems to lack adequate internal motivation and to be to a great extent determined by the international environment. Narrow isolationism and increasing tension with the West do not correspond to the optimal preferences of either China or Russia and both would prefer to diversify their international connections. In that sense any suspected quasi-alliance is nothing but an unavoidable tactic for dealing with the worst-case scenario imposed from the outside.

John W. Garver, comparing patterns of international relations after World War I and the cold war when there emerged dominant coalitions of the victorious powers and countervailing non-dominant coalitions of pariah powers, called the Sino-Russian strategic partnership a Far Eastern Rapallo.⁶³ However, today nobody can imagine China or Russia, overloaded as they are with their domestic problems, aspiring to world hegemony. It seems that in the future domestic factors will influence the bilateral relationship more than the international environment.

⁶³ Garver, J. W., 'A Far Eastern Rapallo: the post-cold war Russian-Chinese strategic partnership', *Problem Dalnego Vostoka*, no. 1 (1998), pp. 53–62 (in English).

20. Russo-Japanese relations and the security of North-East Asia in the 21st century

Tsuyoshi Hasegawa

I. Introduction

Since the spring of 1996 Russo-Japanese relations have shown remarkable improvement. At the beginning of 1997, the Japanese Ministry of Foreign Affairs initiated a 'multi-layered' approach to Russia, expanding cooperation into the economic and security areas and abandoning the policy of 'balanced expansion' which linked the level of economic cooperation with progress on the issue of the southern Kuril Islands. In July then Prime Minister Ryutaro Hashimoto delivered a historic speech at the Keizai Doyukai (the Japanese Association of Corporate Executives), proclaiming Japan's Eurasian foreign policy and enunciating three principles—trust, mutual interest and long-term perspective—as the guiding principles of Japan's Russia policy.¹ This was followed by two 'no-necktie' meetings between Hashimoto and Russian President Boris Yeltsin, first in November 1997 at Krasnoyarsk and then in April 1998 at Kawana in Japan. At Krasnoyarsk Hashimoto and Yeltsin signed the Hashimoto–Yeltsin Plan for economic cooperation and pledged to conclude a peace treaty by the year 2000, resolving the question of the Kuril Islands on the basis of the 1993 Tokyo Declaration.² At Kawana, Hashimoto reportedly proposed a solution to the territorial issue by proposing the demarcation of the border.³ Hashimoto was scheduled to make a trip to Moscow in the autumn of 1998, at which point Yeltsin was expected to respond to this proposal. The unprecedented speed with which both sides attempted to repair relations that had long been in stalemate gave rise to expectations in both Japan and Russia that it might indeed be possible to conclude a peace treaty before the next millennium.

Then suddenly came two setbacks in succession in the summer of 1998. In July Japan's ruling Liberal Democratic Party (LDP), which had shown appalling incompetence in resuscitating an economy in deepening recession, suffered a crushing defeat in the election to the Upper House of the Diet. Hashimoto was forced to resign. In August, panicked by the sudden collapse of the rouble,

¹ Japanese Ministry of Foreign Affairs, 'Address by Prime Minister Ryutaro Hashimoto to the Japan Association of Corporate Executives, 24 July 1997'. Unpublished.

² On the Kuril Islands, see section II in this chapter and note 4 below. The Tokyo Declaration stated that the issue of the Kuriles 'must be overcome' on the basis of the 'principles of law and justice'. 'Declaration on Japan–Russia relations', British Broadcasting Corporation, *Summary of World Broadcasts, Far East*, FE/1819, 14 Oct. 1993, pp. D/6–D/8.

³ See section V in this chapter.

Yeltsin dismissed the entire government of Sergey Kiriyenko and attempted to restore Viktor Chernomyrdin, dismissed only five months earlier, as Prime Minister. Chernomyrdin's candidacy was rejected twice by the State Duma, the lower house of the Russian Parliament, before it accepted Acting Foreign Minister Yevgeny Primakov as Prime Minister by an overwhelming majority, thus averting a fateful confrontation with the president.

In November, Prime Minister Keizo Obuchi visited Moscow, becoming the first Japanese prime minister to do so since 1973, for a summit meeting. Although a new committee dealing with border demarcation was created, no progress was made on the territorial issue. Yeltsin was scheduled to come to Japan before June 1999 for final negotiations for a peace treaty. At the time of writing (March 1999), it seemed unlikely that the visit would resolve the territorial issue. It is safe to say that the momentum in a positive direction has come to a halt. If bilateral relations are not actually deteriorating, they are at a standstill.

What will be the impact of this reversal of momentum? Given these setbacks, is it realistic to expect the conclusion of a peace treaty by 2000, as Yeltsin and Hashimoto buoyantly announced at Krasnoyarsk? If they fail to achieve a peace treaty, what will be the outcome? What are the implications of a failure of the Russo-Japanese rapprochement for international relations in the Asia-Pacific region generally?

There are two possible scenarios for the future of Russo-Japanese relations. The first begins from the pessimistic view that the scale of the political and economic crisis in both countries is such that, absorbed by more pressing issues of domestic economic and political stability, neither Japan nor Russia can afford to pay much attention to achieving rapprochement. All previous chances for historic reconciliation have been dashed by the vagaries of domestic politics; their mutual relations are given low priority in both countries and it is fair to assume that once again the need to repair those relations will be sacrificed to issues of higher priority. Not only will Japan and Russia be unable to conclude a peace treaty by 2000, but their relationship will revert to stalemate.

The second, optimistic view is that the logic of international relations in Asia in the post-cold war period, which dictated the improvement in relations between Japan and Russia, has not changed, despite the crises that have befallen both countries, and will mean that sooner or later they will resume their efforts to repair relations. Even if a peace treaty is not concluded by the year 2000, their relations will inexorably move in a positive direction in such a way that they will begin the 21st century on a more friendly, cooperative basis than they have ever experienced in this century.

Which scenario is more likely? What conditions will tip relations towards one scenario or the other? What will be the implications of each scenario for Asian security in the next century? This chapter attempts to answer these questions.

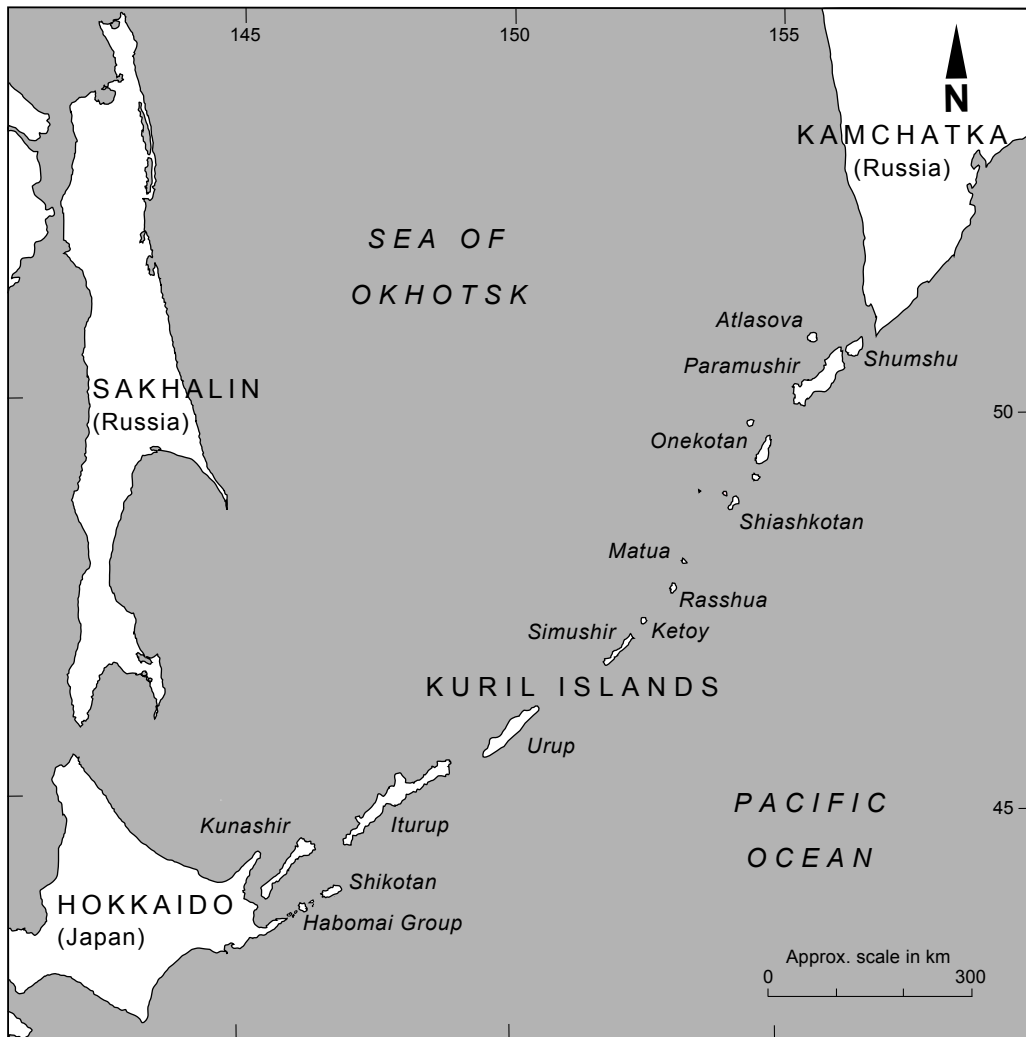


Figure 20.1. Map of Japan, the southern Kuriles and Sakhalin

II. The new power configuration in North-East Asia

In order to assess the likelihood of these scenarios, it is necessary first to examine why, after many years of stalemate, both governments suddenly began the process of rapprochement in the spring of 1996.

Previously Russo-Japanese rapprochement was not given high priority on either country's foreign policy agenda. To Japan the return of what the Japanese call the Northern Territories and Russians refer to as the Kuril Islands was the most important objective in its Russia policy.⁴ It consistently took the position that it had little to gain from rapprochement with Russia except for regaining

⁴ The southern Kuril Islands, termed the Northern Territories in Japan, taken by the Soviet Union in the final days of World War II, consist of Iturup (Etorofu), Kunashir (Kunashiri) and Shikotan, and the Habomai group.

the lost territories and that keeping its relations with Russia in stalemate would in no way injure its vital interests. Thus it stubbornly held on to the inflexible territorial demand—Russia's recognition of Japan's sovereignty over the disputed islands—as the price of rapprochement. If Russia could not accept this demand, it would be its loss, not Japan's. This position was hardly acceptable to Russia. Both former President Mikhail Gorbachev and Yeltsin faced formidable domestic political opposition to any territorial settlement with Japan, and Japan's inflexible position gave them little room for political manoeuvre to find a workable compromise acceptable both to their political opponents at home and to the Japanese negotiators.⁵

What then motivated Japan and Russia suddenly to seek a drastic improvement of their relations? The change stemmed from the realization on both sides that the profound shift in the dynamics of international relations in Asia was such that failure to achieve rapprochement would be injurious to their vital national interests.

The end of the cold war thrust international relations in Asia into a new era of uncertainty. The old order, characterized by the 'strategic triangle' of China, the USA and the USSR, patron-client relations and alliances, has disappeared, but a new, stable order has not yet been created. Among the factors that have contributed to this flux the following are important.

The first is the end of the superpower conflict. The collapse of the Soviet Union was the root cause of the paradigm shift in power relations. The superpower rivalry has disappeared. Russia and the United States are no longer arch-enemies, although this does not mean that they have suddenly become allies. Their vital interests are no longer on a collision course and it has become possible for them to collaborate. The United States actively supports Russia's transition to democracy and a market economy. When the USA pursues a policy that Russia sees as counter to its national interests, such as NATO expansion, the United States and the West must go out on a limb to assuage its apprehensions.

The disappearance of superpower rivalry was accompanied by the tremendous weakening of the USSR's successor state, the Russian Federation, as a world power. Not only did the former Soviet empire disintegrate into disparate independent states, which created the most urgent security problems for Russia, but the reconstituted Russian state was plunged into perennial political and economic crisis, diminishing its influence in the international arena. Although still possessing a formidable arsenal of nuclear weapons, Russia has ceased to be a superpower capable of projecting itself globally. Its status has been reduced to at best that of a declining great power with marginal influence abroad.

The end of the superpower rivalry left the USA as the sole remaining superpower, dominant in world politics. In North-East Asia the two key US regional alliances, with Japan and South Korea, endure and remain important for

⁵ Hasegawa, T., *The Northern Territories Dispute and Russo-Japanese Relations, Volume 2: Neither War Nor Peace* (International and Area Studies Publications, University of California at Berkeley: Berkeley, Calif., 1998).

regional security. With the Asian financial and economic crisis of 1997–98, the USA's military and economic dominance has increased. Nevertheless, even it no longer possesses unquestionable hegemonic power with which to dictate the terms of the new international order to the rest of the world. The post-cold war era is still in turmoil and transition. It is an ambiguous, murky world where the rules of the game have not yet been firmly established, in which even the United States has to seek alliances and partners for its policies to prevail.

Second is the loss of a stable framework and the consequences of that. The end of the superpower rivalry means that conflicts that were previously kept within limits by the framework of the East–West global contest have lost their moorings. Ideology, communist or anti-communist, is no longer the powerful driving force of policies. Instead, nationalism is on the rise. From Japan's perspective this means that the hostility and conflict between Japan and China (over the Senkaku islands), between Japan and South Korea (over the issues of the World War II 'comfort women' and Takeshima Island) and between Japan and the United States (over the US military bases on Okinawa) that were kept within limits during the cold war have the potential to develop out of control. Japan's territorial conflicts with China and South Korea can no longer be separated from the Kuril Islands problem. Nor can Japan any longer complacently continue to justify its claims over the southern Kuriles without re-examining its responsibility for the Pacific War.

The third factor is the end of the Sino-Russian conflict that characterized international relations in Asia for more than a quarter of a century. Since the collapse of the Soviet Union, China and Russia have intensified their cooperation. As Russia distances itself from the West and as China's conflict with the USA continues to irritate its leaders, Russia and China are being drawn closer.

The fourth is the 'Chinese factor'. Independently of the collapse of the Soviet Union, China has an important dimension. With its dynamic economic growth, increased military power and revisionist foreign policy, China has emerged as an important geo-strategic force that is qualitatively different from what it was in the 1970s and 1980s. Its future direction and relations with China will have momentous implications for Asian security in the next century.

The fifth factor is the continuing danger on the Korean Peninsula, which is still the greatest threat to the stability of North-East Asia. South Korean democracy under the new President, Kim Dae Jung, must be rebuilt on the ruins of the recent economic collapse. While millions of North Koreans are suffering from starvation, their unpredictable leader Kim Jong Il chose to test an intermediate-range missile over Japan on 31 August 1998, reminding the Japanese that they are living in a glasshouse vulnerable to nuclear attack from North Korea. This incident more than anything else awakened urgent security concerns in Japan.

The final factor is the absence of primary adversaries and uncertain relations. On the positive side, after the collapse of the Soviet Union, none of the four powers in North-East Asia, China, Japan, Russia and the USA, faces a primary adversary that threatens its security in the immediate future. This gives a great

opportunity, unprecedented in history, to forge a new international order based on the cooperation of them all. On the other hand, none of them can take any other for granted as natural allies, which gives future international relations an element of uncertainty.

III. The response of the major powers to the new international configuration

How can a major power fashion its new foreign policy in the new environment in order to enhance its national interests?

In a perceptive essay on Russia's security predicament, Steven E. Miller lists three broad strategic options for Russia: (a) a 'go-it-alone' strategy; (b) great-power balance-of-power games; and (c) omni-directional friendliness. If Russia is disillusioned with the West, it can choose to go it alone by re-establishing its dominance over the 'near abroad' and restoring its military strength, most likely relying on its still awesome nuclear arsenal. It will reassert what it conceives to be its national interests, often countering and ignoring the West's interests and security concerns. Alternatively, in order to avoid isolation, it may opt for balance-of-power games by pitting one power against the other in pursuit of its own national interests, or it might choose the third option, to avoid creating enemies and forge good relations with all the other major powers in order to maximize its engagement with the outside world.⁶

Of these three options, Russia no longer has the luxury of going it alone. The economic weakness that will undoubtedly continue to plague it for years to come will limit its foreign policy options; its leaders will have to devise ways to enhance Russia's national interests within the constraints of economic weakness. The go-it-alone policy would be suicidal. It would certainly mean not only the end of the West's economic aid but also the end of economic relations with the advanced capitalist world, into which the Russian economy has already been deeply integrated. For this reason alone this policy would probably alienate not only the powerful economic and regional elites but also the emerging middle class who have benefited from the open economic policy.

There will be ample opportunity for Russia to play the balance-of-power game, however. The emergence of China as a major geo-strategic power will make Russia a critical player in the reconfiguration of power in North-East Asia. Positioning itself between China and the United States, Russia could play a crucial role in tipping the balance. Closer relations with China will provide

⁶ Miller, S. E., 'Russia's national interests', eds R. D. Blackwill and S. A. Karaganov, *Damage Limitation or Crisis: Russia and the Outside World* (Brassey's: Washington, DC and London, 1994), pp. 103–105. Ambassador James Goodby proposes: (a) hegemony; (b) balance of power; (c) collective security; and (d) concert as possible options for the security arrangement in East Asia. The first 2 correspond to Miller's 'go-it-alone' option and the balance-of-power game. Later on in his article, Goodby introduces the concept of multilateralism, which is similar to Miller's 3rd option, omni-directional friendliness. Goodby, J. E., 'Cooperative security in Northeast Asia', eds J. E. Goodby, V. I. Ivanov and N. Shimotomai, *Northern Territories' and Beyond: Russian, Japanese, and American Perspectives* (Praeger: Westport, Conn. and London, 1995), pp. 299–304.

anti-Western conservative political forces in Russia with an attractive alternative. Russia will also find it advantageous to opt for a balance-of-power policy designed to isolate Japan by exploiting US–Japanese economic friction and/or by courting favour with China.

It would clearly go against Russia's national interests to seek an alliance with China as the only alternative for its foreign policy. It is not ready and it cannot afford to sever its ties with the West entirely: on the contrary, although it follows foreign policy goals that are different from those of the West, it finds it advantageous to seek accommodation with the West whenever it can. Within the political elite and the foreign policy establishment there are many who view China as a potential security threat to Russia.⁷ To balance the tilt towards China and pressure from the West, Russia has also found it advantageous to improve relations with Japan.

In the end, Russia has pursued omni-directional friendliness. Although it has made attempts to jockey for marginal advantage in the balance-of-power game, its fundamental orientation has definitely been to seek friendly relations with all three major powers.

The strategic choices outlined by Miller are common to all four great powers in Asia. The go-it-alone option cannot be entirely ruled out for the United States, although it is the most unlikely scenario. Theoretically the mounting cost of foreign commitment could force the United States to withdraw from engagement in Asia, or, conversely, it could pursue a hegemonic role unilaterally to enforce stability in the region, but no responsible politicians advocate the former, while the latter is not feasible purely for economic reasons. Russia has ceased to be the United States' number one security problem in the region. This means that the United States has the option of playing a balance-of-power game by cooperating with Russia against China or Japan. President Bill Clinton's visit to China in July 1998 was taken by some Japanese as a manifestation of the USA playing the balance-of-power game. Clinton spent nine days in China without bothering to stop by Japan. Furthermore, at the press conference in Beijing, to the horror of many Japanese, Clinton and Chinese President Jiang Zemin both criticized Japan's economic policy.⁸ In its dealings with China and Russia, however, there has been little trace of the United States wilfully playing off these powers against Japan.

The most likely policy that the United States might pursue, and which it has in fact pursued, is the third option, omni-directional friendliness. The ultimate goal of this policy would be to forge an international order designed to ensure stability and prosperity in the region based on the restraint and cooperation of all the major powers.

⁷ E.g., Alexei Arbatov, quoted in Kuchins, A. C., 'The Russian Federation: the "sick man" of Eurasia', Paper for the SIPRI Conference on Russia and Asia–Pacific Security, Tokyo, 19–21 Feb. 1999, pp. 10–11.

⁸ Akihiko, T., 'Shinseiken wa Ko Takumin o do mukaerunoka: "genryoku seiji jidai no nihon gaiko"' [How will Japan welcome Jiang Zemin under the new government? Japanese foreign policy under diminished power politics], *Chuokoron*, no. 9 (1988), p. 61.

As for China, in sharp contrast to Russia, its economic performance has been remarkable until recently. In the 21st century, if it can weather the Asian economic crisis of 1997–98, an economically and militarily strong China will be a decisive factor in international relations. This has both positive and negative aspects. On the one hand, in order to sustain continuing economic growth China will have to follow a foreign policy designed to maintain stability in the region by avoiding conflict. On the other hand, economic power breeds military power. One of four modernizations China has undertaken is military modernization. Nationalism is tending to supplant ideology in the post-cold war world, and militant nationalism complemented by increased military power may pose a serious threat to stability in the region. This threat cannot be discounted when it is borne in mind that, unlike Gorbachev's perestroika, Chinese modernization has not been accompanied by 'new political thinking' about the use of force in international politics. With the reversion of Hong Kong now realized, China's next target is obviously Taiwan, which it views as a renegade province. The use of force by China to achieve reunification cannot be ruled out and for this reason it cannot be discounted that China will choose the go-it-alone option. This would, however, be likely to provoke an international outcry, risking China's becoming once again an international pariah state.

To maximize its international position and to avoid isolation, therefore, China will probably rely on the balance-of-power strategy, just as it has unabashedly exploited the divisions among major powers in the past. If Russia feels excluded from the West, China will find a willing partner to counterbalance the USA and Japan. Nevertheless, even China is beginning to see the advantage of omni-directional friendliness. In fact, if China wants to protect itself from the impact of the Asian economic crisis, it has no choice but to collaborate multilaterally with other economic powers and international economic organizations. Even in security, China is slowly moving to accept multilateralism.

Japan also faces a challenge with its foreign policy options. Like Russia, it is surrounded by neighbours which basically distrust it or with which it has serious historic and economic conflict. The most disadvantageous and therefore the most unlikely scenario is for Japan to adopt a go-it-alone policy. This could conceivably happen only if the US–Japanese security alliance were to collapse.⁹ If Japan is forced out from under the US nuclear umbrella it will almost definitely develop formidable military force with a nuclear capability. No one, neither its neighbours nor Japan itself, favours this option, at least at present.

Japan cannot afford to go it alone for another reason. Its survival depends on the prosperity of the global economy. Cooperation with other powers is therefore fundamental to its foreign policy. To Japan more than any other country security cannot be merely military but must be comprehensive, encompassing economic aspects.¹⁰ A go-it-alone option would be more suicidal for Japan than for Russia. Nor does Japan have the luxury of a balance-of-power option. Its

⁹ The 1960 Treaty of Mutual Cooperation and Security between the United States and Japan.

¹⁰ Shinkichi, E. and Yoshinobu, Y., *Sogo Anpo to Mirai no Sentaku* [Comprehensive security and Japan's choice for the future], (Kodansha: Tokyo, 1991).

economic and security ties with the USA are so fundamental to its well-being that it can ill afford to play either China or Russia off against the USA, and as long as the stalemate of Russo-Japanese relations is a permanent fixture of Asian international relations Japan will not be able to use Russia to balance its relations with China either. To the extent that its future is tied to the continuing stability and prosperity of the region, Japan's interests will be best served by a policy of omni-directional friendliness. As long as the Kuril Islands issue is left unresolved, however, it will not be able to follow this policy.

It is no accident that all these powers must opt for omni-directional friendliness in the post-cold war period. This reflects the reality that, while no one power can dominate and enforce its vision of order on others, none has any choice but to cooperate with others to protect and enhance its own national interests. This is partly the result of globalization and the interdependence of the world economy. When China and the United States criticize Japan's handling of its economic recession, they are not necessarily engaged in Japan-bashing for the balance-of-power game but they are genuinely concerned that Japan's economic ills will eventually spill over into their own economies.

One important factor that adds complexity and ambiguity to the current situation is that within all four countries there are significant divisions of opinion as to how to craft policy towards Asia. In the United States, there is a conflict between the China school, which considers that friendly relations with China should be the central pillar of US policy on Asia, and the Japan school, which takes the view that the US–Japan alliance should be. In Russia there is a division between those who advocate a closer Sino-Russian alliance to challenge US global hegemony and those who regard China as a potential threat to Russia. In Japan, the question whether it should go for rapprochement with Russia without a satisfactory resolution of the Kuril Islands question remains a divisive issue, as does the question how to modify the security alliance with the USA. In China, achieving a balance between progress towards multilateralism and the jealous protection of independent action is bound to generate fierce internal debate among the country's leaders. All these internal tensions and divisions are a part of the broader process of the search for a national identity. Foreign policy debates therefore cannot be divorced from domestic politics.

IV. Omni-directional friendliness and interlocking bilateral dialogues

In Asia, in contrast to Europe, omni-directional friendliness is not based on any multilateral institutions. The most important mechanism for North Asian security at present is the interlocking of six sets of bilateral relations between pairs of the four major powers. There has been unprecedented traffic between their leaders since 1996.

In April 1996 Clinton and Hashimoto met in Tokyo, signing the US–Japanese Joint Declaration on Security, in which they pledged to strengthen the security alliance for the 21st century and agreed to draft new guidelines for US–

Japanese defence cooperation.¹¹ Significantly, by issuing this declaration they also emphasized the importance of cooperation with China and the need to normalize Russo-Japanese relations.¹²

A few days later, Hashimoto attended a summit conference on nuclear energy safety in Moscow, where he met Yeltsin. A week later, on 25 April 1996, after a summit meeting in Beijing, Jiang Zemin and Yeltsin issued a joint communiqué pledging to strengthen the 'strategic partnership' between China and Russia.¹³ Yeltsin also succeeded in mobilizing Jiang's opposition to NATO expansion. The Sino-Russian strategic partnership may at first glance be construed as a classical balance-of-power game, with two weaker powers attempting to provide a corrective to the emergence of a unipolar world order dictated by the United States. Nevertheless, it is not an alliance aimed at any other state. Yeltsin stressed: 'Russia considers not a single state of the region as a potential opponent'.¹⁴ In this sense, the joint communiqué has a common thread with the Clinton–Hashimoto declaration on the US–Japanese security alliance.

In March 1997 Clinton and Yeltsin met to discuss the NATO expansion issue, which led to the NATO–Russia Founding Act in May.¹⁵ In April 1997, Jiang visited Moscow. The resulting joint statement by Jiang and Yeltsin confirmed their commitment 'to promote the multipolarization of the world and the establishment of a new international order'. Strongly opposed to the development of a 'unipolar world' dominated by the United States, they nevertheless emphasized that the disappearance of bipolarity gives great opportunities for cooperation among the major powers.¹⁶

Immediately after the Yeltsin–Jiang summit meeting, Hashimoto and Clinton had a summit meeting in Tokyo and reaffirmed the continuing presence of US troops in Japan, after the Okinawa base crisis. While strengthening Japan's ties with the USA, Hashimoto embarked on creating better relations with China and Russia. Already in January 1997 the Ministry of Foreign Affairs had announced the initiation of the 'multi-layered approach' to Russia. In June Hashimoto and Yeltsin met again at Denver, establishing a strong personal relationship. Hashimoto's historic speech of July 1997 pronounced Japan's initiative for a Eurasian foreign policy and enunciated three principles of Russo-Japanese relations.¹⁷ In September Hashimoto unveiled a four-point policy—deepening mutual understanding, expanding dialogue, promoting cooperation and creating

¹¹ The 1978 Guidelines for US–Japan Defense Cooperation were revised in Sep. 1997.

¹² *Asahi Shimbun*, 17 Apr. 1996.

¹³ UPI, 25 Apr. 1996, URL <<http://russia.shaps.hawaii.edu>>.

¹⁴ Reuters, 22 Apr. 1996, 25 Apr. 1996; UPI, 25 Apr. 1996; Kyodo, 25 Apr. 1996; and Xiong Changyi, 'Chinese–Russian relations embark on all-round development', *Liaowang*, 13 Jan. 1997, URL <<http://russia.shaps.hawaii.edu>>.

¹⁵ Rotfeld, A. D., 'Europe: the transition to inclusive security', *SIPRI Yearbook 1998: Armaments, Disarmament and International Security* (Oxford University Press: Oxford, 1998), pp. 143–45, and (for the text) pp. 168–73.

¹⁶ Reuters, 23 Apr. 1997; and Xinhua, 23 Apr. 1997, in Foreign Broadcast Information Service, *Daily Report–China (FBIS-CHI)*, FBIS-CHI-97-079, 23 Apr. 1997, URL <<http://russia.shaps.hawaii.edu>>.

¹⁷ See note 1.

a common order—to improve Japan's relations with China.¹⁸ In Beijing, Jiang and Hashimoto called Sino-Japanese relations a 'constructive partnership'.¹⁹

October and November 1997 saw the busiest top-level traffic among the leaders of the four powers. Jiang visited the United States. In Washington, Jiang and Clinton declared that both countries aimed at 'constructive strategic partnership'. While Jiang was in Washington, Yeltsin and Hashimoto had a 'no-necktie' meeting in Krasnoyarsk, immediately followed by Yeltsin's visit to China. While Yeltsin was meeting Jiang, China's Prime Minister Li Peng was visiting Japan. Li told Hashimoto that China welcomes improvement in Russo-Japanese relations. It was also noted that Li Peng's criticism of the new Guidelines for US–Japan Defense Cooperation became less strident.²⁰

This rapid pace continued in 1998. In April 1998, Yeltsin and Hashimoto had their second 'no-necktie' meeting in Japan. In July Clinton's nine-day tour of China took place. Clinton also went ahead to meet Yeltsin in the middle of the political crisis in September. This was intended to be followed by a visit to Washington and Moscow by Hashimoto in the autumn and a visit to Tokyo by Jiang.

Japan's political crisis in July and Russia's economic and political collapse in August did not slow down the pace of interlocking bilateral summit meetings. On 1 September 1998, President Clinton visited Moscow and on 22 September he held a summit meeting with Obuchi in New York. A lull in October was followed by a busy November. On 11–13 November Obuchi and Yeltsin held a summit meeting and signed a joint communiqué defining Russo-Japanese relations as a 'creative partnership'.²¹ On 20 November Clinton met Obuchi in Tokyo; three days later Jiang Zemin held a summit meeting with the hospitalized Yeltsin. Jiang then came to Tokyo on the first official visit of a Chinese head of state to Japan. He and Obuchi signed a declaration which stated that China and Japan are working for 'friendly and cooperative partnership'.²²

These meetings and other consultation processes between prime ministers and others represent a new forum in Asian international relations through which the major powers are adjusting to the emerging geopolitical reconfiguration. This is not a formal multilateral institutional mechanism such as exists in Europe, but meetings are no longer confined to discussion of bilateral issues. In fact, the most important objective is to adjust bilateral relations to changes in international relations elsewhere. It is possible to observe the contours of the emerging international order in Asia in this system of interlocking bilateral meetings and contacts.

First and foremost, all the major powers have opted for omni-directional friendliness. No fundamental factors divide the major powers. Although they

¹⁸ *Japan Weekly* (Kyodo), 5 Sep. 1997, URL <<http://russia.shaps.hawaii.edu>>.

¹⁹ *Asahi Shimbun*, 4 Sep. 1997.

²⁰ *Asahi Shimbun*, 11 Nov. 1997; and Kyodo, 11, 12 Nov. 1997, URL <<http://russia.shaps.hawaii.edu>>.

²¹ *Diplomaticeskij Vestnik*, Dec. 1998, p. 11.

²² Japanese Ministry of Foreign Affairs, 'Japan–China Joint Declaration on Building a Partnership of Friendship and Cooperation for Peace and Development' (provisional translation), 26 Nov. 1998 (in English), URL <<http://www2.ntca.com:8010/infomofa/region/asia-paci/china/visit98/joint.html>>.

occasionally jockey for marginal advantage at the expense of others, none is playing a blatant balance-of-power game. No state is an enemy of any other and every power is the partner of others, although the adjective attached to 'partner' may be 'strategic', 'constructive' or 'creative'. Thus, international relations in the post-cold war period are fundamentally different both from the bipolar superpower conflict and from the balance-of-power politics of pre-World War I international relations.

The most important reason for this omni-direction is globalization and the interdependence of the world economy. The fate of all national economies is now integrally connected with the health of others. In this global economy, the zero-sum game cannot function and all are forced to cooperate.

Globalization is by no means a smooth process. In fact, as the Asian economic crisis has amply demonstrated, it involves economic and political pain. One country's economic mistake can no longer be confined within its borders but affects others. Especially grave is the responsibility of major economic powers such as Japan and the USA. As the Asian economic downturn led to the collapse of the rouble, Japan's continuing recession might bring down the Chinese yuan, derailing Jiang Zemin's ambition to propel China into becoming an economic powerhouse in the next century; it might even trigger a US recession.

Globalization, interdependence and multilateralism are less pronounced in the area of security than in economic matters. Nevertheless, even here a trend towards omni-direction is a distinct feature in Asia. Redrafting the Guidelines for US–Japan Defense Cooperation, Japan and the United States made it clear that the redefined security alliance is inclusive, not exclusive. Unlike its reaction to NATO expansion, Russia welcomes the revised guidelines as contributing to Asian security and has resisted China's attempts to mobilize Russian support in criticizing it. China has been the country most reluctant to accept multilateralism in Asian security. It has criticized the guidelines. However, this criticism is largely a function of its sensitivity to the Taiwan issue. The major difference between China and the United States is not over whether or not a new order based on omni-directional friendliness is desirable—China also accepts the desirability of such an order—but rather over the question how this order should be established and who should be the dominant players. China will resist US dominance in creating this order and wants to carve out a corner where it itself plays an important role. There is a strong chance that, sharing the same goal, China and the United States will be able to resolve their differences over the process and cooperate towards forging a new international order based on omni-directional friendliness. Japan and Russia can be crucial players in mediating this.

V. Japan's multi-layered approach

Japan's new multi-layered approach emerged as a reaction to the new configuration of international relations. There is no doubt that, of the six

bilateral relationships described, Russo-Japanese relations represent the weakest link. For a long time Japan's relations with Russia were treated separately from its relations with others. Japan treated its relations with Russia in cavalier fashion as having little to do with its own vital national interests.

This view began to change. Japan can no longer take the US security alliance for granted. It became clear that if the alliance were to survive it would have to be adjusted to the new post-cold war reality. The speed with which China and Russia forged a 'strategic partnership' alarmed Japan and the partnership will inevitably be strengthened unless Russo-Japanese relations are repaired, posing a formidable threat to Japan's security. Russia's military exports to China will destabilize the military balance. Moreover, the stalemate in Russo-Japanese relations will give China the leverage to put pressure on Japan on contentious issues. It has finally dawned on the Japanese political leadership and the Ministry of Foreign Affairs that keeping Russo-Japanese relations in a state of continuing stalemate will not serve Japan's best interests. In order to prevent a Sino-Russian entente in opposition to the US-Japanese security alliance and further to entice China out of its isolationist shell in security matters and into a security dialogue, Russo-Japanese rapprochement is essential.

It is not necessary to describe in detail how the new orientation of policy towards Russia has been implemented since the spring of 1996.²³ Here it will be enough to give a few salient features of the new phase in relations.

The most important change is the disappearance of mutual distrust. On the Japanese side, policy makers no longer harbour the lingering suspicion that unless they settle the territorial dispute first Russia might 'eat and run'. Russia, for its part, trusts that Japan is eager to develop closer economic cooperation, not as leverage to extract territorial concessions from Russia, but for its own sake. Another important element was the close personal relationship between the top leaders. Hashimoto personally took the initiative to steer Japan's policy towards Russia in a positive direction. Beginning with his Moscow trip in April 1996, Hashimoto met Yeltsin five times. No other prime minister in Japan ever established such close and personal relations with a Russian leader in the long history of Russo-Japanese relations.

The improvement in relations is not limited to leadership and psychology alone. It is supported by concrete developments in security and economic relations. The most striking is the speed with which the two sides have stepped up defence cooperation. For the first time in history their defence chiefs of staff exchanged visits. They signed a document to initiate bilateral security dialogue.²⁴ In 1996 Japan's defence White Paper altered its negative approach to Russia. There was an exchange of visits by warships.²⁵ The then Russian Defence Minister, Igor Rodionov, officially welcomed the Guidelines for US-Japan Defense Cooperation as contributing to Asian security and suggested a

²³ On this subject, see, e.g., Hasegawa (note 5), chapters 13, 15.

²⁴ Kyodo, 29 Apr. 1996; and AFP, 29 Apr. 1996, URL <<http://russia.shaps.hawaii.edu>>.

²⁵ *Hokkaido Shimibun*, 25 Oct. 1996; Kyodo 23, 26 July 1996; and TASS, 29 July 1996, URL <<http://russia.shaps.hawaii.edu>>.

trilateral defence exchange between Japan, Russia and the United States.²⁶ The Russian military leaders, once staunch opponents of any territorial concessions, now openly advocate a compromise solution to the territorial dispute.²⁷

Russo-Japanese defence cooperation reflects a dramatic shift in security priorities in both countries. According to Japanese military expert Maeda Tetsuo, Japan now ranks Russia third as a potential threat, after North Korea and China.²⁸ The annual defence analysis issued by Japan's Defense Research Institute, *Strategic Survey in East Asia*, takes the position that there is emerging in East Asia a strategic regime based on the balance of power in which each power combines efforts to improve relations with attempts to hold others in check.²⁹

This view seems to miss an important dimension of the security environment—a distinct trend towards multilateralism which Japan and Russia, once the most reluctant to espouse multilateralism, are leading. Russia, as mentioned above, refused to accept China's denunciation of the US–Japanese defence guidelines, emphatically stating that they promote stability and security in Asia. At the beginning of 1997 the Japanese Ministry of Foreign Affairs began to study the possibility of a trilateral security 'dialogue' involving China, Japan and the United States in the effort to convince China to create a stable security environment envisioned in the guidelines.³⁰ Not only did the ministry discover that Russo-Japanese security cooperation could exert effective leverage to bring China into this dialogue, but the initial idea of a trilateral dialogue was also now expanded to a quadrilateral dialogue including Russia. Interestingly, Japan calls this 'North Asia Trust Orbit' an Asian version of NATO.³¹ The growing assertiveness in Japan's push towards multilateralism is almost palpable. Nor is Russia's support for multilateralism necessarily for negative reasons—that there is no alternative to the 'US system of regional alliances'—but actively promotes a multilateral mechanism as the most desirable system where its voice is assured.

The Japanese concept of an Asian NATO is not limited to security. True to its traditional concept of comprehensive security, it includes economic cooperation. In economic relations as well, Russo-Japanese relations have entered a new stage. At the end of June and the beginning of July 1997, a large Japanese delegation, led by the LDP's Obuchi, visited Russia and four Central Asian countries. At the meeting with Russian representatives, Foreign Minister Taro Nakayama proposed large-scale Japanese economic aid to develop the energy sector in Siberia and the Russian far east and to construct a pipeline from Irkutsk to China. Although the pipeline would eventually benefit Japan, the

²⁶ *Japan Times Weekly News Roundup*, 26 May–1 June 1997; *Hokkaido Shimbun*, 17, 18 May 1997; *Asahi Shimbun*, 17 May 1997; and *Nezavisimaya Gazeta*, 17, 20 May 1997, cited in *Nautilus Daily News*, 13 May 1997.

²⁷ UPI, 30 May 1996, URL <<http://russia.shaps.hawaii.edu>>; and *Asahi Shimbun*, 28 Nov. 1996.

²⁸ TASS, 13 June 1996, URL <<http://russia.shaps.hawaii.edu>>.

²⁹ *Yomiuri Shimbun*, 19 Feb. 1998.

³⁰ *Asahi Shimbun*, 3 Nov. 1997. See also Obuchi's foreign policy speech on 16 Feb. 1998, *Hokkaido Shimbun*, 17 Feb. 1998.

³¹ *Hokkaido Shimbun*, 22 Apr. 1998.

immediate beneficiaries would be China and Russia.³² This was one novel example of Japan demonstrating omni-directional friendliness.

The Hashimoto–Yeltsin Plan of November 1997 specified six areas of economic cooperation. These items are not merely promises on paper. Within a year various projects were initiated.³³ Nor is cooperation confined to interaction between Moscow and Tokyo. Various regional projects have been also developed in tandem. Hokkaido and Sakhalin have concluded a friendship and economic cooperation agreement.³⁴ The Japanese Ministry of Foreign Affairs has encouraged contacts between the Japanese prefectures along the Sea of Japan and the Russian far east by sponsoring the annual Japan–Russia Far East Governors’ Conference since 1993.

Finally, Japan has begun small-scale aid to the Kuriles. Breaking its self-imposed ban on contributing to infrastructure, it extended 100 million yen for the construction of a modern clinic and a school on Shikotan. After lengthy negotiations an agreement to allow Japanese fisherman to fish around the disputed islands was finally signed in February 1998. After the Kawana meeting, Japan provided the islands with diesel generators to alleviate their chronic power shortage and undertook repairs to a pier in Yuzhno-Kurilsk on Kunashir.³⁵

At Kawana Yeltsin requested Japan’s participation in large-scale development of the canning industry in the Kuriles, including the construction of airports, roads and harbours. Since a project such as this involves complicated questions of property rights, legal jurisdiction over criminal and civil cases, and taxation, Japan intends to consider this request in conjunction with the territorial question.³⁶

VI. Russo-Japanese relations and Asian security: future scenarios

It can be argued that, despite the recent economic and political turmoil in Japan and Russia, the basic logic that dictates their bilateral relations has not changed. The trend for omni-directional friendliness is fundamental and no major power can deviate from it without danger to its national interests.

Even so, a stable and successful security regime based on omni-directional friendliness is by no means assured. A number of factors militate against it.

³² Obuchi, K., ‘Tairoshia, chûo ajia taiwa misshon oete (shikan)’ [Ending the mission to Russia and Central Asia: my personal impression], July 1997. Unpublished.

³³ The Hashimoto–Yeltsin Plan contained 6 items, but the 7th area, cooperation in space, was decided at Kawana. It is not necessary to describe here in detail what projects have been undertaken. Some of the most important developments include Japan’s support for Russia’s membership in the Asia–Pacific Economic Co-operation forum (APEC), a feasibility study for modernization of the Trans-Siberian Railway and a joint project to modernize Russian electric power stations by reducing carbon dioxide emissions. *Mainichi Shimbun*, 19 Apr. 1998; *Hokkaido Shimbun*, 29 Jan., 25 Mar., 11 Apr. 1998; and *Yomiuri Shimbun*, 20 Apr. 1998.

³⁴ *Hokkaido Shimbun*, 28, 30 May 1998.

³⁵ *Hokkaido Shimbun*, 23, 24 June 1998; and *Sankei Shimbun*, 11 July 1998.

³⁶ *Yomiuri Shimbun*, 20 Apr. 1998 (evening edn); and *Hokkaido Shimbun*, 20 Apr. 1998.

A weak domestic basis

All four major powers in North-East Asia have weak domestic political bases. President Clinton's effectiveness was greatly damaged by the impeachment process. In Japan, few believe that the new government of Prime Minister Obuchi will take a bold initiative to restore the health of the Japanese economy. In Russia, having reduced the economy to unprecedented collapse, Yeltsin has exhausted his credibility. Jiang Zemin's China is only beginning to chart the post-Deng Xiaoping era, without the charisma of Deng. The fragility of domestic politics is not conducive for strong leadership to emerge and chart a new course in North-East Asia.

To the extent that much of the positive trend relied on the personal relationship between Hashimoto and Yeltsin, Hashimoto's resignation and the erosion of Yeltsin's political prestige are without doubt a major setback for Russo-Japanese relations.

A weakening economic basis

Japan and Russia are undergoing severe economic crises. The Japanese economy, the locomotive of the other Asian economies, has suffered the most serious recession in recent years. Once the envy of the world, it is now in shambles with no recovery in sight. Japan's gross national product (GNP) is seven times that of China and equal to 60 per cent of the combined GNPs of the East Asian countries. A further deepening of the economic crisis there will delay the recovery of the whole region, derail China's economic growth and eventually trigger a global economic crisis. It is imperative, therefore, that Japan finds its way to recovery. The most difficult task for it to tackle is drastic financial reform, but it still has considerable staying-power. Even in this transitional stage, Japan enjoys considerable wealth with which to continue economic cooperation with Russia. Realistically, however, large-scale economic assistance from Japan will be possible only when the territorial issue is settled.

Russia's economic situation is more troubling. With its foreign currency reserves almost exhausted and foreign investors fleeing from the Russian market, and faced with reluctance from the International Monetary Fund (IMF), the World Bank and creditor nations, it is difficult to imagine how Russia will be able to reconstruct its shattered economy. It is difficult to predict at this point what Russia's continuing economic crisis will mean for its relations with Japan. One possible answer is that it will slow down their economic cooperation. Russia will not be able to implement all the promises it made for specific projects under the Hashimoto–Yeltsin Plan; certainly it will not be able to guarantee the loans Japan has extended. There is another possibility, however: given the reluctance of Western nations to extend economic assistance, Russia might seek Japan's help as the only hope of survival.

The continuing territorial dispute

It is true that an improvement in their relations is dictated by the broader geo-strategic needs of both Japan and Russia. Moreover, goodwill, mutual respect and a trust that never existed before now prevail on the part of their negotiators. However, this improvement must be carefully shepherded by strenuous efforts on both sides so that unpredictable events do not destroy the fruit of their hard work, as has happened many times in the past.

At Kawana, Hashimoto reportedly made a startling proposal on the territorial issue that might have broken the deadlock. The details are not public, but it is generally assumed that it contained two elements: (a) a demarcation of the border should be drawn; and (b) for the time being Russia should have administrative rights over the disputed islands.³⁷ The second proposal has some similarities with the Hong Kong formula: the disputed islands would be leased to Russia for a specified time. *Mainichi Shimbun* reported that the line of demarcation proposed by Hashimoto was between Kunashir and Iturup, leaving Iturup to be negotiated later.³⁸ This was denied by officials of the Japanese Ministry of Foreign Affairs, and it is more likely that the original proposal by Hashimoto was to draw the line between Iturup and Urup, that is, to include all the disputed islands in the Japanese jurisdiction.

Yeltsin expressed interest in this proposal and promised to give his answer at the Moscow summit meeting scheduled for the autumn of 1998. However, the double political crisis dashed all hope of a resolution of the territorial question. When Obuchi visited Moscow in November, Yeltsin proposed the conclusion of a peace treaty without a territorial settlement, which would be postponed for future negotiations. This virtual rejection of the proposal shocked the Japanese Government, which had expected some signs of compromise, if not acceptance of the Hashimoto proposal in full. Both sides attempted to salvage what might have been a total disaster by creating a border demarcation committee to work out a compromise solution in time for Yeltsin's expected visit to Japan in the first half of 1999. Its first meeting in January 1999 and a foreign ministerial conference in February have revealed how wide the remaining differences are.

It was reported that, having finally come to the grim realization that insistence on the Hashimoto proposal would virtually ensure not only failure to conclude a peace treaty by the year 2000 but also the return of bilateral relations to stalemate, the Japanese Government was considering the option of proposing an intermediate treaty on the basis of the return of Shikotan and the Habomai group.³⁹ If this is correct, it is the first time in the history of territorial negotiations since 1956 that the Japanese Ministry of Foreign Affairs has entertained

³⁷ Shinjiro, M., 'Nichiro shuno "Kawana kaidan" no butaiura: "kokkyo kakutei" teian no imisurumoto' [Behind the scenes of the Russo-Japanese Kawana meeting: significance of the border demarcation proposal], *Sekai*, June 1998, p. 128.

³⁸ *Mainichi Shimbun*, 10 May 1998.

³⁹ *Yomiuri Shimbun*, 23 Jan. 1999.

the 'two-island solution' as a realistic measure.⁴⁰ In this author's view, if a territorial settlement is possible at all, the two-island solution is the most realistic and probably the only possible solution.

For two reasons, however, it appears highly unlikely that the territorial question will be resolved by 2000. There are two problems with the two-island solution. First, the premature leaking of the information that the Japanese Government was contemplating it might be construed as a pre-emptive move on the part of the opposition within the Ministry of Foreign Affairs to this solution. A powerful group within the ministry and among political groups with substantial influence on Japan's Russia policy consider Russian acceptance of the return of all four islands as an article of faith. They have used the tactic of leaking information to the press in order to silence those who hold such a heretical view. The leak therefore augurs ill for the solution proposed by the government. It also required strong leadership outside the ministry to venture into a new, bold policy. Obuchi, who is known as a consensus builder, is unlikely to do this.

Second, even if the Japanese Government adopts the two-island solution as an interim measure, there is no guarantee that it will be accepted by the Russian Government. Russia is now preparing for the next presidential election, and any proposal that includes the transfer of territory to Japan is anathema. Its adoption would require an even greater degree of courage and leadership on the part of Russia's leaders than of Japan's. Yeltsin is unlikely to take the bull by the horns and face the expected outcry.

In retrospect, both sides made egregious errors of judgement at Krasnoyarsk. Yeltsin, in proposing the conclusion of a peace treaty by 2000 resolving the territorial question, was carried away by enthusiasm. The Japanese side, forgetting that this president was notorious for making promises that he could not fulfil, threw away caution and decided to gamble everything on Yeltsin's political prestige. The multi-layered approach—the policy of de-linking the territorial question from the rest of bilateral relations, which had provided the major force behind the positive momentum—was at this point reversed and the territorial issue was pushed to the front line of negotiations. If Japan bet all on Yeltsin, it has now become clear that this gamble has failed.

Political predictions are dangerous and unexpected things might happen. It seems clear, however, that without some kind of resolution of the territorial dispute there will be no peace treaty. It is also unlikely that either side will be able to narrow the differences and come up with a workable compromise in time for Yeltsin's visit to Japan, if indeed it takes place. Failure to conclude a peace treaty by 2000 will be a devastating blow to bilateral relations and is bound to provoke a backlash.

It is therefore imperative for both countries to take all possible measures to insulate the positive trends of recent years from the failure of a territorial settle-

⁴⁰ In 1956 the Soviet Union and Japan signed the Joint Declaration in which the Soviet Government pledged the return of Shikotan and the Habomai group to Japan after the conclusion of a peace treaty.

ment. For Japan it is imperative to return to the pre-Krasnoyarsk multi-layered approach, developing the other aspects of relations, especially in economic and security cooperation, independently of the territorial question. In this respect the joint economic development of the Kuriles will symbolize the new era of Russo-Japanese cooperation. Both countries must develop a forward-looking vision of future relations.

Lack of vision

The Asian security environment is clearly moving in a positive direction but, beyond the need for a multilateral framework of security dialogue involving the four major powers, specifically what kind of security regime should be created has not been formulated. The most pressing need is an agreement by the four powers to defuse tension on the Korean Peninsula. Further, the US–Japanese security alliance must be adjusted to the new environment, especially in the context of creating a new security regime. The reduction in the numbers of US troops in Japan, especially the marines stationed in Okinawa, might be a step in the right direction. In connection with the ratification of START II⁴¹ and the possible withdrawal of the Russian nuclear-powered, ballistic-missile submarines (SSBNs) from the Sea of Okhotsk, denuclearization of the Sea of Okhotsk might be taken up.

Despite the deep economic and political crises that Japan and Russia are going through, the security environment in North-East Asia is not as bleak as it appears. In fact, both Japan and Russia are now taking the lead to create a truly multilateral security system to assure stability based on omni-directional friendliness. The resolution of the territorial dispute will further boost this process, but its failure will not necessarily derail it. Japan and Russia alone, however, are not enough to forge a new stable security regime in Asia. For this the most crucial role is that of the United States, which has thus far demonstrated a regrettable lack of initiative and creative imagination.

There appears to be a gross contradiction between US policy towards Russia seen across the Atlantic and its policy towards Russia seen across the Pacific. When the United States was working to achieve the expansion of NATO, defusing Russia's displeasure was a paramount concern, yet when it approaches Asian security Russia is completely dropped from its strategic calculations, as if it believes that since Russia does not at the moment pose a threat it can afford to ignore it. It is a wrong policy.

Now is the golden chance to create a new security order involving all the major powers. What is required is leadership. Can Japan, Russia and the United States provide such leadership?

⁴¹ The 1993 Treaty on Further Reduction and Limitation of Strategic Offensive Arms between Russia and the USA.

21. Russian–Japanese relations: back to the deadlock

Alexei Zagorsky

I. Introduction

Since the late 1980s Russia and Japan have sought a normalization of their relations. Three periods of active effort can be distinguished. The first came in the late Gorbachev era, with its culmination in the summit meeting between Soviet President Mikhail Gorbachev and Prime Minister Toshiki Kaifu in 1991. The second was initiated after the collapse of the USSR in 1991 and the emergence of a democratic Russian statehood. Briefly jeopardized by the sudden postponement of President Boris Yeltsin's visit to Tokyo in September 1992, the efforts of this period bore fruit when Yeltsin finally visited Tokyo in October 1993 and the Tokyo Declaration was issued.¹ The third period has seen the rapid activation of Russian–Japanese diplomatic contacts since 1996 with the Yeltsin–Hashimoto 'no-necktie' summit meetings in November 1997 and April 1998 as its high points. The formal summit meeting between Yeltsin and the Japanese Prime Minister, Keizo Obuchi, in November 1998 followed the same line but seems to have added nothing of substance.

Although each stage aroused high expectations, none has succeeded in achieving the desired breakthrough. On the surface the only major obstacle seems to be the Japanese and Russian positions on the territorial dispute over the southern Kuril Islands. Taken by the Soviet Union in the final days of World War II, and known in Japan as the Northern Territories, or *hoppo ryodo*, they consist of Iturup (Etorofu), Kunashir (Kunashiri), Shikotan and the Habomai group (the smaller Kuril chain, or *Malaya Kuril'skaya gryada* in Russian).² This conclusion is supported by the fact that by 1990 the elaboration of a bilateral peace treaty ending the countries' state of war had found a compromise on every issue except the territorial dispute.

The problem of the southern Kuriles is the most difficult issue in Russian–Japanese relations, with a complicated historical and legal background. In the Tokyo Declaration both sides agreed to settle the problem on the basis of the

¹ 'Declaration on Japan–Russia relations', *Summary of World Broadcasts, Asia–Pacific*, FE/1819, 14 Oct. 1993, pp. D/6–D/7.

² For details, see Slavinsky, B., *Sovetskaya Okkupatsiya Kuril'skikh Ostrovov (Avgust–Sentiabr 1945 goda): Dokumentalnoye Issledovaniye* [Soviet occupation of the Kuril Islands August–September 1945: a documentary study] (TOO Lotos: Moscow, 1993). For an English translation, see Slavinsky, B., *The Soviet Occupation of the Kurile Islands, August–September 1945: A Documentary Research* (Strengthening Democratic Institutions Project, Harvard University: Cambridge, Mass., 1993). For an expanded Japanese version of the book, see Slavinsky, B., *Chishima Retto-no Soren Senryo* [Soviet occupation of the Kuril Islands] (Kyodo Tsushina: Tokyo, 1993).

principles of law and justice. In fact, the negotiators at the time seemed to be looking more for a mutually acceptable phrase than for a realistic formula for a solution. In reality, the approach of the Tokyo Declaration has complicated the problem rather than offering an opening.

Both sides claim the islands under dispute as historically an integral part of their territory. In Japan this view is widely shared by the administration and public opinion. In Russia the phrase is a piece of nationalist phraseology and has been silently supported by a majority of the government since 1992, when Viktor Chernomyrdin became prime minister. Both Russia and Japan recognize the historical origins of the dispute as the result of territorial aggrandizement in the 18th and 19th centuries—a process assessed by Oleg Bondarenko, a journalist from Shikotan, as concurrent colonization of the lands populated by Ainu.³ Nevertheless, Japan's historical precedence in discovering and developing not only the four islands claimed but also southern Sakhalin seems impossible to challenge,⁴ providing Japan with a strong moral and historical basis for its claim.

The legal aspect is much more controversial, since the arguments contradict the principle of historical justice and are internally inconsistent. The Soviet Union's adherence to the 1941 Atlantic Charter in 1943, with its principle that states are to refrain from seeking territorial aggrandizement, deprives Russia of a strong legal basis for its claims to the Kuril Islands. In parallel, Japan renounced any claim or title to the Kuriles in the San Francisco Peace Treaty of 1951,⁵ Kunashir and Iturup being clearly interpreted as part of the southern Kuriles. The Soviet Union was not a party to the treaty. Its wartime allies had, however, agreed at Yalta in February 1945 to transfer (but not to return—an important distinction with regard to the principle of non-aggrandizement) the Kuriles to the Soviet Union. To add to the complications, the 1956 Soviet–Japanese Joint Declaration⁶ mentioned the transfer to Japan of Shikotan and the Habomai group after the conclusion of a bilateral peace treaty.

The deadlock over the legal interpretation of the problem primarily concerns (a) the delimitation of the Kuril Islands, referred to in wartime and post-war documents—the question whether Iturup, Kunashir or the Habomais constitute the southern boundary of the Kuriles, and (b) the current legal title of the Kuril

³ Bondarenko, O., *Neizvestnye Kurily: Serioznye Razmyshleniya o Statuse Kurilskikh Ostrovov* [The unknown Kuriles: serious reflections on the status of the Kuril Islands] (VTI-Deita Press: Moscow, 1992), pp. 31–32.

⁴ Zagorsky, A., 'Justice and law in settling Russian–Japan territorial dispute', in *Report of the Special Research Project on the New International System, 1996* (University of Tsukuba: Tsukuba, 1996), pp. 493–508 (in English); and Zagorsky, A., 'Osvoyeniye Khokkaido: Formirovaniye severnoy granitsy Yaponii' [Mastering Hokkaido: the formation of Japan's northern boundary], *Mirovaya Ekonomika i Mezhdunarodnye Otnosheniya*, no. 6 (1996), pp. 26–38.

⁵ US Department of State, *Foreign Relations of the United States, 1951*, vol. 6, pt. 1 (US Government Printing Office: Washington, DC, 1981), pp. 1130–31.

⁶ Japan and the USSR ended their state of war and resumed diplomatic relations in 1956. For the text of the Declaration, see *Pravda*, 20 Oct. 1956, p. 1. For an English translation, see Allison, G., Kimura, H. and Sarkisov K. (eds), *Beyond Cold War to Trilateral Cooperation in the Asia–Pacific Region: Scenarios for New Relationship between Japan, Russia and the United States* (Strengthening Democratic Institutions Project, Harvard University: Cambridge, Mass., 1992), p. 112.

Islands. A strict interpretation of the legal situation would say that neither Japan nor Russia has a completely legitimate title to them, and that the future of the islands should be decided by the parties to the San Francisco Peace Treaty, although Russia as the successor to the USSR has the right to appeal to wartime promises.⁷

Meanwhile the situation clearly causes problems for both Russia and Japan. Both fear that international intervention might lead to a solution that would be welcome to neither. This is the major reason why they both reject a settlement through hearings at the International Court of Justice in The Hague and why they insist on reaching a bilateral compromise, even though this has proved futile for over 50 years.

Important as the dispute is in Russian–Japanese relations, there are broader reasons for the repeated failures to improve bilateral cooperation. Since the San Francisco Peace Treaty Japan has been consistent in claiming sovereignty over the southern Kuriles. Nevertheless there have been periods in Soviet–Japanese relations when Japan has preferred to tone down the dispute.⁸ In parallel, the Soviet/Russian position has swung from refusal to discuss the issue under Stalin to sudden concessions during negotiations in London in 1955 and talks in Moscow in 1956, followed by the restoration of a rigid stand under Soviet general secretaries Nikita Khrushchev and Leonid Brezhnev. In 1991–92 the new Russian leadership demonstrated a willingness to find a compromise, but later stuck to the formula in the Tokyo Declaration.

The resulting deadlock in Soviet/Russian–Japanese relations since the late 1980s is explained by changing general paradigms in Tokyo and Moscow. It is not the purpose of this chapter to review these. What is covered, for the purpose of understanding current Russian–Japanese relations, is the deterioration of mutual expectations since the 1980s.

II. Historical models of Soviet–Japanese cooperation

The first successful model for Soviet–Japanese cooperation was based on the rapid economic development of Japan in the 1960s and early 1970s with its ever-increasing demand for raw materials. The USSR served as a subsidiary source for the diversification of Japanese imports in exchange for Japanese exports to Siberia and the Russian far east. Under this system economic priorities proved to be important enough to calm political disagreements, including the territorial dispute, although the claim was never dropped.

⁷ For details, see Zagorsky, A., ‘Soviet–Japanese relations under perestroika: the territorial dispute and its impact’, eds T. Akaha and F. Langdon, *Japan in the Post-Hegemonic World: Pacific Rim Views* (Lynne Rienner: Boulder, Colo., 1993); and Zagorsky, A., ‘Northern Territories: the last legal remnant of World War II’, in *Beginnings of the Soviet–German and the US–Japanese Wars and Fifty Years After*, Sophia Symposium, 1991 (Institute of American and Canadian Studies, Sophia University: Tokyo, 1993).

⁸ For a detailed review of changes in Japanese policy on the ‘Northern Territories’, see Tanaka, T., *Nisso Kokko Kaifuku-no Shiteki Kenkyu* [Historical study of the restoration of Japanese–Soviet diplomatic relations] (Yuhikaku: Tokyo, 1993). See also Hasegawa, T., *The Northern Territories Dispute and Russo-Japanese Relations*, 2 vols (University of California at Berkeley: Berkeley, Calif., 1998).

This positive trend came to an end with the structural rearrangement of the Japanese economy after the oil price shock of the early 1970s. Although the volume of trade remained stable and previous large projects remained active, the value of economic cooperation with the USSR fell radically. The lack of strong economic motivation combined with the intensification of the global cold war and the Soviet military build-up in the Pacific facilitated a shift of Japan's attention to political issues and solidarity with the West, resulting in a factual freezing of relations with the USSR and concentration on fruitless political debate on security problems and the territorial dispute. At the same time Soviet dependence on Japanese participation in the development of Siberia and the Russian far east grew, stimulating efforts and hopes for a revival of the former pattern of relationships. A further change was stimulated by the foreign policy of Soviet President Mikhail Gorbachev, raising Japanese hopes for a favourable resolution of the southern Kuriles problem.

At this stage the Soviet–Japanese dialogue focused on a single-issue policy. For Japan the only relevant goal was the return of the islands claimed, while for Russia the most important concern was economic cooperation. A compromise proposed by Japan assumed Soviet concessions in the territorial dispute in exchange for extensive Japanese economic assistance.⁹ However, Gorbachev's misperception of Japanese economic interests and his lack of readiness to deal with territorial issues undermined the chances of a new start.

The demise of the USSR and the rise of a new Russian nation affected Russia's policy towards Japan but did not change the general attitude in Tokyo. The new team in the Russian Foreign Ministry saw potential Japanese contributions to the economic development of Siberia and the Russian far east much more realistically and the Yeltsin Administration had new motivations for intensifying cooperation with Japan. First, there was an obvious ambition to succeed in the only diplomatic field where Gorbachev's diplomacy had proved wrong. Second, Japan's rigid position on international economic support for Russian reforms at meetings of the Group of Seven leading industrialized nations (G7) urged an improvement of bilateral relations.

Japan's basic goal remained unchanged and limited to the single issue of the territorial dispute. More, the general trend even helped to single out the issue of the southern Kuriles.

III. Defence-related problems

Japan no longer considers Russia a military threat. A steady decrease in the Russian military presence in the Pacific has calmed previous Japanese security concerns. Russian ground troops in the Far East and Trans-Baikal military districts have been reduced from 43 divisions with about 390 000 personnel in 1989 (peak deployment) to 38 divisions and 340 000 personnel in 1991, and 15

⁹ For details, see Kozyrev, A., *Preobrazheniye* [Transformation] (Mezhdunarodnye Otnosheniya: Moscow, 1995), pp. 295–96.

divisions and 190 000 personnel in 1997.¹⁰ With a radical reduction of the ground forces in connection with the military reform in Russia, the number of fully equipped divisions in the region is supposed to be cut to four by the year 2000.¹¹ This would mean that Russia's manpower there would be even lower than the figures permitted in the April 1997 Treaty on Mutual Reduction of Military Forces in Border Areas signed by China, Kazakhstan, Kyrgyzstan, Russia and Tajikistan, which sets the ceiling of Russian forces in the 100-km security zone at a level of about 130 000.¹²

The Russian Pacific Fleet has shrunk from 100 major surface ships and 140 submarines in 1989 to 60 major ships and 60 submarines in 1997.¹³ It has lost its former task of countering the US Seventh Fleet in the Pacific and Indian oceans and its role is currently confined to the protection of the coastline in the seas of Japan and Okhotsk. According to Russian naval experts the ratio of US to Russian naval forces in general will increase from 3 : 1 in 1990 to 20 : 1 or even more by the year 2000.¹⁴

The Pacific Ocean is also losing importance as Russia's strategic nuclear bastion—one of Japan's major security concerns since the 1960s. By 2006 Russia plans to keep only 17 strategic submarines, its six current Typhoons (only three are operational now) and seven Delta IVs, all in the Northern Fleet. The gap is to be filled with a new Delta V (Boreia or Yury Dolgorukiy) type, yet to be built under severe financial constraints.¹⁵ It is very unlikely that Russia will be able to meet this target by 2006, which undermines the chances of survival of the last Pacific nuclear base on Kamchatka.

Since 1992 Japan has abandoned the notion of a potential Russian military threat in its annual defence White Paper, *Defense of Japan*, and currently it does not consider any kind of arms reduction (even unilateral as advocated in the 1980s) as an issue for negotiations with Russia. Its main security concerns with regard to Russia are the dumping of nuclear waste in the Sea of Japan, possible weak control over troops in the far east and potential incidents. All these issues attract most attention when incidents occur and are not a top priority in Japan's policy towards Russia. What is now called Russian–Japanese cooperation in security matters is confined to episodic exchanges of high

¹⁰ Japan Defense Agency, *Defense of Japan 1986* (Japan Times: Tokyo, 1986), p. 40; Japan Defense Agency, *Defense of Japan 1991* (Japan Times: Tokyo, 1991), p. 29; and Japan Defense Agency, *Defense of Japan 1997* (Japan Times: Tokyo, 1997), p. 42.

¹¹ Urusov, M., 'Rossiyskiye generaly peregonyat Ameriku' [Russian generals will leave the USA behind], *Moskovskiy Novosti*, no. 11 (22–29 Mar. 1998), p. 8.

¹² Lachowski, Z., 'Conventional arms control', *SIPRI Yearbook 1998: Armaments, Disarmament and International Security* (Oxford University Press: Oxford, 1998), pp. 526–27.

¹³ Japan Defense Agency, *Defense of Japan 1989* (Japan Times: Tokyo, 1989), p. 40; and *Defense of Japan 1997* (note 10), p. 45.

¹⁴ Aleksin, V., 'Flot kak instrument gosudarstvennoy politiki' [The fleet as an instrument of national policy], *Morskoy Sbornik*, no. 8 (1997), p. 8.

¹⁵ Makeyev, B., 'Ogranicheniye voyenno-morskoy deyatel'nosti i morskikh vooruzhenii' [Limitations of naval military activities and naval armaments], eds A. G. Arbatov et al., *Razoruzheniye i Bezopasnost 1997–1998: Rossiya i Mezhdunarodnaya Sistema Kontrolya nad Vooruzheniyami. Razvitiye ili Raspad* [Disarmament and security 1997–98: Russia and the international system of arms control. Development or demise] (Nauka: Moscow, 1997), p. 268.

officials—more a diplomatic gesture than a practical solution to defence-related problems.¹⁶

IV. The loss of motivation

It seems that, unlike Gorbachev, Yeltsin was initially prepared to reach a deal within a two-issue paradigm (economic cooperation versus territories), but Japan's rigid and uncompromising insistence on settling the territorial dispute on the most favourable terms before discussing other issues, combined with high domestic political risks in Russia and challenges to the administration from the communist and nationalist opposition, made this impossible.¹⁷ After the postponement of Yeltsin's visit in September 1992 the most pressing problem in the circumstances was correcting this diplomatic lapse and organizing an untroubled presidential visit.

It was Japan that misperceived the reality after 1992. It finally accepted Russia's argument that the basic factor preventing a deal was negative Russian public opinion. (In practice, a number of polls demonstrated that, although support for compromise in different forms was meagre, the majority of respondents were indifferent. Approximately one-third of the Russian electorate strongly rejected any kind of territorial deal—a figure which largely correlates with active support of the communists and nationalists.)¹⁸

A more important obstacle was the fact that the logic of *iriguchi ron* ('input vision', which means that a solution to the territorial dispute should be a precondition for any other cooperation) advocated by the Japanese Foreign Ministry since the 1980s did not promise much to the Russian leadership and the domestic political risks looked too high for an uncertain future promised by the Japanese approach.

Preliminary negotiations in 1992 failed, and this failure set a new paradigm in Russian–Japanese relations. With the withdrawal of the Russian Government from direct economic administration and its emphasis on privatization, inter-governmental agreement on Japanese investment in Siberia and the Russian far east lost its former appeal and importance and was substituted by regional activities. A shift from Gorbachev's policy of borrowing from individual nations combined with disappointed hopes of economic assistance from the G7 and a new pattern of arranging loans from international financial institutions—primarily from the International Monetary Fund (IMF)—reduced the economic value of diplomatic contacts with Japan. Since 1993 no important figure in the Russian Administration has advocated intensive dialogue with Japan.

¹⁶ See, e.g., Usui, H., 'V interesakh stabilnosti i progressa ATR: obespecheniye bezopasnosti kak element yapono-rossiyskogo sotrudnichestva' [For the sake of stability and progress in the Asia–Pacific region: security enhancement as an element of Japanese–Russian cooperation], *Znakomtes–Yaponiya*, no. 18 (1998), pp. 22–26.

¹⁷ For details, see Meyer, P. F., 'Moscow's relations with Tokyo: domestic obstacles to a territorial agreement', *Asian Survey*, vol. 33, no. 10 (Oct. 1993), pp. 953–67; and Hasegawa (note 8), vol. 2, pp. 417–67.

¹⁸ Zagorsky, A., 'Many options, one solution', *Moscow News*, no. 37 (13 Sep. 1992), p. 3.

In the end the two-issue paradigm gave way to the one-issue paradigm when the territorial dispute became the only acute issue for bilateral negotiations. Russia clearly had nothing to gain from the situation and therefore easily accepted Japan's retaliation of freezing cooperation after 1993. The lack of debate worked in Russia's favour, contributing to a policy of shelving the dispute for future generations, when Japanese concern is expected to decline. In principle the reduction of Russian–Japanese relations to a single-issue formula has brought about a 'zero-sum' situation. If Japan's indisputable moral and historical claims and the complicated, internally contradictory legal arguments are put aside, any practical solution means that one side's gain automatically means the other's loss, blocking the way for any reasonable compromise.

With gradual changes in Russia's policy towards the West and the nomination of Yevgeny Primakov as Foreign Minister in January 1996, Russia's approach changed from a silent assumption of the status quo to clear calls for the revision of the clause of the Tokyo Declaration that called for a rapid solution to the territorial problem. In early 1996 Primakov proposed to defer the solution to the next generation—a proposal not repeated since the time of Gorbachev. In November 1996 he proposed discussion of joint economic development of the southern Kuriles instead of sovereignty—a step considered unrealistic even under Gorbachev. It should be added that, since 1993, the Russian naval border guard has received orders to use weapons against foreign intruders into the Russian 200-mile fishery zone, including waters around the islands under dispute, which has led to several incidents.¹⁹ The clear message in Russia's behaviour towards Japan in 1996 seemed to be that it did not want to be tied down by its promises of the early 1990s.

V. Revival of the dialogue

There is no doubt that the initiative to revive the Russian–Japanese dialogue since 1996 should be attributed to Japan. While Russia tried to revise the 1993 Tokyo Declaration, Japan demonstrated a concessionary mood, going far beyond its previous limits. This was clear from its initial readiness to discuss fishery problems around the southern Kuriles, limitations on the catch and payments to the population of the islands. The concession was important as it undermined Japan's hard-line position on rejecting partial deals relevant to its claim of sovereignty. It was followed by an unprecedented agreement to consider Primakov's idea of joint economic development of the territories under dispute. Later Japan accepted cooperation in security affairs and exchanges of visits by top figures in the two countries' defence agencies—a step hitherto thought possible only after decisions in principle on more acute issues had been reached. Japan also opened a branch of its Vladivostok consulate-general at Yuzhno-Sakhalinsk, the capital of Sakhalin Province, another move which contradicted its traditional interpretation of sovereignty, since it had never

¹⁹ Hasegawa (note 8), vol. 2, p. 490.

legally recognized the unilateral Soviet acquisition of southern Sakhalin and the Kuriles and no international convention had ever handed them over to the USSR.

A crucial breakthrough was symbolized by then Japanese Prime Minister Ryutaro Hashimoto's address at the Keizai Doyukai (Association of Corporate Executives) meeting on 24 July 1997—soon labelled the 'Hashimoto doctrine'. He pledged to base future relations with Russia on three principles: mutual trust, mutual benefit and a long-term perspective to 'create a solid foundation for the 21st century'. Two major points of his initiative encouraged a positive Russian response: a statement that the territorial dispute should be discussed 'calmly, based on a long-term perspective', and a call for enhanced cooperation to develop energy resources in Siberia and the Russian far east, saying that 'the links in the energy supply and demand relationship shall be clearly connected to fostering relations of trust and peace throughout East Asia'.²⁰ The initiative paved the way for two informal meetings between the Japanese and Russian leaders in November 1997 at Krasnoyarsk and in April 1998 at Kawana, followed by the formal visit to Moscow by Prime Minister Obuchi in November 1998.

What seemed most important in the Hashimoto initiative was a clear attempt to correct the overall paradigm of Russian–Japanese relations and abandon the stalemated single-issue pattern of dialogue. Instead of softening the Japanese position on certain aspects of the territorial dispute, which was characteristic of the line of the Japanese Foreign Ministry in 1996 and early 1997, Hashimoto proposed a significant expansion of the sphere of dialogue. His later decision not to mention the territorial dispute at Krasnoyarsk but to limit Japan's ambitions to the signing of a peace treaty contributed to a positive response from Russia. A call to broaden the range of issues to debate had become a recurrent theme in Russian argumentation since the Gorbachev era, which strongly appealed to the mentality of the leaders in Moscow. The softer Japanese approach in 1996–97 and Hashimoto's initiative were clearly in response to Russian demands and seemed to have prompted Moscow's decision makers to believe that Japan had begun to be aware of the weak points in its position on the territorial dispute and was more eager to expand cooperation in other areas.

It is easy to explain Russia's positive reaction to Hashimoto's initiative. First, the failure to block NATO's eastward expansion demanded positive results in other areas. The idea of an alliance of nations neglected or obstructed by the West (Belarus, China, India, Iran, Iraq, North Korea, Libya and Yugoslavia) advocated by the communist and nationalist opposition was certainly no solution. Hence, a chance to compensate for failures in Europe through a breakthrough with such a complicated partner as Japan was a welcome opportunity. Second, Hashimoto's initiative did not jeopardize Russia's evasive stand on the territorial dispute, but seemed to favour its desire to calm down emotions and

²⁰ *Asahi Shimbun*, 25 July 1997, p. 2.

shelve the issue while increasing understanding and cooperation in other issues. In a comment on the Krasnoyarsk meeting, *Segodnya*, an influential Russian daily, quoted an anonymous Russian Foreign Ministry official as saying that the Hashimoto option was perfect for Russia since it offered a chance to discuss the peace treaty without referring to the territorial dispute. He added that the proposal was Japan's and that it was up to Japan to find a way of ignoring the southern Kuriles when negotiating the peace treaty.²¹

It is much more difficult to find an explanation for the shift in Japan's position. Several analysts have interpreted it as a strategic move, pointing to two reasons. The first is Japan's increasing isolation as the regional power in the new post-cold war regional system, additional constraints in Japanese–US relations, the stalemate with Russia and growing problems with China. The trend should be seen in the context of the rapid improvement of Sino-US relations in 1997, the formation of a Sino-Russian strategic partnership and uneasy but cooperative US–Russian relations. Japan no doubt had to acquire a trump card for a big-power game. The second is Japan's desire to build a new system of energy supply in North-East Asia to meet expected increasing demand²²—a question dealt with in greater detail below.

These factors may certainly have played a significant role in influencing Japan's position. Nevertheless, a close analysis of Russian–Japanese negotiations in 1997–98 indicates that Japan's basic motivation should be looked for from a different angle. A slogan was proclaimed in Japan after President Yeltsin's visit to Tokyo in 1993, which said that 'a problem born in this century must be settled within this century'. This definitely presumes a solution of the territorial dispute by the year 2000. In this context it is not accidental that the deadline for the signing of a peace treaty as promised at Krasnoyarsk refers to the year 2000. A major motivation for Hashimoto's initiative in 1997 appears to have been not so much to build a new basis for Russian–Japanese relations as to accelerate a solution of the territorial dispute. The reason is clear. When Russia proposes to delegate the problem to the next generation it is aware of a distinct trend among the younger generation in Japan to ascribe less importance to the territorial dispute. If the issue is not settled within a limited period, it may lose its validity for Japanese public opinion. This is the Russian expectation when shelving the problem and, vice versa, an incentive for Japan to resolve the issue as soon as possible.

In fact, as the Hashimoto doctrine developed, although it demonstrated an important change in the paradigm it did not challenge the immediate goal of ensuring the eventual return of the southern Kuriles. A press release of the Krasnoyarsk summit meeting as presented by the Japanese Foreign Ministry stresses six basic points that were agreed. In essence they may be summarized

²¹ *Segodnya*, 5 Nov. 1997, p. 2.

²² See, e.g., Akaha, T., 'Russo-Japanese relations at a turning point' and Meyer, P. F., 'Russo-Japanese relations: opportunity for a rapprochement?', Papers prepared for the annual meeting of the American Association for the Advancement of Slavic Studies, 20–23 Nov. 1997, Seattle, Wash., pp. 11–12 and 10–11, respectively. In fact, the strategic motivation behind Hashimoto's decision was strongly presented by Japanese Deputy Foreign Minister Minoru Tamba. *Asahi Shimbun*, 14 Apr. 1998, p. 3.

as a Japanese pledge to extend economic cooperation with Russia and promote Russian integration into the international economy, including support for Russian membership of the Asia–Pacific Economic Co-operation forum (APEC).²³ In return Japan gains an interpretation of the Tokyo Declaration indicating that the ‘two leaders agreed to do their utmost to conclude the peace treaty between the two countries by the year 2000, based on the Tokyo Declaration’. The document also refers to the bilateral dialogue on regional security but does not go beyond rather symbolic steps such as continued exchanges between top military officials and limited joint exercises in the humanitarian field such as emergency rescue.²⁴

The new paradigm offered by Hashimoto assumed that preserving the logic of a single-issue, zero-sum game in relations with Russia would not be productive in settling the dispute. This view was by then widely shared in both countries. An obvious way out was in the expansion of the sphere of dialogue and the discovery of new areas for strategic cooperation that would overshadow the old controversy. In Japan the new approach formally adopted after the G7 summit meeting at Denver in July 1997 became known as the multi-layered relationship.

The problem is that neither side has ever demonstrated any practical interest in that kind of cooperation outside the context of the territorial dispute. A basic Japanese goal seems to have been to find some area which was both important to Russia and open for compromise in exchange for Russian territorial concessions, which were Japan’s main interest. On the other hand Russia’s consistent calls for broader cooperation should be interpreted at best as an attempt to dilute the fruitless territorial debate and rouse Japanese interest in the restoration of the paradigm of late 1960s and early 1970s, when Japan de facto accepted a shelving of the territorial issue. Hence, although the presentation was different, the ‘new’ approaches advocated in Moscow and Tokyo simply masked former goals without proposing a realistic new opening.

Interpreted in practical terms, Hashimoto’s initiative was an attempt to restore an earlier formula of territorial concessions in exchange for economic benefits—a strategy already tried when Gorbachev’s visit to Japan in 1991 was being prepared.

VI. Development of energy resources: a genuine option?

Some projects debated at Krasnoyarsk offered a fairly solid foundation for the potential integration of Russia into the North-East Asian regional economic system and provided a basis for broader cooperation. It was shown in 1996 that demand for energy in East Asia would outstrip supply early in the 21st century. China’s energy consumption would radically increase and exceed its domestic production, which would put added pressure on global energy resources. Japan and other nations in East Asia would become increasingly dependent on

²³ For the membership of APEC, see appendix 1 in this volume. Russia joined in Nov. 1998.

²⁴ *Asahi Shimbun*, 5 Nov. 1997, p. 1.

imports from the Middle East unless new resources were developed in other regions.²⁵ The only potential areas of future development close enough to North-East Asia are Siberia and the Russian far east with their abundant energy resources. The possibility of exploiting these resources was already the subject of Russian consultations with China, Japan and South Korea, with projects already launched (in Sakhalin) or to be launched in the near future (a natural gas field at Kovytkva in the Irkutsk region). It seems that the development of energy resources in its eastern regions is the only major chance for Russian integration into the East Asian economy that may attract interest from local investors.

There are substantial obstacles even in this prospective area of long-term Russian–Japanese cooperation. The major project discussed at Krasnoyarsk and at several rounds of Sino-Russian negotiations is a multinational enterprise for the development of the Kovytkinskoye gas field (the Irkutsk project) with the participation of China, Japan, South Korea, Mongolia and Russia. The project includes a 3400 km-long pipeline from Kovytkva to Ulan Bator, Beijing and Rishaogang (on the Shandong Peninsula), the main purpose being to supply gas to China beginning in 2006. The pipeline may be extended under the Yellow Sea to Pyongtaek in South Korea and further to Japan. Overall costs are within a reasonable limit of \$10 million (compared with \$25 million for the estimated costs of the two Sakhalin ventures).²⁶

The first question is whether the energy resources in Siberia are large enough to justify Japanese strategic interest. The potential of the Kovytkinskoye gas field is estimated to be 850 billion m³, which is 16 times greater than Japan's annual consumption. However, this figure should be seen in the context of expected growth of energy consumption in China—the major target of the project. A preliminary agreement indicates that if the proven resources are less than 700 billion m³, the pipeline will not be extended beyond China. Reserves at Kovytkinskoye may be supplemented by the Vilyuyskoye oil and gas field in Yakut–Sakha with estimated resources of 1 trillion m³—the subject of repeated Soviet and Russian offers to Japan and South Korea since 1990—but the costs of building a 5000 km-long pipeline under conditions of permafrost (expected to amount to \$22 billion²⁷) make this impractical at present. Valery Zubov, former governor of Krasnoyarsk Province, stressed at a press conference in Japan in February 1998 that oil and gas resources in his region were the second largest in Russia next to those in Tyumen Province.²⁸ However, no precise information is available, and Zubov's statement seems to have been motivated by his election campaign for the governorship against Alexander Lebed. Kovytkinskoye is the only major Russian source that can supply energy to East Asia, and its long-

²⁵ Calder, K. E., 'Asia's empty tank', *Foreign Affairs*, vol. 75, no. 2 (Mar./Apr. 1996), pp. 55–69.

²⁶ *Sentaku*, vol. 24, no. 3 (1998), pp. 14–16; and *Izvestiya*, 18 Apr. 1998, p. 2.

²⁷ Ivanov, V. I., 'Russia and the United States in Northeast Asia and the Russian far east: economics or defense', ed. T. Akaha, *Politics and Economics in the Russian Far East: Changing Ties with Asia-Pacific* (Routledge: London, 1997), p. 145.

²⁸ *Sentaku*, vol. 24, no. 3 (1998), pp. 14–16; and *Izvestiya*, 18 Apr. 1998, p. 2.

term prospects are not sufficiently convincing to provide a basis for new strategic calculations.

The second problem stems from the fact that both major fields in Siberia are under the control of Russian energy tycoons. Kovytkinskoye is leased to the Sidanco oil company, controlled by the Unexim group of Vladimir Potanin; Vilyuyskoye is under the control of Gazprom and Boris Berezovsky. Neither of them seems eager to intensify cooperation with Japan. As far as the Yakutian project is concerned, major Russian companies have so far shown no interest, and the idea is being aired only because of the efforts of the federal government and the President of Yakut–Sakha. Interest is stronger on the part of the Unexim group’s traditional partners—British Petroleum and Exxon.²⁹ Japanese participation in the development of Siberian energy resources cannot therefore serve as a political concession to change Russia’s approach to the territorial dispute. On the contrary, it may develop into another controversial issue if Russian tycoons choose to ignore the Japanese desire to join a potentially lucrative business.

A third obstacle may arise from the problematic relationship of local Russian leaders with the federal government. The oil and gas business is one of the major sources of finance for local budgets. Incidents have already occurred with the Sakhalin projects. The Yakutian pipeline has been a source of disagreement between Yakutsk and Moscow for nearly a decade, intensifying during debates on any practical decisions. Given the steadily increasing authority of local leaders in Russia, their competition with federal government for the financial benefits of resource exploitation has the potential to put the whole idea in jeopardy.

The fourth potential problem is directly linked to the territorial dispute. According to preliminary Russian estimates, gas deposits on the seabed of the four islands under dispute are worth \$2.5 trillion.³⁰ Even if these estimates are not proved, expectations of high profits from the exploitation of oil and gas around the southern Kuriles would definitely lead Russia to adopt a tougher position on the territorial dispute.

Finally, the financial crisis in East Asia and the severe financial crisis and collapse of the banking system in Russia have seriously undermined the prospects for effective joint development of Siberian energy resources. The prospects for rapid East Asian industrial development are now not as bright as when they were assessed by Kent Calder in 1996.³¹ Estimates of the rate of growth of energy consumption should therefore also be revised. Major Asian investors—Japan and South Korea—lack the financial resources required for large-scale projects, and major Russian banks are currently unable to offer any investment activities. The whole idea now seems much more remote and no longer a matter of primary concern either to East Asia or to Russia. This new reality has undermined hopes of forming a new strategic basis for Russian–Japanese relations.

²⁹ *Sentaku*, vol. 24, no. 3 (1998), p. 15.

³⁰ *Sentaku*, vol. 24, no. 3 (1998), p. 16.

³¹ See note 25.

VII. Back to the territorial dispute

It should be noted that the vague understanding reached at Krasnoyarsk in November 1997 was soon threatened by divergent interpretations. For Japan an agreement to sign a peace treaty by the year 2000 meant the clear expectation of acquiring at least nominal sovereignty over the disputed islands. Russia interpreted the clause and the debates at the summit meeting as recognition of a silencing of the issue. The gap soon became visible at consultations of foreign ministers, routinely repeating the earlier experience of sessions of the committee on the peace treaty. Five months of preparations for the next unofficial summit meeting at Kawana in April 1998 clearly demonstrated that a loose agreement on economic cooperation could not overshadow the territorial dispute.

Russia clearly expected to continue in the spirit of Krasnoyarsk, that is, to bypass the dispute and concentrate on economic issues. As reported by an influential Russian newspaper: ‘Circles close to the presidential administration hint that in the current situation the biggest success would be silencing the territorial dispute at the unofficial summit meeting at Kawana. It would mean that we keep moving forward, and then a certain new reality in increasing understanding and cooperation could be highlighted. At some time in the future this new reality will help to set new accents in the territorial problem’.³²

Conversely, for Japan a top priority became further progress in settling the territorial dispute. The main new initiative offered by Hashimoto on the eve of the summit meeting at Kawana was to replace the half-century old formula of a ‘return of the Northern Territories’ with the notion of ‘border delimitation’ (*kokkyosen gatei*), which on the surface looked similar to what was advocated by the Russian Foreign Ministry and almost agreed to by Japan during preparations for Yeltsin’s aborted 1992 visit. However, a detailed elaboration by the Japanese Prime Minister indicated that the only border acceptable to Japan was one between Iturup and Urup islands. He stressed that the reason for changing language (but not the principal claim) was a desire to avoid bitter feelings among the Russian public, which strongly rejects the phrase ‘return of the territories’ but accepts the idea of border delimitation.³³

So far as can be known from what was disclosed of the negotiations at Kawana, Japan made a more substantial offer in proposing Russian recognition of Japanese sovereignty in principle over the islands under dispute in exchange for Japanese acceptance of Russian administrative rights for an unspecified period. (The proposal was labelled a ‘Hong Kong formula’, although it had little in common with the Sino-British agreement on the return of Hong Kong. Japan was more inspired by the post-war US recognition of Japanese ‘residual sovereignty’ over Okinawa, held under US administrative control.) Under these

³² Iliashenko, A. and Skosyrev, D., ‘Bolshiye ozhidaniya v Kavane’ [Great expectations in Kawana], *Nezavisimaya Gazeta*, 18 Apr. 1998, p. 6.

³³ Sawa, K., ‘Tairitsu-kara “kankei kaizen-no ba”-ni’ [From confrontation to the ‘area of improved relations’], *Asahi Shimbun*, 21 Apr. 1998, p. 2.

circumstances Japan would be able to promote the Russian proposal for joint economic development.³⁴

Bold in phrasing, Hashimoto's new initiatives lacked practical innovations. They had not been formally proclaimed in Japan before, but in practice they constituted Japan's maximum affordable concessions during the consultations of 1992. The notions of territorial delimitation and residual sovereignty had been positively discussed then. Obstacles which have undermined the dialogue are Russia's desire to limit territorial concessions to Shikotan and the Habomais (stipulated in the 1956 Joint Declaration) and the non-negotiable nature of the Japanese claim.

Russia's response to overtures at Kawana was quite rigid. The then spokesman of the Russian President, Sergey Yastrzhembsky, said the day after the summit meeting that there was no chance of the Hashimoto plan being implemented.³⁵ A widely shared Russian reaction was clearly worded by Alexey Pushkov, a member of the influential Council on Foreign and Security Policy, who wrote: 'For us it is more acceptable to introduce a special regime on the Kuriles, which should be favourable for the Japanese economic and human presence there, but with Russian sovereignty preserved'.³⁶

A new round of negotiations in Moscow in November 1998 during Prime Minister Obuchi's visit failed to produce a new impetus. Russia's negative reaction to Hashimoto's proposals at Kawana was obvious. Russian economic turmoil since 17 August 1998 combined with Yeltsin's illness and an increasing loss of presidential power ruled out any chance for a search for further steps forward. A major task for both sides in the autumn of 1998 seems to have been a face-saving operation to prevent deterioration of relations.

Negotiations continued along the Kawana pattern, concentrating on the territorial dispute instead of the initial Hashimoto initiative and the spirit of Krasnoyarsk, stressing cooperation in other areas. A lengthy Moscow Declaration³⁷ offered no real substance or new ideas. The only new step turned out to be the establishment of two subcommittees on border delimitation and on joint economic activities on the islands under dispute within the framework of the committee on the peace treaty.

The most important outcome of the Moscow talks was the formal answer of President Yeltsin to the proposals at Kawana. According to *Asahi Shimbun* (the document was not disclosed officially, but leaked to the newspaper), he accepted Hashimoto's notion of border delimitation but rejected the idea of formal recognition of Japanese sovereignty over the four islands to be kept

³⁴ 'Yonto-no Nihon shuken kakunin' [Recognition of Japan's sovereignty over the four islands], *Nihon Keizai Shimbun*, 21 Apr. 1998, p. 1.

³⁵ Gornostayev, D., 'Yeltsyna tolknuli k otkazu ot ostrovov' [They have pushed Yeltsin to the repudiation of the Islands], *Nezavisimaya Gazeta*, 22 Apr. 1998, p. 1.

³⁶ Pushkov, A., 'Kurilskiy ostrova i "sezhivaniye Rossii"' [The Kuril Islands and the 'shrivelling' of Russia], *Nezavisimaya Gazeta*, 17 Apr. 1998, p. 6.

³⁷ 'Moskovskaya deklaratsiya ob ustanovlenii sozidatel'nogo partnerstva mezhdru Yaponiey i Rossiyskoy Federatsiey' [Moscow declaration on establishing a creative partnership between Japan and the Russian Federation], *Izveshcheniye Posolstva Yaponii* [Press release of the Embassy of Japan], 13 Nov. 1998.

under Russian administrative control. He advocated the development of joint economic activities and a special legal status for Japanese arriving on the southern Kuriles. Finally, he proposed a broader peace and cooperation treaty by the year 2000 with a clause stating that the territorial dispute will be settled later by special agreement.³⁸ There is no doubt, even among decision makers in Moscow, that these offers are not acceptable to Japan.

The lack of substantial initiatives at the Moscow summit meeting and even of efforts to bring their two positions closer shows clearly that the dialogue started at Krasnoyarsk has been downgraded. Within a year Russia had returned to what may be called a 'Primakov line' in relations with Japan, insisting on shelving the territorial dispute while ignoring Japan as a potential partner for substantial cooperation.

VIII. Conclusions

The Hashimoto–Yeltsin summit meetings in 1997–98 and Obuchi's official visit in 1998 raised many expectations and were highly praised in Japan, although they were viewed with greater scepticism in Russia. In this author's opinion, these meetings deserve a more balanced and deeper insight. They demonstrated an unprecedented Japanese flexibility and innovation, met by Russia with lack of enthusiasm. At the same time they showed the objective limits and obstacles to a Russian–Japanese rapprochement. Several conclusions should be drawn from the experience.

1. When assessing its strategic priorities for a great-power policy, whether in politics or economics, Russia does not view Japan as an important strategic partner.

2. This reduces bilateral relations to a single-issue formula, which means that the solution of the territorial dispute is a key factor.

3. The territorial issue cannot be solved by efforts to find new descriptive notions like border delimitation, joint economic development, residual sovereignty, or anything else, as nominal sovereignty over the islands under dispute is the heart of the matter.

4. Irrespective of historical, moral or legal arguments, neither side is ready to accept even a partial recognition of the other's reasons.

5. This means that the Russian–Japanese dispute has developed into a zero-sum game offering no compromise solutions.

6. Under the existing practical conditions (not to be confused with the validity of its arguments) Russia has the stronger position since it assumes that it has very little to lose from sticking to its current position.

7. The only conceivable way out is by expanding the sphere of dialogue in order to break the logic of a zero-sum game.

8. Japan is more interested in offering solutions but is unable to find anything that can motivate Russia enough to get affordable concessions.

³⁸ *Asahi Shimbun*, 15 Nov. 1998, p. 1.

9. The goal may not be reached, as there is no real basis for it.

Finally, the extensive efforts to build a new Russian–Japanese relationship in the 1990s have failed. This is not the time to look for a scapegoat. At different times both sides have been responsible for excessively rigid demands and a lack of cooperation. In the end, bilateral expectations born from the demise of the USSR and the emergence of a new Russia, as well as expectations stirred by Hashimoto’s initiatives, proved futile. Combined efforts are needed to open new overtures, and the more mutual neglect there is the less chance there is of a settlement.

22. Russian–US relations in Asia–Pacific

Mikhail G. Nosov

I. Introduction

Separated as they are by the Pacific Ocean, both Russia and the United States regard the security of East Asia as a major foreign policy goal. As an integral part of the region they maintain close political and economic ties with East Asian states, have a sizeable military contingent deployed in the Pacific and consider this part of the world an area of their national interests. However, the regional status of the two countries, many of their goals, following from their national security needs, and their means of reaching these goals differ greatly.

II. From ideological confrontation to political pragmatism

The two superpowers long viewed East Asia through the lens of ideological confrontation. After World War II and until the early 1970s the Soviet Union enjoyed great advantages in the region over its counterpart. Mongolia was constructing socialism, revolution succeeded in China and a solid Sino-Soviet alliance was forged without delay. Even North Korea, despite three years of war, had far more impressive economic and military potential than its southern neighbour. Burma declined to join the Commonwealth of Nations and started building socialism. The larger part of Laos was under communist control. Indonesia was ruled by Sukarno's 'guided democracy' with communists participating in the government; Prince Sihanouk closed down the US Embassy in Cambodia; and partisans in the Philippines and Malaya kept up opposition to government forces. North Viet Nam prepared to absorb the South, and even Japan witnessed mass protests against the 1951 US–Japan Security Treaty. The leader of the socialist camp, the USSR, was making every effort to lay the basis of a socialist economy in the region: its technicians were busy in the developing countries.

The regional status of the USSR in this period was first and foremost based on the strong military potential needed for global confrontation with the USA and later with China, as well as on the ideological attraction of socialist ideas for most regional states. US policy was primarily aimed at creating a buffer against the spread of communist ideology and was crowned by US participation in the Korean and Viet Nam wars.

With the defeat in Viet Nam, the USA perhaps for the first time in the post-war period faced the need to reconsider the ratio of its goals to its means in foreign policy. Having abandoned a messianic fight against world communism,

President Richard Nixon made for rapprochement with China. To the USA a step towards a major adversary, which would have been quite usual in 19th century European diplomacy, meant a breakthrough in foreign policy. China remained outwardly a far more aggressive and fanatical advocate of the communist ideology than the USSR. The USA's relations with regional allies, partners and friends were gradually shaping into complex interdependence, motivated by the US security provision for these countries on the one hand and extensive economic cooperation on the other. These two components generated actual interests which integrated the United States fully into the Asia-Pacific region. Naturally, relations were never free from problems and contradictions of a political, economic and social nature. The common denominator of all these problems was anti-Americanism, which was the negative side of the absence of alternatives to alliance with the USA.

By the end of the 1970s the USA had become a fully-fledged part of East Asia and a key player in or, sometimes, a leader of most political, economic, social and military developments in the region. The collapse of the Soviet-US détente further cemented the US position. As a result the value of US security provision and military-political partnership on the whole was considerably enhanced in the eyes of most regional states. With the Soviet invasion of Afghanistan and Viet Nam's of Cambodia the old thesis about the particular belligerency of the USSR and its allies regained its hold. On the other hand the demise of détente finally fixed the place of China in US policies while providing a stable balance between their messianic and pragmatic components. Finally, the end of détente coincided with a boost of economic integration in East Asia. This last fact was a sheer bonus for the United States: the more the East Asian countries were interested in US military-political guarantees, the more eager they became to accommodate the USA's economic interests.

The USSR, unfortunately, lacked pragmatism in its relations with the states of the region and followed ideological priorities and partly strategic considerations rather than market logic and economic expediency—tactics which allowed it to make centralized, if not always efficient, use of its sizeable economic resources.

As a result the USSR and subsequently Russia found itself in full retreat in East Asia, having yielded its positions to the United States. The only element of the superpowers' regional antagonism which still holds for present-day Russia is the need to maintain a strategic nuclear balance with the United States. Having so far played a barely noticeable part in either the Asian countries' economies or their politics, Russia is not likely to make any progress in the foreseeable future. Regional leadership was yielded long before the demise of the USSR and the collapse of the socialist system as a result of fading socialist ideology, undermined by the Chinese-Soviet rivalry, and of the success of US policy in stimulating economic growth in the region. Without lengthy discussion of the dominance of Japanese or US capital, the leaders of the Asian states spared no effort to win foreign investment and stimulate exports. Being integrated with US industrial power, these countries have made outstanding progress, despite the economic crisis of 1997-98.

Security aspects

In Soviet times the security of East Asia and the Soviet far east in particular was viewed first and foremost through a military lens because of the Soviet-US and later Sino-Soviet confrontation. Vast Soviet forces were deployed in the region. About 50 divisions were stationed at the Chinese border, which cost the USSR \$100 billion in the prices of the 1980s during the period of confrontation with China.¹ Immense resources were funnelled into the reinforcement of the Pacific Fleet as a counterbalance to the US Seventh Fleet. In the mid-1980s the USSR had in the Pacific 120 submarines, including 24 nuclear-powered, ballistic-missile submarines (SSBNs), as compared to 51 US submarines (including 8 SSBNs) and 77 large surface ships as compared to 107 on the US side.²

Despite attempts to inculcate the concept of collective security in East Asia, the USSR had little success. Unlike Europe, where NATO and the Warsaw Pact countries were patently opposed, Asia hardly saw a clear-cut Soviet-US antagonism. The USA was little concerned at the number of Soviet tanks and ground divisions, while flatly refusing all Soviet initiatives for the reduction of naval arms in view of its own marked naval superiority over the USSR.

Present-day regional security, as seen by Euro-Asiatic Russia, is made up of the following aspects: (a) a policy oriented to both Europe and Asia, with its increasing economic and political potential; (b) Russia's own lasting territorial integrity; (c) a favourable climate for the development of the Russian far east and its further integration in the East Asian economic framework; (d) sustainable relations with the regional neighbours; and (e) in military terms unaltered regional goals—the maintenance of the strategic nuclear balance and the integrity of national borders.

The USA's regional interests are largely determined by the system of forward deployment, including strategic forces, as well as by its deep-rooted integration in the economic and political life of East Asia. The influence exerted by the United States over East Asia for the last third of the 20th century has come to dominate the political, military and economic life of the region.

The USA still retains the cold war framework of military-political treaties, which rests on the two main pillars of the US-Japan Security Treaty of 1951 and the US-South Korea Mutual Defense Treaty of 1953. Under these treaties 46 000 US servicemen are stationed in Japan and 38 000 in South Korea. In economic terms the US regional status is rooted in its almost \$1 trillion direct and portfolio investments and in East Asia's 40 per cent share of US exports, which provides 2-3 million US citizens with work. Exports to East Asia amount to 63.9 per cent of total exports by value for Oregon, 57.9 per cent for Alaska, 64.6 per cent for Hawaii, 51.9 per cent for California, 55.7 per cent for

¹ *Segodnya*, 25 Mar. 1997.

² International Institute for Strategic Studies, *The Military Balance 1989-1990* (IISS: London, 1989), pp. 26, 42.

Nebraska, 68.8 per cent for New Mexico and 54.6 per cent for Washington State.³

The present-day position of Russia in the region is far less secure. For many years its foreign, economic and trade policy was oriented towards Europe: Siberia and the Russian far east were considered as a source of raw materials for the industry of the European part of the country. As a rule, even the goods produced in the Russian far east were used west of the Urals. Currently Russia, having only one-quarter of its territory in Europe, remains completely oriented to trade with the West. Trade with Asia is less than 20 per cent of its commodity circulation and trade with Asia-Pacific less than 10 per cent.⁴ In 1997 Russia's exports to Asia-Pacific amounted to \$9485 million or 10.8 per cent of the total and imports from the region only \$3730 million or 5.5 per cent of the total.⁵ The value of its imports from China in 1997 was one-quarter of that of 1993.⁶ Russia's share in the trade of the Asia-Pacific countries in the 1990s was consistently less than 1 per cent. In 1995 its share in the exports of Asia-Pacific was 0.4 per cent and of imports 0.8 per cent.⁷

The 1990s have seen Russia make every effort to normalize its relations with China and promote dialogue with Japan, but for all practical purposes it has very few allies in the region, while its foreign policy has neither a framework of treaties nor a firm economic footing to rest on. Regrettably, Russia's political successes lack appropriate economic backing. The relations of its president with the leaders of China and Japan tend to be mistaken for evidence of strategic partnership—a definition of interstate relations increasingly favoured by most politicians in Moscow. Russia is economically the weak side of the China–Japan–Russia–USA quadrangle, and the gap is widening dangerously.

Russia's influence on regional policy has shrunk markedly. However, it is still propped up by the status of nuclear heavyweight and the persisting super-power image. For the foreseeable future Russia is likely to play a minor role in regional security issues but to retain a certain political leverage: the United States, China and Japan will require Russia's assistance in their trilateral interaction.

In fact this is already happening. A new policy towards Russia declared by Japanese Prime Minister Ryutaro Hashimoto in 1997 has been a remarkable spur to Japanese–Russian relations, in security matters as well as others.⁸ China and Russia have concluded a number of agreements cementing their relations.⁹ The United States maintains extensive ties with Russia. The whole situation is

³ Nanto, D., *The Asian Financial Crisis, the IMF and Japan: Economic Issues*, 17 Apr. 1998 (Library of Congress, Congressional Research Service: Washington, DC, 1998), p. 29.

⁴ *Rossiya v Tsiifrah: Offitsialnaya Statistika, 1998* (Goskomstat: Moscow, 1998).

⁵ See note 4.

⁶ See note 4.

⁷ *Materialy Parlamentskikh Slyshanii: Problemy Kompleksnogo Razvitiya Regionov Vostochnoy Sibiri i Dalnego Vostoka v Protsesse Integratsii so Stranami Aziatsko-Tikhookenskogo Regiona* [Report on the parliament hearings in 1997 in Irkutsk: the problems of complex development of eastern Siberia and the far east in the process of integration with Asia-Pacific countries] (ATP: Irkutsk, 1997), p. 38.

⁸ See also chapters 20 and 21 in this volume.

⁹ See also chapters 18 and 19 in this volume.

chiefly a reflection of US and Japanese apprehensions about the regional and global expansion of China, on the one hand, and China's attempts to capitalize on its partnership with Russia in its dialogue with the West, on the other.

Despite an obvious asymmetry between the Russian and US regional potentials, both political and economic, there are some regional security issues which might necessitate Russian–US cooperation or at least prompt mutual understanding. These issues are associated first and foremost with a settlement on the Korean Peninsula.

III. China: between Russia and the USA

The end of the 1990s saw China's transformation from being a political make-weight in the global Soviet–US antagonism into a fully independent and significant factor in global politics. In the 21st century both Russia and the United States are likely to direct their attention to China to the detriment of their concern with each other. Russian security is burdened with a more than 4000 km-long border with China, while the United States might eventually see China as an equal economic competitor and possibly as a threat to its own regional interests and those of its allies. In terms of security Russia and the United States view China from different angles but, while declaring willingness to promote relations with China, share a certain anxiety about their prospects.

China and Russia

The future of China affects Russia much more deeply than it affects the United States. Despite the fact that Russia's current introversion prevents it from concentrating on the present and the future of China and their mutual relations, there is steady progress in relations between the two. They have managed to overcome past contradictions and establish friendly relations. Over the seven-year period 1992–98 their leaders held six summit meetings and signed a number of important documents determining border security and the development of their relations. In April 1996 in Shanghai the leaders of China, Kazakhstan, Kyrgyzstan, Russia and Tajikistan signed the first Agreement on Confidence Building in Border Areas, and in April 1997 in Moscow the same countries signed the Treaty on Mutual Reduction of Military Forces in Border Areas.¹⁰ In November 1997 Russian President Boris Yeltsin and Chinese President Jiang Zemin declared the demarcation of the eastern part of their common border implemented.¹¹ China and Russia are making every effort to extend their economic ties and trade, which amounted to \$5.5 billion in 1998. This is equal to 1.7 per cent of China's trade and a slightly higher share of Russia's.¹²

¹⁰ Lachowski, Z., 'Conventional arms control', *SIPRI Yearbook 1997: Armaments, Disarmament and International Security* (Oxford University Press: Oxford, 1997), p. 494; and Lachowski, Z., 'Conventional arms control', *SIPRI Yearbook 1998: Armaments, Disarmament and International Security* (Oxford University Press: Oxford, 1998), p. 526–27. See also chapter 18, section II, in this volume.

¹¹ See chapter 18, section II, in this volume.

¹² Savenkov, Yu., 'Prezhde chem risovat derevo, pochuvstvuy kak ono raset' [Before painting the tree, sense how it grows], *Izvestiya*, 25 Feb. 1999.

The development of the arms transfer relationship with China aims to support Russia's defence industry and meet China's growing demand for sophisticated weapons. China is using its imports from Russia to modernize its armed forces. The list of weapons acquired from Russia is impressive. China has bought more than 100 S-300PMU-1 (Nato designation SA-10) surface-to-air missiles (SAMs), regarded as one of the most sophisticated anti-aircraft systems in the world, and 50 Su-27 (Flanker) multi-purpose, air-superiority fighter aircraft. It has acquired a licence to build Su-27s for between \$1.5 billion and \$2.2 billion and plans to build 200. Russia and Israel are reportedly helping China to develop its own J-10 fighter aircraft and have cooperated to sell China airborne early-warning and control (AEWAC) aircraft. China has also acquired Il-76M transport aircraft, vital for power projection, various air-to-air missiles, some of which can match the Taiwanese Air Force's arsenal, and transport helicopters. Russia has sold China two Kilo Class diesel-electric submarines, new versions of which are almost as quiet as the US Los Angeles Class attack submarine, Sovremenny Class destroyers and advanced ship-based missiles. Between 1991 and 1997 China spent about \$6 billion on purchases of Russian arms.¹³

The future of Sino-Russian relations is likely to depend on the evolution of domestic conditions in each country. Russia is currently trying to pull the democratic foundations laid in the early 1990s out of the fire of political and economic crisis. Even if democracy in Russia survives, its economy will need at least a decade to recover fully, and this is likely to reduce Russia's share in the regional economy. In the event of a communist relapse, relations between China and Russia are most unlikely to be based once again on ideology. The present-day communist opposition in Russia professes pure nationalism, which cannot but revive tensions between the two countries, and in terms of security views China through the prism of supposedly inevitable confrontation with the USA.

China might also become a factor for regional instability. Like Russia, it now faces the possibility of drastic changes. From 1990 to 1997 its gross national product (GNP) in 1993 \$PPP (purchasing power parity) terms increased from \$1765 billion to \$3670 billion and industrial production more than doubled, from \$550 billion to \$1330 billion.¹⁴ Provided this increase continues, China may soon become a fully-fledged economic competitor of the United States, with a comparatively poor population and swelling imports of fuel and food-stuffs, although the possibility remains of profound economic and social crisis in China with consequences that would be impossible to predict.

Neither China's development into a superpower nor its destabilization seems favourable for Russia. A full-scale crisis in China would be fraught with most unfortunate effects for Russia, including the possibility of confrontation. Any attempts to resolve the social crisis through ideological control over the economy, separatism or economic crisis will give rise to a totalitarian state and

¹³ Trubkin, I., 'Arms export: risky business', *Kommersant Daily*, 23 June 1997.

¹⁴ Bolotin, B., [International comparison: 1990-97], *Mirovaya Ekonomika i Mezhdunarodnye Otnosheniya*, no. 10 (1998), pp. 120, 124.

inevitably worsen relations with Russia. Even if the outcome for China is positive, Chinese and Russian geopolitical interests might remain at variance.

Because of China's increasing need for imports of fuel and foodstuffs, it will try to put sea communications under strict control and aim to reassert control over the disputed territories, which could make for an escalation of its confrontation with its southern neighbours,¹⁵ along with Japan and the USA, which are looking apprehensively at the measured tread of the Middle Kingdom.

An outbreak of controversy between China and Japan or the USA seems at present more likely than confrontation between China and Russia. However, this is not certain. Geopolitical pressure from China on the sparsely populated and barely governed regions of Siberia and the Russian far east is already in evidence and is liable to spiral upwards. The problem of 'creeping Chinese colonization'—the inconspicuous penetration and settlement of Chinese in Russia—will probably also develop. Sooner or later Russia will have to respond with severe restrictions which could trigger a crisis in bilateral relations.

Should the Asia-Pacific region be faced by the 'Chinese threat', the position of Russia will be determined by the state of its relations with the major regional countries.

Regardless of China's political zigzags, it is essential that Russian diplomatic efforts should focus on seeking the conditions for lasting, stable and mutually beneficial relations with a powerful neighbour, rather than playing geopolitical games. The possibility of confrontation can only be removed by the economic building up of Russia in general and the Russian far east in particular.

The end of the 20th century and the beginning of the next will be marked for China by continuing efforts to modernize its armed forces. As stated by Chinese Defence Minister Chi Haotian, 'China's military policy is underpinned by the "active defense" doctrine, which implies defense of both the mainland and the territorial waters'.¹⁶ The armed forces will be engaged depending on the international political climate and the evolution of the domestic situation. As regards the speed of China's military development, the existing notion that a country's prosperity and military might are closely interrelated objectives, which is embodied in the constitution of China as the 'welfare and power' of the state, should be kept in mind. Moreover, the People's Liberation Army has much leeway in technology to make up, and this prevents China from engaging in large-scale warfare.

Alliances and blocs have little attraction for China. In the immediate future it will probably retain an aversion to any kind of formal or virtual alliance. This is prompted by both the stinging memory of colonial and 'socialist' rule and down-to-earth reasons: China is too weak to have junior partners but too strong to be a junior partner itself.

¹⁵ For a summary of these disputes, see Swinnerton, R., 'The strategic environment and arms acquisitions in South-East Asia', eds B. Gill and J. N. Mak, *Arms, Transparency and Security in South-East Asia*, SIPRI Research Report no. 13 (Oxford University Press: Oxford, 1997), p. 26.

¹⁶ *Nikkei Weekly*, 27 May 1996.

Russia's sights, however, are still levelled at a network of alliances and blocs. Nostalgic memories of the 'inviolable unity of the socialist countries' and of superpower status and a feeling of constant threat are inherent in the mentality of Russian politicians. When it comes to China this characteristic of the Russian political elite finds expression in a wide spectrum of opinions on the prospects of Sino-Russian relations.

The image of China in the Russian political conscience can be illustrated by two major tendencies.

On the one hand, the leaders of the two countries have upgraded their relations to 'strategic cooperation', which stands for a high level of ties.¹⁷ They have managed to clear the way for enhanced contacts and stable relations. On the other hand, there is residual enmity constantly fuelled by exaggerations of the present Chinese immigration to Russia and fears of potential Chinese territorial claims. Moreover, in the light of Russia's economic collapse, China's progress has provoked downright jealousy and an inferiority complex.

The negative side of the Russian political elite's image of China is chiefly associated with a multi-faceted hostility remaining in the Russian mass consciousness, which has always made a clear-cut division between Europeans and Asians. Despite vast experience of communal life with the Asians, the Russian people have not assimilated much of the Muslim, Confucian or Buddhist cultures. In the 1950s China was considered an ally, but an amicable attitude was underpinned by a feeling of Russian superiority. After that China was long regarded as an ideological opponent and, furthermore, pretender to vast Soviet territories in the far east and Central Asia. The propaganda portrait of China looked even more hostile than those of the capitalist countries, while China seemed to have betrayed the USSR after long years of brotherly help.

The Russian political elite's perception of China is the quintessence of the evolution of Russia's foreign policy and its painful switch from clear-cut totalitarian stereotypes to democratic confusion, not to say anarchy, complicated by a persisting wariness of the outside world in view of NATO's expansion and by the long-standing controversy between the supporters of a pro-Western and a Eurasian ideological orientation in Russia. Supporters of the first group defend the idea of a strong ideological, economic and even military alliance with the West. Former Russian Prime Minister Yegor Gaidar recommends 'cementing military alliance with the West and switching our deterrence potential to the Far East',¹⁸ which is reminiscent of Academician Andrey Sakharov's words that 'playing up the Chinese threat is an element of the political game'.¹⁹ Supporters of the Eurasian orientation, represented mainly by politicians of the left and ultra-left of the Russian political spectrum, are against close relations with the West and defend the idea of a special role for Russia in world history.

¹⁷ In Sep. 1994, at their summit meeting in Moscow, a Joint Declaration declared their relations to be based on 'constructive partnership'. In Apr. 1996, at a summit meeting in Beijing, Russia and China declared their 'interaction aimed at strategic partnership in the 21st century'. ITAR-TASS, 'Puls planety', 23 Nov. 1998.

¹⁸ *Izvestiya*, 12 Feb. 1997.

¹⁹ *Izvestiya*, 12 Feb. 1997.

Ideological antagonism to Western values does not, however, necessarily mean support for close relations with China. An article on ‘Military reform: an estimate of the threats to Russia’s national security’, prepared by the People’s Patriotic Union of Russia, reads: ‘Russia’s military policy towards China should be worked out circumspectly with regard to the fact that the USA, having included China on a list of probable enemies, is interested in provoking military confrontation between China and Russia’.²⁰ China, Japan and the United States were listed along with Germany as threats to Russian national security in the ‘National defence policy of the Russian Federation 1996–2000’, written in 1996 by the Security Council of the Russian Federation.²¹ The then Secretary of the Russian Defence Council, Yury Baturin, commented on the document, saying that ‘neither Russia nor the USA wants to see China as a dominant power in Asia. Japan would not welcome an overweight China either, which makes it our potential partner. This is a trump card to be put aside for the time of need’.²²

China and the USA

China is undergoing a largely introverted transformation, and its foreign policy is normally conditioned by domestic developments. Its traditional concentration on internal problems has been noted by a Russian historian, who believed the Chinese to be ‘extremely hard-working’ but incapable of performing an ‘exploit—an impressive, swingeing move, determined by external clashes’.²³ The point about China’s political introversion has a ring of truth, especially regarding its countless economic problems and its continuous effort to make the greatest possible use of the Western investment potential.

In this sense China is the opposite of the USSR—unfit for the vacant post of super-adversary of the USA. At the same time there are a number of difficult intersections between the Chinese and US foreign policies, while China’s transformation, regardless of the course it takes, is bound to affect US interests. Although the absence of a super-adversary has changed the USA’s superpower status, it remains a great power with interests all over the world.

This is why the United States is witnessing an unabated dispute about which strategy is applicable to China. There are three main positions. The first, supported by US sinologists, suggests involving China in all kinds of international relations as well as trade and economic and financial cooperation, both unlimited and unbiased, for instance, in ideological terms. Cumulatively this policy is expected to make China ‘play the game’ as a fully-fledged member of the international community. The second approach treats China as susceptible

²⁰ Zyuganov, G. (ed.), ‘Voyennaya reforma: otsenka ugroz natsionalnoy bezopasnosti Rossii’ [Military reform: an estimate of the threats to Russia’s national security], *Yadernoye Rasprostraneniye*, no. 19 (Sep. 1997), p. 48.

²¹ The document was not published.

²² *Kommersant Daily*, 23 Apr. 1996.

²³ Solovyev, V., ‘Nablyudeniya nad obshchestvennoy zhiznyu narodov’ [Observation of the social life of people], *Mysl* (Moscow), vol. 17 (1996), p. 17.

to force rather than argument. Logically, a country posing both real and potential threats will be viewed as an object of preventive containment. The purpose of this US 'game plan' is to block China's foreign policy ventures while shattering its quasi-Marxist dictatorship. Such drastic measures are expected to pressurize China into abiding by common rules. Among supporters of the 'containment' of China are influential Republicans. When President Bill Clinton proposed to Congress the appointment of a cross-party delegation to accompany him on an official visit to China in 1998, only Democrats accepted.²⁴ The Republicans are insisting that such problems as human rights and the security of Taiwan should have priority in US–Chinese relations. Commenting on Clinton's visit, Jim Nicholson, Chairman of the Republican National Committee, said that Clinton would 'walk on the blood of those brave pro-democracy protesters'.²⁵

The third attitude seems to be a synthesis of the other two. In practical terms it is reflected in Clinton's China policy. It recommends engaging China in international affairs, particularly in economic cooperation, while maintaining readiness to counter any hypothetical destabilizing moves.

Despite continuous pressure from Republican Congressmen who have criticized President Clinton's 'soft-spoken' approach to China, the US Administration is increasingly interested in extending ties with China. Present-day China plays a major part in the China–Russia–USA triangle. Wherever Russia fails to meet China's needs—in state-of-the-art technologies, credits or an export market—there is always the United States to rely on. At the same time Sino-Russian military cooperation, which provides the Chinese armed forces with relatively cheap yet up-to-date Russian arms, gives China formidable leverage against the USA. Both Russia and the United States are eager to step up relations with China at the expense of certain concessions to China, which is normally steadfast in its policies.

The USA's present China policy has undergone a long transformation through tentative measures to the synthetic approach just mentioned, which has been upgraded to conceptual directives. It was described by President Clinton during his 1998 visit to China: 'In dealing with China we must stay true to a course that is both principled and pragmatic. We must continue to expand our areas of cooperation, even as we deal directly with our differences'.²⁶ This policy is unlikely to introduce anything novel. It corresponds to the 'containment through integration' worked out by the administration of President Franklin D. Roosevelt at the end of World War II. It also resembles the policy of *détente* with the USSR at the beginning of the 1970s as initially viewed by the administration of President Richard Nixon. The critical factor is that, despite censuring human-rights abuses and evidence of other non-democratic practices in China,

²⁴ Remarks by Stanley O. Roth, Assistant Secretary of State for East Asia and Pacific Affairs, US Department of State, 19 June 1998.

²⁵ Berke, R. L., 'GOP offers rare praise for Clinton's China performance', *New York Times International*, 3 July 1998.

²⁶ Radio address of the president to the nation, Beijing, 27 June 1998.

the United States seems unlikely to link them with its ties with China. In other words, it wishes to 'reward' China for attempts to liberalize its economy (provided China spares the US public any startling domestic experiments) yet feels reluctant to 'punish' it if it makes no such attempts. The emphasis is on foreign policy. That is where China is expected to demonstrate balanced and responsible behaviour, renounce the use of force and nuclear proliferation, and so on. It is likewise essential that China provide transparency in its defence programmes and free access to its domestic market for US goods and investment.

US-Chinese security relations are closely interwoven with their economic ties. The restraint currently seen in the US attitude towards such thorny questions as human rights or China's policy on the export of military technologies is associated with efforts to keep the vast Chinese market accessible to the United States. With the crisis in the Taiwan Strait in 1996 both sides exchanged threats of economic sanctions, which after joint discussions were not carried out.

Despite congressional demands that China be punished for its violations of human rights, the US Administration has insisted on the preservation of most-favoured-nation status for China. China has joined the main international nuclear arms control agreements,²⁷ promised to stop the export of missiles and nuclear technologies and begun to 'actively study joining the MTCR [Missile Technology Control Regime]'.²⁸ The final decision to join the MTCR depends on the USA stopping arms exports to Taiwan. During President Clinton's state visit to China in June 1998 both sides condemned the nuclear tests of May 1998 by India and Pakistan, declaring that the tests would not win them membership in the world 'nuclear club'.²⁹

In general the USA's policy on China looks today fairly stable, consistent and effective. This was confirmed by President Clinton's June 1998 visit. Both parties confirmed their willingness not to concentrate on their serious contradictions but to base their relations on mutual interests. This reflects US (as well as Chinese) pragmatism and freedom from any kind of ideology. It illustrates the new US conceptual approach to foreign policy.

The security framework

On the whole, the present triangular framework Russia-China-USA (or a broader quadrangular framework of Russia-China-USA-Japan) rests on a far more balanced foundation than the logic of the 'zero-sum game' of the past. For instance, Russia has no serious reason to regard the improvement of relations between China, Japan and the USA as a priori threatening to its own interests. Accordingly the United States and Japan can hardly feel apprehensive about the expanding relationship between China and Russia. This dramatic change in

²⁷ China is a party to the 1968 Non-Proliferation Treaty (NPT) and the 1996 Comprehensive Nuclear Test-Ban Treaty (CTBT).

²⁸ White House, Office of the Press Secretary, 'Achievements of the US-China summit', Fact sheet, Beijing, 27 June 1998.

²⁹ 'China, US criticize South Asia nuclear tests', *Los Angeles Times*, 27 June 1998, p. 1.

strategic thinking can be explained by two reasons. First, Russia and the United States have renounced their global competition and therefore made the 'triangular diplomacy' of US Secretary of State Henry Kissinger of the late 1960s obsolete. Second, it is essential that Russia, the USA and the rest of the world seem to have given up the idea of playing the 'China card'. China has produced convincing arguments that it wields enough power, will and good sense to avoid being a card in anyone's hands. To say that China is free to determine the limits of its relations with any other state is no exaggeration.

These facts prompt the following deduction. Since there is a possibility that China, because of its inherent problems, may trigger instability in Asia-Pacific, other major powers have a common interest in not pushing this possibility to the brink of reality, willingly or unwillingly, directly or indirectly. No other power will benefit from instability caused by China. All stand to gain from a stable and confident China gradually solving its dilemmas and contradictions. In this sense Japan and the USA should welcome the progress of Sino-Russian relations just as Russia should be confident enough to approve of the US-Chinese and Japanese-Chinese rapprochement.

IV. Japan remains with the USA

During the cold war the *raison d'être* for the US-Japanese Security Treaty was the Soviet threat, which almost completely disappeared with the disintegration of the USSR, the new political orientation of Russia and its sharp economic decline. Despite that, the military-political alliance is being preserved and will continue for a number of reasons.

First, the security treaty suits both parties. Japan, although it has the second largest military budget in the world after the USA, still spends on defence no more than 1 per cent of its GNP and keeps a military potential comparable with Turkey's.³⁰ It is under the US defence umbrella, but while the USA bears responsibility for the defence of Japan, Japan does not participate in the defence of the USA. Without the USSR as the main enemy, both Japan and the USA act on the basis of: (a) a hypothetical deterioration of relations with Russia, which still keeps a powerful military potential in its far east; and (b) the unpredictability of future relations with China, which is actively modernizing its armed forces. Japan remains the key ally and main economic partner of the USA in the region. The frameworks and parameters of their interaction are determined in principle and in the foreseeable future will extend rather than be reduced. Close military-political cooperation with Japan gives the USA strong leverage in resolving bilateral economic problems. The present US influence is far from absolute and often collides with strong Japanese resistance, but it is still fairly effective.

³⁰ See, e.g., International Institute for Strategic Studies, *The Military Balance 1998/99* (Oxford University Press: Oxford, 1998), pp. 67-69, 183-85.

Finally, the stability of US policy towards Japan is based on a complex of psychological and political circumstances, among which are the attachment, based among other things on the inertia of perceptions, to an old friend and ally, and the existence of a large and influential Japanese lobby in the USA.

For Japan itself, its close relations with the USA are the cornerstone of its foreign policy. Japan feels comfortable as a junior partner of the USA. It is significant that the end of cold war persuaded Japan not to a debate about the necessity and vitality of the alliance with the USA but to the immediate confirmation of its actuality for the security of the country. Strictly speaking, the reasons for Japan's concerns are fairly obvious. Twice in this century, in 1918 and in 1945, the USA came to the conclusion that radical changes in the international situation allowed it to keep a distance from the problems of security in remote regions. The dissolution of the USSR has not produced a similar effect but has created in East Asia an essentially new balance of military and non-military problems and an accent on non-military threats to regional security.

The end of the cold war and the disintegration of the USSR substantially reduced the fears of a Soviet military threat on which Japanese military doctrine was based and required a new concept of security in the region. This was reflected in the US-Japan Joint Declaration on Security signed by Clinton and Hashimoto in April 1996, which confirmed the role of the security treaty in the maintenance of peace and stability in the region. In September 1997 Japan and the USA adopted the revised Guidelines for US-Japan Defense Cooperation which replaced the similar document of 1978.³¹

The two first sections of the guidelines, regarding 'cooperation under normal circumstances' (what the 1978 document referred to as 'cooperation on containment of aggression' and 'actions in response to an armed attack against Japan'), were basically not changed. The third section, on 'cooperation in situations in areas surrounding Japan that will have an important influence on Japan's peace and security', was absent from the previous document. The 1997 document stated that the concept 'situations in areas surrounding Japan' is not geographic but situational. The frameworks of cooperation between the two countries in the event of such a situation occurring were outlined in limits of operations, relief activities, measures to deal with refugees, search and rescue operations, non-combatant evacuation operations and 'activities for ensuring the effectiveness of economic sanctions for the maintenance of international peace and stability'. Japan will, in case of need, provide additional facilities and areas for US forces involved in such operations in accordance with the security treaty and its related arrangements. If necessary for effective and efficient operations, US forces and the Japanese Self-Defense Forces (SDF) will make joint use of SDF and US facilities and areas in accordance with the treaty and its related arrangements and coordinate operations, intelligence activities and logistics support 'as distinguished from areas where combat operations are

³¹ For the text, see US Department of Defense, News release, no. 507-97 (23 Sep. 1997), URL <http://www.defenselink.mil/news/Sep1997/b09231997_bt50797b.html>.

being conducted'. The document also stressed that Japan will conduct all its actions 'within the limitations of its constitution and in accordance with such basic positions as the maintenance of its exclusively defense-oriented policy and its three non-nuclear principles'.³²

Although the document did not mention the Korean Peninsula or Taiwan as a sphere of joint action, the statements of Japanese officials confirming their readiness to expand the frameworks of the treaty to these two areas caused a sharply negative reaction in China and North Korea, and were not much welcomed in Seoul. Japan was immediately accused of militarism and of an aggressive policy. This was not only a reaction to Japan's rather timid attempt to expand the framework of possible interaction between itself and the USA, but preventive action against a possible activation of Japanese regional policy.

For China the expansion of US–Japanese cooperation beyond Japan's national borders meant a reaction to China's obvious drive for superpower status. It was noted that even in the 1978 guidelines, which had an obvious anti-Soviet character, nothing was said about expansion of this cooperation, which from the Chinese point of view meant that the 'Chinese threat' was considered more important than the Soviet threat had been. The appearance of the guidelines not long after the crisis in the Taiwan Strait intensified China's fears. Its pained reaction, which was even more acute than its reaction to the US demonstration of its military strength in the Taiwan Strait, reflected the fact that China considers the prospect of Japanese military independence more dangerous than the US military presence in the region. It is connected above all with the Chinese historical experience and the ambiguity of Japan's military build-up.

However, the modernization of the US–Japanese alliance has to contend with many problems. In East Asia there is no multilateral allied structure like NATO. US involvement in the maintenance of security in this region is realized through bilateral treaties and agreements. Rumours that the bilateral agreements are to be transformed into some form of collective security system are exaggerated in the view of many observers and have nothing to do with reality. Even the closest US allies, Japan and South Korea, for well-known reasons are not ready for multilateral military cooperation. Furthermore, Japanese participation in any collective defence system is limited by its constitution.³³

For Russia the existence of the security treaty does not represent a threat to security, in spite of its supposed resistance to the idea of foreign military blocs, nor does the Japanese military potential. It has an obvious defensive character without any serious possibilities for force projection. It is difficult to imagine Japan using force to solve its territorial dispute with Russia. In their dispute over the Senkaku (Dyaojuiddao) Islands China and Japan are claiming uninhabited territories; the southern Kuril Islands, however, are de facto Russian territory and are under the protection of the Russian armed forces. If in the

³² US Department of Defense, 'Completion of the review of the guidelines for US–Japan defense cooperation', 23 Sep. 1997, URL <<http://www.defenselink.mil>>.

³³ See, e.g., Takahara, T., 'Japan', ed. T. Findlay, *Challenges for the New Peacekeepers*, SIPRI Research Report no. 12 (Oxford University Press: Oxford, 1996), pp. 53–56, 67.

Sino-Japanese territorial conflict extremist actions aimed at undermining the status quo could provoke competitive demonstrations of strength and even possibly local conflicts, any use of force in the Russian-Japanese conflict will be regarded as a violation of Russian sovereignty, with all that that entails.

A direct clash between Russian and Japanese armed forces is possible in two hypothetical situations: (a) if Russia invades Japan or attacks Japanese ships in international waters; or (b) in the event of global conflict between Russia and the USA. At present both scenarios are extremely remote possibilities. It would not be proper to say that China has replaced the USSR in the list of potential threats to Japan, but its military alliance and military build-up are more and more often justified by the potential Chinese threat to Japanese national and regional interests. The Japanese and US shared perception of China as a rising superpower not only strengthens their alliance but also persuades Japan to be more flexible in its relations with Russia.

In 1997 Japan declared a new approach to its relations with Russia based on the principles of confidence, mutual benefit and long-term prospects. The two countries' leaders had two informal meetings in 1997 and 1998 and President Yeltsin promised 'to make all efforts to sign a peace treaty with Japan before the year 2000'.³⁴ Japan interprets this as meaning that the territorial dispute between them will be resolved before that date. Analysis of the Russian domestic situation, however, clearly shows that Yeltsin, at least for the foreseeable future, is not in a position to solve this complex problem. It is clear that the stalemate on this sensitive issue will seriously hamper bilateral relations and demonstrates that an informal pattern of meetings is not necessarily a substitute for regular diplomacy.³⁵

V. A Korean settlement: one purpose, two approaches

In their approach to security on the Korean Peninsula the interests of Russia and the USA largely coincide. Neither is interested in the conflict between North and South Korea. Other regional conflicts, among them the territorial disputes between Russia and Japan over the southern Kuril Islands, between Japan and South Korea over the Takeshima (Tokto) Islands, between Japan and China over the Senkaku Islands, or between China and South-East Asian countries in the South China Sea,³⁶ do not directly or essentially influence the security of Russia. For the USA, however, which has forces deployed in South Korea, there is a direct threat to national security. At the same time Russia and the USA have quite different possibilities for implementing their respective policies in the subregion.

Russia has lost practically all opportunity of interaction with North Korea. Glasnost and democracy produced broad criticism of the North Korean leader-

³⁴ *Diplomaticheskii Vestnik*, Dec. 1997, p. 14.

³⁵ On Japan's Russia policy, see also chapters 20 and 21 in this volume.

³⁶ See note 15.

ship in the Soviet and then Russian media and this brought their already very complicated relations to the verge of breakdown. Military–technical cooperation almost stopped and the volume of Russia’s imports from North Korea fell from \$44 million in 1994 to \$17 million in 1997.³⁷

With the beginning of the Soviet–Chinese confrontation in the 1960s, North Korea proclaimed itself neutral and the United States ceased to consider it as an obedient ally of any of the conflicting parties. On the surface this did not result in any change in US policy: it was still aimed at the prevention of communist aggression from the North. However, this hypothetical aggression began to be perceived not as function of Soviet expansionism and a threat of geopolitical communist aggression but as a local conflict with unpredictable consequences. Gradually the ideological element of struggle with communism retreated to the background of US policy. The main goal of policy on the Korean Peninsula was seen to be practical measures aimed at the containment of North Korea.

It must be said that in Korea more than anywhere else US policy has contributed to stability. The US military presence and in a broader context US–South Korean military cooperation have played a decisive role in preventing a new war on the Korean Peninsula, although at the same time they have preserved a high level of tension.

Without the economic help of the USSR and with cuts in economic support from China, the North Korean economy quickly declined and the probability of apocalyptic scenarios of regime collapse or military adventures in the context of a regime collapse increased. These scenarios were never realized, but the policy of North Korea became more and more dangerous than before. It began intensive work to build nuclear arms of its own and in 1993 announced its non-compliance with its obligations under the 1968 Non-Proliferation Treaty.³⁸ At the same time it announced that it would not sign the 1993 Chemical Weapons Convention.

Not without the influence of China and Russia, the USA has realized the ineffectiveness of economic sanctions in a country already living in de facto isolation from the outside world. In favour of North Korea there was also the fact that, despite tensions in its relations with the International Atomic Energy Agency (IAEA) and its complete rejection of the dialogue initiated with the South,³⁹ North Korea always emphasized its eagerness to talk directly with the USA. In October 1994 North Korea and the USA signed an Agreed Framework which halted the operation of North Korea’s research reactor and plutonium reprocessing plant in return for the setting up of an international consortium, the

³⁷ See note 5. In 1996, the work of the Intergovernmental Commission on Trade, Economic, Science and Technology Cooperation was resumed, its session taking place in Pyongyang at the level of Deputy Chairmen of the government. This session gave no real results. The problem is that Russia has neither the possibility nor sufficient political reason to supply against credit and North Korea has neither the currency reserves to pay in hard currency nor the export goods to pay by barter.

³⁸ Simpson, J., ‘Nuclear arms control and an extended non-proliferation regime’, *SIPRI Yearbook 1994* (Oxford University Press: Oxford, 1994), p. 610.

³⁹ See, e.g., Gill, B., ‘The divided nations of China and Korea: discord and dialogue’, *SIPRI Yearbook 1996: Armaments, Disarmament and International Security* (Oxford University Press: Oxford, 1996), pp. 134–44.

Korean Peninsula Energy Development Organization (KEDO), to provide North Korea with two 1000-MW light water reactors and compensatory oil supplies.⁴⁰ The Agreed Framework is working, although with some serious difficulties, and is the main lever of US influence on North Korea.

However, North Korea began a new round of blackmail. On 31 August 1998 it launched a ballistic missile, formally in celebration of its 50th anniversary but in fact as a demonstration of its missile achievements. The missile had a range of 5000 km and would be capable of threatening Japan. The launch triggered fears of a new round of proliferation in Asia, given North Korea's sales of missiles to Iran, Pakistan and Syria. It also indicates that North Korea has the capability to build missiles that can travel greater distances. It is clear that one of its basic purposes in launching the missile (or, as it claims launching a satellite) was to bargain for hundreds of millions of dollars from the United States. The South Korean Ministry of Unification stated that members of a US congressional delegation were told during a visit to Pyongyang in August 1998 that the North would stop exporting missiles in exchange for \$500 million a year from the United States.⁴¹ The US-Russian agreement on mutual notification of missile launches by third countries, reached during President Clinton's visit to Moscow in September 1998, was directly inspired by the North Korean tests.

One of the key problems in the way of a Korean settlement remains replacement of the 1953 ceasefire agreement by a new system for the maintenance of peace and stability. In February 1996 North Korea proposed a bilateral provisional agreement with the USA as a substitute for a full-scale US-North Korean peace treaty. In response to that, in April 1996 South Korea and the USA proposed to start negotiations based on the formula 'two plus two' (with the participation of China and South Korea) aimed at the creation of a new security system on the peninsula.

As a next-door country Russia has a legitimate concern about the situation on the Korean Peninsula. As the successor to the USSR, which was at the root of the Korean conflict, Russia has accumulated great experience of dealing with North Korea and still keeps wide channels of communication with Pyongyang open while also developing good cooperation with Seoul. Russia is also a permanent member of the United Nations Security Council. It is therefore entitled to an equal say with other concerned countries on the Korean issue. In 1993 Russia proposed a conference on North-East Asian security issues, with the participation of all the parties concerned, and currently speaks of discussing these issues within the framework of the ASEAN (Association of South-East Asian Nations) Regional Forum (ARF).⁴²

Russia criticized the US-South Korean proposal in the spring of 1996 for four-party talks as politically improper and legally groundless. It is usually

⁴⁰ Gill (note 39), pp. 136-38.

⁴¹ Kirk, D., 'North Korean refrain: up in the sky it's a tuneful satellite', *International Herald Tribune*, 5 Sep. 1998 (international edn).

⁴² For the membership of ASEAN and the ARF, see appendix 1 in this volume.

argued that the four-party format logically derives from the fact that the principal subject to be discussed is an agreement to succeed the ceasefire agreement of 1953 and that the talks should be limited to the countries which fought in the Korean War and signed the ceasefire—China, the two Koreas and the USA. However, this is legally flawed. The ceasefire was in fact signed by the top field commanders of the UN forces and the joint forces of North Korea and Chinese volunteers. Under international law neither China, the USA nor either of the two Koreas is therefore a party. (South Korea initially even declined to recognize it.) Moreover, because the ceasefire was signed on behalf of the UN, the new treaty should theoretically be authorized by the Security Council. How this is to be done if Russia's interests as a near neighbour are not taken into account, while it has a veto in the Security Council, is another major question.

The main argument against the four-party format is that a future-oriented document promising peace on the Korean Peninsula should not derive from past formulae. It remains to be seen whether the talks are successful. Russia will welcome positive results when they are submitted to the UN Security Council for consideration and approval. This approval will be essential since the foreign troops stationed in South Korea still use the UN mandate. As for Russia, it will continue to emphasize its proposal for a conference on North-East Asian security issues either as a substitute for or as a follow-up to the four-party talks.

At the cost of great effort, the USA persuaded North Korea to accept four-party talks. Two rounds were held in December 1997 and March 1998, without tangible result. North Korea still insists on a direct agreement with the USA. The four-party format for negotiations is able to smooth over this contradiction, but only until the time comes for final decisions. If that stage is reached, the USA will face two mutually exclusive alternatives—between accepting direct agreement with North Korea and offending its South Korean ally.

In general it is obvious that the USA is preparing for the reunification of Korea and trying to exclude any possibility of conflict flaring up. On the other hand, when and if reunification takes place, the situation on the Korean Peninsula will be quite different. South Korea will take on the heavy burden of the absorption of the North and will need to re-evaluate its strategic priorities. How that will affect Russia and the USA, especially the legitimate aspects of its military presence in Korea and the influence of that on Russia, is still not clear.

VI. Conclusions

Russian–US relations in the Pacific area are an indispensable part of their bilateral relations. Russia is not as strong as the USSR was, but elements of mutual deterrence for good or for bad are still a substantial part of international relations. Although the Pacific area is far from all the troubles of NATO expansion, events in Europe could lead to military confrontation between these two mighty military machines.

The major difference between the European and Pacific regions is that in the Pacific area naval forces play a much more important role than in other theatres. While China, the two Koreas and Russia have quite impressive ground forces there, sea-based forces have a decisive, if not dominant, position in the northern Pacific. So far Russia and the USA are the only countries which can confront each other on the open seas. Even after implementation of the START I and START II treaties,⁴³ the Pacific will still have an important role in the diminishing but still very dangerous nuclear confrontation.

In comparison even with the very recent past, Russia's diminishing participation in regional affairs has excluded it from the political scene in this part of the world. Its position is only taken into consideration when the problem of possible nuclear confrontation is being considered. The United States is and will remain in the foreseeable future the only nation controlling the blue waters of the entire Pacific. This allows it to dominate practically all sea traffic and, if it deems it necessary, to deny it to other nations. It also has substantial capabilities to attack land targets and implement large-scale landing operations on the Asian side of the Pacific. This capability is supported by its forward defences in Japan and Korea and a network of bases in the region. The US naval presence in the Pacific not only is aimed against the Russian Navy but also guarantees the security of US economic and political interests, including preventing Japan from achieving military independence and China from achieving its ambitions for regional leadership.

Russia's possibilities in the region are much more modest. The main task of the Russian Pacific Fleet is still the maintenance of the strategic balance with the USA and the protection of coastal and territorial waters, including the exclusive economic zone.

It is clear that hostilities between Russia and the USA can emerge only as part of a global deterioration of relations between them. In the Pacific area the most likely cause of such a deterioration would be some drastic change in relations between China and Russia. If Russia came under strong pressure in the West and some kind of consensus about NATO expansion could not be found, Russia would redouble its efforts to seek Chinese friendship and military cooperation. After the Russian Defence Minister, Igor Sergeev, visited China in November 1998, Colonel-General Yury Baluevskiy, Head of the Chief Operational Directorate of the Main Staff of the Russian Armed Forces, stated that 'the strategic policy of Russia towards China is the strengthening of military cooperation and reaching a situation when China should become our strategic partner, supporting Russia's positions not only in the East but also in the West'.⁴⁴

A serious crisis in Russian-US relations could revive Russian aspirations to establish closer relations with China, but China is not responsive to this.

⁴³ The 1991 Treaty on the Reduction and Limitation of Strategic Offensive Arms between the USSR and the USA; and the 1993 Treaty on Further Reduction and Limitation of Strategic Offensive Arms between Russia and the USA. The former is in force.

⁴⁴ ITAR-TASS, 'Puls planety', 5 Nov. 1998, p. AK-3.

Despite its disagreements with US policies, its political and economic relations with the USA are more important for China than the prospect of an alliance with a troubled and weakened Russia.

A confrontation between China and the USA would present Russia with a serious dilemma. Support for one of the two parties would mean a deterioration of relations with the other. Speculation about the reasons for possible conflict between China and the USA is premature and unreliable, but it can already be said that the best position for Russia would be neutrality. It is also possible to predict that if relations between Russia and the USA deteriorate China will take all necessary steps to remain neutral.

23. US–Russian relations in North-East Asia in the post-cold war period: a US perspective

Joyce K. Kallgren

I. Introduction

Although Russia has been active in Asia in the 20th century, most Americans (and perhaps Russians as well) think of Russia as a European power and focus on problems of US–Russian relations in Europe.

However, in the states of Asia there is concern about their large neighbour which predates the end of the cold war. In the countries of North-East, South-East and South Asia the collapse of the Russian economy and the degrading of the Russian military presence are studied intensively. Those interested in national security matters keep a watchful eye on Russian activities and economic efforts, the relations between central and regional political leaders, the state of the Russian military and, of course, the management of the nuclear arsenal.

In the second half of the 1990s the focus has been on Russian political and economic stability. When will the chaos that seems to characterize the Russian political system and economy subside? When will Russia begin an economic recovery? Will the industrial powers continue to provide financial support? In the summer of 1997 Chinese foreign policy observers frequently asked visiting US counterparts when Russia would recover sufficient economic strength to play an important role in East Asia or perhaps in the world at large. Both Americans and Chinese agree that the Russian presence is currently severely limited, yet both seem to believe that in the future such a large country, with a highly educated population, vast mineral resources and a long cultural and political history, will inevitably return as a player in Asia–Pacific.

Even so, numerous qualifications need to be kept in mind. Ken Jowitt, writing in 1991, commented that ‘the extinction of a defined and bounding element of the international order is likely to create disorder both within its own boundaries and in adjacent areas’.¹ He spelled out the potential spillover effects of the ‘Leninist extinction’ in Asia (and elsewhere) and argued that the world should be alert to the possibility of new regional political actors and new territorial entities emerging, including an expanding Pakistan, a reunited Korea, and conflict in China between the centre and the regions also involving Hong Kong and Taiwan, even though these scenarios may not materialize or may be overtaken by new factors or realities.

¹ Jowitt, K., *New World Disorder: The Leninist Extinction* (University of California Press: Berkeley, Calif. 1992), p. 319.

Given these difficulties and the range of possible outcomes, the words of Under-Secretary of State Strobe Talbott at Stanford University on 19 September 1997 are worth noting: 'We need to make sure that we have a policy toward Russia that contains an indispensable feature: strategic patience. This means a policy not just for coping with the issue or crisis of the moment or of the week or even of the season or for getting through the next summit meeting: rather it means a policy for the next century'.² In the view of this author it is clear that the USA does not have such a policy, whether in Europe or in Asia. It is only possible to speculate on the decades to come. It is, however, possible to set out some of the problems and issues that seem likely to arise and outline the parameters of the US response from the perspective of 1999.

This chapter starts by accepting that the centre of US–Russian relations is not Asia, indeed that US–Russian bilateral relations in Asia rank low on the list of priorities, although US–Russian relations in general will be influenced by developments in Asia, for example, the nuclear tests carried out by India and Pakistan in 1998. The reverse is also true: developments in Europe will inevitably spill over into Asia when either Russia or the United States shows anger or frustration at events in Asia while actually concerned about developments elsewhere. Finally, worldwide concerns such as environmental matters may well have focal points in the Asia–Pacific region.

Section II of this chapter discusses the parameters that shape current US foreign policy and illustrates them as reflected in policies in North-East Asia on a country-by-country basis. Section III does the same with respect to Russia in Asia. Section IV then sets out US–Russian relations and their congruence and possible conflict points in North-East Asia, examining them through the prism of third parties, specifically China, Japan and the two Koreas, with brief references to South-East and South Asia. The emphasis is not on direct bilateral relations between the USA and Russia but on policies with respect to China, Japan and the two Koreas where Russian and US interests have from time to time clashed or been in harmony.³

II. US foreign policy in Asia: priorities and constraints

Long gone are the days when bipartisan support for US foreign policy began 'at the water's edge'. With the exception of relations with China, there was formerly considerable bipartisan support for the decisions of the US Commander-in-Chief for most of the three decades after World War II. Individual patriotism and Americans' general lack of interest in foreign affairs contributed to public apathy. Moreover a certain elitism on the part of the US foreign policy leader-

² *New York Times Sunday Magazine*, 3 Jan. 1999, p. 6.

³ In considering the relations of the USA and the Soviet Union/Russia, this chapter draws on a set of matched articles entitled 'The Soviet Union/Russia in Asia' and 'The role of the United States' published annually in the Jan. issues of the journal *Asian Survey*. The emphasis of these articles is economic, political and international relations in specific countries. They are useful for providing a time-line and comparative analysis of key themes not only for the USA and Russia but also for the other major players in the Asia–Pacific setting.

ship and personnel together with the strong anti-communist feelings of many Americans gave mostly a free hand to policy and decision makers. The Viet Nam War changed this. By the 1990s this freedom of action in foreign policy has been considerably constrained.

Human rights issues combined with a widespread suspicion of government action are now serious considerations for any US political leader. It is still true that the US public and the congressional leadership will support a decisive act that places US forces in harm's way, at least initially. The bombing of the training facilities of Osama bin Laden in Afghanistan is an example of this: but within six weeks of the bombing many Americans were less certain of the rightness of the action. Shortly after the start of the US–British bombing campaign against Iraq in December 1998, the Senate Majority Leader in Congress criticized the timing of the decision even as the missiles fell.

Along with the elected officials' willingness to criticize a military act abroad there has been a fragmentation of the US electorate, with serious consequences for foreign policy. For some years, domestic politics has been increasingly riven by separate and often powerful single-interest groups who focus on a specific government policy that they seek to support or oppose. These groups organize their members to besiege policy makers, legislators and the president. Organized segments of the economy, religion or society have their lobbyists push specific policies, draft legislation, threaten to withhold campaign contributions or run an alternative candidate to advance their causes. For much of the cold war the strength of anti-communism muted the voice of many of these groups, but with the end of the cold war the situation changed.

In the past decade there has been a selective attention to and focus on specific foreign policies.⁴ For example, US Agency for International Development (USAID) programmes that contain any appropriations for family planning will be scrutinized and most likely withdrawn under pressure from anti-abortion lobbies. Importers of foreign-made textiles and clothing, much of it from factories in South-East and South Asia, are criticized for ineffectually supporting sweatshop conditions as well as purchasing goods which compete unfairly with US products. Some trade policies take on an anti-foreign colouring. The discussion of the North American Free Trade Agreement (NAFTA) when based on a heightened fear of Asia injected racism into the domestic US debate.⁵ Christian groups fight vociferously for the protection of Christians in Asia and elsewhere.

There used to be a belief that traditional analysis of treaties and agreements was a sufficient guideline to understanding US foreign policy goals. This may be the case elsewhere in the world, perhaps where foreign policy decisions are in the hands of a relatively small elite. It is not true for the United States. Traditional analysis based on treaties, memorandums of understanding and the like is helpful but not sufficient for US negotiators. In the USA civil society has developed parallel to the affairs of state.

⁴ Pollack, J., 'The United States in Asia 1995: the case of the missing president', *Asian Survey*, Jan. 1996, pp. 1–13.

⁵ Cronin, R., 'The US and Asia in 1993', *Asian Survey*, Jan. 1994, p. 100.

It is not sufficient to consider only the interests of the business and financial communities and agriculture when discussing foreign policy, important though they may be. This is true not only because of political and social restructuring but also because of technological change, which has enlarged the audience for a foreign policy event. Television clips and videos send out stark images and have the capacity to change the average person's view of a country, a war or an event. A classic European example is the destruction of the Berlin Wall. In Viet Nam the killing of a prisoner by a Vietnamese official was captured on camera. In 1989, the image of the single young Chinese man facing a tank in Tiananmen Square shaped the image of China for many Americans.

The graphic nature of television images together with the reporting by journalists in war zones has given an immediacy to casualties and fixed an important parameter for US foreign policy decisions, namely, the expectation and necessity for a 'clean' war with minimal suffering and casualties confined to the opponent. Bloody outcomes such as might have occurred in an invasion of Cuba or from the use of a nuclear device to rescue French troops in Dien Bien Phu, all in the past, and the risks implicit in some UN peacekeeping operations today are very difficult to 'sell' to the executive branch or the Congress. Now and for some time to come the US armed forces in proposing a course of action, the executive in approving a specific act and the Congress in approving and funding a programme will have their options narrowed.

The alteration in the image of Russia is also worth considering. It has been slow in coming. The media formerly characterized the Soviet Union as an enemy harsh, brutal, conniving and to be feared. The picture now is one of a Russian population beset by personal suffering, systemic corruption, danger and despair. Russian soldiers have come to be seen as a heroic if unsuccessful force which experienced in Afghanistan the same fate as the United States in Viet Nam. Russian industry is shown in sharp decline and in need of modernization, agriculture unable to support the citizens, and medical care so poor that Russia is the only industrialized state with declining life expectancy. Russian soldiers, once feared but respected, are seen to be in such desperate circumstances that they must either seek additional employment or sell their equipment; workers are unpaid, schools are in disrepair and life is 'nasty, brutish and short'; Russians are to be pitied and Russia is no longer a powerful opponent, although possibly a dangerous one. Even so, a degree of respect remains for Russian diplomatic prowess in the world and for other things, such as the USSR/Russia's achievements in space.

The existence of this view has positive and negative implications for bilateral relations. From the US perspective the removal of Russia as a factor in many political matters in Asia leaves a less complicated matrix for decision making. A more negative outcome appears to be the unwillingness or reluctance of US negotiators in the Middle East and Central Europe to engage and take account of Russian expertise and presence in resolving serious conflict situations, at least in part because of Russia's current weakness.

US foreign policy goals in Asia

Have foreign policy goals or instrumentalities in Asia changed in the past decade?

There have been changes in the terrain. Asian governments have focused on their individual state identities when threatened by dissident minorities, pushing forward with economic modernization and upgrading the quality of life of their citizens. Regional organizations in South-East Asia have worked to establish some consensual sense of purpose. In North-East Asia issues and conflicts remain in Korea and between China and Taiwan. Smaller border conflicts and unresolved disputes over sovereignty over islands mean that bilateral relations between the nations of the region are fragile.

But what of the superpower? In the bipolar world, international developments in a region had an impact on the stand-off between the USA and the USSR. When the cold war ended it might have been expected that the relatively tranquil Asian region would require less attention and present fewer challenges. The presence of the sole remaining superstate provides reassurance to Asian states of its willingness to intervene if necessary—but against whom?

Perhaps the most appropriate term for US policy in East Asia is ‘transitional’ following the end of the cold war and the 1997–98 financial crisis. Keeping this generalization in mind, US aims in general terms are: (a) to prevent conflict by maintaining ‘an effective security presence’ and preventing the domination of the region by any hostile power; (b) to assist in both the growth of the Asian economies and the development of democratic political systems while sustaining the US access to Asian markets; and (as elsewhere) (c) to prevent the proliferation of weapons of mass destruction and the systems that deliver them.⁶ Thus security in Asia, although retaining an important military component, also involves economic concerns which are almost as significant as the military presence.

With the ‘new world order’ following the end of the cold war, important changes in the bilateral relations of the USA with countries of North-East Asia might have been expected. They had after all been based on dependence, indeed a sort of patron–client relationship. In 1999 the United States, although a powerful state capable of influencing developments and projecting power in countries thousands of miles away, no longer had the traditional measuring stick of the cold war. After the cold war who were its enemies and who were its friends in Asia? As with Russia, the answer to this question has been clouded as each country re-evaluates its own national interests.

At the end of the 20th century the danger of a two-power struggle has disappeared. The USA has the means to support objectives that require armed forces and the willingness to use them, together with active economic policies that would facilitate economic progress and recovery and political modernization in the countries of Asia. Yet surprises do occur. India and Pakistan have

⁶ Institute for National Strategic Studies, *Strategic Assessment: US Security Challenges 1995* (National Defense University: Washington, DC, 1995), pp. 21–22.

tested nuclear devices. North Korea tested the long-range Taepodong I missile in Japanese airspace over the Japanese islands on 31 August 1998, reminding the world that a military component was still part of international politics in North-East Asia. Looked at in this way, the security commitments constantly reiterated by US representatives together with the actual forces stationed in North-East Asia represent specific assets designed to warn potential adversaries of the costs of hostile military activities.

The USA's bilateral relations in North-East Asia

The following paragraphs comment on core matters in the USA's bilateral relations with China, Japan and the two Koreas. They illuminate issues in the bilateral relationships that either explicitly or implicitly involve US economic policies and some military considerations.

China

Strategists in China and elsewhere have raised the issue as follows: Is a modernizing and self-confident China likely to be seen as a threat to the national interests of the United States? Putting the question another way, is it likely to be a hostile force seeking to dominate countries in the region and hence an entity which the United States should attempt to contain? Many Chinese have argued that the USA does not want a strong China.

Would the USA take steps to try to slow China's growth and deter the modernization of the Chinese armed forces? What would be the costs of such a policy? The answers to these questions are not at all clear but the questions are important.

Other questions follow. To what extent is it possible to shape developments in China and influence the rate of growth? If it is possible, at what cost? After the 1989 Tiananmen Square incident, sanctions were imposed by the USA. They have been imposed elsewhere in Asia—on North Korea, India and Pakistan—often with some reluctance because of the collateral cost to the population and in South Asia to the balance of power in the region as well. Many would argue that the sanctions were of minimal effect and were lifted or ignored by most countries. China's economic growth may slow naturally without any intervention by other states.

Technology has been the vehicle for development for China and India and of course for US concern.⁷ In the post-cold war period, China's efforts to restructure, upgrade and modernize its armed forces have been abetted by Russia's need to seek additional income for its hard-hit economy. Weapon sales have become an important source of finance for Russia and meshed nicely with the Chinese search for more modern equipment, especially for the air force. The sale of Russian aircraft, spare parts and licences for co-production has served both countries' interests. Of equal importance have been China's efforts to

⁷ CNN Overview, URL <<http://cnn.com/ALLPOLITICS/resources/1999/cox.report/>>.

upgrade its nuclear delivery and missile capability. Here serious problems now confront the US–Chinese relationship, as detailed in the US Congressional report by Representative Christopher Cox.⁸ It alleges an almost 20-year sustained espionage effort on China's part to achieve increased sophistication for a missile delivery system, thought by many (although not all) to have been successful.

It may be argued that the resources available to China to buy Russian aircraft and other items will not be enough to make a dramatic change in the level of modernization of the military until some 10–15 years into the next century. Still, given the shared anti-US feeling in Russia and China, some level of concern about the Russian–Chinese arms transfer relationship is to be expected. However, the costs to the United States of trying to forestall China's acquisition of advanced military equipment might be greater than the costs of attempting to channel the use of arms purchases. Moreover, the economic rewards for Russia, Israel and other arms-exporting countries may mean that attempts to divert or prevent arms transfers and co-production are of limited utility.

From the perspective of the USA as a sea power, strategists worry about the consequences of Chinese naval and air modernization but are still sufficiently confident of sustaining the current gap in military capability to continue to support military exchange programmes as confidence-building measures (CBMs). Russia may continue military exchanges and provide assistance in a manner that causes anxiety for the US counterparts, but will this materially alter the balance of power?

In the 1990s the USA has vacillated with respect to its relationship with China. At different periods contacts have declined, been frozen and been reactivated as the administration has tried to bring relations with China to a somewhat more harmonious state. From the late 1980s, US presidents have tried either to maintain a low-visibility relationship with China or (in the late 1990s) to incorporate a more cordial relationship. This has included reciprocal visits, largely symbolic, by Chinese President Jiang Zemin to the United States and by President Bill Clinton to China. The US Department of Commerce has tried to promote US business interests and loosen the rules or the interpretation of the rules in order to expand transfers of technology to China. Military exchange programmes have been developed at fairly high levels and efforts have been made to bring China into the World Trade Organization (WTO) despite domestic struggles over this matter both in the USA and in China. Policy with respect to human rights has oscillated between criticism of China's human rights record, on the one hand, and separation of trade matters from the human rights issue, on the other. This was exemplified in 1998 by the decision not to initiate a UN resolution criticizing China's human rights policies, followed by a reversal in 1999. All this indicates differing views in different agencies of the government, Congress and indeed on the part of successive presidents.

⁸ US House of Representatives, Select Committee on US National Security and Military/Commercial Concerns with the People's Republic of China, 'US national security and military/commercial concerns with the People's Republic of China', [May 1999], URL <<http://www.house.gov/coxreport>>.

The continuing fragile relationship with China is a target for critics of the incumbent political party. Fund-raising scandals have been linked to reports of Chinese efforts to influence US elections,⁹ improprieties have been alleged with respect to the transfer of technology,¹⁰ and US Secretary of State Madeleine Albright, on a trip to China in April 1999, harshly criticized Chinese human rights policies. All this reflects the present state of instability.

The Chinese Government for its part has also shifted back and forth in relations with the USA. The strongest evidence of Chinese alarm at US policies is the hue and cry surrounding possible development and deployment of a Theater Missile Defense (TMD) system in Asia, with its obvious implications with respect to Taiwan and a more nationalist Japan (as viewed by Chinese eyes).¹¹

What theatres will be defended? The answer to this question leads to a review of US–Japanese relations.

Japan

US–Japanese relations remain both important and to some extent more at risk than they were in most previous years. Japan is the linchpin of the US presence in Asia. However, a review of bilateral relations during the post-cold war period does raise some warning flags with respect to Japan's continuing defence relationship with the USA.

For almost a decade Japan has been in recession. As the difficulties of Asia became more pronounced with the financial and economic crisis of 1997–98, pressure to further engage Japan in efforts for recovery increased. Some US policy makers and diplomats urged a reduction of pressure on Japan and respect for its large trade surplus with the USA in order to allow Japan to concentrate on its internal difficulties, while some other US representatives in the WTO forcefully tried to alter some Japanese trade policies. Since 1995 a stream of US advice on how to repair weaknesses in the Japanese economy has flooded Japanese administrators and the media.

A long-overdue review (September 1997) of the Guidelines for US–Japan Defense Cooperation¹² has been the subject of very considerable controversy with respect to several important matters, notably the scope of treaty application, the costs of maintaining US troops on Japanese soil and, most importantly, the scope of activities that are and should be considered part of Japan's responsibility. Does the revision of the guidelines bring Taiwan within the scope of US–Japanese military cooperation? China and North Korea will find the US military presence explicitly objectionable if the TMD programme progresses off the drawing board. The project, highly controversial and extremely expen-

⁹ 'After hours: debate on fund raising rages', *New York Times*, 20 July 1999.

¹⁰ CNN (note 7). The *New York Times* from 21 May 1999 ran a series of articles outlining the allegations.

¹¹ Cambone, S., 'The United States and Theatre Missile Defence in North-East Asia', *Survival*, autumn 1997, pp. 66–85. For the Chinese point of view, see 'US missile defence hysteria', *China Daily*, 30 Mar. 1999, p. 4; and 'Chin and Russia oppose US missile system', *China Daily*, 11 June 1999, p. 2.

¹² US Department of Defense, 'Guidelines for US–Japan defense cooperation', 23 Sep. 1997, URL <<http://www.defenselink.mil>>.

sive, is a question for the next century, both as to feasibility and as to countries in the region to be protected.¹³ Even so the initial discussion of these issues has started a debate in North-East Asia, where Chinese concerns include both Japan and Taiwan and the basic argument that defence technology is easily engineered for offensive purposes.

The US presence, Japan's commitments under the revised security guidelines and problems such as hostility to US bases in Okinawa have serious consequences for Japan (as do North Korea's 1998 missile test launch and the technological capability it represented) with respect to its constitutional commitment to peace.¹⁴ How can the spirit of the 'pacifist' clauses in its constitution be retained when Japan undertakes to share the burden of defence with the USA and participate in UN peacekeeping? The selection of aircraft, satellite monitoring and missile development raises questions that have been avoided for some time and these inevitably involve bilateral relations.

Setting aside the question whether the present force configuration in Japan is appropriate, virtually all discussion of the Japanese armed services and defence posture raises domestic political issues that are being fought out among the fractured political parties in Japan. As the navy modernizes, the capability of Japanese vessels to patrol and monitor the oceans, assessing Russian naval bases to the north and the deployment of Russian submarines, is valuable to the USA and is said to be part of the effort to equalize the burden of security shared by the USA and Japan under the new defence guidelines.

At the same time it has become difficult for the Japanese Government to separate business and diplomatic aspects in its relationship with the USA. The intermingling of economic considerations, technological development and defence strategy has made the US–Japanese relationship more tenuous than might have been expected. The congressional discussions with respect to TMD, the North Korean missile tests and the pitiful condition of some economies in South-East Asia, suffering not only from banking and financial services difficulties but also from the shrinking of the Japanese market, have conflated a number of issues for Japan and to a considerable extent the USA.

North and South Korea

There seems to be agreement between US and Russian analysts as to the centrality of relations with North and South Korea for peace in North-East Asia. There are several aspects to sustaining peace in this region.

The first is the ongoing transition in the leadership in both the north and the south. The development of a democratic political system is well under way in South Korea. President Kim Dae Jung is uniquely qualified to endorse and

¹³ Northeast Asia Peace and Security Network (NAPSNET), *Daily Report*, 24 Nov. 1998, URL <http://www.nautilus.org/napsnet/recent_daily_reports/11_98_reports/NOV24.html> provides selections from the Taiwanese press on Taiwanese missile defence.

¹⁴ For a discussion of the Japanese Constitution, see Takahara, T., 'Japan', ed. T. Findlay, *Challenges for the New Peacekeepers*, SIPRI Research Report no. 12 (Oxford University Press: Oxford, 1996), pp. 53–56, 67.

implement policies to open up North Korea. His 'sunshine policy' has been accompanied by a call for a softer US policy with respect to North Korea, including increased food aid and movement towards the establishment of liaison offices in each other's capitals. The tactics of the North Korean Government, however, including the continued forays of North Korean submarines along the South Korean coast and the unannounced and highly symbolic missile test, have made it difficult for Kim to sustain the 'sunshine policy' while under criticism from his political opponents and with a less than enthusiastic US policy to accompany it.

The lack of Russian participation in these circumstances seems a positive benefit, reducing the number of players in the game and the complications that their presence might cause.

The US–South Korean relationship, however, has been shaken by pressure from the continuing economic upheaval and by the confused policy outlook of the United States, led by a president who has little interest in and pays insufficient attention to the political and diplomatic situations of the USA's allies.

Statistics of the military balance suggest that the dominance of South Korean and US forces should preclude a North Korean attack. However, weaker states may have limited agendas, namely, the survival of the state or the regime, and be more willing to take risks for the sake of survival than a larger state is, given that a larger state has a broader and longer list of commitments and goals. One analyst suggests that US military dominance may cause smaller states, such as North Korea, to consider the development of smaller-scale but potentially powerful mechanisms, such as missiles.¹⁵

For the present the United States watches with interest the South Korean dilemma with respect to reunification, enthusiasm for which is balanced against the extraordinary costs it would bring, especially in the present circumstances when economic retrenchment may not be over. The matter of US troop deployment in the event of reunification remains to be resolved. Furthermore, domestic realities in South Korea make the normalization of relations with North Korea increasingly difficult as incidents continue between the two armed forces.

The USA's relationship with North Korea is beset by difficulties and a long history of suspicion on both sides. It also involves Japan and South Korea. The agreement arrived at in Geneva in 1994 following North Korea's non-compliance with its obligations under the 1968 Non-Proliferation Treaty (NPT) established, so critics have argued, a formula for the USA to buy peace on the peninsula by cooperating with South Korea, Japan and other states to build light-water reactors in North Korea, alleviating the serious energy shortages of the north and providing oil while the reactors are under construction in exchange for North Korea ending and then allowing verification of the effort to end its nuclear development programme. Construction is being directed through the Korean Peninsula Energy Development Organization (KEDO). However,

¹⁵ *New York Times*, 5 July 1999.

the unexpected economic crisis made it difficult for South Korea to fulfil its part of the agreement, although it has tried to continue preparations for construction of the reactors. The domestic political struggle in Japan and the intense suspicion and divisions within the US Government have placed the policy under review, if not in jeopardy.

III. Russia in Asia: goals and policies

Some Russian interests in Asia have spanned many centuries. Russian traders and explorers were in the region 300 years ago. In the 20th century there have been military interventions with mixed outcomes. The Russian Navy suffered a humiliating defeat in the 1904–5 Russo-Japanese war. Diplomatic adventures in Asia were designed to ensure that Russia shared some of the special territorial rights of the imperialist powers.

With the establishment of the USSR and the Comintern new possibilities arose. In the 1920s and 1930s the Communist Party of the Soviet Union focused on finding, encouraging and training leaders who would establish Asian communist parties in order to weaken capitalism. Towards the end of World War II Stalin promised that the Soviet Union would enter the Pacific War after the defeat of Hitler and it did so. Some observers argue that the decision reflected a wish to re-establish a presence in Asia, renewing ties and perhaps influencing the future governments in China, Korea and possibly Japan. Meanwhile, on the Korean–Russian border guerrilla forces were supported and trained with Soviet assistance to enter Korea with the end of the war.

Elsewhere Soviet interests were pursued in part through support of socialist states. In the 1950s the approval of the Soviet Union was thought to have been behind the North Korean invasion of South Korea. In Indo-China in the 1960s military equipment and especially more advanced weapons were supplied by the Soviet Union and transported to Viet Nam.

Soviet efforts in South and South-East Asia often circumscribed US policy or channelled it. The danger of sinking a Soviet ship was a consideration when the US policy of mining the harbour that served Hanoi was considered. The Soviet naval bases from which ‘boomer’ submarines were dispatched were a factor in the deployment of US attack submarines, given the modest naval forces of other client states in the region.¹⁶ Especially important was the close relationship between India and the Soviet Union, which included the supply of weapons and aircraft. This friendship and the quality of the Soviet Union’s military assistance were sufficient to antagonize China and play an important part in the Sino-Soviet dispute. The Soviet Union began to repair the China relationship and seek an accommodation with China in the late 1980s.¹⁷

¹⁶ Sontag, S., Drew, C. and Drew, A., *Blind Man’s Bluff: The Untold Story of American Submarine Espionage* (Public Affairs New York: New York, 1998).

¹⁷ Dittmer, L., ‘China and Russia: new beginnings’, ed. S. S. Kim, *China and the World: Chinese Foreign Relations in the Post-Cold War Era* (Westview Press: Boulder, Colo., 1994).

From the 1960s the United States, through the development of alliance systems, and the Soviet Union, through friendship treaties and support to Third World organizations and countries, sought to counter each other's presence and political influence.

Certain common threads are apparent in Russia's actions throughout the post-cold war years which also apply to US policy. First, domestic problems and divisions have served to sharply constrain Russian foreign policy choices. In the 1990s the complicated internal political games in the transition from the Soviet Union to Russia¹⁸ have consumed the attention of the political elites. Among the contending units influencing foreign policy, as in the United States, are the Presidency, the Foreign Ministry and the Duma (the lower House of the Russian Parliament). The latter is universally characterized as a conservative and very nationalist body. Other Russian interest groups also prevail in certain circumstances, notably the military and science and technology units, as well as the largest of the national industries, Gazprom.

Second, Russia's policy choices are still constrained by deepening economic chaos. For example, relations with North Korea soured at least in part because of Russian demands for payment in cash for oil. Russian efforts to participate in KEDO were unsuccessful in part because KEDO was unwilling to buy Russian reactors. Although Russia would support the goal of a more peaceful and safe Korean Peninsula, it is currently unable to participate in the funding of KEDO.

Russia's interests in Asia have been or are expressed in roughly three ways.

First, as ideology has faded, it has relied on assistance and support to friendly socialist states in Asia and some assistance to the quasi-friendly or neutral states along the borders as means to sustain friendship. In some areas ideological considerations have been replaced by an emphasis on cultural and ethnic historical ties.

Second, Russia has protected and regularized its borders. The emphasis on this is connected with trade, which has become of substantial and growing importance both because of the serious difficulties of the Russian economy and because regional Russian interests see local trade as a means of remedying the steep decline in assistance from far-away Moscow. In the longer term the resolution of territorial disputes with Japan and other states would open the possibility of growth in commercial ties with and foreign investment in Russia's eastern territories. Some sectors of the economy have become especially active and crucial as a result of the financial downturn, namely, the defence industries. Economic pressures to export arms have become more intense. China's purchase of sophisticated military equipment at alleged bargain prices could not but strengthen the growing relationship between the Russian and Chinese authorities, just as sales to India serve to provide an income and reaffirm Russian friendship. For Russia arms sales are crucial for its economy and

¹⁸ Chuftrin, G., 'The USSR in Asia in 1991: domestic priorities prevail', *Asian Survey*, Jan. 1992, pp. 11–19; and Bazhanov, N. and Bazhanov, Ye., 'Russia and Asia in 1992: a balancing act', *Asian Survey*, Jan. 1993, pp. 91–103. These 2 year-end summaries of the previous year's experience are especially informative about both domestic and international developments in a tumultuous period.

perhaps equally important in their contribution to saving the defence industry in Russia. Here is security with an essential economic component, although the military threats of the cold war have largely vanished.

Third—more complex and equally important for Russia—it has resolved remaining border and territorial disputes and derivative issues concerning the treatment of Russian citizens by neighbouring countries and control of cross-border traffic. These problems are common to virtually all Russia's borders, and prominent between Russia and China.¹⁹

Specific developments in Russia's bilateral relations with China, Japan and North and South Korea illustrate a number of these points.

Russian bilateral relations in North-East Asia

China

The highest priority must be attached to Russian efforts to establish a cordial and developing relationship with China. Whether this can be done, given the potential areas of disagreement and conflict, is a matter of controversy but the effort is under way. No matter whether or not Russia and China share their anger at or opposition to some tenets of US foreign policy or specific acts, some of their policies merge with considerable ease.

Current Russian efforts to expand and develop commercial ties and market opportunities with China required attention to the settlement of border demarcation and formalities. This is not a trivial matter, as the armed incidents in the 1960s near the Amur River should remind us. In the more peaceful atmosphere of the 1990s continual negotiations have brought progress towards a resolution of differences.²⁰

The process is not, however, problem-free. Agreements made by the central government in Moscow are coming under intense criticism from some Russian local authorities. The Governor of the Maritime Province (Primorskiy Krai) in far eastern Russia opposed the ceding of even 12 km² of land that would have benefited Chinese traders and possibly detracted from services offered by Russian ports within the *krai*. While presidents Jiang Zemin of China and Boris Yeltsin of Russia might speak of a friendly atmosphere, officials on the ground often find daily matters complicated and potentially threatening. The disagreements are not merely a matter of ports but also of the economic benefits expected to follow the development of trade zones, transport and other local provision among three parties—Russian, China and North Korea.²¹

As border arrangements have been delimited, the flow of traders, peasants and merchants has led to problems in controlling the sale of goods and the

¹⁹ For a more detailed discussion of this problem, see Lukin, A., 'The image of China in Russian border regions', *Asian Survey*, Sep. 1998, p. 821.

²⁰ See chapter 18 in this volume; and NAPSNET, *Daily Report*, 25 Nov. 1998, URL <<http://www.nautilus.org/napsnet/dailyreport.html>>.

²¹ Arase, D., *Economic Cooperation in the Region where China, Russia and North Korea Meet*, Working Paper no. 53 (Japan Policy Research Institute: Cardiff, Calif., Jan. 1999).

movements of people. The problem has been magnified when the goods bought and sold have been criticized as shoddy and of poor quality. Commercial matters on the border have been adjusted by agreements between the Russian Federal Border Guard Service and its Chinese counterparts in August 1995 to control illegal trafficking and immigration.²² These matters of border demarcation, control of expanding trade and control over the movements of people have developed over almost a decade and may take another decade to resolve fully.

The result of increased diplomatic activity, arms sales, reductions in border tensions and shared dissatisfaction with the unchallenged US primacy has been a 'strategic partnership' of sorts between Russia and China, despite the remaining difficulties between them. The relationship is not a military one, although arms sales are a 'plus'; it is a political meshing of interests to limit the US presence where possible and criticize it when the opportunity arises, but without a treaty between China and Russia. 'China, concerned with American hegemony, has entered into a strategic partnership with Russia. But such partnerships are weak and cannot be termed as alliances or even alignments.'²³

Japan

Russo-Japanese relations, although important, do not receive the priority attached to bilateral Russian–Chinese relations. Both Japanese and Russians speak of improved relations in recent years. Actual progress is more difficult to verify. In February 1999 the Russian Foreign Minister, Igor Ivanov, indicated that it was unlikely that the two powers would conclude a peace treaty in 2000, despite statements to the contrary by both countries' leaders. Moreover, the continuing inability to resolve the conflicting territorial claims over the southern Kuril Islands has consequences beyond the four small, rocky islands themselves.²⁴ The conflict leaves Japan with aspects of its security unresolved and hence potentially causes problems for its partner, the United States. For the near term the likelihood of the issue being resolved seems low. The end of the cold war has not reduced the difficulties between Japan and Russia; indeed it might be argued that the strong Soviet political leadership might have been better able to resolve the sovereignty issue and the political future of the disputed islands.

Despite the obvious potential for economic cooperation between Russia and Japan, the benefits from the development of mineral resources, oil and gas appear to be awaiting the resolution of this intransigent problem. Investment by Japan in the Russian far east, in these years of extreme economic need, is held hostage by the strong nationalist protests against any negotiations that might change the status of the Kuril Islands.

²² Lukin (note 19).

²³ 'Key features and explanations', ed. M. Alagappa, *Asian Security Practice: Material and Ideational Influences* (Stanford University Press: Stanford, Calif., 1998), p. 634.

²⁴ See also chapters 20 and 21 in this volume.

North and South Korea

Ironically, the Korean Peninsula, where Russian long-term planning readied the forces that have ruled North Korea since World War II, remains a most troublesome arena for Russia. Here the interests of the two Koreas, China, Japan, the USA and to some extent Russia meet. With the end of the cold war Russia has moved away from the state it helped create 50 years ago.

On the Korean Peninsula, where at least four powers are directly involved, the short-term dangers with respect to the proliferation of weapons of mass destruction are more apparent than anywhere else. Some developments have reduced tensions, notably the diplomatic recognition of China by South Korea and of South Korea by Russia. These diplomatic steps were to be accompanied by improved US–North Korean relations, moving towards the establishment of liaison offices if not formal mutual recognition, but failure to achieve this has brought criticism from North Korea and perhaps a sense of betrayal on its part. Earlier attempts to reduce tensions have had mixed results. Commercial efforts that were to benefit all have hit shoals. Efforts for debt reduction between South Korea and Russia foundered over payment or effective rescheduling of a long-overdue Russian debt to South Korea. In the tense days of the financial crisis of 1997–98 the sufferings of the South Koreans made them less sympathetic to Russian hardship, although discussions resumed in the spring of 1999.

IV. US–Russian relations

‘We have no eternal allies and no permanent enemies . . . Our interests are eternal, and those interests it is our duty to follow.’²⁵ Aphorisms are deceptive in their simplicity. Ideological conflicts during the cold war made tempting the view that the enemy of my enemy is my friend. Such thinking at least initially brought the United States and China to consider improving their relationship. The rethinking of friendships and interests as a result of the end of the cold war seemed not to have been predicted in Asia. Suddenly not only have major powers had to readjust their thinking but all the small powers in the region have found themselves looking again at their relations with their neighbours. As the new millennium approaches, determining interests and friendship is as important as it is difficult.

The setting for the Russian–US relationship

Certain factors are crucial to the understanding of the Asia–Pacific region as well as the specific domains in which the Russian and US foreign policies are operative.

²⁵ Lord Palmerston, quoted in Briggs, A., *The Age of Improvement 1783–1867* (Longmans: London, 1959), p. 352.

Throughout Asia there has been a resurgence of three forces at play with respect to foreign relations: (a) nationalism; (b) communalism both within and between nation-states; and (c) internationalism.

The force of nationalism has been reaffirmed throughout the region, for example, in the internal struggles in Indonesia, along the borders of China, within Malaysia, in India and Pakistan, and in the newly independent states of the former Soviet Union. There was a scarcely concealed anti-Americanism in the questions put to US President Bill Clinton in a speech at Beijing University during his China visit in May 1998. There have been protests in South Korea as a consequence of forced changes in trade policy in the early stages of the financial crisis directed at the West in general and at the USA in particular.

Resurgent communalism is apparent in attacks on Christians, on Muslims, on ethnic Chinese and on various religious sects in India, and in many other examples throughout the world, and should not surprise an observer. Such violence reasserts boundaries and divisions within and between nation-states or dominant and minority groups within regions. Many current divisions have hundreds of years of conflict behind them. Conflicts may become quiescent, especially at times when economies and culture are flourishing, only to re-emerge at times of poverty or scarcity. They impinge on or limit the alternatives of governments subject to their pressure.

At the same time there has been a rapid expansion of globalization or internationalism, a competing and also powerful current. Today's technology permits financial transactions to cross national boundaries at the stroke of a computer key. International enterprises are bought and sold by citizens of other nations, sometimes regardless of the social distress of countries that have experienced the financial crisis of the past two years. Production lines are outsourced, leaving long-time employees bereft of employment, benefits and often self-worth. Many of these factors are beyond the capacities of governments to control. Both Russia and the USA feel these pressures and see the outcomes of hasty international economic action and forced reforms.

Certain other developments must be taken into account. First, economic strength as an element of security is increasingly important in Asia, as the period 1997–99 shows, both for moderating crisis and for initiating recovery.

The primacy of economics in the post-Cold War world warrants the placement of a higher premium on economic performance and less emphasis on military-oriented security. And the ability to sustain, expand, and modernize a nation's military capability is dependent on economic growth. The link between economics and military power is nowhere more evident than in Russia, whose military capability has declined significantly due to the economic morass confronting it. Internal chaos and secessionist rebellions have further undermined national authority to the point where Russian power is no longer taken seriously in Asia, particularly in Southeast Asia.²⁶

²⁶ Nathan, K. S., 'Malaysia: reinventing the nation', ed. Alagappa (note 23), p. 542.

Second, the Asia in which Russia–US interplay occurs includes widely differing political systems of which only three can be called socialist—China, North Korea (the Democratic People’s Republic of Korea, DPRK) and the Democratic Republic of Viet Nam. The other regimes of North-East and South-East Asia are better classified as authoritarian–democratic with differing degrees of government intervention in their economies. The interaction with the forces of nationalism, communalism and globalism is only imperfectly understood in any analysis.

There are similarities in the experiences of Russia and the USA in the region since 1992. First, the alliance system has undergone change, which has been more dramatic for Russia than for the United States but has brought changes for both. Second, along with the restructuring of the alliances, both have observed the military modernization and political reorganization of the states of Asia. This political restructuring and leadership transition engenders instability and tension. Third, and of interest to strategists, the proliferation of NGOs (non-governmental organizations) in Asia–Pacific has opened opportunities for countries including the USA and Russia to enhance informal contacts between the states and their societies, to reduce tension by sending up ‘trial balloons’ with respect to compromise, and to proffer other means for the reduction of tension on controversial issues where state-to-state relations may be subject to very strong pressures.

‘Track two’ (non-governmental) organizations, such as the Council for Security Cooperation in the Asia–Pacific (CSCAP)²⁷ and a number of working groups under its umbrella, often have close ties to their governments. Other NGOs such as Amnesty International or environmental organizations are more confrontational by the very nature of their goals and demand attention.²⁸ A Russian presence has been maintained in most NGOs, on a limited scale because of economic constraints on participation and its ability or willingness to accept some of their approaches to economic questions, but the scope of Russia’s activities may be enlarged when and if economic progress permits. US participation has been uneven given concern about the leadership or policies of some NGOs, worries that the United States could be targeted as a ‘bully’ when interacting with small and medium-size powers, particularly in South-East Asia, and political problems caused by the equivocal relationship with Taiwan.

There have, however, also been important differences in the policy concerns of Russia and the USA in Asia in the past decade. Although both countries have focused on China, the US emphasis has been on the Koreas and Japan. Russia has emphasized South Asia. Russian efforts in Asia–Pacific focus on resolving border disputes whereas US interests concern sea lines of communication around the Spratlys, negotiations for the repositioning of equipment, the

²⁷ *CSCAP: Dialogue Monitor of Multilateral Meetings on Asia–Pacific Security Issues* (University of Toronto–York University Joint Centre for Asia–Pacific Studies, York University, Toronto) lists meetings of organizations primarily concerned with security matters. See, e.g., no. 5 (Mar. 1998). For the membership of CSCAP, see appendix 1 in this volume.

²⁸ Sutter, R. G., *US Policy Toward China: An Introduction to the Role of Interest Groups* (Rowman and Littlefield: Lanham, Md., 1998).

enforcement of agreements (with China and North Korea), and the maintenance of a semi-permanent US presence.

US–Russian relations in North-East Asia do not have the high visibility or importance they had in the 1970s and 1980s. Potential conflicts, such as over the Spratlys, Taiwan, perhaps the Korean Peninsula or Chinese Inner Asia with its ethnic quarrels, for the most part do not require Russian or US intervention. That said, the United States maintains almost 100 000 troops in South Korea and Japan, has a defence security treaty with the second most powerful economic nation in the world (Japan), guarantees the defence of South Korea and seeks to encourage a peaceful solution of the problem of the status of Taiwan. It places importance on sustained access to the shipping lanes in Asia.

Where Japan is concerned, US and Russian interests may part company. Russia's interests are more current than the USA's. The hardened conflict over sovereignty over the Kuril Islands remains largely outside the realm of US influence. It does not appear likely to translate into military incidents. The Russian armed forces, both naval and land-based, presently lack the resources necessary to project power. From the Russian point of view the problems of the US armed forces' interaction with Japanese civilians, the controversy over bases, and demands by Okinawa's populations for a more equitable distribution of US base assignments and troops may raise the costs for a continued US presence and perhaps eventually bring about calls for the redeployment of the US troops outside Asia.

Are the revised US–Japanese security guidelines a factor in the US–Russian relationship? Given Russia's weakened state, the current treaty arrangement might well be assessed positively since the lack of a US presence would almost certainly result in increased pressure for a broader military build-up in Japan.

To the relief of all, although the possibilities for mischief and more serious threat in either of the Koreas remain, both the USA and Russia see their interests as lying in a continuing peaceful atmosphere on the Korean Peninsula. That said, it is not clear that either power can ensure that peace continues, and the means at hand for either power to achieve its goals are sometimes of dubious value.

V. East Asia and the road ahead

US–Russian relations in Asia are of lower priority for the two countries than their relations in other parts of the world, although obviously not without significance. Emerging from colonial status, South-East, East and South Asia have slowly rid themselves of most of the colonial legacy and begun the long process of economic modernization. The financial crisis in Asia combined with the contrasting experiences of the incipient recovery makes it clear that nationalism is one tool being used for recovery.

Major portions of the discussion in this chapter have focused on the Soviet/Russian interests and policies, as seen from a US perspective. In contrast to those of the United States. The emphasis has not been on the direct bilateral

arrangements between the two powers but on the experience of situations in China, Japan and the two Koreas in which Russian and US interests have from time to time clashed or, more commonly, run a parallel course.

At the close of the 20th century the region remains relatively tranquil, despite a series of unresolved dilemmas over very complicated matters. There are island territories claimed by different states, in some cases reflecting controversies dating from World War II. There are clashes in the effort to affirm the independence of a political unit by force or negotiation. Korean reunification may come about in the foreseeable future, although the course it will take and the instrumentalities to bring it about are not discernible and therefore a cause for concern. The status of Taiwan is the most controversial issue in the region in the near and medium term.

Regrettably, the last decade of peace and reduction of tensions has been marred by the severe economic recession. The capacity of new states to sustain their political strength and vitality in these circumstances remains difficult to estimate and even the more optimistic fear some translation of frustration and social upheaval into domestic terrorism or even international conflict.

It seems likely that the countries of the region will proceed along the path to industrial modernization, the educating and support of society, and efforts to provide basic services for most of their citizens. Nonetheless some of the circumstances of the next 25 years are so extraordinary and new that it is difficult to set out reasonable scenarios. The fact that Japan in the year 2015 (like the United States some 15 years later) will have a population of which over one-quarter will be over 65 years old presents this highly modern state with an enormous problem, the solution of which is difficult to conceive without a combination of service development, the possible importing of foreign labour and some rethinking of the defence budget.

The modernization of China may well proceed at a pace viewed as threatening by some and too slow by others. Here, too, success will be accompanied by enormous difficulties, the outlines of which are already perceptible. Whether the achievements will counterbalance the urban and rural problems of China remains to be seen. It does seem clear, however, that the territorial claims will not disappear,²⁹ especially given the linkage between China's energy and resource needs and the petroleum resources believed to be located in the South China Sea and on the associated islands.

The roles of Russia and the United States are uncertain. Interaction between the USA, China and Russia may frequently be competitive but need not be conflictual.

Ongoing interaction in matters of trade, investment and markets cannot be problem-free. It is unlikely that economic recovery will be as smooth as some would like and it will certainly not progress as quickly as the USA will hope. When economic progress does occur, there is bound to be pressure from the

²⁹ Dupont, A., International Institute for Strategic Studies, *The Environment and Security in Pacific Asia*, Adelphi Paper no. 319 (Oxford University Press: Oxford, 1998), especially pp. 25–41, 75–80.

USA for increasing access to East Asian markets. The conclusions drawn from the period of 'Asian contagion' will make matters difficult.

Divisions within the leadership in Russia, the problem of the presidential succession and the need to address the human costs of the current efforts at reform are going to be barriers to cooperation with the United States. Divisions within the US executive and Congress, US fears of China and appeals of special interests will hamper or skew US policies with respect to trade and security, no matter which party governs. In China, although the leadership appears more stable than in the past, the outstanding issue of Taiwan, the enormous domestic difficulties and the continuing stress on stability have already slowed down the reform effort.

In this complicated scene the problems of the START negotiations³⁰ must take priority and will continue in various forms into the 21st century. On the US side there are already visible difficulties with support for the programme and divisions of opinion with respect to various aspects of the terms negotiated as Russian leaders continue to delay ratification.

In addition there is the need to control, preferably through persuasion rather than sanctions, the enlargement of the circle of nuclear weapon powers. The use of sanctions has not been productive and in the case of North Korea has possibly been quite dangerous. While Russia is not involved in many aspects of the Korean peace negotiations, a permanent settlement in the region together with reunification will surely require Russian involvement in some form.

For the foreseeable future Russia will need to focus on its serious internal difficulties of leadership and economic reform. It would, however, be a mistake for US observers to assume that they can therefore move without paying some attention to Russian sensibilities. Furthermore, Russian investment, both political and psychological, in parts of Asia may be of help in resolving some difficulties.

The USA will need to stay alert to the success of Russian efforts to develop satisfactory relations with the new countries along its borders, regional divisions within Russia as played out in Asia-Pacific, and the possibility of an implosion or fracturing of the Russian state. Such outcomes cannot be completely ruled out. Strobe Talbott's call for 'strategic patience' is worth keeping in mind.

Efforts to reduce the perceived threats from North Korea will require time and patience, the maintenance of surveillance, and North Korea's fulfilling the 1994 agreement. This is likely to be difficult. However, the efforts of Russia to improve its relationship with North Korea together with both Chinese and US offers of assistance may provide some assurance to North Korea that it can take

³⁰ The 1991 Treaty on the Reduction and Limitation of Strategic Offensive Arms between the USSR and the USA; and the 1993 Treaty on Further Reduction and Limitation of Strategic Offensive Arms between Russia and the USA. On the status of negotiations for START II, see Kile, S., 'Nuclear arms control and non-proliferation', *SIPRI Yearbook 1999: Armaments, Disarmament and International Security* (Oxford University Press: Oxford, 1999), pp. 535–40.

some risks in altering its political structures and permitting somewhat more openness to the international community.

Both the USA and Russia will have to develop a relationship in a different world from that in which they interacted for over 30 years. With growing nationalism in Asia–Pacific, as elsewhere, with economic interests in each country clamouring for protection, and with political systems vastly different in the strains they can tolerate and the goals they seek, there are inevitable risks. In Asia–Pacific, however, as this chapter suggests, there is no longer so high a risk of conflict between the two powers as existed in the first half of the post-World War II period. This may be all that each state can expect.

24. Russian policy and interests in the Korean Peninsula

Alexander N. Fedorovsky

I. Introduction

There have been three stages of Russian policy towards the Korean Peninsula in the decade 1989–98: (a) under Soviet President Mikhail Gorbachev in 1989–91; (b) at the beginning of the reforms in Russia in 1991–95; and (c) during the period of ‘balanced’ foreign policy of President Boris Yeltsin and Foreign Minister Yevgeny Primakov in 1996–98. Russian policy on the Korean Peninsula is now at a turning-point again.

II. The evolution of policy

Under Gorbachev the Soviet Union began to change its policy towards the Asia–Pacific countries. It was very important for it to develop its economic relations with the East Asian countries and to find new economic partners. Gorbachev sought to shake off the legacy of the cold war, stabilize political relations with neighbouring countries and be one of the guarantors of regional security.

The USSR tried to initiate dialogue with the two parts of Korea and to support the reconciliation process on the Korean Peninsula during the Gorbachev period. For the first time it had the opportunity to cooperate with North and South Korea simultaneously. There were some positive results. Although North Korea (the Democratic People’s Republic of Korea, DPRK) reacted coolly to the successful negotiations between the USSR and South Korea (the Republic of Korea), it had to take the new political realities into account. It agreed to join the United Nations together with the Republic of Korea in 1991. However, the improvement in Russian–South Korean relations coincided with a gradual change for the worse in Russian–North Korean relations.

There were objective reasons why Yeltsin’s policy towards the Korean Peninsula during the first half of the 1990s concentrated on the development of relations with South Korea. Gorbachev’s policy had made it possible to continue fruitful negotiations with South Korea. The new democratic government proclaimed the main principles of Russian foreign policy as being the de-ideologization of foreign policy and large-scale security and economic cooperation with foreign countries. There were, however, at least two weaknesses in Russian foreign policy at that time. First, it was primarily oriented towards the USA and the European Community; and, second, Russia was

unable to work out a new policy towards its former allies. Some Russian scholars criticized the 'naive romantic' pro-Western Russian foreign policy of the first half of the 1990s.

De-ideologization meant that Russia was no longer prepared to support its former socialist allies by all possible means. Apart from this, however, there were important objective reasons for the deterioration of bilateral relations between Russia and North Korea. Russia lacked the economic and financial resources to support North Korea. Kim Il Sung's regime criticized Russia's democratic reforms and disagreed with the new market mechanism of bilateral economic cooperation. It was clear for Russia that North Korea was sympathetic to the radical anti-democratic opposition and that it would welcome a restoration of the communist totalitarian system in Russia. At the same time public opinion opposed any continuation of economic assistance to former Soviet allies because Russia was in deep crisis and having to borrow abroad on a large scale. Under these circumstances it was impossible for Russia to mobilize scarce domestic resources in order to assist Kim Il Sung's regime. Market reforms had begun vigorously in Russia and its new businessmen had the opportunity to select their own business partners, and a few of them were ready to make money in North Korea. The local governments of the Russian far east regions were involved in barter trade and in limited cooperation with North Korea: they were the main Russian economic partners of North Korea at that time. As a result trade between North Korea and Russia fell constantly during the first half of the 1990s—from \$600 million in 1992 to \$115 million in 1994 and \$90 million in 1997.¹ Russia's exports to North Korea usually amounted to roughly four times more than its imports from North Korea at that time. Because the problem of North Korean debt to Russia had not been resolved successfully, Russian investment in North Korea shrank and there were no new Russian loans to North Korea.²

For four decades the USSR and North Korea had had close military relations. The USSR supplied North Korea with arms and military equipment and regularly trained its military personnel. Their scientific and technical cooperation gave a powerful impulse to research and development (R&D) and the development of facilities in the military and nuclear industries in North Korea. This cooperation has been frozen since the beginning of the 1990s as the two countries have diverged ideologically, politically and economically.

Meanwhile, economic reforms in Russia boosted trade and economic relations with South Korea. The value of trade between them increased from \$889 million in 1990 to \$2.2 billion in 1994 and \$3.3 billion in 1997.³ Political

¹ *Tamozhennaya Statistika Vneshney Torgovli Rossiyskoy Federatsii* [Customs statistics of the foreign trade of the Russian Federation] (Goskomstat: Moscow, 1998), pp. 505, 511.

² Levchenko, G. K., 'Voprosy o vneshneekonomicheskoy deyatelnosti Rossii na Koreyskom poluostrove' [Issues of the foreign economic policy of Russia on the Korean Peninsula], Paper presented at the 7th IFANS-IMEMO [Institute of Foreign Affairs and National Security, Seoul, and Institute of World Economy and International Relations, Moscow] Conference on the Current Situation in North East Asia and Korea-Russian Cooperation, Seoul, 28-29 Oct. 1997, p. 3-4.

³ See note 1.



Figure 24.1. Map of the Korean Peninsula

relations between Russia and South Korea were fairly stable. Yeltsin paid an official visit to Seoul in November 1992 and signed the Treaty on Bilateral Relations between Russia and South Korea, which laid down the main principles of Russian–South Korean relations, including the support of peace

and security on the Korean Peninsula. During his visit Yeltsin proposed the establishment of a nuclear-weapon-free zone on the peninsula.⁴ President Kim En Sam visited Moscow in June 1994. Exchanges at the ministerial level and between members of the two parliaments, military delegations, and public and science organizations, and cooperation in education, culture and sport expanded. Relations with North Korea were frozen. Here the most significant event was Russia's decision on 10 September 1996 not to prolong the 1961 Treaty of Friendship and Cooperation. The text of a new treaty became the subject of prolonged bilateral negotiations.⁵ As a result Russian policy on Korea was unbalanced in favouring South Korea and Russia had limited opportunity to negotiate with North Korea or to play a positive role on the Korean Peninsula.

A further sign of the new Russian policy was the establishment of military ties with South Korea, which included not only exchange visits for military personnel but also the export of Russian arms and military equipment to South Korea. During 1996–97, Russia transferred to South Korea arms and military equipment, including tanks and combat vehicles, worth approximately \$200 million in part repayment of its debt to South Korea (totalling \$1.4 billion).⁶ Russia hoped to continue these arms transfers, for instance, with fighter aircraft, helicopters, submarines and anti-aircraft missiles, and it seemed that South Korea was ready to receive at least some more arms and technology. However, pressure from the USA, combined with the consequences of the financial and economic crisis in South Korea in 1997–98, limited its further development.⁷

In 1996 the third stage of Russian policy towards Korea began. Since then Russia has tried to balance its foreign policy in order to improve relations not only with the West but also with Asia–Pacific, and especially with the neighbouring North-East Asian countries. This trend was reinforced when Primakov was appointed minister of foreign affairs in January 1996. Pragmatism and the establishment of friendly relations with the neighbouring countries along the border were now the main features of Russian foreign policy. Russia reached some very important agreements on military and border issues with China,⁸ improved relations with Japan,⁹ and tried to resume political dialogue and economic cooperation with its old partners, including North Korea.

There were some signs that North Korea was ready to respond positively to the change of Russian policy. As a result, the bilateral intergovernment commission on economic issues resumed its annual sessions, in April 1996 and

⁴ *Rossiyskaya Gazeta*, 20 Nov. 1992, pp. 1, 3.

⁵ *Diplomaticheskii Vestnik*, no. 4 (1998), p. 15.

⁶ Savalev, R. V., 'Rossiysko-Koreyskoye voyennoye sotrudnichestvo: nastoyacheye i budushcheye' [Russian–Korean military cooperation: present and future], *Problemy Koreyskogo Poluostrova i Interesy Rossii* [The problems of the Korean Peninsula and the interests of Russia, Proceedings of the 2nd Academic Conference, Moscow, 21–22 Jan. 1998], Moscow, 1998, p. 46.

⁷ Savalev (note 6).

⁸ See chapter 18 in this volume.

⁹ See chapters 20 and 21 in this volume.

October 1997. Three agreements on cooperation in agriculture were signed.¹⁰ In 1996 Yeltsin congratulated the North Korean leader on his birthday. Russian Vice-Prime Minister Vitaly Ignatenko and Speaker of the State Duma Gennady Seleznev paid official visits to North Korea. The two countries' foreign ministries resumed regular political consultations. Russia began to deliver food aid to North Korea in 1997. The North Korean Vice-Prime Minister, Foreign Minister Kim Yong-nam, noted that his country and Russia had an opportunity to upgrade their relations and expressed satisfaction with the increasingly positive development of those relations. Russia confirmed to North Korea that the stabilization of relations was the long-term aim of its policy. 'We [Russia] are interested in having active ties with our neighbour [North Korea]'.¹¹

Any sudden collapse of the North Korean regime would cause chaos and a series of conflicts on the Korean Peninsula. Russia is afraid of becoming involved and would therefore support a transition in North Korea towards a predictable regime and a more open society, and any form of cooperation between the South and the North. It would also support the reunification of Korea in the future, although it is sure that North and South Korea will continue to exist separately in the long run.

Although Russia gradually corrected and balanced its foreign policy in 1996–98, it seems that neither of the two Koreas nor Russia is satisfied with the results of the development of their relations in the 1990s. Russia's influence on the Korean Peninsula is still insignificant and it is isolated from the negotiations on Korean problems and from consultations on the main security issues. In fact only the United States and China are the international guarantors of the status quo on the Korean Peninsula and it is not clear to Russia in what way and under what conditions it can support security there. Russia is furthermore disappointed at South Korea's will and ability to maintain large-scale economic relations with Russia.

In turn, South Korea expected that realization of its 'Northern policy' would create new opportunities for the establishment of better relations between the former political rivals in North-East Asia. It believed that under these conditions it would be possible for Russia to stimulate the transition of North Korea towards a more open and predictable society. However, the reduction of political, military and economic ties between Russia and North Korea in the 1990s increased the isolation of North Korea from Russia. South Korea hoped also to find in Russia a huge market for its exports and new sources of fuel and raw materials. Korean businessmen, however, were dissatisfied with the economic situation in Russia and its political instability, which is why bilateral trade and investment exchanges are limited in scale as yet.

¹⁰ *Diplomaticheskii Vestnik*, no. 11 (1997), p. 28. The commission consists of senior officials and discusses among other things the debt problem, the presence of North Korean workers in Siberia and the Russian far east, and Russia's excessively favourable balance of trade with North Korea.

¹¹ Russian Deputy Foreign Minister G. Karasin. 'Russia prepares for foreign minister's visit to N. Korea', *Korea Herald*, 1 Nov. 1997, p. 4.

An unprecedented 'spy scandal' in July 1998 further damaged Russian–South Korean relations.¹² According to officials from the Korean Ministry of Foreign Affairs, this was 'nothing more than an episode',¹³ and it seemed that the Russian side agreed with that point of view and that such trouble usually dies down after a few weeks. Nevertheless the episode seems to have been a reaction on the part of both sides to previous problems in their relations. Although Russia and South Korea decided 'to turn over a new leaf' and work together on improving bilateral relations,¹⁴ Russia has to find new ways to develop political and economic relations with South Korea.

North Korea was also disappointed with the new Russian policy. Kim Jong Il's regime resumed its political activity, trying to restore economic and military cooperation with Russia. North Korea wished to see Russia as a possible partner which could help it to avoid dependence on the USA and to balance its foreign political and economic relations. The totalitarian regime hopes that the growing influence of the Russian Communist Party and other left-wing and nationalist forces in Russia could in future change Russia's policy in North Korea's favour. Indeed, the Russian left-wing and nationalist opposition does advocate strong support for Kim's regime by radical improvement of political relations, economic assistance and military cooperation. It will of course be impossible for Russia to maintain its economic assistance to North Korea at the level of the 1980s in the near and medium term because of its own economic crisis.

Any future improvement of Russian–North Korean relations on an ideological and anti-US basis would be very dangerous for the security situation on the Korean Peninsula and in North-East Asia. A radical transformation of Russian policy in North Korea's favour in the near term is unlikely because there are no objective reasons for such a change. Nevertheless President Yeltsin and the government will be under constant and strong political pressure from the nationalists and the left-wing opposition, which will continue to insist on an improvement of relations with North Korea. The future trend of democratization of Russian society and the stabilization of the Russian economy will therefore greatly influence the development of the political and security situation on the Korean Peninsula.

North Korea, South Korea and Russia are now at a turning-point in the development of their relations. The situation on the Korean Peninsula will depend on the general political and economic evolution of these states. If they develop in the same direction, at least economically, it will give a positive impulse to mutual understanding between the North-East Asian countries and stability on the peninsula. The realization of market reforms in Russia, the transformation of North Korea's administrative economy in the direction of a market economy

¹² Cho Sung-woo, a counsellor at the South Korean Embassy in Moscow, was charged with espionage in July 1998. South Korea in turn declared Oleg Abramkin, a counsellor at the Russian Embassy in Seoul, *persona non grata*, accusing him of unauthorized activities. 'Korea–Russia diplomatic row seen to end with counsellor's expulsion', *Newsreview*, 11 July 1998, p. 8.

¹³ See note 12.

¹⁴ 'Yuzhnaya Koreya i Rossiya: intsident ischerpan i zabyt' [South Korea and Russia: incident settled and forgotten], *Izvestiya*, 22 Sep. 1998, p. 1.

and liberalization of the South Korean economy could provide the basis for long-term efficient cooperation between the two Koreas and Russia and create a new political, economic and psychological climate for regional cooperation and stability. On the other hand political and economic stagnation or regression in these countries would have dangerous results and would undermine political and security stability in North-East Asia.

There is some evidence that North Korea is in the preliminary stage of market reform. The law is being changed in order to soften administrative control over state enterprises, and a group of officials, economists and statisticians is to study market mechanisms abroad with financial assistance from the World Bank and the United Nations.¹⁵ If this trend is strengthened, North Korea's domestic and foreign policies will change gradually. However, foreign policy has not yet been modernized. While Russia and South Korea will maintain friendly relations with foreign countries, it seems that North Korea is trying to improve its international position by old political measures. Russia therefore has to take North Korean policy into account while looking for new opportunities to improve its policy towards the Korean Peninsula.

III. The North Korean missile test

When on 31 August 1998 North Korea test-fired a ballistic missile with a range of 5000 km over Japan, a good deal of its aims were achieved. At least for a time, the launch mobilized supporters of North Korea among the left-wing political forces in Russia. It took some time for the Russian Foreign Ministry and Ministry of Defence to work out a joint position on the episode. The launch was unexpected for Moscow, although according to the Russian Foreign Intelligence Service North Korea had been developing a capability for nuclear, chemical and biological weapons for some years.¹⁶

In Japan and South Korea public opinion was divided. In Japan the opposition agreed with the government in criticizing the test but, while the New Komei Party and the Liberal Democratic Party felt that the normalization of relations should be put on hold, the Social Democratic Party argued that talks on this should be resumed. In South Korea, according to an opinion poll, 57 per cent of respondents saw the test as a positive development and only 24 per cent perceived it negatively.¹⁷ South Korean President Kim Dae Jung indicted that the missile launch would not affect his 'sunshine policy' towards North Korea, meaning that political and economic cooperation were separate.¹⁸

North Korea had succeeded in dividing the countries involved in Korean affairs. While Japan adopted a number of responses, including putting off talks

¹⁵ Skosyrev, V., 'Poslednyaya nadezhda Pkhenyana' [Pyongyang's last hope], *Izvestiya*, 12 Mar. 1999, p. 4.

¹⁶ 'Severnaya Koreya otnyne grozit miru iz kozmosa' [North Korea threatens the world from space now], *Russkiy Telegraf*, 5 Sep. 1998, p. 1.

¹⁷ 'Some locals proud of NK missile over Japan', *Korea Herald*, 14 Sep. 1998, p. 3.

¹⁸ 'Chronicle of major events in South and North Korea', *Korea and World Affairs*, vol. 22, no. 4 (1998), p. 632.

on normalizing relations with North Korea, halting food aid for the time being and freezing a decision on the final cost-sharing agreement for the light-water reactors to be built by the Korean Peninsula Energy Development Corporation (KEDO),¹⁹ the USA agreed to send emergency food aid to North Korea.²⁰ Later North Korea successfully pressured the USA to engage in bilateral talks on security issues in New York. The USA is ready to supply North Korea with 500 000 tonnes of food in order to gain the right to inspect the nuclear facilities of the country: North Korea insists on aid worth \$300 million or 1 million tonnes.²¹

One consequence of the episode is that Japan intends to consider two defensive options to ward off what it sees as a growing threat from North Korea—the US Theater Missile Defense (TMD) system and an intelligence satellite to upgrade its own intelligence capabilities and reduce reliance on US cooperation. Any unilateral move by Japan to improve its defence system could shift the regional military balance and raise tension in North-East Asia.²²

Under these circumstances, Japan and South Korea agreed to work with the USA to counter North Korea.²³ Meanwhile it will be impossible to maintain security on the Korean Peninsula without the participation of other North-East Asian countries in regional cooperation.

IV. Conclusions for Russian policy

The end of the cold war in North-East Asia has not meant the normalization of relations between the two Koreas. Military conflict is still possible on the Korean Peninsula. Russia needs to correct its policy towards Korea in order to prevent a deterioration of the political and security situation near its own far east. Russia is not ready to address North Korea from a position of strength and believes that the development of economic cooperation with North Korea is necessary in order to maintain peaceful coexistence on the Korean Peninsula. In some ways, therefore, this policy coincides with South Korea's 'sunshine policy'. Russia, however, has few opportunities to develop bilateral relations with the Korean states in the near future because of its own profound financial crisis and the non-market economic system of North Korea.

The role of economic factors in international relations, especially in the North-East Asian region, will grow. It will be very important for Russia to take part in regional integration and to support North Korean economic cooperation with neighbouring countries, including South Korea. Regional cooperation

¹⁹ The international consortium set up in Mar. 1995. See, e.g., Gill, B., 'The divided nations of China and Korea: discord and dialogue', *SIPRI Yearbook 1996: Armaments, Disarmament and International Security* (Oxford University Press: Oxford, 1996), pp. 136–38.

²⁰ Foreign experts note that very little of it will go to the needy: it will go to loyal party members and the army. 'Korea: aid agency pulls out of North', *International Herald Tribune*, 30 Sep. 1998, p. 5.

²¹ Skosyrev, V., 'Khochesh proveryat, plati' [If you want to inspect, you must pay], *Izvestiya*, 11 Mar. 1999, p. 4.

²² Kirk, D., 'Japan weighs stiffer posture', *International Herald Tribune*, 11 Sep. 1998, p. 5.

²³ 'Chronicle of major events in South and North Korea' (note 18), p. 637.

could improve the energy, transport, food and environmental situation in North-East Asia and strengthen mutual trust and political stability on the Korean Peninsula.

On the other hand it is impossible for Russia to ignore the danger of North Korea's nuclear and missile blackmail any longer. Russia must therefore coordinate its policy on North Korea with other regional powers in order to firmly oppose any attempts by North Korea at blackmail.

In an interview with *Asahi Shimbun* on 23 January 1998, President Kim Dae Jung expressed the idea that a collective security regime something like the Organization for Security and Co-operation in Europe (OSCE) and involving China, Japan, the two Koreas, Mongolia, Russia and the USA was needed.²⁴ This proposal coincides with key features of Russia's policy on the Korean Peninsula. Russia will try to support the transition of the North Korean regime towards a more open society as well as inter-Korean dialogue and reunification. At the same time it will continue its attempt to initiate a political dialogue on Korean issues with China, Japan, the two Koreas and the USA (the 'two plus four' format) in order to seek close political, economic and security cooperation between the neighbouring countries and the USA.

²⁴ Kang In-duk, '1998 perspective of the situation around the Korean Peninsula and the roles of the surrounding countries', *East Asian Review*, vol. 1, no. 10 (1998), p. 21.

25. Russia and a new balance of power in East Asia: implications for stability on the Korean Peninsula

Sang-Woo Rhee

I. Introduction

Unlike Europe, East Asia has no institutionalized cooperative security system. In Europe, a well-defined cooperative security system consisting of the Organization for Security and Co-operation in European (OSCE) and the European Union (EU) is already in place, but in Asia there is no such system on the horizon. The cold war was over in Europe in 1989 but its legacy still lingers in East Asia.

A precarious and volatile system based on three separate bilateral security treaties has served to stabilize the peace in the region—the security treaty between China and North Korea (the Democratic People’s Republic of Korea, DPRK) and the Japanese–US and South Korean–US treaties of mutual defence. This means that the basic security structure inherited from the cold war system remains largely unchanged. The basic problem stems from the discrepancy between the old security system and the changing political dynamics in East Asia.

During the cold war, a strategic balance between communist and non-communist states successfully deterred any large-scale military conflict between the major powers. In the post-cold war era, however, security ties based on ideological fraternity are weakening and as a result bilateral security treaties that were forged in the past are being transformed. Released from tight control by the leader state of the blocs, every nation is striving for its own national interest. The tight bipolar system has collapsed and a new alliance system is emerging based on newly defined common interests. Old security treaties are being readjusted and a new multilateral balance-of-power system is likely to replace the old bipolar alliance.¹

The USA is seeking to sustain a dominant position in East Asia so that it can fulfil the dream of *Pax Americana*—a worldwide community of free-market democracies. China, a re-emerging power in Asia, is gradually moving to restore the old China-centred world order, although this may take decades to

¹ Gerald Segal observes that ‘there are signs of a developing post-cold war balance of power in Asia’. He stresses in particular that in order to manage China, ‘constraintment’ or ‘conditional engagement’ based on the concept of balance of power will be more effective than ‘constructive engagement’. To ensure security in Asia, he suggests that a stable balance of power be built. Segal, G., ‘How insecure is Pacific Asia?’, *International Affairs*, vol. 73, no. 2 (1997), pp. 235–49.

accomplish. Japan is dreaming of *Pax Consortis*, a system of joint domination of East Asia by the US–Japanese security alliance.² Russia, whose centre is located west of the Urals, far from East Asia, is relatively free from the power competition among the major powers in East Asia. However, it has a dream of expanding its influence into the Asia–Pacific area and is preparing to intervene in the regional strategic environment as a ‘balancer’.

Situated at the geographic centre of East Asia, Korea is a relatively small nation. It is divided and suffers from intra-national conflict. Because of the Korean Peninsula’s strategic location and relative weakness, stability there is destined to be strongly affected by the balance of power between the great powers. At the same time, because of its location, Korea may play a very positive role as an ‘inside balancer’. Whether it becomes a disturber of regional stability or a stabilizing influence depends largely on the policy visions of the powers concerned and the strategic wisdom of the Korean leadership.

The following sections lay down the logical framework and examine the factual basis to support this argument.

II. *Pax Americana*

Unlike those countries which have evolved from traditional monarchies, the United States is an artificially created nation designed to fulfil the idea, revolutionary at that time, of a liberal democracy. ‘All men are created equal.’ Individual freedom, a pluralistic political system and a social order based on free contracts between its constituents formed the ideological core.

Liberal democracy also characterizes the United States’ foreign policy. In the 20th century the United States fought World War I and World War II to preserve it. Even though its foreign policy has shifted between isolation and engagement,³ for the past 200 years the USA has been basically guided by liberal democratic idealism. To understand US foreign policy, it is essential to understand its ideological commitment. The United States will pursue its goal of fostering a worldwide democratic community under its leadership in the post-cold war era just as it did before. The fact that it won three consecutive wars against totalitarianism (if the cold war is included) has given its leaders a strong confidence in their belief in liberal democracy. This confidence is now reflected in the dream of *Pax Americana*.

The goal of *Pax Americana* is to create a community of free-market democracies. To achieve this, the United States is trying to convert all nations to liberal democracies, first engaging with the ‘target’ nations and then following

² Inoguchi, T., *Japan’s Foreign Policy in an Era of Global Change* (Pinter: London, 1993), pp. 171–76. Inoguchi suggests 4 scenarios for Japan’s future course: (a) *Pax Americana*, phase 2; (b) *Pax Ameriponica*; (c) *Pax Consortis*; and (d) *Pax Nipponica*. In a recent article he concluded that *Pax Consortis* is the most popular but *Pax Americana*, phase 2, the most feasible. Inoguchi, T., ‘Japan’s foreign policy under US unipolarity: coping with uncertainty and swallowing some bitterness’, *Asian Journal of Political Science*, vol. 6, no. 2 (Dec. 1998), pp. 1–20.

³ Frank L. Klingberg found that from 1776 to 1940 US foreign policy oscillated between periods of introversion (averaging 21 years) and extroversion (averaging 27 years). Klingberg, F. L., ‘The historical alteration of moods in American foreign policy’, *World Politics*, Jan. 1952.

up with ‘sticks and carrots’ to bring about this ‘conversion’. This, somewhat simplified, is the post-cold war US policy of engagement and enlargement.⁴ To carry it out, the United States is ready to use its unmatched military supremacy combined with the strongest economic base in the world.

With the help of Western democratic nations, the USA has successfully converted most of the former communist nations in Eastern Europe into democracies. The mission in Europe is almost accomplished. On the other hand, in East Asia ‘conversion’ has not been so successful. To begin with, the United States encountered China’s resistance.⁵ China, a gigantic socialist nation, is too big and strong for the United States to handle alone. Thus it has ‘invited’ Japan as a partner in approaching China very cautiously and prudently under an overall policy of ‘conditional engagement’.⁶

III. The Japanese concept of *Pax Consortis*

Since the 19th century Japan has dreamed of creating a region-wide empire which it refers to as the ‘Great East Asia co-prosperity sphere’. Imperial Japan wished to divide the world into two camps—the Western, to be managed by the Western powers, and the Eastern, to be led by Japan. The Pacific War was fought to fulfil this dream.

After its defeat Japan realized that it was wiser to cooperate with the USA than to fight it. Accordingly it modified its idea of monopolistic, hegemonic control of East Asia into a joint plan for the management of security in East Asia. The former plan was referred to as *Pax Nipponica* and the new as *Pax Ameriponica*. According to the new scheme, the United States was to provide military supremacy while Japan was to exert its economic influence. In this context, the 1997 revised Guidelines for US–Japan Defense Cooperation⁷ could

⁴ The White House, ‘A national security strategy of engagement and enlargement’, Washington, DC, Feb. 1995. This declaration has become a new guideline for US foreign policy in the post-cold war era. It declares 3 goals—(a) to enhance US security, (b) to promote prosperity at home, and (c) to promote democracy globally. To pursue these goals the US Government officially declared that it would use its unopposed military supremacy and the strongest economy in the world.

⁵ The USA doubts China’s willingness to accommodate long-held US interests. One report states that ‘the primary threat is that China will seek to dominate economic and security affairs in Asia to the exclusion of the US and that, in the long run, it may be capable of doing so’. Holmes, K. R. and Moore, T. G. (eds), *Restoring American Leadership* (Heritage Foundation: Washington, DC, 1996), p. 19. On the other hand, Chinese ideologues suspect that the USA is waging another cold war against China. Shinn, J. (ed.), *Weaving the Net: Conditional Engagement with China* (Council on Foreign Relations: New York, 1996), p. 135. There are different views of possible Sino-US rivalry. Brzezinski considers that ‘greater China’s geopolitical influence is not necessarily incompatible with America’s strategic interest in a stable, pluralistic Eurasia’. Brzezinski, Z., ‘A geostrategy for Eurasia’, *Foreign Affairs*, vol. 76, no. 5 (Sep./Oct. 1997), p. 61.

⁶ On China’s resistance, see Shambaugh, D., ‘Growing strong: China’s challenge to Asian security’, *Survival*, vol. 36, no. 2 (summer 1994); and Wortzel, L. M., ‘China pursues traditional great power status’, *Orbis*, vol. 38, no. 2 (spring 1994). On the US conditional engagement policy, see Shinn (note 5); and Nye, J. S., ‘China’s re-emergence and the future of Asia–Pacific’, *Survival*, vol. 39, no. 4 (winter 1997/98), pp. 65–79. Nye clarifies conditional engagement as ‘from that position of strength [to] encourage China to define its interests in ways that could be compatible with ours’ (p. 76).

⁷ For the text, see US Department of Defense, News release, no. 507–97 (23 Sep. 1997), URL <http://www.defenselink.mil/news/Sep1997/b09231997_bt50797b.html>.

be construed as a symbol that Japan has arrived at equal partnership with the United States for the joint leadership of East Asia along the lines of *Pax Ameriponica*. Will this be the end of Japan's aspirations? In essence, it will probably not be, since Japan eventually may move to form a global governing consortium comprising the great powers—the United States, the EU and others such as China and Russia. This is the Japanese dream of *Pax Consortis*.⁸

In the 1990s, Japan emerged as a new global economic power. Its per capita national income in 1997 was \$33 596, higher than those of the USA (\$30 321) and Germany (\$25 596).⁹ Japan could thus envision a new Asian world order in which it could play a leading role and may have begun to think of partially deviating from its close alliance with the United States. Liberating itself from critical dependency on the United States, Japan is trying to formulate a new regional order consisting of a joint strategy for East Asia crafted by all the concerned powers, including China and Russia. The long-term vision of *Pax Consortis*, an idea based on a condominium of the region, is an outgrowth of *Pax Ameriponica*. This vision is still developing and there is no consensus among the country's leaders. The rightists opt for monopolistic hegemony while the liberals prefer a coordinating peace system within which Japan will enjoy a leading role.

IV. The dream of restoring China-centrism

For more than 2000 years, roughly from the 6th century BC to the 18th century AD, China dominated Asia as sole hegemon. In East Asia, a hierarchical international order existed with China at the apex as the maintainer of the system. Only China was entitled to make the rules for the conduct of the nations in the system and to implement them. All others were to remain as tributary states.

Chinese supremacy in East Asia was shattered after the Opium War of 1848. The Western powers and Japan left China a semi-colonized nation. A century of national humiliation revived the Chinese ethos and after two revolutions, in 1912 and 1949, China finally regained its status as a great power in the 1980s. Although not yet fully industrialized, it is a formidable power with significant military capability. Today, it is difficult to imagine that China can be denied the role of a key constituent in East Asian power politics.

China denies the universality of liberal democratic values.¹⁰ It has its own version of idealism, humanism and democracy. Emphasizing organic harmony rather than individual freedom, the Chinese envision a world of common moral principles which place greater value on the health of the broader community than on individual rights.

⁸ See note 2.

⁹ South Korea, Ministry of Finance and Economy, *Monthly Economy*, vol. 38, no. 1 (Jan. 1999), pp. 91–94.

¹⁰ Huntington, S. P., 'The West unique, not universal', *Foreign Affairs*, vol. 75, no. 6 (Nov./Dec. 1996), pp. 28–46.

China will cooperate with the United States as long as the USA honours the Chinese political philosophy but it will not tolerate *Pax Americana*, which demands China's conversion into a Western-style democracy. As a result, China will keep a measured distance from the United States for the time being.

V. The emerging balance of power

Will China accept Japanese hegemony in East Asia? The short answer is 'never'. Will Japan be satisfied with a junior position in the traditional hierarchical tributary system of a China-centred order? Again, the answer is 'never'. It is therefore inevitable that the two major Asian powers will remain in a competitive relationship. Their rivalry will be the axis of future stability in East Asia. If they maintain a peaceful, cooperative relationship, East Asia will enjoy stable peace. If they do not, it will remain in a state of sustained tension.

It is inconceivable that Japan will cooperate with China for shared leadership in a regional peace system in East Asia. Japan chose to become a 'Western' nation, leaving its Asian neighbours behind in the 19th century. The *tatsu-a niu-yo* ('Escape from Asia, enter Europe') concept still remains in the psyche of the Japanese leadership. Furthermore, its Asian neighbours will not accept Japanese leadership. Even half a century after the end of Japanese colonialism, Japan still has not officially admitted its crimes against innocent victims in East Asia. Although it has made an effort to improve ties with South Korea, including a written apology, it has not yet made a region-wide apology.

Japan will probably keep close cooperative ties with the United States. It is the most practical way for it to maintain its security from a potential Chinese threat and enjoy economic prosperity. Thus, the alliance with the United States is the most likely choice for Japan. The United States will almost certainly remain in Asia and continue to try to transform China into a democratic partner to fulfil the dream of *Pax Americana*.

Considering the different aspirations and dreams of the three big powers—the United States, China and Japan—the most probable picture of the future political structure is a non-institutionalized peace system sustained by a multi-lateral balance of power among them. For the time being, the balance will remain stable, since no nation can easily disrupt it. However, there is a new contingency—Russian participation in this balance-of-power system.

VI. Russia's role as balancer

Russia was once the leading contender for global hegemony against the United States. It is now transforming its old system of a totalitarian planned economy into a democracy with a free-market economy. While it is temporarily suffering hardship as a result of this transition and has only limited scope to exert influence in world power politics, it is only a matter of time before it regains its status of a global power.

The fact that the centre of Russian power is located west of the Urals gives its decision makers some freedom of choice. Russia could intervene in a power competition in East Asia or it could withdraw from the region without any serious damage to its power status. This very fact, however, also constrains its ability to exert influence on the nations in the region.¹¹

It can be assumed that in the years to come Russia will try to play the role of ‘outside balancer’ in the East Asian balance-of-power system.¹² This role, although it might appear insignificant, will be critical to the management of regional stability.

If Russia sides with the US–Japanese alliance, China will be surrounded by a triple alliance, isolated and possibly deprived of the chance to re-emerge as a superpower. Cut off from the sources of modern technology, it will not be able to sustain a high economic growth rate and catch up with other powers. On the other hand, if Russia allies itself with China, China’s influence will be greatly enhanced and a tight balance-of-power system will be put in place in East Asia. In this case tensions will increase and stability will be jeopardized.¹³

If Russia can bring the Korean Peninsula under its control, the entire regional balance will be changed. Russia’s position will be enhanced from that of the outside balancer to that of a more active player. During the cold war the Soviet Union once attempted to extend its influence on the Korean Peninsula by helping its ally, North Korea, to ‘liberate’ the southern half of the peninsula. The situation today has changed drastically. North Korea has become too weak to achieve reunification on its own terms and too disloyal to Russia to allow Russian dominance on the peninsula.

There is another possibility: if Russia decides to forge close cooperative relations with a new Korea reunified by South Korea, quite a different picture will emerge. A reunified Korea may wish to play the role of ‘inside balancer’ in the United States–China–Japan balance-of-power system and may wish to cooperate with Russia, the outside balancer, since there must be a convergence of interests between the inside and outside balancers.

¹¹ Russia’s goals, means and constraints are well analysed in Harada, C., *Russia and Northeast Asia*, Adelphi Paper no. 310 (International Institute for Strategic Studies: London, 1997).

¹² For a supportive analysis of Russia’s balancing role in a multilateral power balance in North-East Asia, see [Formulation on the new security order in Northeast Asia and the role of Russia], *Chuyo Kukje Munje Bunseok* [Analysis of major international issues] (Institute of Foreign Affairs and National Security, Seoul), 2 Sep. 1998.

¹³ [Russo-Chinese strategic partnership: prognosis], *Chuyo Kukje Munje Bunseok*, 9 Sep. 1998. The authors predict that Russia and China will develop strategic partnership relations for shared security interests in the multilateral power balance in North-East Asia. For a comprehensive review of the development of Sino-Russian military cooperation and its implications for the stability of the North-East Asian regional security system, see Tae-Ho Kim, [Sino-Russian military cooperation and Northeast Asian security], *Jeonryak Nonchong* (Korean Research Institute of Strategy, Seoul), vol. 6, no. 1 (1998), pp. 157–214. The author concludes that close military cooperation between China and Russia enhances the influence of both nations, producing synergistic effects.

VII. Conclusions: Korea in the new balance-of-power system

Korea was colonized by Japan and divided by the United States and the Soviet Union. It lost an opportunity to reunify in 1950 because of Chinese intervention. In essence, it has been victimized by the surrounding powers for the past century.

Over the past 50 years, the Korean people have struggled to regain their national pride and to transform their nation into a prosperous, independent, sovereign state secure from external threat. Through their efforts they built a small but prosperous democratic state, the Republic of Korea, in the southern half of the peninsula. Today they aspire to bring their 25 million fellow Koreans in the north into a more prosperous era, akin to what has been achieved in the south.

Koreans are fully aware that their dream will be realized only when there is no intervention by the surrounding powers, especially China and the USA. South Korea is carefully adjusting its foreign policy in order not to jeopardize its relations with all its neighbours. It is maintaining a 'good-neighbourly' policy in order to create a political environment favourable to its efforts to achieve national reunification. It will maintain its alliance with the USA in order to counterbalance potential Chinese and Russian intervention. It will also not antagonize China and Russia. Even after South Korea achieves reunification, the new Korea will maintain its alliance with the USA. Basically the same conditions will be needed to protect its sovereign status—a close alliance with the United States and amicable relations with China and Russia.

If the United States and China maintain friendly, cooperative relations, Korea's strategic manoeuvring room will increase, but if tension develops between them Korea will be in a difficult position. Stability in the East Asian regional system has critical implications for Korea's independence.

If Russia decides to play a positive role to strengthen stability in the East Asian peaceful balance, Korea will welcome it and will eagerly collaborate with its northern neighbour. Russia, the outside balancer, and Korea, the inside balancer, will easily find many common tasks, since they share the common interest of maintaining peace in East Asia.

At present, all four powers surrounding the Korean Peninsula are dealing with the Korean issue in relation to their individual designs of acquiring a dominant position in the region. The United States has just begun to engage with North Korea and improve its relations with the last communist country in Asia so that it can then extend its dominance over the two Koreas. China, on the other hand, maintains close ties with North Korea in order to deny control of it to any hostile power. China will never be bordered by any hostile power along the Yalu River. Russia wants to restore cooperative relations with North Korea in order to acquire a strategic foothold in the heart of the East Asian region.

What then should be South Korea's policy if it is to maintain its independence in such a strategic situation?

First, it should stick to the policy of the status quo. It should try to persuade North Korea to accept the peaceful coexistence of the two Koreas because a policy that aims to change the status quo will only increase the chances of major-power intervention.

Second, South Korea should maintain a close security alliance with the United States¹⁴ and close cooperative relations with Japan to deter Chinese and Russian intervention. It shares the same ideology with these two nations and if it is to keep its democratic system it needs their support.

Third, however, South Korea should maintain close, cooperative relations with China and Russia. It must avoid any ambiguous behaviour that could disturb the two giants to its north. It should convince China and Russia that it will not make any hostile move even after reunification. Korea should consider installing a self-imposed demilitarized zone on its territory along the borders with China and Russia and relocating US bases to the southern coastal area in order not to arouse the suspicions of the northern neighbours.

Fourth, in the meantime, South Korea should concentrate its efforts on improving its relations with North Korea. Continuing hostility between them will likely invite foreign intervention, which it wishes to avoid. South Korea wishes to resolve the inter-Korean conflict by itself and does not want to leave it in the hands of neighbouring powers. This is why it is reluctant to accept the idea, put forward by Japan, of a six-party conference. Once South Korea manages to produce an agreement with North Korea on peaceful coexistence, however, it will invite all four surrounding powers, including Japan and Russia, to guarantee the peace agreement.¹⁵

Needless, to say, South Koreans dream of reunification at the earliest possible time. Pragmatic considerations, however, dictate a policy of peaceful coexistence for the time being. South Korea is afraid that attempting to hasten reunification might disrupt not only local stability on the Korean Peninsula but also the regional power balance and thus invite negative sanctions by some of the neighbouring powers. It is therefore currently putting more emphasis on 'management of division' than on reunification. In brief, it should pursue reunification in such a way as not to jeopardize North-East Asian regional peace and stability.

¹⁴ The character of the alliance should, however, be changed from that of a 'threat-driven' one to a 'profit-generating' form which allows the partners greater independence. Pollack, J. D. and Young Koo Cha, *A New Alliance for the Next Century* (RAND: Santa Monica, Cal., 1995). The US Government recently declared its intention to keep the US military presence after reunification. US Secretary of Defense, 'The United States security strategy for the East Asia-Pacific region', 23 Nov. 1998, p. 62, URL <<http://www.defenselink.mil/pubs/easr98/index.html>>. For the rationale for sustaining the US-Korean alliance after reunification, see Jin-Hyun Paik, 'ROK-US alliance in the post-unification era', eds Kyung-Won Kim and Sung-Joo Han, *Managing Change on the Korean Peninsula* (Seoul Press: Seoul, 1998), pp. 227-41.

¹⁵ On 16 Apr. 1996, the presidents of South Korea and the USA jointly proposed 4-party talks on a new inter-Korean peace system to replace the current armistice agreement. China was invited but Japan and Russia were excluded. Russia strongly resented its exclusion. The 4th meeting of the talks was held on 21-22 Jan. 1999. So far there has been no significant progress.

26. Russia and ASEAN: emerging partnership in the 1990s and the security of South-East Asia

Victor Sumsky

I. Introduction

The view that South-East Asia has no great importance for Russia is still shared by a number of foreign policy experts in Russia. According to them, the Russian Federation has more attractive partners in the Asia–Pacific area than those forming the Association of South-East Asian Nations (ASEAN).¹ In the words of one such expert, the members of ASEAN ‘always meant and will always mean much less to Russia than China or Japan’.²

Not even the end of the cold war shattered this perception. The Soviet Union used to have negative trade balances with each of the ASEAN states. Trade between the USSR and ASEAN in 1990 amounted to less than \$1 billion.³ Clearly, the ASEAN countries could go on without Russian raw materials, machinery and industrial equipment. Thus, there seemed to be few opportunities for Russia to boost its exports. Cooperation in the form of investment projects seemed problematic because of the precarious economic conditions and lack of legal guarantees in the post-Soviet space.

The conclusion was almost inevitable that ASEAN and its member states lack incentives to develop political relations with Russia, and attitudes on the Russian side are reciprocal. Suggestions by some ASEAN representatives that Russia, together with the United States, China and Japan, could act as a guarantor of stability in South-East Asia aroused little enthusiasm:

One sees no reasons for Russia’s active involvement . . . in the affairs of a subregion where it does not have and will not have in the near future a really solid position. At the same time the risks are too high. For instance, how should the country react if the conflict between China and ASEAN over the Spratly Islands becomes a reality? . . . Diplomatic activity is appropriate only when it is conducted not for the sake of the activity itself but in defence of genuine national interests.⁴

However, by the mid-1990s there were reasons to believe that reality was proving this view wrong.

¹ For the membership of ASEAN, see appendix 1 in this volume.

² Nikolayev, B., ‘Rossiya–ASEAN: psikhologicheskii baryer preodolevayetsya’ [Russia–ASEAN: the psychological barrier is being overcome], *Aziya i Afrika Segodnya*, no. 7 (1993), p. 49.

³ Nikolayev (note 2), p. 49.

⁴ Nikolayev (note 2), p. 51.



Figure 26.1. Map of South-East Asia

Mutual political understanding was gradually improving through Russia's participation in the annual ASEAN Post-Ministerial Conference (PMC), initially as a guest and after 1997 as an official dialogue partner and member of the ASEAN Regional Forum (ARF).⁵ The admission of former allies of the Soviet Union to ASEAN had not resulted in anything like the emotions provoked by the expansion of NATO. On the contrary, there was a feeling in Moscow that it might be easier to talk to an ASEAN which incorporated Laos and Viet Nam and finally Cambodia.

Without becoming key trading partners of Russia, the members of ASEAN contributed to the increase of its trade. Between 1991 and 1995 total trade between Russia and ASEAN went up from \$1082.5 million to \$4440.3 million. There was a fivefold increase in Russian exports to ASEAN countries (from \$530.5 million to \$2751.2 million) and a threefold increase in its imports from

⁵ For the membership of the ARF, see appendix 1 in this volume.

them (from \$551.8 million to \$1689.1 million) over the same period.⁶ In their desire to capture new markets some Russians behaved quite aggressively, to the point that in 1997 in Thailand there was an attempt to initiate anti-dumping procedures against the producers of steel from Russia.⁷

In the mid-1990s dozens of joint ventures established by Russian businessmen with counterparts from the Philippines, Singapore, Thailand, Viet Nam and other ASEAN countries were operating in fields as diverse as fishing and fish processing, maritime and land transport, oil extraction, jewellery, assembly of personal computers and so on. Investors from ASEAN were considering new options in Russia, particularly in logging, pulp and paper production, textiles and the clothing industries, hotels and telecommunications. Russians were eager to participate in the construction of the Bangkok underground system, a trans-regional railway from Thailand to Laos, Viet Nam and China, natural gas pipelines and airports in Malaysia, and electric power stations of various types in Laos, Malaysia, Myanmar, the Philippines and Thailand. Opportunities for doing things together were also discovered in other parts of the globe, including Iran.⁸

The proportion of raw materials and low-value-added products was still high in Russian exports to South-East Asia and imports were largely represented by consumer goods and cheap electronics. The ASEAN partners continued to emphasize that they expected much more from their interaction with Russia—cooperation in the field of scientific research, industrial application of high technologies, and marketing and commercial use of innovative products at home and worldwide. Needless to say, this fitted in well with the intentions of highly qualified Russian scientists, designers and producers. Prospects were especially bright in the areas of space communications, biotechnology, new materials, information technology, microelectronics, lasers and alternative sources of energy. Awareness of these opportunities and practical steps to implement them were facilitated by a 1994 agreement between Singapore Aerospace and the Russian Academy of Sciences to explore ways of commercializing Russian technologies and sophisticated products; the founding of the Russia–ASEAN Working Group on Science and Technology (1997); and scientific exhibitions, seminars and presentations of recent discoveries by Russian researchers in Indonesia and Malaysia (1997–98).⁹

⁶ Kostyunina, G., 'ASEAN i Rossiya: osnovnye napravleniya torgovykh i investitsionnykh svyazey v 90-e gody' [ASEAN and Russia: main trends in development of trade and investment links in the 1990s], *Dal'nii Vostok Rossii: Ekonomika, Investitsii, Konyunktura*, no. 1 (1998), p. 21.

⁷ Spiridonov, Y., 'Thailand ulichil v dempinge rossiyskikh proizvoditeley metalloprokata' [Thailand has caught Russian producers of rolled metal dumping], *Segodnya*, 6 Feb. 1997; and Spiridonov, Y., 'Rossiya ne namerena sdavat tailandskiy rynek metalloprokata' [Russia is not inclined to give up the Thai market for rolled metal], *Segodnya*, 12 Mar. 1997.

⁸ Kostyunina (note 6), pp. 21–26.

⁹ Tsuruoka, D., 'Sky's the limit: Malaysian Resources considers satellite venture', *Far Eastern Economic Review*, 23 June 1994, p. 60; Reuters, 'Singapore, Russian Academy sign deal', *Moscow Tribune*, 17 Aug. 1994; Vorobyev, V. Y., 'Tritsatilietye diplomaticheskikh otnoshenii mezhdru Rossiyei i Malayziei' [30 years of diplomatic relations between Russia and Malaysia], *Diplomaticheskii Vestnik*, no. 5 (1997), p. 63; Svistunov, S., 'Rossiyskiye vysokiye tekhnologii prokladyvayut marshrut v Yugo-Vostochnuyu Aziyu' [Russian high technologies make their way into South-East Asia], *Finansovye*

Acknowledgement of Russia's economic potential combined with growing political confidence in it found expression in willingness to purchase its sophisticated military equipment. Following Malaysia, which in 1995 bought 18 MiG-29 fighter-interceptors for more than \$500 million, Indonesia, the Philippines and Thailand started to take a serious interest in Russian military aircraft and vessels, helicopters, armoured personnel carriers and so on. In the summer of 1997 another multi-million dollar deal was practically made: the government of Indonesia announced its decision to buy 12 Su-30 fighter aircraft and 8 Mi-17 helicopters.¹⁰

As a general consequence of these changes, Russia's political positions and economic interests in the region were becoming more evenly balanced. During the Soviet era the country had never enjoyed such a balance in South-East Asia (with the exception of the three Indochinese states).

The beginning of direct links between the ASEAN countries and the subjects of the Russian Federation, not just the far eastern provinces but Tatarstan, Bashkortostan and elsewhere, was another new and important shift.

Last but not least, in the 1990s interaction between Russia and members of ASEAN was no longer limited to governmental contacts. Much of the rise in trade should be attributed to the liberalization of external economic relations and the drive of the newly born Russian private sector. With few if any travel restrictions on the Russian side, South-East Asia became accessible to Russian tourists. In 1996 Thailand alone saw no fewer than 60 000 of them.¹¹

There is no need to exaggerate the scope of change or pretend that all change was for the better. The share of the ASEAN countries in Russia's trade in the mid-1990s still amounted to a meagre 3 per cent and the place of Russia in the external economic linkages of the region was equally humble.¹² In post-Soviet Russia the spontaneous degradation of the state resulted in the waning of administrative control not only where it was excessive but also where it was justified. In this 'liberalized' social context it should not come as a surprise that no less than 18 self-appointed Russian intermediaries attempted to 'assist' the sales of MiG aircraft to Malaysia. This frantic 'assistance' complicated the deal

Izvestiya, 16 Oct. 1997; 'V tsentre vnimaniya—nauka i tekhnologii (iz istorii sotrudnichestva Rossii i ASEAN)' [Attention is focused on science and technologies: from the history of cooperation between Russia and ASEAN], *Nezavisimaya Gazeta*, 25 Nov. 1997; Zakharov, S., 'Indonezii interesny rossiyskiye tekhnologii' [Indonesia is interested in Russian technologies], *Nezavisimaya Gazeta*, 24 Jan. 1998; and Zakharov, S., 'Planiruyutsya novye soglasheniya mezhdu Rossiyei i Indoneziyei' [New agreements planned between Russia and Indonesia], *Nezavisimaya Gazeta*, 27 Mar. 1998.

¹⁰ AP, 'Russians launching weapons sale drive in Southeast Asia', *Daily Yomiuri*, 11 Mar. 1995 (in English); Litovkin, V., 'Dorogu indoneziyskim "Su" prolozhili malayziyskiye "MiGi"' [The way for Sus to be sold to Indonesia was prepared by the MiGs sold to Malaysia], *Izvestiya*, 7 Aug. 1997; Bickers, C., 'Bear market: Russia wants to be top arms supplier to Asia', *Far Eastern Economic Review*, 4 Sep. 1997, pp. 25–26; Kosyrev, D., 'V Moskvu priyechzhayet potentsialny pokupatel rossiyskikh istrebiteley' [A potential buyer of Russian fighter planes comes to Moscow], *Nezavisimaya Gazeta*, 10 Sep. 1997; and Korotchenko, I., 'Moskva predlagayet oruzhiye Bangkoku' [Moscow offers weapons to Bangkok], *Nezavisimaya Gazeta*, 24 Oct. 1997. The order was subsequently cancelled by Indonesia and the aircraft were sold to India.

¹¹ Lintner, B. and Belenky, E., 'Pattaya Perestroika: crowds of Russian visitors revitalize one of Thailand's most notorious resorts', *Far Eastern Economic Review*, 26 Mar. 1998, p. 54.

¹² Kostyunina (note 6), p. 21.

probably no less than fierce opposition from the United States.¹³ Another colourful episode took place late in 1994: a delegation representing the 'Republic of South Moluccas'—a non-existent entity which had tried to secede from Indonesia in the 1950s—paid a visit to Moscow, had 'unofficial meetings with important functionaries of the Russian Government and Presidential administration', promised many millions of dollars in investment and eventually established an 'embassy' in a private Moscow flat.¹⁴ Such stories hardly improve the image of the new Russia in South-East Asia. Nor is it improved by the rumours that the omnipresent 'Russian mafia' has successfully penetrated the region, establishing friendships with local criminal syndicates.

Be that as it may, in the 1990s Russia and members of ASEAN have taken more interest in each other than before, discovering in the process that they do have common political interests, that their economies are mutually complementary and that productive cooperation is an option. However, precisely at the moment when relations were about to acquire a distinctly new quality, the East Asian financial crisis of 1997–98 took all parties by surprise. Apart from doing a great deal of harm in Asia and elsewhere, it all but ruined the reputation of the ASEAN 'tigers' in Russia. Especially bad was the impression created by the May 1998 riots in Jakarta. In September 1998 Viktor Chernomyrdin, at that point nominated by President Boris Yeltsin for the position of Prime Minister but rejected by the Duma, warned the deputies that they were provoking a social explosion of the Indonesian type. This parallel did not sound outrageous since Russia was already in the grip of its own crisis. In fact the aftershocks of its financial collapse were rocking East Asia once again, adding to the feeling that Russia is now in the same boat with ASEAN in a somewhat unhappy sense.

Signifying the end of liberal reforms in post-Soviet Russia, the troubles of 1997–98 also mean that a period of high hopes associated with the emerging partnership of Russia and ASEAN is most probably over. Each side is much more introspective than only two years ago. Purchases of Russian weaponry by Indonesia and the Philippines have been indefinitely postponed, as have scores of other promising projects.¹⁵ Ironically, even this may testify to the fact that political stability in South-East Asia, its economic dynamism and the highest possible level of cooperation with the members of ASEAN form part of the long-term national interest of Russia.

¹³ Kosarev, V., 'Rossiya dolzhna zanyat svoje mesto na rynke oruzhiya' [Russia must take its place on the arms market], *Krasnaya Zvezda*, 6 Jan. 1994.

¹⁴ Kazakov, M., 'Posol Yuzhnykh Molukkskikh ostrovov pobil rekord Andrey Gromyko' [The Ambassador of South Moluccas has beaten the record of Andrey Gromyko], *Vechernyaya Moskva*, 2 Dec. 1994.

¹⁵ Titova, Y., 'Indoneziya otmenila zakazy na vse vidy vooruzhenii' [Indonesia cancelled orders for all types of weapons], *Finansovye Izvestiya*, 26 Feb. 1998.

II. Background to the emerging partnership

An unhappy year for Russia in too many senses, 1997 was marked by one important foreign policy success. At the Vancouver summit meeting of the Asia–Pacific Economic Co-operation forum (APEC)¹⁶ in November it was decided to invite Russia to join. While China, Japan and the United States sponsored its membership actively, the ASEAN states reacted in a rather lukewarm way; some, like Singapore, even openly objected.¹⁷ There is a measure of subtle drama in all this, since it was precisely the members of ASEAN, together and separately, who had done much for Russia to gain acknowledgement as a legitimate participant in the process of Asia–Pacific integration.

Why would this prestigious association want to befriend the former superpower which, as Asia watchers often put it, has fallen ‘out of the East Asian power equation’?¹⁸ The reasons must be sought back in the 1980s.

First, there was ASEAN’s interest in the cooperation of the Soviet Union in solving the Cambodia problem. In the latter half of the 1980s a common feeling that a solution was urgent was the basis of lively diplomatic exchanges between the ASEAN capitals and Moscow. In ASEAN’s view, the Soviet Union could contribute to the peace process by convincing Viet Nam to take a more constructive, conciliatory position and eventually withdraw its troops from Cambodia. The Soviets were also expected to serve as mediators between several competing Cambodian factions. The results of two Jakarta Informal Meetings on Cambodia of 1988 and 1989 and later of the Paris Conference in 1991 convinced ASEAN that it was quite possible to deal with the Soviet side. Eventually, fully understanding what it was doing, the Soviet Union contributed not just to peace in Indo-China but to the start of the transformation of ASEAN into an organization embracing the whole of South-East Asia. With the reduction of the Soviet military presence in Asia–Pacific much of the suspicion generated by it had quietly died down. In 1991 the USSR was invited to attend the annual PMC, and in 1992, after the collapse of the Soviet Union, a similar invitation was extended to Russia.

Furthermore, ASEAN was concerned with the geopolitical challenges facing it at the end of the cold war. For many years the situation in Cambodia and around it had been a matter of vital interest to ASEAN and a key factor promoting its solidarity. Now peace was becoming more of a reality and it was necessary to find a new *raison d’être* for the organization. The Cambodian conflict had practically overshadowed all other potential ‘hot spots’ in the region. Among the potentially unstable areas was the South China Sea, where no fewer than six participants had been locked in a prolonged dispute over the possession

¹⁶ For the membership of APEC, see appendix 1 in this volume.

¹⁷ Golovnin, V., ‘Rossiya zakrepyaetsya na Tikhom okeane’ [Russia holds firm on the Pacific Ocean], *Izvestiya*, 27 Nov. 1997.

¹⁸ Yuen Foong Khong, ‘Making bricks without straw in the Asia Pacific?’, *Pacific Review*, vol. 10, no. 2 (1997), p. 290.

of the Spratly Islands and the Paracel Islands. Now there was a good chance that these disputes would become more intense.

Members of ASEAN also worried that in the absence of the 'Soviet threat' there would be no equally strong justification for the continued US presence in South-East Asia. As they saw it, US military withdrawal would result in a regional power vacuum and attempts to fill it with other strong players, especially Japan and China, no longer forming together with the USA an anti-Soviet quasi-alliance. Although during the cold war era members of ASEAN stayed close to this threesome, they had very mixed feelings towards each of the three.

Of all the possible hegemon the United States was seen as the most benign. Its stabilizing role was practically taken for granted. At the same time, however, the region was growing visibly weary of the USA's intention of imposing its own political and humanitarian standards on the rest of the world.

Even respecting Japan as they did for its outstanding economic performance and seeing it as an indispensable source of capital and technologies, the members of ASEAN tended to think that it had not abandoned its old expansionist ambitions and might succumb to them in the absence of external limitations.

China was admired for its unorthodox and productive reforms, international competitiveness and potential for global economic leadership in the 21st century. However, not embraced by the USA and no longer at loggerheads with Russia, China seemed dangerously free to conduct aggressive policies in its southern neighbourhood. The determined modernization of the Chinese Navy and Air Force only supported such suspicions.

To these challenges ASEAN responded with dignified concern—a sign of growing self-confidence after a long period of almost uninterrupted economic growth (the Philippines being the only exception). In the late 1980s, when APEC was still in preparation, ASEAN managed to position itself in such a way that the fate of this project became dependent on its collective approval. Joining the bigger body, ASEAN acquired additional reasons to buttress group solidarity, because only united could these nations talk more or less as equals to their highly developed partners.

With their experience of annual PMCs, the leaders of ASEAN knew how to handle these exchanges. When in the mid-1990s it became clear that a multi-lateral dialogue on security issues in the wider Asia-Pacific area was becoming the order of the day, ASEAN already had enough prestige to take the initiative into its own hands. Capitalizing on the advantage of being the first to make a move, it designed the format of the dialogue according to its own typical style. Participants were to discuss contentious issues in a relaxed, informal way without enforcing any commitments on anyone and patiently waiting until consensus emerged as a result of the gradual smoothing out of differences. These

have been the procedural principles of the ARF since its first meeting, in 1994.¹⁹

By inviting the Russian Federation to the PMCs and later to the ARF sessions, ASEAN was practically encouraging it to comprehend its own regional interests more deeply. Probably the idea was to prevent Russia's being transformed into a passive 'make-weight' to the United States or China—a possibility which did not look entirely unrealistic in the first half of the 1990s. With all of its profound disorganization Russia would have been too heavy a 'make-weight', changing the regional power balance too much in favour of any country to which it attached itself; but it could be expected that, gradually exploring the regional environment, becoming more comfortable with it and behaving more independently, it might in time become more of a counter-balance to the other three Asia-Pacific giants, China, Japan and the USA.

Readiness to pursue this line towards Russia had been growing for some time, nourished by the famous ASEAN pragmatism. In 1985 Mohamed Noordin Sopiee, Director-General of the Institute of Strategic and International Studies of Malaysia and one of the more perceptive analysts of the region, wrote:

By this time, we should be used to the idea that today's friends could be tomorrow's enemies, that today's enemies could be tomorrow's friends, that every enemy is a potential friend and every friend is a potential enemy . . . Perhaps one day we may need not only an American card or a Chinese card or a Japanese card but also a Russian card. We should do little now to foreclose the Soviet option or to restrict our room for maneuver. It is always useful for any maiden to have many suitors.²⁰

Even Sopiee could not foresee that one day ASEAN itself would have to play the role of the enterprising suitor, while the part of the reluctant maiden would go to the weakened Russia.

There are reasons enough to think that in the early 1990s the top makers of Russian foreign policy all but ignored South-East Asia. Their attention was almost exclusively focused on the West, especially the USA. The efforts of Soviet President Mikhail Gorbachev to develop a more vigorous Asian policy had not been completely in vain: there remained some general feeling of the growing importance of Asia-Pacific in world affairs; but Russia's list of most desired Asian friends consisted basically of the 'big' or 'rich guys'—China, Japan and South Korea. Also, as is customary at times of dramatic social change, politicians opted for impressive 'breakthroughs' in this or that bilateral relationship, for drastic growth of trade turnovers and so on. Russia was almost swinging from one 'strategic partnership' to the other, as if hoping that eventually somebody would take care of its entry into the Asia-Pacific community of nations. What became clear in the course of these swings was that Russia's capacities to develop any bilateral linkage it wants to develop are severely

¹⁹ Leifer, M., International Institute for Strategic Studies, *The ASEAN Regional Forum: Extending ASEAN's Model of Regional Security*, Adelphi Paper no. 302 (Oxford University Press: Oxford, 1996).

²⁰ Sopiee, M. N., *The Russian Threat: Between Alarm and Complacency* (Institute of Strategic and International Studies: Kuala Lumpur, 1985), pp. 1, 15.

limited. Even worse, the country from which Russia expected special favours—the United States—stubbornly refused to treat Russia as a Pacific nation.

However, lack of interest in ASEAN at the top levels of the Russian Government turned out to be a blessing in disguise. Contacts with ASEAN became a prerogative of middle-level professional diplomats. Perceiving correctly the reasons behind ASEAN's behaviour as regards Russia, they did their best to establish stronger working contacts with their South-East Asian counterparts. Russian movement towards ASEAN was proceeding smoothly, on a day-to-day basis, without grand summit meetings or impressive 'breakthroughs', but also without discouraging retreats. This was precisely the way ASEAN preferred.

The atmosphere of steadily growing political understanding proved very conducive to all other sorts of interactions. As they started to unfold, it finally occurred to Russia that South-East Asia was that happy place where there might be more demand for Russian know-how than for its raw materials.

Soon after becoming Russian Foreign Minister in January 1996, Yevgeny Primakov indicated that in his vision of the multipolar world there was a special place for ASEAN. Addressing the PMC in Jakarta in 1996, he described the expanding association as the newly emerging centre of influence in world politics. The respectful tone of this assessment pleased some of his listeners but slightly alerted others. Sensitive Singaporeans even seemed to wonder whether this was a sign of Russia preparing somehow to 'play the ASEAN card'. The Ambassador of Singapore in Moscow, Mark Hong, found it appropriate to warn that, in his view, ASEAN is not ready 'to assume the role of a new pole in a multipolar world'.²¹

In 'taking Russia out' to the PMCs, ARF sessions, meetings of ARF working groups on confidence-building measures and so on, ASEAN was not just drawing Russia closer to itself. Represented at these gatherings were practically the same states which were represented in APEC. Even those of them who did not welcome Russia's entry into this club were little by little growing accustomed to the presence of Russian delegates in their circle.

The positions of the United States, Japan and China on Russia's admission to APEC coincided in Vancouver in November 1997. This probably meant that something like a four-sided dialogue on security issues in Asia-Pacific could be started soon, by its very existence improving the regional status of Russia. Without ASEAN and its good services to Russia this would not have been possible.

Why then did some members of ASEAN react to Russia's bid in Vancouver with more restraint than could have been expected? They may have feared the emergence of an informal 'group of four' inside APEC, fearing that such a group might initiate a more frank discussion of regional security issues than the one at the ARF. The USA had already tried to open such discussions within the framework of APEC. ASEAN's attitude may also have been influenced by the

²¹ Hong, M., 'Problemy bloka ASEAN: ego potentsial i perspektivy' [Problems of the ASEAN bloc: its potential and prospects], *Nezavisimaya Gazeta*, 25 Nov. 1997.

regional financial crisis: Russia may have been viewed as a competitor in the struggle for International Monetary Fund (IMF) credits. Some recent pronouncements of Lee Kuan Yew, former Prime Minister of Singapore, are significant. In September 1998 he stated with typical candour: 'Russia is not res-cuable at present'.²² He may have intended to convince the West that Russia is hopeless and that, instead of wasting its money on a dying client, it is better to try to save those who can be saved—the badly but not lethally wounded ASEAN 'tigers'.

III. The impact of the financial crisis on ASEAN

Today Russia's interaction with its ASEAN partners is becoming still more complicated because, along with the individual member states, the association itself is badly affected by the Asian crisis. Among the major problems created and sharpened by the crisis are the following.

The 'excessive pluralism' of the enlarged association. The crisis erupted at the moment when ASEAN was still in the process of absorbing the nations of Indo-China into its structures. In 1997, as the new round of power struggle in Cambodia unfolded, it was decided to postpone its entry. Thus ASEAN entered the period of troubles having failed to achieve one of its more important declared objectives. Moreover, it is not easy for the newcomers—Laos, Viet Nam and especially Myanmar—to adjust to the norms and traditions of behaviour inside the group. Never in its three decades of existence has ASEAN known such a degree of internal heterogeneity in the sense of differences in levels of economic development, types of political regime and official ideologies of its nine member states. Obviously, nothing like a quick smoothing over of differences can be expected and the financial and economic crisis adds to the complexity of this process.

Systemic crisis in Indonesia. Lack of internal cohesion could have been partly compensated if one of the member states had been able to exercise strong leadership. Unfortunately for ASEAN, the greatest damage from the regional turmoil has been incurred by Indonesia, which always aspired to be the 'first among equals' in the association. What started as a series of slumps in the value of the rupiah has developed into an all-embracing, systemic crisis suspiciously similar to the one which broke up the Soviet Union.²³ Far-fetched as this parallel might seem, it cannot be denied that economic hardship and political disorder, labour unrest, assaults on the property and lives of the Indonesian Chinese, and tensions between Jakarta and the provinces dangerously overlap and reinforce each other. Judging by events since the transfer of presidential power from Suharto to Bacharuddin Jusuf Habibie in May 1998, the social forces crying for democracy are still too weak to secure it, while the potential

²² 'Politically incorrect: Lee Kuan Yew lays out his provocative views about the region, the economic crisis and the paramount importance of culture', *Far Eastern Economic Review*, 24 Sep. 1998, p. 11.

²³ For an elaboration of this parallel, see Mitin, S. and Yusin, M., 'Konets indoneziyskogo chuda' [The end of the Indonesian miracle], *Izvestiya*, 11 June 1998.

for a quick switch to 'constructive authoritarianism' is lacking, too. This points to a period of poor governability and, consequently, poor economic performance. The worst-case scenario—the 'balkanization' of Indonesia with refugees pouring into the neighbouring states and disturbing their precarious ethnic balances—is not only discussed by journalists but mentioned publicly by the leaders of other ASEAN countries.²⁴ Even if the nightmare of disintegration is avoided, putting Indonesia back on the road to growth might, on some assessments, take a decade.²⁵ One can only guess what might happen in the meantime to ASEAN deprived of its unofficial but in many ways natural leader.

Erosion of the 'ASEAN style' in diplomacy. Even in the better days, bilateral relations between Malaysia and Singapore, Singapore and Indonesia, and Indonesia and Malaysia, not to speak of Thailand and its Indochinese neighbours, were not completely free of latent uneasiness. It is therefore no wonder that the twists of the 1997–98 crisis have been reflected in growing tensions between the ASEAN member states. Domestic developments in most of them have been a matter of profound concern to the others, prompting high-level, 'un-ASEAN-like' clashes of opinion. The leaders of Thailand, Indonesia and the Philippines almost protested against the dismissal and arrest of former Malaysian Deputy Prime Minister Anwar Ibrahim in September 1998.²⁶ The anti-Chinese riots that have rocked Indonesia are provoking bitter reaction throughout the region. Responding to these, Habibie reportedly stated in an interview that the 'real racists' are Singaporeans. This was instantly and fervently denied. At about the same time Malaysian Prime Minister Mohamad Mahathir publicly claimed that the state of inter-ethnic relations in his country is considerably better than in Indonesia.²⁷ At the 1998 PMC, Thai Foreign Minister Surin Pitsuwan, reflecting his country's concern about illegal immigrants flooding in from Myanmar, proposed 'that members be allowed to discuss each other's domestic affairs if these have an impact outside their own borders'.²⁸ His only support came from his Philippine colleague, Domingo Siazon: all other participants objected strongly. However, the principle of non-interference in each other's internal matters is no longer sacrosanct among the ASEAN members. What is this but a symptom of the erosion of that delicate style in diplomacy which ASEAN has been trying so hard to inculcate in the ARF?

Challenges to the mentality behind the 'ASEAN style'. In 1995 Michael Leifer observed that 'ASEAN has achieved its regional standing through the ability to

²⁴ Richardson, M., 'Jakarta jars its neighbors: nearby countries, fearing a rush of refugees, are publicly worrying about Indonesian unrest', *International Herald Tribune*, 9 Dec. 1998; and 'Relax—a little: Goh says paternalism has its limitations', *Far Eastern Economic Review*, 24 Dec. 1998, p. 15.

²⁵ Pereira, D., "'8 years" to return to normalcy', *Straits Times*, 9 June 1998.

²⁶ Richardson, M., 'Habibie cancels visit to Kuala Lumpur: action deepens regional split over Malaysia's detention of Anwar', *International Herald Tribune*, 7 Oct. 1998.

²⁷ Richardson, M., 'Singapore quickly denies an assertion of "racism": Indonesia President's remark touches a nerve', *International Herald Tribune*, 12 Feb. 1999.

²⁸ Chanda, N. and Islam, S., 'In the bunker: Southeast Asian foreign ministers are discomfited by a new take on an old principle', *Far Eastern Economic Review*, 6 Aug. 1998, p. 24; and Kosyrev, D., 'Manilskaya kantata prozvuchala v minore' [Manila cantata was sung in a minor key], *Nezavisimaya Gazeta*, 4 Aug. 1998.

manage problems rather than solving them . . . Indeed, ASEAN is not directly about problem-solving, but about creating the milieu in which they either do not arise or can be readily managed'.²⁹ Four years later, at a time when problems are engulfing ASEAN, this approach and the philosophy behind it are hardly justified. Circumstances demand approaches that can be called, in managerial–bureaucratic jargon, proactive. The very titles of the documents adopted in December 1998 at the sixth ASEAN summit meeting in Viet Nam, the 'Hanoi Plan of Action' and 'Statement on Bold Measures', suggest keen awareness of the need for this drastic change. However, moves that would have been considered 'bold' by pre-crisis standards (such as the acceleration of ASEAN Free Trade Area arrangements or initiatives to enhance the ASEAN investment climate) may be a long way from what is actually needed.

Disagreements over crisis strategy. Scepticism about the results of the 1998 Hanoi summit meeting is largely based on the fact that real consensus on a coordinated anti-crisis strategy has not been found. Roughly speaking, intra-ASEAN debates centre on the questions whether the crisis was prompted by the excesses of the market or lack of fundamental market freedoms, and whether the priority now is still more openness and a 'dive' into a liberalized global economy or greater caution and moves to check the negative aspects of globalization. Among those opting for 'bolder liberal solutions' are the governments of Brunei, Indonesia (probably with some reservations), the Philippines, Singapore and IMF-assisted Thailand. Firmly on the side of a 'guided liberal economy' are Malaysia, with its currency controls introduced in September 1998, and Viet Nam, supported by Laos and Myanmar.³⁰ Irrespective of who is right and who is wrong in this debate and who ultimately wins, the obvious loser for the time being is ASEAN, unable to speak with a single voice.

All in all, an organization burdened with problems of this kind and number cannot be expected to operate smoothly and avoid damage to its international prestige. The Hanoi Plan of Action mentions the need to 'strengthen ASEAN's role as the primary driving force in the ARF'. It is tempting to ask how realistic this goal is in the present circumstances.³¹ Last but not least, ASEAN's ability to manipulate the regional balance of forces has also visibly diminished.

IV. The importance of Russian relations with Viet Nam

Judging by the present shape of ASEAN and its members on the one hand and Russia on the other, it is unlikely that they will be able to move through the crisis without some losses for their relationships. It is vital, however, to limit the scope of these losses and continue cooperation. One way to achieve this is to give priority to partnerships which are most likely to bear fruit at this diffi-

²⁹ Leifer, M., 'The issue is Asean', *Far Eastern Economic Review*, 30 Nov. 1995, p. 34.

³⁰ Richardson, M., 'Southeast Asia fears damage to its influence: leaders at ASEAN summit call for rebuilding unity amid region's economic woes', *International Herald Tribune*, 16 Dec. 1998; Torode, G., 'Asean: call for unity fails to dispel sense of crisis', *South China Morning Post*, 17 Dec. 1998; and Mohamad, M., 'Malaysia: bouncing back', *Far Eastern Economic Review*, 11 Feb. 1999, p. 31.

³¹ 'Hanoi Plan of Action', URL <http://www.aseansec.org/summit/6th/prg_hpoa.htm>, p. 18.

cult time. In that sense ASEAN and Russia do have some unused potential—namely, ties between Russia and Viet Nam.

It is no secret that from the end of the 1980s up to the mid-1990s, relations between the Soviet Union/Russia and Viet Nam were at an all-time low. Much of the blame for that should be placed on the former. Bound to join the world of civilized nations overnight, the new Russia did not worry too much about its sharply decreasing share in the former client's trade, which finally contracted to just 1 per cent.³² This decrease, however, was the product not just of Russia's passivity but also of the enterprising spirit displayed by the Vietnamese. They virtually taught Russia a lesson in adaptability to the market by discovering new trade partners in Asia-Pacific and Western Europe. By the mid-1990s Viet Nam, not abandoning its communist beliefs but suppressing inflation, enjoying an investment boom and joining ASEAN, was leaving Russia behind on the way to the market economy and integration into the world community.

Repaying its Soviet-period debts by shipments of goods, Viet Nam regularly sent signals that it had not lost its goodwill towards Russia and was ready to resume business contacts in earnest. In a sense, even ASEAN made it known that it sees some value in the Vietnamese experience of dealing with its former 'big brother' when it nominated Viet Nam to coordinate its dialogue with Russia. These 'wake-up calls' plus lack of achievement on other fronts finally prompted Russia to conclude that its relationship with Viet Nam should be revived before it was too late. Supporters of this referred to the example of Vietsovpetro, a joint venture established in 1981, producing up to 95 per cent of Vietnamese oil and contributing millions of dollars to the Russian federal budget. They also pointed out that no less than three-quarters of the armaments and equipment of the Vietnamese People's Army are Soviet-made and in need of urgent repair or replacement. The existence of tens of thousands of Vietnamese educated in the USSR plus approximately 1 million Russian-speakers living in Viet Nam was also presented as a valuable asset.³³

High-level contacts between the two countries have been quite frequent. In November 1997 Viktor Chernomyrdin, then Russian Prime Minister, went to Hanoi. In May 1998 Vietnamese Foreign Minister Nguen Mahn Cam held talks in Moscow, in August President Tran Duc Luong paid a visit to the Russian Federation, and in October Russian Defence Minister Marshal Igor Sergeyev visited Viet Nam. These meetings produced agreements on Russia's participation in the construction of the first oil refinery in Viet Nam, as well as on massive shipments of arms and modernization of the Russian military equip-

³² Keenan, F., 'Don't ring us: Vietnam can't count on old friends for help', *Far Eastern Economic Review*, 6 Aug. 1998, p. 69.

³³ Blagov, S., 'Rossiya i Vietnam sobirayutsya aktivizirovat ekonomicheskiye otnosheniya' [Russia and Viet Nam intend to activate economic relations], *Finansovye Izvestiya*, 18 Nov. 1997; and Vinogradov, B., 'Rossiya snova vidit vo Vietname svoego soyuznika, i etomu ne meshayut ideologicheskiye dogmy' [Russia again views Viet Nam as its ally and ideological dogmas are no obstacle], *Izvestiya*, 6 Jan. 1998.

ment already in the possession of the Vietnamese Army. Other projects were also discussed.³⁴

In spite of the inevitable difficulties which Viet Nam is encountering in the process of transforming its economy, it continues to grow. So far it has suffered much less from the Asian crisis than some of the founder members of ASEAN. This is one more important argument for rebuilding Russian–Vietnamese ties. If successful, this will allow Russia to avoid a serious slow-down in its relationship with ASEAN. It may even prompt some other countries of South-East Asia to try to catch up with Viet Nam as far as partnership with Russia is concerned.

V. The South China Sea paradox and Russia's national interests

The need to arrest the conflict potential of the South China Sea was one of the factors pushing ASEAN towards the formation of the ARF.

Much like the Cambodian conflict in the 1980s, the Asian crisis initially drew the attention of regional elites away from the South China Sea and its problems. Then, prior to the 1998 ASEAN summit meeting in Hanoi, came the news that China was expanding, allegedly with military purposes, the construction operations which it had started around 1995 on the Mischief Reef.³⁵ The latter, geographically belonging to the Spratly archipelago, is viewed by the Philippines as part of its national territory. These recent developments impel both the participants in the dispute and interested observers to think more about the situation, acquiring in the process a better sense of what can and should be done to preserve peace.

The Spratly Islands or certain parts of them are claimed by Brunei, China, Malaysia, the Philippines, Taiwan and Viet Nam, and the Paracel Islands are a matter of dispute between China and Viet Nam. Since 1995, when Viet Nam joined ASEAN, there has been a growing sense that the confrontation in the South China Sea is no longer between six different parties, but basically

³⁴ Vinogradov, B., 'V Khanoye Chernomyrdina zhdut ustali, no videt rady' [In Hanoi they are tired of waiting for Chernomyrdin, but glad to see him], *Izvestiya*, 25 Nov. 1997; Smirnov, A., 'Moskva i Khanoi snova uchatsya trgovat' [Moscow and Hanoi learn how to trade again], *Segodnya*, 25 Nov. 1997; Vinogradov, B., 'Vietnam zazyvaet rossiyskiy biznes' [Viet Nam invites Russian business in], *Izvestiya*, 15 May 1998; Mikheyev, V., 'Stary drug luchshe novykh dvukh' [An old friend is better than two new ones], *Izvestiya*, 26 Aug. 1998; Kosyrev, D. and Aleksin, V., 'Proryv na rynek Vietnam stal realnostyu' [Breaking into the Vietnamese market has become a reality], *Nezavisimaya Gazeta*, 28 Aug. 1998; and Korotchenko, I., 'Diplomatiya marshala Sergeyeva: visit ministra oborony RF vo Vietnam i Kitay pozvolit Moskvu ukrepit pozitsii v Azii' [Marshal Sergeyev's diplomacy: the visit of the Russian Federation's Defence Minister to Viet Nam and China will allow Moscow to strengthen its positions in Asia], *Nezavisimoye Voennoye Obozreniye*, no. 41 (30 Oct.–5 Nov. 1998).

³⁵ Tasker, R., 'A line in the sand: Manila tries to halt China's advance into the Spratlys, blowing up markers and detaining Chinese fishermen. But its diplomatic and military weakness doesn't bode well for the attempt', *Far Eastern Economic Review*, 6 Apr. 1995, pp. 14–16; and Tiglaio, R., Sherry, A., Thayer, N. and Vatikiotis, M., 'Tis the season: the typhoon season has ended, and China is again building up its presence on a disputed reef in the South China Sea. This time, a weakened ASEAN is doing little about it', *Far Eastern Economic Review*, 24 Dec. 1998, pp. 18–20.

between China and ASEAN. All these territorial claims and counter-claims are largely a result of a conviction that this area is enormously rich in oil and gas.

Although experts know a great deal about the dispute, not all grasp what might be termed the South China Sea paradox. The essence of the paradox is as follows. The economic progress of the East Asian nations has resulted in their increased interdependence. Generally speaking this helps to prevent conflicts between them. However, rapid economic growth increases demand for energy, creating the preconditions for a struggle for resources. This may at some point escalate into open armed clashes and ruin the prosperity of the region. Thus, the economic dynamism of the nations involved in territorial disputes in the area of the South China Sea in some ways helps to reduce tensions but is also quite likely to sharpen them. The possibility cannot be ruled out of several military clashes coinciding in time and overlapping in space. If this happens, events could get completely out of hand. This is especially dangerous since the shipping routes by which oil from the Persian Gulf is transported to China, Japan and the United States go through the South China Sea. Any outbreak of hostilities which disorganized or blocked this passage would seriously harm the world economy.

Are these problems as far away from Russia as some people tend to think? In its present shape Russia is not too actively involved in South China Sea issues. Should it not, however, acknowledge that an interruption to freedom of navigation and chaos on the international maritime routes of East Asia are completely against its interests? It only has to be remembered that since the collapse of the Soviet Union, which resulted in the loss of important facilities on the Baltic Sea and the Black Sea, the development of its far eastern ports is an imperative for Russia. Through Vietsovpetro Russians are participating in the extraction of oil in the region, with the operation concentrated on the sea-shelf. Other Russian–Vietnamese joint ventures of similar type are now being created. A peaceful political environment is essential for their commercial success.

VI. Conclusions

How should Russia respond to these challenges? First and foremost, it should avoid adding to the existing problems. For instance, it should not do anything to provoke tensions between China and Viet Nam, each of which, in its own way, is Russia's valuable partner. Tempting as it might be to trade in arms with both of them, their requests should be scrutinized and satisfied in a very careful way. Neither should Russia abuse its access to the naval base in Cam Ranh, prolonged by Viet Nam until the year 2004 (no doubt for reasons of its own and after receiving approval from its ASEAN allies).

Confidence-building measures and attempts to practise preventive diplomacy encouraged by the ARF are undoubtedly useful, and Russia should by all means participate in such initiatives.

Political stability and economic dynamism in South-East Asia are in the national interest of the Russian Federation. However, in view of the South China Sea paradox it is obvious that the thrust of the South-East Asian nations towards economic prosperity does not always add to political stability and can even severely damage what stability there already is. Helping to achieve harmony between these two objectives should be a matter of special care for all the interested parties, including Russia. The imperative is to avoid situations in which any of the potential participants in the conflict might have a feeling of being cornered economically and forced by circumstances to ruin the political status quo.

Leaving the present crisis aside, in the foreseeable future the nations of South-East Asia will have to address two crucially important problems. One is to provide energy supplies for their growing economies. The other is to secure their competitiveness through greater access to high technology. Anyone contributing to the solution of these problems is contributing to reducing tensions and improving security in this part of the world. Characteristically, the development of energy resources and high technology are those areas where Russia and members of ASEAN were starting to concentrate their joint efforts before the crisis. It is important to preserve and develop this basis of cooperation for the common good of the emerging partners.

27. Russia and great-power security in Asia

Andrew C. Kuchins*

I. Introduction

The demise of the Soviet Union and the dramatic decline of Russia are the most significant developments in the international system since the end of World War II. These tumultuous and for the most part unexpected developments have transformed the cold war bipolar structure of international relations into a system marked by unipolarity, with the USA in the position of global hegemon by virtue of its unparalleled combination of economic and military strength. The end of the bipolar international system has also accelerated the trend for the global structure of power to have less influence over regional structures of power. 'Global unipolarity now coincides with regional multipolarity.'¹

East Asia is the region most accurately described as multipolar because it includes the greatest confluence of current and emerging major powers—China, Japan, Russia and the USA. Even during the cold war, East Asia was a regional subsystem identified by many observers as multipolar, most often in the context of the 'strategic triangle' of China, the Soviet Union and the USA.²

While the relative powers of the key states in East Asia have shifted, at a structural level the end of the cold war has had less impact there than in Europe. The USA maintains a forward deployment in the region and the core of its security framework—the bilateral alliances with Japan and South Korea—remains intact.³ Japan continues to base its security on its relationship with the USA rather than pursue a more independent path. Conversely, China continues to shun alliance relationships with other regional powers, but enjoys better relations with them than at any time in this century. Russia also enjoys relatively positive relations with the other powers, but its influence in the region is at an all-time low.

¹ Betts, R., 'Wealth, power, and instability: East Asia and the United States after the cold war', eds M. Brown, S. Lynn-Jones and S. Miller, *East Asian Security* (MIT Press: Cambridge, Mass., 1996), p. 39.

² The 'strategic triangle' in international relations is debatable. Even at the peak of triangular diplomacy in the late 1970s Kenneth Waltz argued that the triangle was not a helpful concept because China was too weak. Waltz, K., *Theory of International Relations* (Addison-Wesley: Reading, Mass., 1979), p. 180. Some scholars suggested that the triangle emerged with the Sino-Soviet split in the 1960s. See, e.g., Segal, G., 'China and the great power triangle', *China Quarterly*, no. 83 (Sep. 1980). Others argued that it emerged in the 1970s with the growth of China's nuclear arsenal and the improvement of Sino-US relations. See, e.g., Dittmer, L., 'The strategic triangle: an elementary game theoretical analysis', *World Politics*, no. 33 (July 1981).

³ US Department of Defense, 'The United States security strategy for the East Asia-Pacific region 1998', Nov. 1998, URL <<http://www.defenselink.mil/easr98/>>. The USA has c. 100 000 troops in the region.

* The author would like to thank Dawn Ng for research assistance and the Carnegie Corporation of New York for its generous support.

Table 27.1. Gross national products of Russia and selected countries, 1997

Rank ^a	Country	GNP (current US \$b.)	GNP in PPP terms ^b (current US \$b.)	Rank in PPP terms ^b
1	United States	7 690.1	7 690.1	1
2	Japan	4 772.3	2 950.7	3
3	Germany	2 319.5	1 748.3	4
4	France	1 526.0	1 280.3	6
5	United Kingdom	1 220.2	1 208.9	7
6	Italy	1 155.4	1 152.1	8
7	China	1 055.4	4 382.5	2
8	Brazil	773.4	1 019.9	9
9	Canada	583.9	661.6	12
10	Spain	570.1	617.6	15
11	South Korea	485.2	621.1	13
12	Russian Federation	403.5	618.4	14
13	Netherlands	402.7	332.8	19
14	Australia	380.0	373.2	17
15	India	373.9	1 587.0	5
16	Mexico	348.6	770.3	10
17	Switzerland	313.5	186.2	28
18	Argentina	305.7	355.0	18
19	Belgium	268.4	227.3	25
20	Sweden	232.0	168.4	29

^a Countries listed in order of GNP, not adjusted for PPP.

^b PPP conversion factors used are derived from the International Comparison Programme, a joint project of the World Bank and the regional economic commissions of the United Nations.

Source: World Bank, *World Development Report 1998/99* (Oxford University Press: New York, 1998).

Despite the significant improvement in relations between the regional powers and the current period of peace, there are many compelling reasons for concern about the potential for conflict among major powers in East and South Asia in the first quarter of the next century.⁴ Scholars in the realist and neo-realist schools in international relations theory see Asia as potentially dangerous, in part because of the major transition now under way and likely to continue for years to come, with China becoming more powerful and challenging the USA for regional dominance.⁵ For those who subscribe to the argument that democratic states are less prone to conflict, Asia gives cause for concern. Likewise, analysts inclined to domestic policy explanations for foreign policy outcomes worry because China, Indonesia, Pakistan, Russia and Viet Nam are all undertaking or likely to undertake major economic and/or political transitions whose

⁴ Delpech, T., 'Nuclear weapons and the "new world order": early warning from Asia?', *Survival*, vol. 40, no. 4 (winter 1998/99), pp. 57–76.

⁵ The seminal work on this is Gilpin, R., *War and Change in International Politics* (Cambridge University Press: New York, 1981). See also, e.g., Friedberg, A. L., 'Ripe for rivalry: prospects for peace in a multipolar Asia', *International Security*, vol. 18, no. 3 (1994), pp. 5–33.

outcomes are hardly predictable. Samuel Huntington's civilizational perspective raises concern about Asia because diverse civilizations, including the Islamic, Sinic, Japanese, Western, Hindu and Slavic, are all represented there.⁶

Scholars and analysts who are more optimistic about the prospects of regional security—primarily from the region itself—are more inclined to reject Western paradigms, especially the analogy with Europe, as unhelpful in explaining security interactions and behaviour in Asia.⁷ The Asian countries attach greater importance to economic matters than their European counterparts and have a broader, more comprehensive perspective on what comprises security. Despite a history of deep antagonism and conflicts in the region even in this century, the states now have a common interest in pursuing economic modernization and avoiding conflict. The sense of a regional international society will be enhanced by continued interactions in multilateral forums such as the Asia-Pacific Economic Co-operation forum (APEC) and the ASEAN Regional Forum (ARF)⁸, in which states will seek to limit the use of force.

Whether the prognosis for Asia's future is optimistic or pessimistic is hardly clear at this point. It is clear, however, that regional developments will have a tremendous impact on the rest of the world. Despite the economic problems affecting many leading states in Asia in 1997–98, the region emerged from the cold war as a global powerhouse. On the basis of purchasing power parity (PPP), in 1997 Asia was home to three of the world's five largest economies—China, Japan and India (see table 27.1). In all probability, Asia's market, capital and technological power will continue to increase relatively fast in the first decades of the next century.

II. Russia: the 'sick man' of Eurasia

That Russia's influence in Asia has declined since the demise of the Soviet Union should not be surprising. Its human and natural resource base is considerably less as it has only about 60 per cent of the population and 75 per cent of the territory of the USSR. Russia also embarked on a transformation of its economic, political and social system—an effort that was bound to be difficult. In 1993 this author used the metaphor of Russia as the 'sick man of Asia':

The overall influence of the new Russian regime in Asia will experience a 'j-curve effect' because while Moscow's military role in the region should diminish somewhat, it will take a relatively longer time to achieve the kind of economic impact expected of a major power. Hence Moscow will experience a short-term drop in influence in the region, although longer-term prospects are considerably brighter. Seventy-plus years of

⁶ Huntington, S., *The Clash of Civilizations: The Remaking of World Order* (Simon and Schuster: New York, 1996).

⁷ Much of the argument in this paragraph is derived from Alagappa, M., *Asian Security Practice: Material and Ideational Influences* (Stanford University Press: Stanford, Calif., 1998), pp. 5–6.

⁸ For the memberships of APEC and the ARF, see appendix 1 in this volume.

Table 27. 2. Changes in Russian GDP, 1992–96

Year	% change
1992	– 14.5
1993	– 8.7
1994	– 2.6
1995	– 4.0
1996	– 6.0

Source: Economist Intelligence Unit, *Country Profile: Russia, 1997/98*, p. 41.

Communist rule have debilitated Russia to the status of the ‘sick man of Asia,’ and it remains to be seen how effectively a new regime can nurse the patient back to health.⁹

Six years later that assessment looks remarkably optimistic. On top of 74 years of communist rule, Russia is beset with the legacy of seven years of failed reform efforts which have saddled the country with enormous debts that probably cannot be fully repaid and a deeply impoverished and disillusioned population. It is enduring an economic decline that is unprecedented for an industrialized nation during peacetime—a decline that makes the Great Depression in the USA in the 1930s look mild. Measuring Soviet and now Russian economic performance is a complicated task, but the figures in table 27.2 tracking the decline of Russian gross domestic product (GDP) seem reasonable.

The decline was temporarily arrested in 1997, but the figures for 1998 indicated a further drop of 4.6 per cent.¹⁰ These are staggering losses by any measure, but it is particularly sobering to look at Russia’s position relative to that of other leading economic powers. Its 1997 gross national product (GNP) of \$403.5 billion at market exchange rates ranked 12th in the world, just slightly ahead of the Netherlands and Australia. Its 1997 per capita GNP of \$2740 ranked 51st and placed it in the ‘low middle’ income bracket by World Bank standards. Russia’s GNP for 1997 was about 5.2 per cent of that of the USA at market exchange rates, or about 8 per cent in PPP terms. Russia in GNP adjusted for PPP by about 25 per cent. Mexico, a country with a population about two-thirds the size of Russia’s, exceeds Russia in GNP adjusted for PPP by about 25 per cent.

Looking at the Asia–Pacific region more broadly, Russian GNP has also fallen behind those of Canada, Mexico and South Korea. The Indian economy was nearly two and one-half times the size of the Russian economy in 1997. The story which these numbers tell is particularly stark when it is borne in mind

⁹ Kuchins, A., ‘The sick man of Asia: the sources and legacy of the new political thinking’, eds T. Hasegawa, J. Haslam and A. C. Kuchins, *Russia and Japan: An Unresolved Dilemma between Distant Neighbors* (University of California at Berkeley, International and Area Studies: Berkeley, Calif., 1993), p. 358.

¹⁰ Radio Free Europe/Radio Liberty, *RFE/RL Newline*, vol. 3, no. 71, Part 1 (13 Apr. 1999), URL <<http://www.rferl.org/newline>>.

that 15 years ago the Soviet economy was the second or third largest in the world.¹¹ These figures suggest that Russia faces a grave challenge if it is to be realistically considered one of the great powers of the world—a goal near and dear to Russian political elites and enunciated on many occasions by former Prime Minister Yevgeny Primakov.

The Russian armed forces have not been unaffected by the economic and social deterioration during the 1990s. Funding for defence purposes has been drastically cut back since 1991. It is difficult to attach an exact figure to Russian military expenditure because of the lack of transparency and the exclusion of many defence-related expenditures, such as border troops, internal and security forces and other items, from the defence budget. Another problem in estimating Russian defence spending is that the actual amount spent has been considerably less than the amount allocated because of major revenue problems which are caused principally by ineffective tax collection. Nevertheless, Alexei Arbatov, Deputy Chairman of the Committee on Defence in the Russian Duma, recently estimated Russian defence spending to be no more than \$30 billion per year, or approximately 10–13 per cent of what the United States spends.¹² According to the International Institute for Strategic Studies, a comparison of defence spending by other regional powers in Asia in 1997, when adjusted for PPP, has Russia at \$64 billion, China at \$36.6 billion and India at \$12.2 billion per annum.¹³ Japan's military expenditure, not adjusted for PPP but at market exchange rates, was \$40.9 billion. Arbatov foresees a very dismal future for the Russian military in about 10 years when Russia could be facing new military threats without a modern military and without state-of-the-art weapon technologies. The current condition of the Russian armed forces is near-catastrophic because of shortages of food, housing and materials.¹⁴

Not only are these traditional economic and military sources of national power sharply diminished, but the state institutions responsible for making and conducting foreign and security policy are in various stages of disorder and dis-ability. The entire federal government continues to endure a fiscal crisis that is only growing worse. The only vestige of the Soviet Union's superpower status is the ageing but still large arsenal of nuclear weapons and delivery systems¹⁵

¹¹ Estimating Soviet GNP in the 1980s with a high degree of certitude is a very difficult task. For example, the World Bank *World Development Report* did not provide figures on the Soviet economy in the 1980s.

¹² Arbatov, A. G., 'Military reform in Russia: dilemmas, obstacles, and prospects', *International Security*, vol. 22, no. 4 (spring 1998), p. 97.

¹³ International Institute for Strategic Studies, *The Military Balance 1998/99* (Oxford University Press: London, 1998), pp. 108, 178, 183.

¹⁴ In Nov. 1998, e.g., *The Economist* reported that in 1997 'Russian armed forces killed 1270 of their own young men', a rate of casualties nearly as high as Soviet losses during the war in Afghanistan. 'A cold, hungry, pointless Russian Army', *The Economist*, 21 Nov. 1998, p. 52. For an excellent discussion of the challenges facing the Russian military, see Bluth, C., 'Russian military forces: ambitions, capabilities, constraints', eds R. Allison and C. Bluth, *Security Dilemmas in Russia and Eurasia* (Royal Institute of International Affairs: London, 1998).

¹⁵ For a comprehensive presentation of the imminent challenges for the Russian nuclear forces, see Wilkening, D. A., *The Evolution of Russia's Strategic Nuclear Force* (Center for International Security and Arms Control: Stanford, Calif., July 1998).

and even here the overriding fear is not so much that Russia will use these weapons as that it may not be able to look after them and fissile materials in general. The world today may fear Russia because of the possibility of state collapse or the implications of continued economic decline and social unrest leading to more political disorder. The analogy with Weimar Germany is the spectre haunting Eurasia today and Russia must, sadly, be regarded as the sick man of Eurasia, not just Asia.

Russia's position in Asia is paradigmatic of its profound loss of international influence and the daunting challenges it faces to restore its status in more than name amongst the world's great powers.

The problems of an over-militarized and under-economized foreign policy of the late Soviet period are nowhere more evident than in Asia. The Russian far east, a region as rich in resources as it is poor in infrastructure, served primarily as a militarized bastion of confrontation with China, Japan, South Korea and the United States. In a period when its Asian neighbours' economies, with the exception of North Korea, took off on an unprecedented regional boom, the Russian far east epitomized the stagnation (*zastoy*) of the Soviet twilight. Today the region is the 'poster child' of the corrupt and chaotic Russian regime.¹⁶ While Russia's military power in Asia has become less relevant, and indeed has declined partially by choice and partially by neglect, Russia remains marginalized as an economic force.

In the late 1980s and early 1990s there was much discussion about the potential integration of the eastern regions of Russia into a broader North-East Asian regional economy.¹⁷ Some analysts believed that there was a natural complementarity, for example, between Japanese capital, Chinese labour and Russian natural resources which promised much potential investment, trade and growth. The disarray of the Russian economy and the ill-developed and badly enforced legal system, however, have dissuaded the Japanese and others from making many large investments. Then, beginning in the autumn of 1997, economic woes in Asia spilled over into other emerging markets and Russia's fragile economic achievements came crashing to the ground, toppling first the government of Prime Minister Viktor Chernomyrdin and then its successor under Prime Minister Sergey Kiriyenko in August 1998. The devaluation of the rouble and moratorium on debt repayment were brutal body-blows to whatever confidence remained in Russia's ability to recover economically in the foreseeable future.

Russian military power in Asia, long the basis of the Soviet claim to regional influence, has drastically declined in recent years. While part of the decline was by design, that is, the border troop reduction agreement of April 1997 between China, Kazakhstan, Kyrgyzstan, Russia and Tajikistan, and can also be justified by reduced threat perception in the region, much of the reduction in Russian

¹⁶ Rozman, G., 'The crisis of the Russian far east', *Problems of Post-Communism*, Sep./Oct. 1997, pp. 3–12.

¹⁷ Robert Scalapino, e.g., identified the area as a natural economic territory (NET), a phenomenon which transcended state borders. Scalapino, R., 'Russia's role in Asia: trends and prospects', eds Hasegawa *et al.* (note 9), pp. 189–212.

military power has taken place in a haphazard manner and has been driven by the funding crisis.¹⁸ The numbers of ground troops have fallen from a peak in 1989 of 43 divisions and about 390 000 personnel to 15 divisions and 190 000 personnel in 1997; current plans for military reform would cut the number of fully equipped divisions in the region to 4 by 2000.¹⁹ This would reduce Russian troop levels below those permitted by the April 1997 agreement.

The Russian Pacific Fleet has shrunk from 100 major surface ships and 140 submarines in 1989 to 60 major ships and 60 submarines in 1997.²⁰ Both aircraft-carriers have been sold for scrap to South Korea and a new carrier, *Pyotr Velikiy*, which was scheduled for deployment in the Pacific, was commissioned in 1998 for the Northern Fleet. The role of the Pacific Fleet is now confined to protection of the coastline in the seas of Japan and Okhotsk, no longer that of countering the US Seventh Fleet in the Pacific and Indian oceans. Perhaps more importantly, with the decommissioning of older submarines, the Pacific is losing significance as Russia's strategic nuclear bastion. Given the current inability to replace the decommissioned submarines, it looks increasingly likely that Russia's last Asian nuclear base at Rybachiy on the Kamchatka Peninsula will not survive. It is more likely that the Russian strategic naval forces will be concentrated in the two bases of the Northern Fleet. The ongoing decline of Russian military forces in the Asian theatre is a big part of the transformation of the balance of forces in the region. This is also closely related to how Russia views desirable regional security arrangements in the future.

III. Russia and East Asian regional security

There is a considerable degree of consensus among Russian foreign policy elites about the desired role for Russia in Asian security arrangements. This view stems from the perception of Russia as a declining power in the region coupled with the desire to promote multilateral efforts which will include a role for Russia. There is a striking contrast between the way Russia views NATO and European security issues and the way it sees the US security alliances with Japan and South Korea.²¹ While NATO expansion triggered a major Russian diplomatic counter-offensive and a blast of criticism in the Russian press and

¹⁸ Treaty on Mutual Reduction of Military Forces in Border Areas, 24 Apr. 1997. Lachowski, Z., 'Conventional arms control', *SIPRI Yearbook 1998: Armaments, Disarmament and International Security* (Oxford University Press: Oxford, 1998), pp. 526–27. For a succinct discussion of the negotiations on the treaty, see Anderson, J., International Institute for Strategic Studies, *The Limits of Sino-Russian Strategic Partnership*, Adelphi Paper no. 315 (IISS: London, 1997), pp. 39–42. Anderson argues that because of the deterioration of the armed forces in the Russian far east Russia sought more radical cuts than those provided for in the agreement.

¹⁹ Urusov, M., 'Rossiysskiye generaly peregonyat Ameriku' [Russian generals will leave America behind], *Moskovskiy Novosti*, no. 11 (22–29 Mar. 1998), p. 8.

²⁰ Japan Defense Agency, *Defense of Japan 1989*; and *Defense of Japan 1997*.

²¹ This argument is distilled from Kuchins, A. and Zagorsky, A., 'The Russian Federation and Asian security: marginalization or integration', Paper prepared for the Conference on America's Alliances with Japan and Korea in a Changing Northeast Asia, 20–22 Aug. 1998 at the Asia/Pacific Research Center, Stanford University. A draft of this paper is published by the Program on New Approaches to Russian Security (PONARS) in its Working Paper Series at URL <<http://www.fas.harvard.edu/~ponars>>.

academic publications, the two alliances are either ignored or treated rather sympathetically. Since President Boris Yeltsin visited Tokyo and Seoul in November 1993, Russia has formally praised them as positive guarantees of regional security. Whether regional security issues are viewed from a realist perspective, emphasizing the importance of the balance of power, or from a liberal paradigm, placing importance on interdependence and multilateralism, the policy conclusions are similar.²² In fact, the consensus view on Russia's foreign and security policy priorities is a *mélange* of realist and liberal thinking.

Russia's positive assessment of the US-led alliances in Asia derives from the assumption that, unlike Europe, East Asia is a multipolar region in which the USA helps to preserve the status quo. By contrast, in Europe the USA and NATO are viewed as expanding their influence at the direct expense of Russia. As Russia looks at Asia, the most significant concerns are the growing power of China and the possible accelerated militarization of Japan, both of which could further marginalize Russia's position in the region. It must be stressed that these developments are looked at as potential but not current threats.

Some Russian civilian and military analysts have also suggested that Russia would be a natural alliance partner with Western countries and Japan if conflict emerged with China in the next century. Russia realizes, however, that its leverage in regional security is increased if it can present itself as a legitimate partner to all the leading players in East Asia. This logic of Russia as a strategic balancer in East Asia was recently expressed as follows:

It is logical to assume that should there be a confrontation between China and Russia the Western countries and Japan would side with the latter. One should believe that China is aware of this. It is therefore very doubtful that it is going to support an aggression on the part of the Western countries and Japan against Russia. It is for this reason that both Russia and China should prefer neutrality and mutually beneficial cooperation under any worsened situation.²³

Russia's former Defence Minister, Igor Rodionov, confirmed this view during his visit to Tokyo in May 1997 when he suggested trilateral cooperation between Russia, Japan and the USA to ensure Asia-Pacific security, even referring to the three countries as partners.²⁴

Balance-of-power analysis also leads Russians to support the continued military role and presence of the USA in the region because of the belief that withdrawal would probably spur faster and more comprehensive militarization in Japan. Japan's economic and technological prowess not only gives it tremendous status as a world power, but can also potentially be applied to the defence sector in a much more concentrated fashion. For example, General Valery Manilov, deputy head of the General Staff of the Russian Armed Forces, argued

²² Kuchins, A. C., 'Russia and regional multilateral security', Policy brief published by PONARS in Nov. 1998, URL <<http://www.fas.harvard.edu/~ponars>>.

²³ Klimenko, A. F., 'Mezhdunarodnaya bezopasnosti i kharakter voyennykh konfliktov budushchego' [International security and the nature of future military conflict], *Voyennaya Mysl*, no. 1 (1997), p. 9.

²⁴ 'Rodionov calls relations with Japan, US partnership', Kyodo, 16 May 1997, in Foreign Broadcast Information Service, *Daily Report-East Asia (FBIS-EAS)*, FBIS-EAS-97-136, 19 May 1997.

in 1996 that 'Economic achievements enable Japan to build equal relations with the USA instead of subjugation, and increase its confidence in the ability to act independently in world affairs, first of all in Asia'.²⁵ While the containment of China is a more recent concern, Moscow probably tacitly approved the US–Japan security relationship even before the collapse of the Soviet Union.²⁶

Russia also supports the development of a more comprehensive multilateral security system in Asia as a means to ensure that its voice is heard, particularly during this period of unprecedented weakness. In this regard, there is an almost symbiotic relationship between Russia's realist perspective and its liberal perspective and the two are easily combined as they argue to a considerable extent for similar policies. During the cold war Soviet officials repeatedly called for multilateral security arrangements in Asia, but the primary motive then was either to reduce the role of US power or to eliminate it altogether. This was particularly true, for example, in Soviet Secretary General Leonid Brezhnev's proposal for a collective security pact in Asia in 1969.

Again, it is instructive to compare Asia with Europe in terms of institutional mechanisms and Russian interests. In Europe, Russia naturally has promoted the Organization for Security and Co-operation in Europe (OSCE) as the leading institution in a new European security architecture since Russia has played a leading role in it since the establishment of its predecessor, the Conference on Security and Co-operation in Europe (CSCE). The OSCE works on the principle of consensus so that no decision can be approved without Russia's consent. NATO, however, is the most powerful security institution in Europe. Russia is not a member. The May 1997 NATO–Russia Founding Act allows it a consultative role,²⁷ but it remains at best on the periphery of the organization, if not its opponent.

In Asia–Pacific, which lacks any significant institutionalized multilateral security system, there are no obvious choices as there are in Europe. Moreover, since the 1990s Russia and the United States have generally recognized the need for broader multilateral security cooperation. The only organization to discuss regional security issues is the ARF, which was established in 1993 with Russia as a member from the beginning. However, it has so far served mainly as a forum for discussion and its operational role is even less significant than that of the OSCE. While Russia's proclaimed goal of a multipolar world often pushes it to closer cooperation with Asian partners than with the USA, the notion of a regional multilateral security system is extremely important for Russian strategy because it represents the only hope of maintaining its great-

²⁵ Manilov, V. L., 'Ugrozy natsionalnoy bezopasnosti Rossii' [Threats to Russia's national security], *Voyennaya Mysl*, no. 1 (1996), pp. 9–10.

²⁶ It is interesting to note that it was the Soviet military build-up in Asia in the 1960s and 1970s and the development of the Sea of Okhotsk as a bastion for Soviet sea-launched ballistic missile (SLBM) forces which caused Japan to embrace the USA more tightly in a security relationship. For a good overview of post-World War II Japanese security strategy vis-à-vis the USSR, see Mochizuki, M. M., 'The Soviet/Russian factor in Japanese security policy', in Hasegawa *et al.* (note 9), pp. 125–60.

²⁷ Rotfeld, A. D., 'Europe: the transition to inclusive security', *SIPRI Yearbook 1998* (note 18), pp. 143–45; and, for the text of the treaty, *SIPRI Yearbook 1998*, pp. 168–73.

power status. Given the lack of an institutional basis for multilateral security in Asia, Russia is more inclined to view the Japanese and South Korean security alliances with the USA as the kernel for the development of multilateral arrangements in the future.²⁸

Russia is concerned that, despite its positive assessment of the USA's security alliances with Japan and South Korea, the USA is seeking further to isolate Russia and eliminate it as a powerful regional actor. Leading Russian analysts have effectively argued that the USA has been more reluctant to treat Russia as a regional power in Asia despite the fact that Russia has geographically become more Asian and less European since the dissolution of the Soviet Union.²⁹

Official US policy, however, supports security cooperation with Russia. For example, a recently published US Department of Defense report states:

In the past, the Soviet Union's contributions to Asia-Pacific security [were] deemed either negative or negligible. Today, America welcomes the Russian Federation's active and constructive role in Asia-Pacific security as important to regional stability. Military exercises and cooperation, port visits, and both senior-level and staff-level exchanges with the region's armed forces have enhanced transparency and trust, and reduced suspicions left over from the Cold War. Russian engagement in such regional fora as the ARF may enhance habits of security cooperation.³⁰

US official policy aside, and despite the expressed desires in both the USA and Russia for multilateral security in Asia, Russia often feels that its interests are either ignored or slighted. Its exclusion from the four-party talks on Korea and its failure to win a contract for one of the light-water reactors to be built in North Korea by the Korean Peninsula Energy Development Organization (KEDO)³¹ are examples which illustrate the leverage problem for Russia. There is a general perception in Russia that its idealistic rapprochement with South Korea and loss of major leverage over North Korea have deprived it of any value for the major actors on the Korean Peninsula. Russia's response has subsequently been to distance itself somewhat from South Korea while intensifying cooperation with North Korea.

As yet Russia's assertiveness is limited to diplomatic activities and is not intended to undermine US security interests in the region. As James Clay Moltz recently pointed out, however, this policy of 'parallel engagement' is inherently unstable because it is promoted by 'two competing interest groups, rendering impossible the development of a consensual foreign policy that pursues a single

²⁸ Russian officials have presented the Apr. 1996 agreement on confidence-building measures and the Apr. 1997 border force reduction agreement as models for a broader Asian multilateral security framework. Anderson (note 18), p. 41.

²⁹ See, e.g., Ivanov, V., 'Russia and the United States in Northeast Asia and the Russian far east: economics or defense?', ed. T. Akaha, *Politics and Economics in the Russian Far East: Changing Ties with Asia-Pacific* (Routledge: London, 1997), p. 139.

³⁰ See note 3.

³¹ Gill, B., 'The divided nations of China and Korea: discord and dialogue', *SIPRI Yearbook 1996: Armaments, Disarmament and International Security* (Oxford University Press: Oxford, 1996), pp. 134-44.

set of goals within the region'.³² In its efforts to court potential US adversaries in the region (China, India and North Korea, for example), the logic of Russian behaviour is determined primarily by its feeling of alienation and neglect, requiring the consolidation of new leverage to bolster its presence in the region. Unfortunately Russia may come to view its best tactic to induce a more cooperative US response as a reversion to a 'bad guy' role. North Korea comes to mind here first in Asia, but Serbia and Iraq are other places where Russia could be a spoiler. In fact, such threats are continually heard despite the fact that it hardly seems in Russia's long-term interests to act on these threats.

One measure which Russia has taken to increase its leverage principally with the USA and Japan, however, is to engage China in a more cooperative relationship than at any time since the 1950s. This relationship deserves special attention.

IV. The Sino-Russian strategic partnership

It is impossible for Russian analysts to look at the challenges of Asian security without taking into account the emerging superpower on their south-eastern border, China. The evolution of Sino-Soviet/Russian relations from a hostile, militarized stand-off in the early 1980s to a nascent entente in the late 1990s is an important development in the changing North-East Asian security environment. Since the formation of the People's Republic of China in 1949, Chinese-US-Soviet/Russian relations have always had a triangular aspect with different balances at different times. The most striking developments in the triangle in the past decade have been the great deterioration of Russia's position and the extraordinarily rapid economic growth of China. Since China undertook reform in 1978, its GNP has grown dramatically³³ while Russian GNP has shrunk by more than half since 1991. The bipolar world of the cold war collapsed; in an unusual unipolar period, the USA is in the position of global hegemon. History tells us, however, that unipolar periods are ephemeral.³⁴ The kind of international system which emerges in the 21st century will depend on a number of factors including notably the trajectories of Russia and China and the kind of relationship that develops between them.

Dissatisfaction with the dominance of the USA in international affairs is a partial explanation for the desire in both China and Russia to raise the status of their bilateral relationship. Both have feared that the 'new world order' articulated during the administration of US President George Bush and subsequently muted under President Bill Clinton is, in fact, a euphemism for a

³² Moltz, J. C., 'Russia and the two Koreas: the dilemmas of "dual engagement"', *Demokratizatsiya*, summer 1998, p. 381 (in English).

³³ Precise measurement of Chinese economic growth is extremely difficult because of the dubious accuracy of the official statistics. World Bank figures, which are based on the official statistics, would indicate growth by a factor of 9 since 1978, but are regarded as unreliable by Western economists.

³⁴ For a useful discussion of the current unipolar system, see Mastanduno, M., 'Preserving the unipolar moment: realist theories and US grand strategy after the cold war', *International Security*, vol. 21, no. 4 (spring 1997), pp. 49-88.

unipolar world dominated by, in their view, an often arrogant and overbearing USA. The calls for promotion of a multipolar world in recent joint statements from Sino-Russian summit meetings are obviously directed at the USA, despite the repeated caveat that improved relations between China and Russia are not directed towards any third party. Nevertheless, despite their various grievances against the USA, both China and Russia value their relationship with the USA more highly than their bilateral entente. For China, for example, trade with Russia is approximately one-tenth of its trade with the USA. For Russia the USA will be essential in its efforts to attract foreign investment and continued support from international financial institutions.

Both China and Russia derive some leverage in the triangle by developing closer ties but there are also some very important intrinsic benefits.

Their first shared interest is the stabilization of their long border, on which conflict flared up during the Sino-Soviet conflict, most notably in 1969. Both China and Russia seek to concentrate on internal reform and economic development in the foreseeable future, and this heightens the importance of a peaceful relationship between them. With the opening of the border and the ensuing boom in trade in the early 1990s much concern was raised in Russia, particularly in its far east, about the uncontrolled emigration of Chinese from China and the questionable quality of Chinese consumer products.³⁵ Relations with China have also inflamed regional politics in the Russian far east. Most notably and vociferously, Yevgeny Nazdratenko, the Governor of Primorskiy Krai (Maritime Province), has demonized China and tried to obstruct the Sino-Russian border agreement of November 1991.³⁶ Despite some contentious issues, however, China and Russia have worked effectively together to make the border more peaceful than at any time since the heyday of the Sino-Soviet alliance in the 1950s, although they have still not reached agreement on the islands of Tarabarov and Bolshoy Ussuriyskiy in the Amur River near Khabarovsk.³⁷

With a peaceful border to its north, China will be better able to focus attention on the strategic objective of reunification with Taiwan. Russia, however, will not forget that in 1964, after the Sino-Soviet alliance had collapsed in venomous recriminations, Chairman Mao Zedong claimed 1.5 million km² of then Soviet territory which had been annexed in the 19th century through allegedly unfair treaties imposed on a weak China. Still, as long as Russia and China maintain their strategic nuclear forces it is very difficult to imagine serious hostilities breaking out on their joint border.

³⁵ See, e.g., Hyer, E., 'Dreams and nightmares: Chinese trade and immigration in the Russian far east', *Journal of East Asian Affairs*, summer/fall 1996, pp. 289–308; Moltz, J. C., 'From military adversaries to economic partners: Russia and China in the New Asia', *Journal of East Asian Affairs*, winter/spring 1995, pp. 157–82; and Won Bae Kim, 'Sino-Russian relations and Chinese workers in the Russian far east: a porous border', *Asian Survey*, vol. 34, no. 12 (Dec. 1994), pp. 1064–76.

³⁶ The agreement, which concerned the eastern part of the border, was ratified by the Russian Supreme Soviet on 13 Feb. 1992 ('Ne sluzhit interesam Rossii' [Not in the interests of Russia], *Nezavisimaya Gazeta*, 24 Sep. 1993, p. 4) and reconfirmed by the Russian State Duma in June 1995.

³⁷ On the settlement of the border issues with China, see chapter 18, section II in this volume.

Russian and Chinese strategic interests have also converged to a considerable degree in their mutual desire for secular stability in Central Asia. China is particularly sensitive to its Islamic nationalities in Xinjiang Province, of which the Uighurs are by far the largest, numbering about seven million, being infected by nationalist and secessionist fervour from the newly independent states of Central Asia.³⁸ So far the Central Asian governments, especially those of Kazakhstan and Kyrgyzstan, have been responsive to Chinese concerns and have taken measures to quell cross-border Uighur nationalism. The Russian interest in stability in Central Asia stems from concerns about ethnic Russian populations, which are considerable in Kazakhstan and Kyrgyzstan,³⁹ as well as the possible emergence of Islamic rather than secular governments in the region which might influence the Muslim populations in the Russian Federation. Given its current economic problems, Russia would be extremely hard pressed if large numbers of refugees streamed across the border because of discriminatory treatment or civic unrest. The civil war in Tajikistan has served as a cautionary tale for China and Russia and both have been reluctant to criticize Central Asian governments for human rights violations and political repression because these governments have ensured internal stability.

The economic relationship between China and Russia, which to date has failed to meet the expectations of both sides, shows considerable potential for growth, although it is unlikely that it will come close to the target of \$20 billion in bilateral trade by the year 2000. In 1996 bilateral trade amounted to about \$6.85 billion.⁴⁰ Extensive Russian arms sales have captured most attention in recent years, but border trade has been an important issue in the bilateral relationship and in the longer term the development of Russian energy exports will fuel major growth in economic relations. Since this chapter addresses primarily the Russian security challenges in Asia, the following discussion will focus only on the arms and energy exports of Russia to China as they have the greatest relevance for regional security.

China seeks in the near term to bolster its ability to project power in the Taiwan Strait and the South China Sea. With the reluctance of the West to sell arms to China since the Tiananmen Square incident in 1989, Russia has aggressively entered the market to support Chinese military modernization—the last of the ‘four modernizations’ strategy articulated by paramount leader Deng Xiaoping 20 years ago. With the precipitous drop in procurement by the Russian military, many Russian military industrial enterprises find themselves dependent on the export market to survive. In 1997, estimates indicated that China had spent about \$5 billion on Russian arms in the previous five years, a very considerable sum for Russia, equivalent to about 2 per cent of all its exports.⁴¹ In addition, China may account for one-third of the \$7 billion order

³⁸ Wacker, G., ‘China builds ties, trade across its western border’, *Transition*, 23 Aug. 1996, pp. 30–33.

³⁹ See chapter 6, table 6.1 in this volume.

⁴⁰ Anderson (note 18), p. 33, quoting IMF, *Direction of Trade Statistics Yearbook*.

⁴¹ ‘Can a bear love a dragon?’, *The Economist*, 26 Apr. 1997, p. 20.

book reported by Rosvooruzheniye, the Russian arms export agency.⁴² The US Arms Control and Disarmament Agency (ACDA) reported that Russia supplied China with 97 per cent of its arms imports in the three-year period 1992–94.⁴³ Most significantly, China has bought 50 Sukhoi Su-27 fighter aircraft, roughly equivalent to F-15s, and in July 1996 signed a deal that would allow it to produce up to 200 more.⁴⁴ There have also been discussions about purchasing the Su-30MK long-range attack aircraft and the Il-78 air-refuelling tanker. Russia has sold China four Kilo Class conventional submarines, two of which are advanced versions that will rival the best US nuclear-powered attack submarines.⁴⁵ China has also purchased Sovremenny Class destroyers equipped with Sunburn ship-to-ship missiles and SA-N-17 surface-to-air missiles. Stephen Blank has argued recently that these imports and other developments constitute ‘a long-term strategy based on a combined arms sea denial capability in the Western Pacific. Drawing, in fact, on the theory and goals of the late Soviet Admiral Sergey Gorshkov, China aspires first to deny the USA easy dominance at sea and later to bid for naval control of the maritime theaters of vital strategic importance to them’.⁴⁶

The wisdom of such extensive arms sales to China has been questioned in Russia. As pointed out earlier, many Russian analysts view China as a potential long-term threat to Russia. In a December 1996 speech even Defence Minister Rodionov let slip that China was a ‘potential threat’ to Russia.⁴⁷ Russian commanders in the Transbaikal have complained that they face Russian-made aircraft in their theatre in better repair than their own. Likewise, Russian naval officers have expressed dissatisfaction that the destroyers sold to China would have been deployed in the Russian fleet if economic conditions had allowed.⁴⁸ Some analysts have argued that the Russian Government has lost a great deal of control over the systems and technologies that are ending up in Chinese hands. Pavel Felgengauer, a journalist for *Segodnya*, has written that some Russian arms manufacturers have confirmed reports of Chinese intelligence successes in obtaining classified information and documentation on some of Russia’s latest weapon systems.⁴⁹ Numerous reports have also surfaced indicating that underemployed Russian defence scientists and engineers are finding work in China. US intelligence has indications of two ‘Russiatowns’ in China, one near

⁴² ‘Can a bear love a dragon?’ (note 41).

⁴³ US Arms Control and Disarmament Agency, *World Military Expenditures and Arms Transfers 1995* (ACDA: Washington, DC, 1996), p. 155.

⁴⁴ See appendix 3 in this volume.

⁴⁵ Holloway, N. and Bickers, C., ‘Brothers in arms’, *Far Eastern Economic Review*, 13 Mar. 1997.

⁴⁶ Blank, S. J., ‘Which way for Sino-Russian relations?’, *Orbis*, summer 1998, p. 358.

⁴⁷ Savenkov, Yu., [China decides not to take offence at Rodionov], *Izvestiya*, 28 Dec. 1996, in *Current Digest of the Post-Soviet Press*, vol. 48, no. 52 (1996).

⁴⁸ ‘Can a bear love a dragon?’ (note 41), p. 20.

⁴⁹ Felgengauer, P., ‘Sino-Russian defense cooperation and arms sales’, eds A. J. Pierre and D. Trenin, *Russia and the World Arms Trade* (Carnegie Endowment for International Peace: Washington, DC, 1997), pp. 87–103.

Shanghai which houses scientists and researchers specializing in cruise missiles and another in Chengdu which is staffed mostly by aeronautical engineers.⁵⁰

Russian defence manufacturers, however, argue that the technologies being sold to China are not on the cutting edge and that there is excessive paranoia, particularly on the part of the Ministry of Defence Export Control Committee (Komitet eksportnogo kontrolya—KEKMO), about the quality of arms going to China. Felgengauer points out that much of this cutting-edge technology exists ‘only on the drawing boards or in experimental samples’.⁵¹ On the other hand, it is true that the systems sold to China, such as Su-27s and Kilo Class submarines, have been in production for over a decade and China has expressed dissatisfaction with Russian reluctance to be more forthcoming with sales of the latest technologies and systems. However, while China may be to some extent disappointed that Russia is not even more forthcoming, Russian arms manufacturers have been very disillusioned by China’s preference for barter payment with cheap consumer goods.⁵²

Although the arms trade and border trade have dominated much of the Sino-Russian economic relationship during the 1990s, if bilateral trade is to even approach the goal of \$20 billion, much of the growth will have to come in the energy sector. Indeed, despite protests from Russian politicians about becoming a neo-colonial supplier of raw materials to Europe or Asia, much of Russia’s ability to recover economically in the coming 10–20 years will depend on how effectively it develops its vast oil and gas and other natural resources for export. China will be an increasingly important customer for Russian, as well as Central Asian, energy. Barring any cataclysmic events that could significantly disrupt its economic growth, some projections have Chinese energy consumption growing between five- and sevenfold by the year 2050.⁵³

Sino-Russian cooperation in the development of oil and gas resources in Siberia and the Russian far east will most likely be part of broader multilateral cooperation in North-East Asia, including particularly Japan and South Korea but also Kazakhstan, North Korea and others. Several meetings and agreements in 1997 provided momentum for large-scale cooperation. In June 1997 then Prime Minister Chernomyrdin signed an agreement in Beijing for gas exploration in the Kovyktinskoye field near Irkutsk and for a pipeline going from Irkutsk to China, supplying 20 billion m³ of gas annually for 25–30 years.⁵⁴ The Irkutsk pipeline would probably be the first of a new North-East Asian pipeline

⁵⁰ Forney, M. and Chanda, N., ‘Comrades in arms: Russian rapprochement could boost China’s clout’, *Far Eastern Economic Review*, 12 May 1996, p. 18.

⁵¹ Felgengauer (note 49), p. 98.

⁵² See, e.g., Sergounin, A. A. and Subbotin, S. V., ‘Sino-Russian military–technical cooperation: a Russian view’, ed. I. Anthony, SIPRI, *Russia and the Arms Trade* (Oxford University Press: Oxford, 1998), pp. 196–216.

⁵³ May, M., *Energy and Security in East Asia* (Asia/Pacific Research Center, Stanford University: Stanford, Calif., 1998), pp. 5–9.

⁵⁴ Christoffersen, G., ‘China’s intentions for Russian and Central Asian oil and gas’, National Bureau of Asian Research, *NBR Analysis*, vol. 9, no. 2 (Mar. 1998), pp. 21–23. Much of the following discussion is derived from Christoffersen’s analysis.

infrastructure. Another project under discussion is a gas pipeline from Tomsk in Western Siberia to Shanghai via Kazakhstan.

At a second important bilateral meeting, in November in Krasnoyarsk, then Japanese Prime Minister Ryutaro Hashimoto and Yeltsin discussed the possibility of Japanese financing of energy projects in Siberia and the Russian far east, including the Kovyktinskoye field. Hashimoto indicated that Japan would support the Russian bid to join APEC. This was the first time that Japan had expressed its support. Yeltsin reciprocated by promising to support Japan's bid to become a permanent member of the UN Security Council. Hashimoto viewed cooperation in energy development as a key item of his Eurasia policy announced in July 1997. Much of the Russian analysis of the new Japanese Eurasia policy suggested that it was prompted by concern that Japan felt somewhat isolated and concerned about the rapid improvement of Sino-Russian relations.⁵⁵

Shortly after the Krasnoyarsk meeting, Yeltsin went to Beijing, where promotion of energy projects was high on the agenda. Deputy Prime Minister Boris Nemtsov had arrived early and met Chinese oil executives and officials, and he signed with Vice-Premier Li Lanqing a framework accord for the Irkutsk project. For the first time Japan was mentioned as a source of financing as well as an export destination. The accord proposes that half of the 20 billion m³ would be for China while Japan and South Korea would share the other half.⁵⁶

The day after Yeltsin's trip, Li Peng left for Tokyo where he proposed that China and Japan advocate convening, along with Russia and the USA, a forum for the four powers for coordination and cooperation in Asia-Pacific. 'These three bilateral meetings in the latter half of 1997 and Japan's announcement of its Eurasia policy helped to shape a North-East Asia multilateral regime whose foundation would be energy cooperation'.⁵⁷ The Vancouver APEC meeting in November followed, at which Russia, along with Peru and Viet Nam, was invited to join APEC.

This sequence of events in the second half of 1997 suggests that the development of Russian energy resources in Siberia and the far east may give Russia the means to overcome its weak position in Asia. Energy resources are the strongest card in its depleted deck, and playing it in Asia has also captured the attention of the USA. During Yeltsin's trip to Beijing, US Deputy Secretary of State Strobe Talbott also went to China, in part to assess the developing Sino-Russian relationship. The infrastructure to support energy development and export is quite fragile and dependent on multilateral cooperation from a number of key states in Asia which have little experience in relating on real issues in a multilateral format. Such cooperation would also make imperative a more substantive multilateral security system for the region and Russia would have to play a very significant role for it to succeed. Given its history in the

⁵⁵ See, e.g., the summary of an article from *Kommersant Daily*, 23 Sep. 1998 in *Jamestown Monitor*, 2 Oct. 1998, URL <<http://www.jamestown.org/pubs/>>.

⁵⁶ Christoffersen (note 54).

⁵⁷ Christoffersen (note 54), p. 23.

region and its existing bilateral security alliances, the USA is in a unique position to facilitate the strengthening of multilateral security relations among the great powers of Asia, and the evidence presented here suggests that Russia would support this as long it was included as a key player.

To date foreign interest in Russian energy resource development has been restrained by the perception of chaos and disorder in the Russian Government and society at large. The Russian legal system remains underdeveloped and, more importantly, the ability and commitment to enforce compliance has been so seriously lacking that Russia has acquired the unfortunately well-earned image of the 'wild wild East'. The overall weakness and vulnerability of the Russian economy have also kept foreign investors on the sidelines to a great extent. After performing better than any emerging market in the world in the first three quarters of 1997, the Russian economy in 1998 once again endured financial crisis. The devaluation of the rouble and moratorium on foreign debt payment in August 1998 and the ensuing collapse of the Kiriyenko Government gave further credence to the view that Russian economic recovery remains very elusive. If Russia remains mired in an even more prolonged economic decline, then the prospects for regional security in Asia become far more complicated and precarious. During the cold war it was a seemingly strong Soviet Union which threatened regional stability in Asia. Today, aside from the imminent danger of a North Korean implosion, the potential implications of a gravely weakened Russia have to be viewed with much trepidation by the other major powers of the region.

The most serious concern for Sino-Russian relations over the longer term—10–20 years—is the possibility of continuing deterioration of the Russian state and its position in the international system in the face of growing Chinese economic, political and military power. If these power trajectories are sustained, Russia may be forced into the position of 'junior partner' to China in their relationship and an increasingly subordinate position vis-à-vis the USA and its allies in Asia. While the future is contingent and unpredictable, we do know that periods of major shifts in the international balance of power, as well as in regional subsystems, are more prone to instability and conflict.⁵⁸ Recent research also suggests that democratizing states are more prone to conflict than established democracies or even stable authoritarian regimes.⁵⁹

V. Conclusions

Not only is Russia undergoing a wrenching transition, a virtual revolution, but the international system is also in transition from the bipolar cold war structure to something still inchoate but definitely different. The most significant challenge in the coming years will be the integration of Russia and China into a

⁵⁸ See, e.g., Gilpin, R., *War and Change in World Politics* (Cambridge University Press: New York, 1981).

⁵⁹ Mansfield, E. D. and Snyder, J., 'Democratization and the danger of war', *International Security*, vol. 20, no. 1 (summer 1995), pp. 5–38.

broader framework of Eurasian security.⁶⁰ The USA is currently enjoying a period of unprecedented relative strength which gives it an opportunity to shape the development of a truly multilateral security environment in Asia. Although Russia continues to struggle in an unprecedented period of weakness, it would support a genuine multilateral security system in which it is a significant player. It does, however, recognize that the USA alone will not guarantee its security in the region, so it has embarked on building a set of strategic partnerships with other regional powers—Japan and China in East Asia and India in South Asia.⁶¹

This chapter argues that Russia's regional policies in Asia are informed by both realist balance-of-power considerations and liberal idealist or multilateral interdependence considerations. Which of these two frameworks comes to dominate in Russian policy making in the next century will depend to a considerable extent on the behaviour of other major powers. It will also depend on how domestic political struggles are resolved in Russia.⁶² While a successor to the Yeltsin regime will probably maintain a more Eurasian than Western orientation, it will be hard pressed to develop an effective reform programme to resurrect Russia as a truly great power within the near future.

⁶⁰ For an elaboration of this argument, see Kuchins, A. C., 'The emerging Sino-Russian strategic partnership and Eurasian security', Policy brief prepared for the PONARS meeting, Washington, DC, Oct. 1997. The full brief is available at URL <<http://www.fas.harvard.edu/~ponars>>.

⁶¹ Steven E. Miller has described this multilateral aspect of Russia's foreign policy as 'omnidirectional friendliness'. Miller, S. E., 'Russian national interests', eds R. D. Blackwill and S. A. Karaganov, Center for Studies in International Security, *Damage Limitation or Crisis? Russia and the Outside World*, Studies in International Security no. 5 (Brassey's: Washington, DC, 1994), pp. 77–107. Tsuyoshi Hasegawa has adapted this framework to describe Russia's Asian policy including its key bilateral relationships with China, Japan and the USA. Hasegawa, T., 'Russo-Japanese relations and security of Northeast Asia in the 21st century', Sep. 1998. Unpublished. See also chapter 20 in this volume.

⁶² For a discussion of the linkage between domestic politics and foreign policy in Russia, see McFaul, M., 'The precarious peace: domestic politics in the making of Russian foreign policy', *International Security*, vol. 22, no. 3 (winter 1997/98), pp. 5–35.

Part VI

Conclusions

28. The evolving security environment in Asia: its impact on Russia

Jonathan D. Pollack

I. Introduction

As the 1990s draw to a close, Russia is still in quest of a viable, fully accepted role in Asia. A daunting array of uncertainties and pressures continue to stymie full realization of its political and strategic objectives relative to the region, which is increasingly central in global politics, economics and security. Its acute economic and political vulnerabilities, the continued preoccupations of the leadership with stability in the border areas, the competing geopolitical impulses in the internal policy debate, the highly problematic status of Russia's military forces and its constrained role in Asian economic dynamics and technological development are all inhibiting factors. Russia, although an important partner for various neighbouring states intent on diversifying their political and security options, is labouring under greatly diminished strategic significance. Its ongoing domestic crisis does not make it irrelevant to regional security but it does constrain the country's policy opportunities in Asia. Russia needs, first, a fundamental political–security transformation within the region; second, a major political and economic breakthrough with one or more regional powers; and third, a profound and lasting internal transition. None of these appears likely at present.

However, Russia has been able to establish the main dimensions of its post-imperial foreign and security policy in Asia, especially during Yevgeny Primakov's tenure as Prime Minister. These include the pursuit of multipolarity as a strategic objective; non-adversarial relations with all regional powers, including security and confidence-building agreements with former political–military rivals; enhanced collaboration in energy development; and an increased role in arms sales and technology transfer, especially to China and India. None of these policies represents a strategic solution for Russia in Asia but they constitute an important set of leadership goals relative to Russia's longer-term political, economic and security interests. There are, however, inherent limits to such objectives unless Russia's ties with the major economies of East Asia are significantly broadened and deepened. At the same time, some leading Russian strategists foresee potential longer-term risks to the state's security interests in the growth of Chinese and Japanese military power.¹

¹ See, e.g. Arbatov, A. G., 'Military reform in Russia: dilemmas, obstacles, and prospects', *International Security*, vol. 22, no. 4 (spring 1998), esp. pp. 91–92.

The US–Russian political–security relationship in Asia and the Asia–Pacific region is conspicuous by its absence from this policy agenda. This is no small irony, given the extent to which the political–strategic rivalry characterized superpower relations in Asia in the past. Although Russia and the USA retain a periodic consultative role in Asia–Pacific diplomacy, the frequent divergencies between their security agendas are telling. Russia’s exclusion from deliberations related to the future of the Korean Peninsula; US efforts to deny Russia entry into the military markets of US regional allies such as South Korea; US encouragement of Central Asian energy development while playing down the Russian role in this; and the USA’s efforts to retain strategic predominance in the western Pacific all highlight the diminished position of Russia in US regional security calculations. Although the United States officially endorses an enhanced Russian role in cooperative approaches to regional security, these statements seem largely pro forma, with Russia relegated to a subordinate strategic position.² NATO expansion, although it affects Russian security interests in Asia and Asia–Pacific mainly indirectly, lends support to this conclusion.

These judgments do not suggest that Russian–US relations in Asia even remotely approach a return to the adversarial circumstances of the cold war. However, even as a diminished major power, Russia has few incentives to mortgage its long-term national security interests to the vicissitudes of US policy in the absence of greater clarity in longer-term US policy goals. These circumstances highlight the absence of common understanding between Russia and the United States on the future of Asia and their roles in it. This mutually reinforcing strategic neglect is a corollary of the larger erosion of US–Russian relations. Although senior US officials acknowledge the dangers posed by an incapacitated Russian system in which central authority is gravely weakened, both countries increasingly seem to expect less from one another.³ Even as Russian leaders chafe under their country’s diminished stature in US eyes, Russia’s acute political and economic uncertainties represent a far more urgent and pervasive concern to the leadership.

In relative terms, the potential threats to Russian security interests in Asia seem manageable, at least at present. Russia does not face a direct challenge to its core national security interests from any regional power. The resumption of non-adversarial relations with China and more recent efforts to enhance political and security relations with Japan are especially significant in this regard. The longer-term outlook, however, seems more unsettled. Although the region is not experiencing an imminent political–military crisis or active military hostilities, there are latent possibilities of strategic change that would affect the security interests and calculations of Russia as well as the United States. Beneath a veneer of common interests that seem to be largely shared by all the

² For a recent US statement on Russia’s role in regional security, see *The United States Security Strategy for the East Asia–Pacific Region* (US Department of Defense, Office of International Security Affairs: Washington, DC, Nov. 1998), pp. 41–42.

³ Israelyan, V., ‘Russia at the crossroads: don’t tease a wounded bear’, *Washington Quarterly*, vol. 21, no. 1 (winter 1998), pp. 47–65.

major powers (i.e., economic and social well-being, the unimpeded movement of goods and resources within and through the region, the prevention of a major arms build-up, the avoidance of military conflict and support for multilateral security initiatives), numerous political and strategic developments could disturb the prevailing status quo, potentially in important ways.⁴

No single factor defines the prospect of strategic realignment or of a major political-military crisis, but considered as a whole the range of issues is substantial and potentially quite worrying. In addition to the repercussions of the financial upheaval that has enveloped East Asia since the summer of 1997, these factors include: (a) the prospect of Korean reunification or of serious instability within North Korea that could spill outward; (b) the regional consequences of accelerated North Korean missile development and renewed nuclear defiance, including possible heightened pursuit of theatre missile defence (TMD) programmes in North-East Asia and an unravelling of earlier agreements seeking to forestall nuclear weapon development in the country; (c) the potential of renewed military confrontation between China and Taiwan, but with both sides possessing far more capable military forces in a future crisis; (d) the strategic implications of China's re-emergence as a major political, economic and military power; (e) uncertainties about the future of US regional alliances (especially with Japan and South Korea) and of the US forward military presence; (f) the longer-term viability of the Association of South-East Asian Nations (ASEAN), given the growing economic divergence and political tensions evident among the member states over the past several years;⁵ (g) the ramifications of the Indian and Pakistani nuclear explosions of 1998 and of their missile programmes for Asian security, especially the prospect of heightened Sino-Indian strategic competition; and (h) by no means least, the political, economic and security consequences of Russia's festering internal crisis.

The scale and potential consequences of these looming strategic challenges have given numerous states the incentive to preserve the status quo wherever possible, seeking to limit the risks of potential conflict while retaining alternative options should major policy reversals occur. Although acute pessimism about the future is not warranted, longer-term regional dynamics are unlikely to reflect a simple extrapolation from present realities. The economic and political vulnerabilities of various governments, mounting concerns about internal instability and leadership legitimacy in different states, domestic pressures to insulate national economies from global financial transactions and a growing preoccupation with the separate national interests of individual states are all evident, leading to a more cautious forecast in future regional politics and security. The innumerable references to stability as a paramount international goal seem to be less a characterization of a preferred future than the expression of a need to avoid major internal or international crises that would greatly dis-

⁴ For a more extended discussion of regional security and US policy, see Pollack, J. D., 'Straddling as strategy: the United States and Northeast Asian security', eds K. Möller and Kyongsoo Lho, *Northeast Asia Towards 2000: Interdependence Through Conflict?* (Nomos: Baden-Baden, 1999).

⁵ For the membership of ASEAN, see appendix 1 in this volume.

rupt regional peace and prosperity. Even in locations not experiencing acute political and security tensions, intensive geopolitical and geo-economic manoeuvring highlights the shifting coalitions of interest among different states as political leaders and institutional forces simultaneously compete and collaborate with one another, seeking to gain relative advantage in the process.

To explore these issues and their implications, this chapter assesses the future of international security in Asia and Asia-Pacific and the implications of various trends for Russia's position. Any assessment is subject to substantial uncertainties. Analysis must therefore identify the predominant or more plausible paths of regional security and development as well as specify how these outcomes might not transpire. A central focus is on Russian national security goals in Asia, how they have changed since the end of the cold war and how various regional actors perceive future Russian involvement in Asian security. In essence, where does Russia's potential advantage lie with respect to the region's political-strategic future and what mix of strategies and policies might be expected to advance its goals? What factors or developments might prove pivotal in the years to come and what will these imply for Russian security interests? What are the principal limiting factors that could inhibit realization of the country's objectives?

A basic definitional issue needs to be raised at the outset: What is meant by Asia? Geographic realities dictate that Russian security interests in the region turn both eastwards and southwards, encompassing relationships with China, Japan, both Koreas, India, Iran, the Central Asian republics, other neighbours such as Afghanistan, Pakistan and Mongolia, and more distant regional actors, notably the member states of ASEAN. In addition, the US role as a global power and its longer-term orientation towards Russian involvement throughout Asia will substantially influence Russian policy choices. These relationships, although reflecting the full spectrum of Russian political, economic and security interests in the Asia-Pacific region, are dominated by continental considerations; the maritime dimensions of Russian strategic interests are highly subordinate at present and seem likely to remain so for the indefinite future.

Asia, however, encompasses a very wide array of regional and subregional dynamics, each with its own characteristics. This chapter concentrates on the larger determinants of Asia-Pacific security in the future. This leads to a predominant focus on relations between major powers, especially in North-East Asia.

However, a narrow concept of national power and interest would obscure some of the larger political and strategic factors that will shape the region in the years to come. International security as seen by all regional states is no longer automatically dominated by military considerations. There is a growing interconnectedness between the region's political, economic and security dynamics. This will have an important bearing on Russia's longer-term prospects in Asia.

To place these issues in their fuller context, the implications of the disintegration of the Soviet Union and the passing of the old security order must be examined first.

II. The legacy of the cold war

Political–military developments in the Asia–Pacific region over the past decade highlight a mix of accommodation, paradoxes and continuing questions. From the standpoint of regional security, perhaps the most positive trend has been the sharp reduction of major strategic rivalries in most of continental Asia. This has been a direct outgrowth of the political transition in Russia, the country's greatly diminished regional military profile and its parallel efforts to achieve normal, non-adversarial relations with all neighbouring states.⁶ Without such changes it would have been impossible for Russia to make major foreign policy breakthroughs, notably with China and South Korea but also potentially with Japan. The diminished military component of Russia's Asia policy also reflects the loss of a globalist impulse in Russian security strategy as well as Russia's giving up the Soviet Union's long-standing efforts to undermine or automatically oppose the US regional military presence. As a result, much of Russia's military power in the region is a diminishing asset, since these capabilities no longer serve a global strategy and since the Russian state can no longer afford to maintain high rates of operational readiness of these forces.⁷

The US military presence

Despite these changes, US force deployments in the region remain substantial. US regional deployments have been reduced by about one-third from mid-1980s levels and US defence policy makers repeatedly assert that the United States will retain approximately 100 000 military personnel in East Asia.⁸ Thus, notwithstanding the end of the Soviet–US global strategic rivalry, the United States deems it prudent to retain major military forces in the region to reinforce and selectively enhance its bilateral security alliances and to sustain a vigorous and visible profile in multinational military exercises, including new activities that extend to Central Asia.

The proximate explanations for maintaining a substantial US regional military presence are twofold: first, undiminished concern about peace and stability on the Korean Peninsula; and, second, the need to ensure the capacity to project military power within and through East Asia to other regions of vital strategic

⁶ An earlier but still very useful overview is contained in de Nevers, R., International Institute for Strategic Studies, *Russia's Strategic Renovation*, Adelphi Paper no. 289 (IISS: London, July 1994). See also Harada, C., International Institute for Strategic Studies, *Russia and North-East Asia*, Adelphi Paper no. 310 (IISS: London, July 1997). For an assessment focused primarily on the transformation of Sino-Russian relations, see Bazhanov, Ye., 'Russian perspectives on China's foreign policy and military development', eds J. D. Pollack and R. H. Yang, *In China's Shadow*, CF-137-CAPP (RAND Corporation: Santa Monica, Calif., 1998), pp. 70–90.

⁷ For relevant data highlighting the sharp reductions in nearly all categories of Russian military power deployed in Asia and the Pacific over the past decade, see *East Asian Strategic Review, 1997/1998* (National Institute for Defense Studies: Tokyo, 1998), p. 164.

⁸ See most recently *The United States Security Strategy for East Asia–Pacific Region* (note 2), esp. pp. 1, 9–12. The 100 000 level comprises only those forces forward deployed by the United States in the Pacific; the actual number under the operational command of the US Pacific Command based in Honolulu is c. 300 000.

interest. Unless there is an appreciable change in US global strategy or a major reduction in the level of military tensions on the Korean Peninsula, it remains very unlikely that these policies and deployments will undergo significant reappraisal in the near term. Although many observers question whether it will prove possible for the United States to maintain its regional presence on an open-ended basis, there are at present no conspicuous pressures either within the region or in the United States to compel the USA to reassess these arrangements. Over time, the United States may see less need to be as visibly and fully deployed in Asia and the western Pacific, and some in the region could ultimately challenge the legitimacy of and need for the US military presence, but this day has yet to arrive.

Regional attitudes towards the US military presence are shaped by latent but widespread concern about maintaining a tolerable power equilibrium in Asia and Asia–Pacific. Concerns about security threats deriving from the Soviet–US global strategic rivalry have been supplanted by worries about the prospect of potential turbulence and realignment in the regional balance of power. Even as many countries appear discomfited by its strategic predominance in a ‘sole superpower’ world, the United States is still viewed by most as a largely benign great power. For good measure, regional actors have ample incentive to encourage vigorous US regional involvement, in view of the USA’s dominant position in global commerce, finance and technology. If this US involvement were to diminish significantly, many fear the prospect of heightened regional rivalries, including a potential strategic competition between China and Japan, instability of various kinds and the possibility of local power imbalances that could result in armed conflict.

The options of the regional states

These circumstances appear to dictate a three-part strategy for many regional states: (a) enhanced support for the US military presence or US military operations in the region; (b) upgraded regional or subregional security arrangements to reduce the risks of military rivalry or overt hostilities; and (c) continued defence modernization as a hedge against adverse or unanticipated developments in the regional or local security environment. Although the prerequisites for enhanced multinational security collaboration are partly evident in some subregions (notably in South-East Asia), few national leaders are prepared to entrust their fundamental national security interests to such nascent possibilities. Thus, notwithstanding a near-term need to defer some military acquisitions as a consequence of the Asian financial crisis, the longer-term trend towards enhanced military capabilities persists, in particular capabilities that will enable new types of military operations and more extended military reach.

The multilateral security approach

Although most regional actors offer obligatory support for collaborative security approaches, these sentiments do not seem to be deeply rooted. In North-East Asia, despite a burgeoning array of non-governmental and quasi-governmental security dialogues and various bilateral declarations and understandings, there is barely even the semblance of a regional security structure. Latent suspicions and conflicts of interest, many focused on the potential for heightened strategic tensions between China and the United States and between China and Japan, are never far removed from bilateral relations among these major powers. There remains an extraordinary concentration of military power in the area, with no state prepared to impose significant restraints on plans for indigenous defence development. At best, multilateral initiatives remain exploratory and do not significantly inhibit the autonomous pursuit of national security goals.⁹ The possibility of major hostilities persists on the Korean Peninsula and in the Taiwan Strait and all actors potentially involved in a future crisis are developing more advanced weapons and intelligence capabilities. In the case of the US–Japanese alliance, routinely characterized by US officials as the linchpin of US regional defence strategy, both governments are committed to enhancing their capabilities to collaborate in the event of future regional crises, creating suspicions on the part of other states that see themselves as the unspoken target of such plans, most notably China.¹⁰

Threats to regional security

Not all potential conflicts fit within the context of past planning scenarios. Unresolved disputes over territory and control of sea-based resources constitute longer-term security concerns for which regional states are now quietly but unmistakably preparing. The relationship between China and the maritime nations of South-East Asia offers some instructive examples, despite China's political and economic accommodation with its smaller neighbours over the past decade.¹¹ Although China intermittently signals a readiness to set aside disputes over sovereignty in favour of joint resource development, most of its initiatives seem largely devoid of operational significance. By contrast, the border and security- and confidence-building agreements signed between China, Russia and the Central Asian republics (including limitations on military deployments, establishment of demilitarized zones and advance notification of military exercises) constitute much more tangible accomplishments and attest to important political and security changes.¹²

⁹ Kyung-Won Kim, 'Maintaining Asia's current peace', *Survival*, vol. 39, no. 4 (winter 1997/98), pp. 52–64.

¹⁰ See chapters 20 and 21 in this volume.

¹¹ See, in particular, Austin, G., *China's Ocean Frontier: International Law, Military Force and National Development* (Allen and Unwin: St Leonards, Australia, 1998).

¹² Anderson, J., International Institute for Strategic Studies, *The Limits of Sino-Russian Strategic Partnership*, Adelphi Paper no. 315 (IISS: London, Dec. 1997), esp. pp. 38–45.

Manoeuvrings among the parties involved in maritime disputes are qualitatively different. Various rivals are beginning to augment their air and naval capabilities in ways that could increase their capacity for unilateral action or for conveying tacit threats to enforce specific claims. Much recent attention has focused on the South China Sea, where China asserts sovereignty over strategically located maritime domains.¹³ Given the continental focus of Russian strategy, such maritime disputes do not directly impinge on Russia's main security interests. On the other hand, China's increasing reliance on maritime encroachment creates a worrying precedent for all states, especially should future Chinese actions preclude negotiated outcomes.

The largest near- to medium-term anxieties remain focused on the Korean peninsula. To be sure, the Russian role in Korean security has diminished in recent years and Russia has few incentives to become embroiled in any prospective crisis there; but the possibility of internal disequilibrium in the North and the external consequences this could trigger would directly affect Russian political and security interests. Efforts to negotiate a new bilateral treaty to supplement the now lapsed 1961 treaty of alliance underscore Russia's effort to retain a voice and role in future peninsular security without committing itself to automatic support for North Korea.¹⁴ The acute privation and vulnerabilities of the North Korean regime, even as it enhances its longer-range missile programmes and threatens to resume its development of nuclear weapons, underline the latent possibilities of acute instability on the Korean Peninsula and the risk of a hugely destructive armed conflict.¹⁵

The incentives for drawing North Korea out of its defiant isolation seem self-evident, but the country's pre-eminent concern with national survival has dictated a complex mix of policies, including appeals for unconditional humanitarian and economic assistance, continued threats of retaliation directed against US and South Korean forces and extraordinary demands for compensation in return for ambiguous pledges of restraint in future North Korean military development. Although some observers believe that North Korea is simply intent on extracting maximal concessions as its bargaining power dwindles, the circumstances on the peninsula remain volatile and worrying.

Perhaps no factor in Asian security contributes more immediately to sustaining the US military presence in East Asia than acute concern about the future behaviour of North Korea. The consequences of any serious rupture of the status quo and the need to manage potential spillover effects would inescapably concern Russia as well as other neighbouring states. However, even as Russian diplomats reaffirm a continued interest in longer-term outcomes on the peninsula, Russia at present is not remotely able to assume a role commensurate with

¹³ See, e.g., Swinnerton, R., 'The strategic environment and arms acquisitions in South-East Asia', eds B. Gill and J. N. Mak, *Arms, Transparency and Security in South-East Asia*, SIPRI Research Report no. 13 (Oxford University Press: Oxford, 1997), pp. 25–47.

¹⁴ According to Russian diplomats, agreement on a draft treaty on interstate relations was reached in early 1999 with the formal signing of a treaty being expected in the late spring of 1999.

¹⁵ For an extended analysis, see Pollack, J. D. and Chung Min Lee, *Preparing for Korean Unification: Scenarios and Implications*, MR-1040-A (RAND Corporation: Santa Monica, Calif., 1999).

its past involvement. Should unification happen, however, it would reconfigure regional strategic patterns in a major way, an issue which is examined below.

Thus, a focus on immediate threats to regional peace and stability obscures the political and strategic transitions that will shape the relations and interests of the major powers in 21st-century Asia. Russia's prospects for pursuing a credible omni-directional role will depend on the incentives of various regional powers to work with it towards complementary strategic ends. These, in turn, will derive from the capabilities and national strategies of different states and the congruence of both with longer-term Russian security interests.

To address these considerations, attention needs to turn to the potential patterns of political and strategic alignment within Asia and what these could imply for Russian policy options over the coming decade.

III. Potential patterns of alignment in Asia and Russia's strategy

Russia's view of its long-term interests in Asia is predicated on the expectation of a continued diffusion of political, economic and military power in the region, with particular emphasis on the roles of China, India and Japan. It is no easy matter to reconcile the national interests of these three. In view of China's larger military forces and defence potential, its strategic independence and its capacity to shape security in all Asia's main subregions, there will probably be a tendency over the longer term among China's neighbours to balance Chinese power.

However, Russia's primary focus in Asia in the near to medium term must be to reconstitute its economic and political power and to ensure the security of its borders, reinforcing the need to reduce sources of potential instability and political-military threat. With China, which until well into the 1980s remained an avowed adversary of the Soviet Union intent on frustrating its geopolitical goals across Asia, Russia has resumed a substantial arms transfer relationship after a three-decade hiatus, paralleling a more long-standing relationship with India. Russia's predominant policy goals in Asia over the coming 10 years assume an essential complementarity of interests with Asia's major powers, although the agendas with each of the three will necessarily vary. This fundamental strategic judgment has overcome the unease, especially in military circles, about the risks these policies (in particular with China) could pose to Russian interests.

A larger Russian strategic calculation is that Asia's major powers have an incentive to ensure that no single country (meaning the United States) enjoys unquestioned political-military dominance. Russia clearly hopes to restrain the unilateral exercise of US military power, an objective also shared by China and India. However, all major powers have their separate agendas and interests in relation to the United States. For Russia, this agenda means reducing its economic vulnerability and ensuring support from Western governments and multi-lateral lending institutions. It also means cuts in and the modernization of

Russia's beleaguered conventional forces, with an enhanced reliance on the nuclear forces to uphold the state's vital security interests. Despite the strident opinions expressed in nationalist political circles, Russia has no incentive to revert to an adversarial logic in US–Russian relations, since this would greatly complicate its future security requirements at a time of acute domestic uncertainty and pervasive resource constraints.¹⁶

By characterizing multipolarity as an appropriate and realistic strategy for Russia in Asia, the leadership hopes to fulfil national goals in the region and beyond while limiting the country's military requirements. This is also expected to enhance the incentives for neighbouring powers to collaborate with Russia economically as well as politically. It is true that there is no single Russian interest, and the diversity of political and institutional goals within the Russian Federation as well as within China, India and Japan seems self-evident. The goal is to establish sufficient coherence and direction in Russian policies to define a centre of gravity in relations with all three states. Equally important, Russia seeks to ensure that its policies with each are maintained on a simultaneous, independent basis, that is, that no relationship will be conditional on the status of ties with either of the other powers. Over the longer run, this could prove one of the largest challenges to the credibility of Russia's Asian strategy.

Relations with China

Among Asia's three major powers, the most substantial changes in Russian policy of the past decade have been with respect to China. Profoundly different international conditions have allowed the longer-term normalization process initiated in the 1980s to reach fruition. Since the early 1990s, China and Russia, despite the differences in the internal paths they chose in the aftermath of the dissolution of the Soviet Union, have achieved major political and strategic breakthroughs, including ongoing consultations among senior political and military leaders, border demarcation agreements and security accords, enhanced technical and institutional collaboration and the resumption of a substantial arms transfer relationship.¹⁷

Although both governments officially subscribe to the concept of a 'strategic partnership' initially proposed by Russian President Boris Yeltsin in April 1996, the concept is subject to different meanings and expectations. Chinese officials have characterized the relationship with Russia in much more positive terms than that with either the United States or Japan, with emphasis on the greater degree of equality and trust, including the quality and regularity of senior leadership exchanges.¹⁸ Russian officials have attached greater impor-

¹⁶ Ball, D. Y., 'Russia's strategic view: reduced threats, diminished capabilities', *Jane's Intelligence Review*, Nov. 1998, pp. 8–10. For additional discussion of Russia's potential defence requirements over the next decade, see Arbatov (note 1), esp. pp. 88–94.

¹⁷ For a very useful overview, see Anderson (note 12).

¹⁸ See the comments of former Chinese Prime Minister Li Peng to Russian journalists during his Feb. 1998 visit to Moscow. *Xinhua*, 18 Feb. 1998, in British Broadcasting Corporation, *Summary of World Broadcasts*, FE/3157 (21 Feb. 1998), pp. G2–3. Asked by a Russian reporter to explain the differences

tance to these ties: at times Chinese leaders, including President Jiang Zemin, have failed to make any reference at all to the strategic partnership.¹⁹

It also seems plausible that both leaderships see their respective characterizations of bilateral relations as an indirect signal of the status of their respective relations with the United States. However, China's consistent reluctance to subscribe to a more explicit and potentially encumbering concept of the relationship reflects a deeper aversion to overly binding ties with any external power. Chinese policy calculations seem straightforward and sensible: China is able to reap tangible strategic gains without imposing significant costs on its room for manoeuvre with other states. It thus enjoys an increased latitude that Russia, given its weakened security and economic position, has neither the incentive nor the capability to contest.

The gains to both countries are clearly evident. Neither any longer confronts the need to plan actively for possible military action against the other and neither seems overly concerned by the prospect of collusive understandings with a third party at the expense of the other's vital interests. Relative to the needs and circumstances of both states, this constitutes substantial 'strategic convergence'.²⁰

Major question marks persist, however, beginning with trade ties. Russian officials remain deeply disappointed by the economic results generated by the relationship. In April 1996, in a display of excessive exuberance at the outset of the strategic partnership (which also coincided with an especially tense atmosphere in Sino-US relations following US carrier deployments during China's military exercises opposite Taiwan), President Yeltsin put forward the goal of increasing their bilateral trade to a value of \$20 billion per year by the year 2000. This target, although acknowledged by both states, has proved wildly unrealistic: official two-way trade has yet to surpass the 1993 peak of \$7.6 billion.²¹ The reimposition of tighter controls on border trade during 1994 had already somewhat curtailed trade. Trade data also failed to capture what (until Russia's financial meltdown of August 1998) had been increasingly vigorous 'vendor trade' or 'shuttle trade' undertaken outside formal channels.²²

between China's strategic partnerships with Russia and with the USA, Li observed: 'China and Russia have established an equal and trustworthy strategic partnership toward the 21st century, whereas China and the United States will devote their efforts to establishing a constructive strategic partnership'. Author's italics. See also 'Joint statement on the results of the Chinese-Russian high-level meeting', Xinhua, 23 Nov. 1998, in *Summary of World Broadcasts*, FE/3393 (25 Nov. 1998), pp. G1-3.

¹⁹ Sun Shangwu, 'Jiang: summit to be a success', *China Daily*, 24 July 1998, p. 1. Jiang in discussions with then Russian Foreign Minister Primakov noted China's 'fixed policy to develop a long, stable and good-neighbourly friendship with Russia . . . We are willing to undertake joint efforts and coordinate closely with Russia to bring a healthy and stable Sino-Russian relationship into the 21st century'. There was no reference to the strategic partnership.

²⁰ For a persuasive interpretation along these lines, see Menon, R., 'The strategic convergence between Russia and China', *Survival*, vol. 39, no. 2 (summer 1997), pp. 101-25.

²¹ Anderson (note 12), p. 33; and 'Still most awkward partners', *The Economist*, 9 May 1998, p. 21.

²² For a more extended discussion of trade data and trends, see Ogawa, K., 'Deepening Sino-Russian ties and trade', *JETRO China Newsletter*, no. 131 (1997), pp. 14-19. Some estimates of Sino-Russian shuttle trade, focused principally on the supply of Chinese consumer goods for the Russian market, are as high as \$2 billion per year. Interview by the author with an official of the Russian Foreign Ministry, Moscow, Mar. 1998.

A more fundamental political grievance underlies these limited trade ties, reflecting Russia's continued marginalization among the dynamic regional economies. Bearing in mind Russia's daunting economic vulnerabilities and the major efforts it has made to conciliate China's long-standing security grievances, officials in Moscow probably expected political compensation through important economic agreements with China, especially large-scale industrial and infrastructure projects in which Russia believed it enjoyed comparative advantage. With a few partial exceptions, these anticipated benefits remain either notional or wholly unrealized, highlighting China's unwillingness to make major commitments to projects where the economic or technical benefits are problematic. Many of the industrial enterprises in China built with Soviet assistance, for example, are enormous drains on central and provincial financial resources; despite the state's readiness to provide open-ended subsidies to sustain these plants, they represent highly questionable priorities for technical upgrading or for new investment.²³

Given the scale and scope of China's looming infrastructural needs, it is possible that Russian firms will in the longer run secure a larger share of development projects, especially in the energy sector. Construction of two VVER-1000 light-water nuclear reactors in Jiangsu Province has been initiated, augmenting separate uranium enrichment projects already in operation. Depending on the results, Russia hopes to undertake the construction of two more reactors. Atomic Energy Minister Yevgeny Adamov has emphasized the highly advantageous terms on which these projects have been undertaken, including a low rate of interest on loan repayments and Russia's readiness to accept partial compensation in barter trade.²⁴ Nuclear energy development is clearly a market niche in China for Russian industry, although China seems intent on distributing these projects among an array of major suppliers.

The question for Russian industrialists is whether comparable long-term projects can be secured in other areas of Chinese economic need. Results to date are not encouraging, most notably Russia's failed bid to supply power generators for the Three Gorges Dam project, which (in the words of the Chinese Ambassador to Russia) 'failed to meet the requirements'.²⁵ The failure to sell Russian commercial aircraft to the Chinese civil aviation sector—not a single transport aircraft has been sold to China in nearly three years—reveals equivalent problems, even when such transactions are broached on highly advantageous terms to Chinese customers.

Russia's 1998 financial crisis is certain to compound the reluctance of Chinese firms or government entities to undertake major collaborative projects unless the financing arrangements are fully guaranteed and the activities and products entail unquestioned advantage for all parties involved. The longer-

²³ Lardy, N. R., *China's Unfinished Economic Revolution* (Brookings Institution: Washington, DC, 1998), esp. chapter 2.

²⁴ ITAR-TASS, 24 June 1998, in *Summary of World Broadcasts*, FE/3264 (27 June 1998), p. G6.

²⁵ The ambassador's comments are cited by Johnson, I. and Liesman, S., 'Sino-Russia summit: all talk, no action', *Wall Street Journal*, 7 Nov. 1997.

term possibility of large-scale collaborative energy projects, including the construction of major oil and gas pipelines and joint energy development projects in Siberia, fits very much in this context.²⁶ Given its projected energy requirements in the next century, China is intent on diversifying its future supply relationships so as to minimize over-reliance on any single source. Russia is potentially an important participant in this, but it is far from alone. Given Kazakhstan's clear incentive to reduce its economic and political dependence on Russia, Chinese companies are already important entrants in Kazakh energy development, having outbid rivals for controlling interest of several major oilfields in western Kazakhstan. Turkmenistan also looms as a potentially significant partner of China.²⁷

The broad outlines of long-term Sino-Russian energy collaboration are already in place. China and Russia have signed agreements pledging them to joint development of Siberian gas fields and construction of an oil pipeline from Irkutsk to north-eastern China, at an estimated cost of \$10 billion.²⁸ The prospects of such ambitious undertakings will depend on the active participation of multinational lending consortia and a programme for a region-wide energy infrastructure, in which Japan and South Korea represent highly important participants. The logic of such undertakings seems incontestable, but the obstacles and uncertainties remain substantial. Thus, at the end of the century, the fuller economic and technological potential of Sino-Russian relations remains largely unrealized.

In view of the somewhat modest economic results to date, bilateral collaboration continues to be dominated by arms sales, negotiations over weapon co-production, and ancillary scientific and technological assistance from Russia to China.²⁹ This assistance leaves many observers concerned about the looming imbalance in the Sino-Russian relationship. Arms collaboration has proved essential to cementing political-security ties between the two governments and military establishments, but a bilateral relationship that is 'carried' too much by these interactions will engender growing suspicions about their longer-term strategic implications. It could also erode the somewhat tenuous bureaucratic consensus within Russia favouring such transactions should the results of these programmes appear overly risky to longer-term Russian security interests. It is true that these transactions, while reflecting in their scope and scale a qualitative transformation in relations unimaginable a decade ago, have proceeded somewhat unevenly, but this is partly because of the complex and frequently

²⁶ For an excellent overview, see Christoffersen, G., 'China's intentions for Russian and Central Asian oil and gas', National Bureau of Asian Research, *NBR Analysis*, vol. 9, no. 2 (Mar. 1998).

²⁷ For more extended treatment, see Christoffersen (note 26), esp. pp. 5-6, 24-27. See also Ottaway, D. B. and Morgan, D., 'China pursues ambitious role in oil market', *Washington Post*, 26 Dec. 1997, pp. 1, 35; and Andrews-Speed, P., 'China in petroleum politics', *Far Eastern Economic Review*, 14 May 1998, p. 37.

²⁸ Christoffersen (note 26), p. 21.

²⁹ It is unclear whether and how weapon transactions are incorporated in government trade data, but they clearly comprise a substantial component of Sino-Russian economic interactions.

sensitive character of such deals and the protracted, contentious negotiations involved.³⁰

This chapter does not aim to reconstruct the history or results of the arms supply relationship, but instead identifies some of the main considerations and calculations governing these transactions.³¹ The resumption of an arms supply relationship reflects the inescapable convergence of needs on both sides. Following the imposition of sanctions by Western governments after the 1989 Tiananmen Square incident, China no longer had a realistic possibility of consummating some major weapon agreements either with the United States or with European defence firms. Although some of these constraints have eased over time (witness, in particular, Israeli involvement in various Chinese development programmes), the fundamental reality is inescapable. Russia represents the only realistic source of finished weapon systems and of large-scale technical assistance to China across a broad spectrum of military needs, notably those focused on the enhancement of Chinese air and naval power. Chinese modernization programmes are also concentrating on sub-systems and software that can be acquired from additional sources, but there is a demonstrable need for more advanced military hardware to replace weapon systems that cannot meet China's future military requirements.

For a military establishment whose factories and facilities have for decades proved largely unable to meet China's conventional defence needs, the availability of Russian advanced combat aircraft, transport aircraft, helicopters, surface-to-air missiles, destroyers, anti-ship missiles, submarines, tanks and aircraft engines has been a great breakthrough and an unparalleled opportunity. Even more important, licensed production in China of major weapon systems (beginning with the project to produce up to 200 Su-27 fighters in Shenyang) seems likely to extend to collaborative research and development (R&D) projects, with China over time shifting the balance away from finished systems and local assembly and towards increased transfer of know-how.³²

The Russian side of the arms supply ledger has received far less attention than have the results of Russian sales for China's military modernization. To many in the cash-starved defence industries, the prospect of an open-ended arms sales relationship with China must seem a virtual lifeline. Without large orders from China and from India, production in important weapon factories would be at a virtual standstill. However, although senior officials are mindful of these considerations, the process as a whole is subject to close scrutiny

³⁰ For a helpful overview of the negotiating process, focused on the early years of these transactions, see Felgengauer, P., 'An uneasy partnership: Sino-Russian defense cooperation and arms sales', eds A. J. Pierre and D. Trenin, *Russia in the World Arms Trade* (Carnegie Endowment for International Peace: Washington, DC, 1997), pp. 87–103.

³¹ Media coverage of the arms sales relationship is frequently unreliable, with a tendency to present rumour and speculation as consummated transactions or completed deliveries. For more considered summaries, see Menon (note 20), pp. 109–15; and Anderson (note 12), pp. 69–73.

³² Novichkov, N., 'Russia and China tighten links on military projects', *Jane's Defence Weekly*, 19 Aug. 1998, p. 3. See also ITAR-TASS, 22 Oct. 1998, in *Summary of World Broadcasts*, FE/3366 (24 Oct. 1998), p. G3.

and review: the sluice-gates are far from totally open.³³ A more worrying concern is the erosion of control over the activities of individual scientists no longer employed by Russian R&D institutes, some of whom have made their expertise available to China as economic conditions within Russia have become ever more desperate. (This same concern extends to numerous other countries as well.³⁴) Despite the unease of many Russian officials with a large-scale arms supply relationship with China, an array of imperatives seem all but certain to sustain this relationship in the years to come.

Under the prevailing circumstances, there is evident agreement within the Russian political and defence leadership that the risks in such a relationship can be managed. There are clear limits to what Russia is prepared to sell, to what China is able and prepared to spend and to the terms of the transactions themselves; and Russian defence specialists are keenly attentive to limits in the absorptive capabilities of the Chinese defence industries. Although China will continue to press for higher levels of technology and know-how transfer, Russian enterprises involved in these transactions are seeking to retain control of proprietary technologies, especially in areas where the Chinese have been unable to achieve scientific and production breakthroughs of their own. This retention of specific core technologies (for example, engine technologies) helps guarantee a long-term supply relationship for core components, locking the Chinese into open-ended cooperation with Russian defence enterprises. Russian officials therefore believe that, notwithstanding the grievous conditions in their own defence industries, they can define the basic parameters of this supply relationship.

There is another, more worrying prognosis, for reasons that encompass arms sales but go well beyond them. Unlike India, the other major customer for advanced Russian weaponry, China is a former adversary. Many Russians recognize that they are dealing with China from a greatly disadvantaged position, and this could entail ever larger consequences should the balance of power between the two continue to shift in China's favour. It is not necessary to subscribe to the xenophobic views of the provincial leaders of the Russian far east to appreciate their resonance with local populations.³⁵

All the same, the operative assumption of the central leadership is that China is neither capable of nor intent upon exercising hegemonic influence in Asia and that Russia can find effective means to accommodate to a more powerful China. Russia and China also voice a shared commitment 'to create conditions to prevent various big countries from expanding existing military and political alliances or establishing new ones, and from practicing confrontation or various forms of mutual containment, and to enable them to give up their attempts to

³³ See, *inter alia*, the essays in Pierre and Trenin (note 30); and Sergounin, A. A. and Subbotin, S. V., *Russian Arms Transfers to East Asia in the 1990s*, SIPRI Research Report no. 15 (Oxford University Press: Oxford, 1999), chapter 3.

³⁴ For a revealing account, see Hoffman, D., 'Idled arms experts in Russia pose threat', *Washington Post*, 28 Dec. 1998, p. 1.

³⁵ For a well informed and balanced assessment, see Lukin, A., 'The image of China in Russian border regions', *Asian Survey*, vol. 38, no. 9 (Sep. 1998), pp. 821–35.

carve up the sphere of influence in various regions'. In addition, as neighbouring states, they face common cross-border problems related to 'all forms of organized lawless activities'. As sprawling multi-ethnic systems, they have shared needs 'in containing national separatism and religious extremism'—a threat that may well be growing.³⁶

In the final analysis, the realities of geography, shared economic and political needs and complementary geopolitical concerns have again led Russia and China to collaborate, but with Russia having a far weaker hand. Such asymmetries mean that the longer-term sustainability of this relationship remains to be seen.

Relations with India

Russia's relations with India since the end of the cold war exhibit more continuity than its ties with China. The operative strategic context of the relationship and the rationale for Russian–Indian political–security collaboration are, however, now very different. During the 1970s and first half of the 1980s, Russia and India made common cause on the basis of shared antagonisms towards China and a parallel need to create a balance against potential US encroachment in South Asia. Some Indian leaders were uneasy about a highly interdependent relationship with the Soviet Union, especially in view of the Soviet occupation of Afghanistan, but India's options were limited. The USSR was highly solicitous of India's defence needs and much more attentive than the United States to Indian strategic concerns. Even as India sought to diversify its sources of advanced weaponry and defence technology, the USSR remained its predominant supplier. As India's efforts at indigenous weapons development either floundered or failed, the Soviet Union became ever more integral to Indian plans for military modernization. India also remained mindful of Soviet interests, even as it warily eyed the USSR's reappraisal of its foreign policy goals during the latter half of the 1980s.

Some of the implications of the revised policy for India have only become fully apparent since the dissolution of the Soviet Union. Despite the incentives of both countries (especially Russia) to retain a close relationship, the presumed complementarity of interests has declined somewhat in recent years. Over the course of the 1990s, Russia has given more weight in its Asia strategy to its ties with China and increasingly with Japan. This has meant a diminished place for India in Russian policy calculations. Russia's cumulative security commitments to India, especially in weapon sales and technology transfer, ensure that a major erosion in relations remains a remote prospect. Within these parameters, however, there is growing evidence that the two states depend less automatically on one another. India in particular is seeking to reduce its strategic dependence on Russia, as evidenced by the nuclear explosions in May 1998 and its avowed pursuit of a minimal nuclear deterrent.

³⁶ All the above quotations are drawn from 'Joint statement on the results of Chinese–Russian high-level meeting' (note 18), pp. G2–3.

This strategic repositioning does not prefigure a decisive shift in their political–military relations for the simple reason that neither state wants to risk alienating the other. The impetus for change at present emanates more from India than from Russia. India, increasingly apprehensive about China’s growing economic and military power, is also very likely perturbed by Russia’s growing accommodation with China and especially its readiness to assist China’s military modernization. India’s larger intention is to enhance its own strategic standing in the eyes of the United States, a goal that continues to elude it.

Indian policy makers acknowledge that Russia’s strategic significance has diminished in this emergent calculus. As argued by Jaswant Singh, previously senior adviser on defence and foreign affairs to Prime Minister Atal Bihari Vajpayee and now Minister of External Relations, ‘in the aftermath of the cold war . . . the Soviet Union’s successor, Russia, has considerably less prestige. Inevitably, the previously existing alliance between India and the former USSR has eroded’.³⁷ This is the operative context in which India is seeking to diversify its strategic options. Indian defence planners believe that a more autonomous defence capability, including a declared, operational nuclear weapon programme, will prove essential to establishing a credible strategic position in relation to China, as well as ensuring Indian dominance over Pakistan.³⁸ India assumes that it can pursue this new strategy without imposing major costs on its existing ties with Russia. The question, therefore, is whether Russia perceives any need to adjust its own strategies in the light of the changes in Indian policy.

The answer is that its long involvement will continue. At one level, India’s effort to realize a larger nuclear weapon capability could complicate Russia’s efforts to enhance its political and security ties with both China and India simultaneously. It is less certain, however, that Russia judges an Indian nuclear capability as intrinsically destabilizing; if anything, Russia may well have concluded that India’s nuclear option was unlikely to remain indefinitely dormant. India’s explosions elicited predictable disapproval from the five declared nuclear weapon powers, including calls for India and Pakistan to agree unconditionally to the 1968 Non-Proliferation Treaty (NPT) and to the 1996 Comprehensive Nuclear Test-Ban Treaty (CTBT). (The latter possibility seems real enough, but the former seems non-negotiable, given that neither country is prepared to join the NPT with the status of a non-nuclear weapon state.) Russia, however, has no incentive to stigmatize India for its decision, especially in view of longer-term Russian strategic objectives with India.

On his visit to New Delhi in December 1998, Prime Minister Primakov reiterated Russia’s intention to sign a ‘declaration of strategic partnership’ with India at a bilateral summit meeting scheduled for 1999; he also signed an agreement governing long term military–technical cooperation to 2010³⁹ and broached the

³⁷ Singh, J., ‘Against nuclear apartheid’, *Foreign Affairs*, vol. 77, no. 5 (Sep.–Oct. 1998), p. 48.

³⁸ For a detailed assessment by a senior Indian defence specialist, see Dutta, S., ‘China’s emerging power and military role: implications for South Asia’, eds Pollack and Yang (note 6), pp. 91–114.

³⁹ For a text of the communiqué issued at the conclusion of the Primakov visit, see ITAR-TASS, 22 Dec. 1998, in *Summary of World Broadcasts*, FE/3418 (24 Dec. 1998), pp. A3–4.

possibility of a Chinese–Russian–Indian ‘strategic triangle’ to ensure ‘greater stability, not just in the region, but in the entire world’.⁴⁰ His suggestion, although very much a trial balloon, lacking operational content, confirmed his continued belief that all three states share an interest in informally seeking to constrain US strategic dominance. Rather than diminishing the importance of this Russian strategic interest, India’s overt activation of its nuclear weapon programme may have reinforced it, although neither it nor China exhibits much enthusiasm for the idea of a strategic triangle.

The agreement on long-term military cooperation entailed more immediate security implications. Replacing an earlier agreement that was due to expire in 2000, it ensures that Russia will remain the predominant supplier of advanced weapon systems to India for the foreseeable future. According to reports in the defence industry press, Russian–Indian weapon collaboration over the coming decade is intended by India to be increasingly characterized by joint development projects rather than purchase agreements, including anti-tactical ballistic missile systems, upgrades of the MiG-21 fighter aircraft, continued production of the Su-30 multi-role fighters already entering the Indian Air Force inventory, surface-to-air missiles, upgrades of T-72 tanks and purchase of T-90 tanks. Russia has also reportedly given India its assurance that it will not sell any weapons to Pakistan, although this cannot be confirmed.⁴¹

These agreements will both continue ongoing programmes and encourage new ones. On his visit Primakov also signed a memorandum of understanding (MOU) to transfer the *Admiral Gorshkov*, a medium (45 000-ton) aircraft-carrier commissioned in 1987, to the Indian Navy. The transfer would be contingent on India paying for the costs of refurbishing the ship (damaged in a fire in 1994) and refitting it for use by Indian aircraft and helicopters. One estimate suggested that the costs for the total project might reach \$700 million.⁴²

The unambiguous signal from these and other ongoing transactions is that Russia will remain the principal provider for the conventional military needs of a nuclear-armed India. Indeed, other reports suggest that Russia (despite its commitment to non-proliferation) continues to be involved in activities that appear to be linked to the Indian strategic weapon programme, notably a naval missile project (variously reported as a ballistic or cruise missile but capable of underwater launch) and assistance with the planned nuclear-powered submarine that would be capable of carrying nuclear-armed missiles.⁴³ The Su-30, a very advanced aircraft, gives India a long-range nuclear capability.

⁴⁰ ‘Primakov seeks “strategic triangle”’, *International Herald Tribune*, 22 Dec. 1998.

⁴¹ This summary draws principally on Bedi, R., ‘India to sign new 10-year defence deal with Russia’, *Jane’s Defence Weekly*, 1 July 1998, p. 16. Bedi’s account accords closely with reporting from other sources.

⁴² This account draws on Bedi, R., ‘Russia offers to make a “gift” of *Gorshkov* to the Indian Navy’, *Jane’s Defence Weekly*, 20 Jan. 1999, p. 5. Reports of the transfer of a carrier to India have appeared with some regularity in the press over the past 5 years, and Russian officials continue to press India for a final decision. PTI News Agency, 5 May 1999, in *Summary of World Broadcasts*, FE/3527 (6 May 1999), p. A3.

⁴³ Myers, S. L., ‘Russia helping India extend range of missiles, aides say’, *New York Times*, 27 Apr. 1998, p. 1; and Sullivan, K., ‘Indian nuclear sub plan reported’, *Washington Post*, 27 June 1998.

Thus, although the Indian and Pakistani nuclear explosions have reconfigured the South Asian strategic landscape, the full consequences are yet to be seen. Russia probably recognizes the inevitability of India and Pakistan both weaponizing their capabilities, although it may hope that they will keep such operational capabilities in reserve rather than fully deployed. Russia clearly has no interest or incentive to see their strategic rivalry increase the risk of crisis and war. However, by dint of its long involvement with and assistance to India, Russia will continue to be enmeshed in South Asia's complex strategic interactions, as India in particular seeks to fashion a role that it deems appropriate to its larger power ambitions. How Russia seeks to influence and adapt to this process and whether it proves able to collaborate meaningfully with other major powers to contain the potential consequences will reveal much about its capacity to address some of the risks inherent in a genuinely multipolar Asia.

Relations with Japan

The Russian–Japanese political–security relationship has long been one of the major anomalies in the Asia–Pacific region. More than five decades after the end of the Pacific War and nearly a decade after the dissolution of the Soviet Union, Japan and Russia have yet to sign a peace treaty and their dispute over the southern Kuril Islands (called the Northern Territories in Japan) persists unresolved. The potential for economic relations between them has remained comparably underdeveloped. This extraordinary record of missed opportunities reflects divided leadership politics, ideological rigidities, the veto power of specific political and bureaucratic constituencies, and mutual security suspicions. This history has been extensively analysed elsewhere.⁴⁴ Notwithstanding the seeming incentives on both sides, the possibilities for a true normalization of interstate relations have long remained unfulfilled.

Yet relations are far from frozen. Incrementally but inexorably, actions by both sides have transformed the character of the bilateral relationship, including, albeit quietly, their security relations. At the ‘no-necktie’ summit meeting held in Krasnoyarsk in November 1997, then Japanese Prime Minister Ryutaro Hashimoto and President Yeltsin pledged to sign a peace treaty before the year 2000.⁴⁵ Given what still seem to be irreconcilable differences over national sovereignty, this particular goal may yet prove elusive. By mutual consent, however, the larger bilateral relationship is no longer held hostage to the territorial dispute. As a consequence, the end of adversarial relations is palpable, albeit, in the absence of a peace treaty, not yet complete.⁴⁶ In the longer run,

⁴⁴ For a valuable rendering of this history, with particular attention to the Gorbachev era, see Gelman, H., *Russo-Japanese Relations and the Future of the US–Japan Alliance*, MR-168-AF (RAND Corporation: Santa Monica, Calif., 1993).

⁴⁵ On the summit meeting and the prospects for the bilateral relationship as a whole, see Togo, T. (Japanese Ambassador to Russia), ‘Japanese–Russian relations: a breakthrough into the 21st century’, *Far Eastern Affairs*, no. 1 (1998), pp. 8–22.

⁴⁶ Menon, R., ‘Japan–Russia relations and North-east Asian security’, *Survival*, vol. 38, no. 2 (summer 1996), pp. 59–78.

Russian–Japanese accommodation might enable a more differentiated approach to Asian security, unencumbered by the ‘hardy perennials’ that long seemed insuperable obstacles to constructive bilateral relations.

These possibilities have emerged at a time when Japan and Russia have both been relegated to subordinate political and strategic roles within East Asia. Given the pervasive attention to developments on the Korean Peninsula and the latent potential of a longer-term Sino-US strategic rivalry, the positions and contributions of Japan and Russia as the region’s other major powers seem eerily ill-defined. Japan has been generally depicted as a strategic appendage to the United States and Russia is usually treated as a lapsed superpower. These characterizations trivialize both countries and their capacity to define their respective political and security interests. They also discount the possibility for Japan and Russia to define strategic identities unencumbered by many of the traditional terms of reference in regional security. This latter consideration represents the larger opportunity for Japan and for Russia. The outcome of this process will reveal a good deal about the capabilities of both states and their capacity to navigate treacherous political waters. This seems a particular challenge for Russia in view of its acute internal problems.

Although largely unspoken by both leaderships, the pursuit of closer Russian–Japanese relations is occurring in the shadow of the major political and security transitions in Asia discussed above. However, the enhancement of the relationship is not a function of collusive understandings achieved at the expense of third parties, especially China. Rather, both states are seeking to circumvent or at least play down the implications of their growing accommodation for their respective relations with China. Somewhat ironically, Russia’s accommodation with Japan highlights the continued value of bilateral understandings at a time when efforts to achieve regional norms seem pervasive. Yet this seems wholly appropriate to the circumstances: the horse must come before the cart. A credible Russian–Japanese relationship is an essential condition of and complement to a viable regional political and security order in which both countries play a full part.

Both countries, however, are acutely aware of their respective relations with China. In this sense, the fuller development of Russian–Japanese relations has important implications for longer-term political and security alignments within the region, even if they remain unacknowledged by either country. For many years China could pursue its power and national security goals without appreciable attention to how its actions might influence Russian–Japanese ties. Should relations between Russia and Japan continue along their current path, this will be far less the case in the future. Without credible Russian–Japanese ties, China’s capacity to shape the future East Asian political and security order would be far less constrained. With the fuller establishment of these relations, the prospects of genuine multipolarity in Asia increase accordingly.

Both countries have also remained mindful of US interests and of the centrality of the US–Japanese alliance in regional politics and security. It would have been next to impossible for Japan to pursue meaningful defence ties with

Russia had Russia not dispensed with the Soviet Union's time-honoured strategy of seeking to undermine US–Japanese security ties at every turn.

Russian–Japanese security relations, initiated during then Foreign Minister Yukihiko Ikeda's visit to Moscow in March 1996, have proceeded steadily ever since, encompassing a broadening set of consultations, security and confidence-building measures, ship visits and formal ministerial exchanges. Many of these activities are without historical precedent, including during tsarist Russia.⁴⁷ When former Defence Minister Igor Rodionov visited Tokyo in May 1997, he made clear that Russia no longer either opposed the US–Japanese alliance or objected to the efforts then under way to enhance Japan's contributions to US regional security through modification of the Guidelines for US–Japan Defense Cooperation.⁴⁸ These acknowledgements made it possible for Japan to advance with Russia without detriment to its core security links to the United States. However, this development was not intended to signal automatic concurrence with all dimensions of US–Japan security cooperation. Underlining this point, Russian Defence Minister Igor Sergeyev during a visit to Beijing in October 1998 asserted that the potential development of a US Theater Missile Defense (TMD) programme in which Japan collaborated 'could upset the balance in the region [and] could increase rather than decrease tension'.⁴⁹

Irrespective of particular policy differences, the logic of a more fully developed Russian–Japanese relationship is now in place. It presumes far more substantial economic ties, with particular attention to the energy sector and infrastructural development, a much more diversified set of political and institutional linkages and mutual concurrence on security policies in the region. In regard to the latter, defence officials in Moscow have emphasized to Japan that 'Russia does not plan to [further] reduce its military forces based in the Far East . . . the present size is optimal and meets the interests of Russia's national security . . . The Defence Ministry [reaffirms its] negative attitude to the idea of a US–Japanese anti-missile system in the region'.⁵⁰ Thus, Russian defence policy makers have sought to define the broad parameters within which they expect to operate with Japan in the years to come.

The larger issue is what longer-term political investment both states are prepared to make in bilateral relations, assuming that the major political obstacles (related to the territorial dispute and the signing of a peace treaty) are resolved, circumvented or overtaken by events. Prime Minister Keizo Obuchi has committed Japan again to the policy breakthroughs achieved during Hashimoto's tenure of office and various elements of a diplomatic compromise, if not a grand bargain, seem discernible, subject to the vagaries of internal politics in both countries. The establishment of a new ruling coalition in Japan appears to

⁴⁷ Harada (note 6), pp. 57–58.

⁴⁸ The author is indebted to Harry Gelman for this point. On the Guidelines for US–Japan Defense Cooperation, see also chapter 22 in this volume.

⁴⁹ Sergeyev's remarks are cited in ITAR-TASS, 22 Oct. 1998, in *Summary of World Broadcasts*, FE/3366 (24 Oct. 1998), p. G2.

⁵⁰ The above remarks, attributed to Russian Defence Ministry sources, are cited in Interfax News Agency, 11 Nov. 1998, in *Summary of World Broadcasts*, FE/3383 (13 Nov. 1998), pp. E1–2.

enhance the prospects of advancing the Eurasian strategy initially proposed by Hashimoto in July 1997.⁵¹ In this regard, Ichiro Ozawa, now returned to a position of political influence in the ruling coalition, was in the early 1990s among the most important advocates of a major Japanese initiative towards Russia, including a substantial economic package as an inducement to Russia to reach a satisfactory settlement of the territorial dispute.⁵² Russian observers have also noted that ‘Japan is the only great power that again renders the Russian Federation [financial] assistance on a bilateral basis, not through the International Monetary Fund’.⁵³

The intensive manoeuvrings between Moscow and Tokyo may represent movement towards a diplomatic end-game leading to a peace treaty and resolution of the territorial dispute, in which larger economic aid commitments would undoubtedly be part of a package. Despite their inability thus far to achieve a definitive breakthrough, both states have reiterated their desire to see a formula that both can accept. It seems clear that Russia would prefer an outcome that de-links the territorial issue from the peace treaty, whereas Japan continues to insist that a territorial understanding must be resolved either in tandem with the treaty or prior to it.⁵⁴

The coming months will test whether Japan and Russia can achieve the larger political breakthrough that has so long eluded them. Failure to achieve a comprehensive outcome might slow forward movement but is unlikely to reverse it. The directions in Russian–Japanese relations seem clear, underscoring the possibilities for a larger accommodation in the years to come. Such developments highlight the continuing shifts in regional relations that seem likely to define Russian political, economic and security interests in Asia in the next decade.

To examine these possibilities further, some of the potential future contours of Asian development and security must be considered.

IV. Alternative security scenarios

In the final analysis, regional security and stability will be event-driven. Although a single chapter cannot capture the full range of possibilities, it is useful to speculate on alternative possible outcomes in the region and what these might imply for Russia’s potential political–security role. That said, Russian internal developments constitute an important variable in any longer-term estimate. A weaker, more vulnerable Russia will find itself buffeted by forces that it is unable to influence in effective or sustained ways. By contrast, a recovering Russia will by definition possess a wider range of policy options.

⁵¹ Hashimoto’s speech undoubtedly had a major effect on Russian policy makers. For a summary of the speech’s salient aspects, see Togo (note 45), pp. 8–12.

⁵² For a detailed discussion of Ozawa’s 1991 initiative, see Gelman (note 44), pp. 21–26.

⁵³ Golovnin, V., *Izvestiya*, 16 Oct. 1998, summarized in Northeast Asia Peace and Security Network (NAPSNET), *Daily Report*, 21 Oct. 1998, URL <<http://www.nautilus.org/napsnet/dailyreport.html>>.

⁵⁴ See the remarks of Deputy Foreign Minister Grigory Karasin during his Dec. 1998 visit to Tokyo. ITAR-TASS, 9 Dec. 1998, in *Summary of World Broadcasts*, FE/3407 (11 Dec. 1998), p. E1.

The following discussion is intended more for analytical than for predictive purposes.

Scenario One: incremental change and no crisis

The first scenario assumes relative continuity in prevailing conditions and relationships, including the capacity of major powers as well as smaller states to avoid a large-scale crisis within the region. It assumes that all states (principally because of their separate but compatible interests in resumed economic growth and political stability) continue to pursue their external policy goals without resort to war. A region that avoids either crisis or polarization would reflect the growing diversity of national strategies among the Asian states, entailing a mix of cooperation and limited competition. Although different states would have incentives to retain hedging options in the event of adverse political or military developments, pursuit of these options would not dominate their security planning. Changes in the overall distribution of power would continue, but it would prove possible to accommodate such changes within an existing (or somewhat modified) set of political and security understandings. Most of these understandings would remain bilateral, especially among the major powers, but there would be a certain pull towards enhanced multilateralism as well. This relatively benign forecast would probably include greater consultation on regional security and a slow evolution towards a modified regional security order. Over time, the dominance of US-led security arrangements would be somewhat less evident, although the US regional security alliances would almost certainly persist.

An outcome entailing incremental change and no crisis would on balance prove favourable to Russian regional interests. Russia would presumably have secured a more credible relationship with Japan, but without forgoing or playing down its links with China. Japan and South Korea would probably have moved somewhat in the direction of more balanced relations with their Asian neighbours in the security sphere, that is, even if their bilateral alliances with the United States continued there would be increased movement towards their continental neighbours. This would probably open the door to a more lasting and more effectively integrated Russian involvement in regional economic and energy development.

Scenario Two: greatly enhanced regional accommodation

The second scenario posits a larger transformation within Asia, with particular emphasis on much more substantial regional and subregional integration. In the political–security sphere, it assumes transitions on the Korean Peninsula and between China and Taiwan that would sharply diminish or eliminate the risks of war. An increased regionwide normalization of relations would also entail a shared commitment to developing new security arrangements, in which all states would participate. For example, should Korean reunification come about, this would have a powerful effect on the character of the US peninsular and

regional presence, on US alliances with both Korea and Japan, and on Korea's diplomatic and security strategies. It would provide a far clearer opportunity for all regional actors to recalibrate their predominant strategic orientations, including the balance between maritime and continental interests.⁵⁵

This scenario also assumes largely collaborative relations between China, India and Japan, including the minimization of latent strategic rivalries. (In all likelihood, it would also incorporate India and Japan becoming permanent members of the UN Security Council.) The presumed driving element in this more optimistic regional outcome would be economic, with reinvigorated growth in South-East and North-East Asia helping fuel more rapid development in states that presently lag behind. The incentives for amply heightened regional energy collaboration would be evident across a full spectrum of energy options and technologies. The region would not exclude external powers, but an Asian identity (or multiple identities) would be increasingly manifest, reducing the present dependence on the United States as a region-wide 'security manager'.

The second scenario would also afford major economic and political opportunities for Russia. Its comparative advantage would derive from Russia's resource potential and its geographic linkages to all the subregions of continental Asia. Russia would therefore assume a more credible Eurasian identity—not to the exclusion of relations with Europe or with the United States, but with a more balanced allocation of resources and policy commitments. This would be evident within Russia as well as in Russia's external strategies. In relative terms, this would assure Russia a more credible, diversified political–security role than it would possess under the first scenario, enabling a larger rebuilding of Russian national power and the greater fulfilment of Russian political and security objectives.

Scenario Three: a destabilized Asia

The third scenario is much more pessimistic. It assumes a longer and much less certain economic recovery in East Asia, potentially further depressing regional oil markets. Acute internal economic problems would lead to political instability in one or more states and various leaderships would resort increasingly to nationalism as a legitimating device, very likely triggering increased military rivalries and interstate tensions in various zones of potential conflict. Religious or ethnic instability, much of it having implications across national borders, could increase significantly without neighbouring states having effective means to prevent it or manage its consequences.

The most important implication of this scenario would be an increasing reliance on military power, quite possibly extending to major crises or wars. In East Asia, this could include crises on the Korean Peninsula and in the Taiwan Strait; in South Asia, it could result in a fourth Indo-Pakistani conflict, but this time against the backdrop of nuclear weapon capabilities in both states; in Central Asia, a range of potential ethnic or separatist conflicts might prompt

⁵⁵ For a more extended discussion, see Pollack and Lee (note 15).

external interventions. This scenario might also extend to growing signs of nuclear or near-nuclear proliferation, and the still latent Sino-Indian strategic rivalry might become overt. Should continental Asia seem increasingly unstable and conflict-prone, there could well be an increasing differentiation between the continental and maritime domains—that is, between Asia and Asia-Pacific. The prospects of regional political, economic and security collaboration would be gravely undermined.

The third scenario would prove an unmitigated disaster for Russia's political and economic opportunities in Asia. Russia could easily find itself embroiled in a range of conflicts and strategic rivalries, possibly resulting in renewed polarization in one or more subregions. The possibilities for Russia to pursue an omni-directional policy would plummet and for some domestic political coalitions the temptation to employ military power would also increase. (By contrast, the prospects of acute regional crisis might under some circumstances afford Russia a potential role in conflict management, in conjunction with the United States and other powers, but this seems largely conjectural.) The inescapable conclusion is that a weaker, destabilized region would represent a serious setback for Russia's hopes for stable internal development and for participating in the creation of a viable regional security order.

This also underscores the essential (if often under-appreciated) connections between the region's future and Russia's longer-term economic and political prospects. These issues are briefly examined below.

V. The Russia factor in Asian security: some tentative conclusions

Even in greatly weakened political and strategic circumstances, Russia by dint of geography, history, resource potential and strategic interest retains a pivotal role and identity in Central, South and East Asian security. A credible, longer-term security order in Asia cannot be realized without Russia being included. Although some states are now paying less heed to Russian security interests, given the country's diminished strategic position, inattention or outright exclusion of Russia would be needless and highly imprudent.

However, a credible longer-term Russian role in Asian and Asia-Pacific security will ultimately depend on political and economic stability and institutional coherence within Russia, and this still seems a very distant prospect. In the absence of these, Russia will, unavoidably, remain in a highly disadvantaged political and strategic position, arriving at agreements more out of weakness than out of considered long-term judgment. These incapacities combined with sharp internal divisions, including those between central and regional leaders, may find Russia incapable of realizing potential policy breakthroughs when such possibilities do materialize. Relations with Japan offer an especially telling example. Such breakthroughs will of course also depend on the actions of others; all too often, Japan has proved incapable of a politically imaginative strategy.

Although case-by-case developments may advance some of Russia's main foreign and security policy goals, instability in Russia will reduce the opportunities and possibilities for larger accomplishments. This suggests a still tentative forecast for Russia's role in multilateral energy and economic development, without which the links between Russia's east and west will remain tenuous. If failure to achieve this development leads to ever larger shifts in the regional balance of power to China and other neighbouring states, Russia's pursuit of strategic collaboration with China may prove illusory and could entail longer-term security risks for Russian interests.

It is nonetheless possible to hypothesize a Russia linked more integrally to Asia as a whole, assuming an enhanced regional position as a more stable, prosperous major power. This would include pursuit of non-adversarial relations with all its neighbours, freedom from instability or threat along any of its borders and far fuller integration with the economies of East Asia. These in turn would facilitate credible strategic understandings with the United States and other major powers, while also permitting an appropriate level of Russian military capabilities in the region.

Such prospects are at present still largely unrealized, reflecting Russia's intense domestic preoccupations, the deterioration and demoralization of its armed forces, and the leadership's inability to establish the longer-term directions of national security strategy, including the balance of Russian interests to the east, west and south.

These weaknesses and vulnerabilities are highly unlikely to prove transitory. Quite apart from these internal constraints, Russian policy makers will need to respond and adapt to a larger set of strategic realities.

First, the predominant (although by no means exclusive) arena of major-power competition, conflict and cooperation in Asia over the past 50 years has been East Asia, especially North-East Asia, and this is unlikely to change. Although developments in Central and South Asia (for example, a more powerful and assertive India) could reduce North-East Asia's predominance, by virtue of its material, military, technological and human resources it will almost assuredly persist as Asia's centre of strategic gravity in the next century. Given the realities of distance, demography and national development, this places Russia (and the Russian far east) at a pronounced disadvantage. Compensatory steps in infrastructural investment and economic integration will be essential if Russia is to satisfy regional strategic interests commensurate with its pursuit of enhanced major-power status.

Second, the character of the Asian security environment will be increasingly determined by factors intrinsic to the region, rather than reflecting the role of extra-regional powers. As the region's power grows, the United States will need to compensate for its geographical distance by enhanced commercial and institutional linkages as well as by the application of advanced technologies in as yet unforeseen ways, but it will also have to adapt to inescapable strategic realities. The determining factors seem likely to include: (a) the role of China and Japan as major powers and the extent to which their pivotal strategic

relationship proves collaborative, competitive or overtly adversarial; (b) the implications of major political and strategic change between China and Taiwan and on the Korean Peninsula, and whether such change occurs peacefully or by the use of force; (c) the ability of regional states to regulate and stabilize their military activities and deployments, including the deployment of strategic missiles and nuclear weapon capabilities; (d) East Asia's capacity to sustain its rapid economic growth and technological development both in regional and in global terms; and (e) the rate, directions and security consequences of regional military modernization.

Russia will also be affected by each of the above considerations, but it will attempt within the limits of its capabilities to shape crucial policy outcomes, especially where it may possess potential comparative advantage. Russia will seek to remain linked to political-strategic developments throughout East, Central and South Asia. Its success will be highly contingent on its own institutional and economic evolution. Thus, some potential involvements could prove more a distraction and a drain on resources than an opportunity to enhance the credibility of Russian power and policy. Although it will be impossible to ignore potential threats posed by instability in various contiguous areas, the fundamental test for Russian policy will be to keep any prospective direct threats to its national security as limited as possible. This will very likely be determined substantially by political and diplomatic actions rather than by military means, although the former possibilities will also depend on the credibility of the state's military capacities.

In assessing Russia's potential role in Asian security, much will depend on how its leaders apportion their capabilities relative to: (a) the possibilities of military conflict; (b) the potential for other forms of crisis (economic, political or social); and (c) the prospects of multilateral collaboration. The credibility of Russian power and policy will further depend on whether major bilateral relationships between Russia and its neighbours are embedded both politically and economically and whether Russian policy seeks largely to exploit momentary opportunities as opposed to developing more durable approaches to diplomacy and conflict management. As in so many areas of Russian policy, there is neither certainty nor predictability about the shape of things to come.

We thus need to return to where we began. Russia clearly hopes to recoup much of its diminished influence, stature and regional presence over the next decades, but this challenge in no way resembles those of the cold war. Russia needs to achieve a more meaningful and more balanced application of the political, economic and military resources at its disposal. However, the expectations of its neighbours will depend substantially on its domestic evolution and the way in which it approaches and articulates its larger political and strategic interests. These concerns may seem less relevant at a time of acute economic turmoil and political uncertainty. However, without attention to such longer-range goals, the forecast for Russia in Asia will remain tentative and potentially very troubled, with the consequences for regional stability and security equally unsettled.

29. Asia as a factor in Russia's international posture

Gennady Chufirin

I. Introduction

Relations with Asian countries were always considered to be one of the highest priorities in Soviet and then Russian foreign policy. However, the role of Asia for Soviet/Russian national interests and national security was perceived differently in Moscow at different stages of Russia's national development, depending on concrete domestic conditions and the prevailing trends in the international environment. These changes in perception have been reflected in successive Soviet and then Russian Asian foreign policy and security initiatives or doctrines over the past few decades.

At the end of the 1960s the then Soviet General Secretary, Leonid Brezhnev, put forward his proposal to create a system of collective security in Asia with a view not only to counterbalancing the growing US political influence in this part of the world but also to building up an anti-Chinese alliance as an effective multilateral arrangement against what was seen in Moscow at the time as aggressive Chinese expansionism. It was little surprise that in the majority of Asian capitals this met with a very cool response since Asian governments did not want their countries to be unduly involved in the global Soviet–US or in the regional Soviet–Chinese confrontations.

In the mid-1980s the new Soviet leadership under Mikhail Gorbachev replaced this Asian security doctrine, based on the cold war philosophy, with one that attempted to overcome the existing deep ideological and political divisions between the Asian and Asia–Pacific countries and to achieve an overall improvement of the international climate in this part of the world. For this purpose Gorbachev proposed to use not only the Asian experience of peacemaking, still limited at that time, but also that accumulated in Europe and realized in the 1975 Helsinki Final Act.¹

The response of the Asian and Asia–Pacific countries to this Soviet proposal, especially on the use of the European experience, was largely negative. Their main arguments against it were that the European experience could not be used in Asia and Asia–Pacific because here there were many more differences in politics, culture, tradition and religion than in Europe, because there were many

¹ *Peace and Security for the Asian–Pacific Ocean Region: Speech by Mikhail Gorbachev in Vladivostok, 28 July 1986* (Novosti Press Agency Publishing House: Moscow, 1986), p. 27. See also Conference on Security and Co-operation in Europe, Final Act, Helsinki, 1975, URL <<http://www.osce.org/indexe-da.htm>>.

more unresolved territorial disputes, because, in contrast to Europe, Asia and Asia–Pacific were not divided between two opposing military blocs with clearly defined spheres of responsibility, and for other reasons. No doubt all these considerations were relevant, but probably the more fundamental reason for the Asian countries' rejection of the Soviet proposals was deep-seated suspicion about the motives behind them.

After the Soviet Union ceased to exist at the end of 1991, the foreign policy of a new Russia had to be formulated anew, including its policy on Asia. In the initial period, in the early 1990s, the foreign policy makers, led by Russia's first Foreign Minister Andrei Kozyrev, paid very little attention to Asian affairs and almost everywhere in Asia receded into the background. As a result not only were ties with former Soviet ideological, political and military allies such as Viet Nam or North Korea both changed in substance and severely curtailed in scope and intensity, but even relations with India, a major political and trade partner in Asia since the mid-1950s, went into decline. Scant attention was paid at that time even to relations with the former Soviet Central Asian republics, and in the long run this damaged their relations with Moscow.

Instead, Russian foreign policy at that time took on a strong pro-Western tilt and a clearly idealistic goal of building a strategic partnership with former Soviet enemies was pursued. In practice, however, Russia was quickly reduced to the role of a junior partner to the West, even on major international issues. This policy endangered vital Russian national interests and was increasingly losing domestic support. Because of this and because of the obvious and growing asymmetry between Russian and US interests on a number of major international issues, in particular the situation developing in the post-Soviet space, the 'romantic period' or 'honeymoon' in US–Russian relations did not last long and was finally over by the mid-1990s.

These important changes, both domestic and international, necessitated a more assertive policy in Asia, the setting of clear goals and the formulation of methods for achieving them. In response to this an attempt was made to work out a new policy doctrine for Asia, its main principles being: (a) that no contradictions with any country in the region were irreconcilable and that Russia should work consistently towards stable and balanced relations with all of them; (b) that the development of economic relations with the regional countries was a main priority; and (c) that the response to challenges to regional security should be made on a collective, coordinated basis.

Elaborating on this last principle, Kozyrev spoke in favour of creating a collective or cooperative security system, a 'security community' open for every regional country to join. Such a community could be established, he believed, stage by stage with due consideration to concrete conditions in the different subregions of the Asia–Pacific area and taking into account the bilateral and multilateral security arrangements already existing there, starting with relatively simple forms of security cooperation (exchange of information, adoption of confidence-building measures (CBMs) and so on) and proceeding to more complex ones (such as joint resolution of conflicts). For these purposes Kozyrev

proposed to establish an Asia–Pacific centre for conflict prevention and an Asia–Pacific research institute on security problems.²

His proposals failed to raise any favourable interest and were largely ignored, partly because China, the largest power on the Asian continent, had made it known long ago that it was strongly opposed to any formal multilateral security schemes in this part of the world and would stay away from them. Kozyrev's proposals were also found impractical by those Asian countries, such as Japan and South Korea, which preferred to rely on the established and well-tested bilateral arrangements with the USA in protecting their national security.

In the same way Kozyrev's proposals on conflict prevention either failed to take into account or underestimated concrete realities that already existed or were quickly developing in Asia–Pacific security affairs. The most important of these by now were the regular multilateral consultations on regional political and security affairs held originally in the form of the Association of South-East Asian Nations (ASEAN) annual Post-Ministerial Conferences (PMCs) and from 1993 the ASEAN Regional Forum (ARF).³ For all practical purposes they were already providing a convenient venue for preventive diplomacy in Asia–Pacific and came to be accepted as such not only by the traditional ASEAN 'dialogue partners' but also by other regional countries and even by extra-regional countries, including India and the members of the European Union.

Although according to the Russian Constitution the main lines of foreign policy are formulated by the president himself, it was Kozyrev who in the eyes of public opinion was directly responsible for Russia's loss of prestige in international affairs. His dismissal in January 1996 was therefore widely welcomed. Yevgeny Primakov, who replaced Kozyrev as foreign minister (and less than two years after that, in September 1998, became prime minister), responded to the prevailing mood in Russian society by introducing profound changes. A new concept of Russian foreign policy and national security in international affairs was formulated with his active participation, which included three basic principles: (a) multipolarity as a governing principle of international relations and active opposition to attempts to establish a unipolar world order; (b) constructive partnership with all countries instead of 'mobile' or permanent coalitions; and (c) integration on a voluntary basis within the Commonwealth of Independent States (CIS).⁴

An important part of the new foreign policy doctrine was the need to restore and develop relations with Asian countries, not as a counterbalance to the West, as it was sometimes represented by Primakov's critics both at home and abroad, but above all as a means to pursue concrete national political, security and economic goals in Asia itself and as a valuable tool to promote and defend Russia's larger national interests.

² Kozyrev, A., 'U Rossii net neprimirimykh protivorechii so stranami ATR' [Russia does not have any irreconcilable differences with Asia–Pacific states], *Segodnya*, 4 Feb. 1994.

³ For the memberships of ASEAN and the ARF, see appendix 1 in this volume.

⁴ 'Konseptsiya natsionalnoy bezopasnosti Rossiyskoy Federatsii' [The national security concept of the Russian Federation], *Diplomaticheskii Vestnik*, no. 2 (Feb. 1998), pp. 3–18.

II. Relations with CIS states in Asia

Within the framework of the new Russian foreign policy doctrine special attention was paid to the development of close relations with the former Soviet republics of Central Asia. Primakov's first foreign visit after becoming foreign minister was to Central Asia. He emphasized on several occasions on that visit that relations with the CIS member states in general and with those in Central Asia in particular would be the highest priority of Russian foreign policy. His statements were in consonance with the earlier (September 1995) presidential edict, 'Russia's strategic course with respect to the CIS member states', which stated that these relations were the top priority for Russia because its 'life interests in economy, security and defence are concentrated in the CIS territory'.⁵ This crystallization of the Russian attitude towards the former Soviet republics was motivated by the existence of a wide range of long-standing economic, cultural and family relations with them as well as by the role accorded to them by Moscow in its defence policy.

In dealing with the Central Asian states, Russia formulated two goals as its major priorities—closer economic cooperation and stronger security ties with these countries. To achieve these goals it declared its intention to act on both the bilateral and the multilateral levels, in the latter case primarily within the framework of the CIS. However, by the time Russia had managed to formulate its version of the Monroe Doctrine towards Central Asia, the political, economic and security situation in this region had undergone fundamental changes. The political vacuum created there after the collapse of the Soviet Union and the initial loss of Russian interest in the region was filled by the active penetration there of China, Iran, Turkey and the USA. Moreover, Russia's economic policy in Central Asia continued to lack substance, in spite of numerous declarations to the contrary, and failed to arrest the decline in the scope and volume of its business relations with the regional states.

For their part the five new Central Asian states, having by then achieved a fair degree of maturity in their statehood, had succeeded in formulating their national foreign policies with their specific goals and priorities. This and their deep resentment of the initial Russian neglect of Central Asia resulted, among other things, in a substantial reduction of Russian influence in the countries of the region. They were also losing interest in the CIS, whose record was highly discouraging in practically all major areas, including military cooperation. In spite of numerous declarations and agreed documents, only limited results were achieved by the CIS member states (including the Central Asian countries) in creating a joint system of air defence, in collective protection of their borders or in peacekeeping operations, while they failed to create an effective mechanism for implementing collective decisions on security issues or to draft programmes of military–technical and military–economic cooperation. Moreover, some of the Central Asian states, most notably Uzbekistan, were increasingly opposed to

⁵ *Segodnya*, 22 Sep. 1995, p. 9.

any further development or deepening of collective defence, denouncing it as plans to turn the CIS into a military–political ‘club’.⁶

A clear exception to this downward trend in collective security in Central Asia was the continuing Russian military presence in Tajikistan, where it was welcomed as the only real force able to defend the border with Afghanistan. Russian–Central Asian political and security cooperation began to improve following the military successes of the Taleban movement in Afghanistan, which were perceived as a prelude to a possible spillover of Islamic extremism onto their soil not only in neighbouring Tajikistan and Uzbekistan but also in Kazakhstan. In May 1998 a union of Russia, Tajikistan and Uzbekistan was declared with the aim of preventing the spread of Islamic fundamentalism and extremism onto the territory of Central Asia from Afghanistan.⁷ Tajikistan called on the signatories to the 1992 Tashkent Treaty of Collective Security, and Russia in particular, to take all necessary measures to protect the southern borders of the Commonwealth.⁸ Russia responded to these requests by increasing the combat readiness of its troops in Tajikistan. In October 1998 the Russian, Tajik and Uzbek presidents signed another trilateral agreement promising mutual assistance in the event of one of their countries being seriously threatened by militant Islamic forces.⁹

This tendency towards enhanced cooperation on political and security matters was set back again in November 1998 when there was an armed revolt in Khujand, a major city in the north of Tajikistan, staged from the territory of Uzbekistan.¹⁰ Tajikistan accused Uzbekistan of supporting the revolt and, in spite of official denials by the latter of even indirect support, relations between the two countries became highly strained. As a result multilateral defence cooperation in Central Asia between the CIS countries was seriously undermined.¹¹ However, events in Khujand could be a blessing in disguise for Russian strategic interests in Central Asia. Not only did they increase the suspicions and fears of other regional states about Uzbekistan’s designs to become a regional power in Central Asia; they also increased the reliance of Tajikistan on the Russian military presence and so boosted the central role of Russia in regional security affairs that Uzbekistan even accused Russia of staging it intentionally.¹²

⁶ ‘Uzbekistan: More on Uzbek President’s remarks on CIS problems, tasks’, in Foreign Broadcast Information Service, *Daily Report–Central Eurasia (FBIS–SOV)*, FBIS–SOV-98-111, 21 Apr. 1998.

⁷ Konstantinova, N., ‘Rossiya, Uzbekistan i Tadjikistan obyedinayutsa v politicheskuyu troiku’ [Russia, Uzbekistan and Tajikistan unite in a political troika], *Nezavisimaya Gazeta*, 7 May 1998.

⁸ Radio Free Europe/Radio Liberty, *RFE/RL Newslines*, vol. 2, no. 154, Part 1 (12 Apr. 1998).

⁹ *RFE/RL Newslines*, vol. 2, no. 197, Part 1 (12 Oct. 1998).

¹⁰ See also Zviagelskaya, I., ‘The Tajikistan conflict’, *SIPRI Yearbook 1999: Armaments, Disarmament and International Security* (Oxford University Press: Oxford, 1999), pp. 63–75.

¹¹ These negative developments were partly reflected in the refusal of Uzbekistan to sign a new agreement prolonging multilateral military cooperation among the CIS states beyond the original 5-year term expiring in Apr. 1999 or to implement agreements already signed, e.g., an agreement on collective anti-aircraft defence. *Krasnaya Zvezda*, 23 Dec. 1998. In a statement released on 4 Feb. 1999, the Uzbek Foreign Ministry confirmed that ‘Uzbekistan will not extend its participation in the CIS Collective Security Treaty’, *RFE/RL Newslines*, vol. 3, no. 25, Part 1 (5 Feb. 1999).

¹² ‘Russia: FSB denies Uzbek claims about Russia’s part in conflict’, in FBIS–SOV-98-335, 1 Dec. 1998.

It has become almost commonplace to explain the diminishing political influence of Russia in the region, which has long been regarded as its 'backyard', by its diminishing role in the economies of the Central Asian states. This explanation may be only partly correct. Indeed, while Russia has not worked out any active economic strategy in the region so far, it still plays and most probably will continue to play for some time a critical role for the economic future of the landlocked Central Asian states, which have no large-scale solution to the problem of transporting their natural resources—oil and gas in particular—to the world market in such a way as to bypass Russia. Thus it was with Russia that Kazakhstan in 1992 formed the Caspian Pipeline consortium (in which a number of British, Italian and US private oil companies also took part) to transport oil from the Tenghiz oilfield, Kazakhstan's largest, over a 1600-km pipeline to the Russian port of Novorossiysk on the Black Sea. Turkmenistan, too, had to continue to negotiate with Russia over commercial terms for the delivery of its natural gas over Russian territory to Ukraine, in spite of commissioning a gas pipeline to Iran in December 1997 and searching for alternative routes to the world market either across the Caspian Sea or across Afghanistan and Pakistan. However, this situation cannot be sustained indefinitely. It will not be long before plans already in place to establish the Eurasian transport corridor, with the active participation of China, Iran, Turkey and the USA, are realized.

In the field of national security, relations between Russia and the Central Asian states are also ambivalent. On the one hand, Russian security relations with at least some of them (Kazakhstan, Kyrgyzstan and Tajikistan in particular) are likely to continue close in the foreseeable future. Even Turkmenistan and Uzbekistan, although opposing participation in any multilateral CIS defence structures, express their readiness to develop cooperation on defence issues with Russia on a bilateral basis¹³ and consider this cooperation realistically as an important part of their national defence. The maintenance of close cooperation with the Central Asian states on security issues also, of course, corresponds to Russia's own national security. Even almost a decade after the break-up of the Soviet Union, the borders of the Central Asian republics with Russia continue to be guarded rather symbolically and therefore their borders with third countries to the south for all practical purposes retain the status of a common southern border of the CIS. Russia therefore views the work of its border guards serving there along with local troops as not only preventing armed incursions into the CIS but also as protecting Russia's domestic security interests. In May 1997 Russia and Kazakhstan started operating a common air defence system while Kyrgyzstan and Tajikistan expressed their intention to join it. Russia also continued to build up and strengthen the armed forces of Kazakhstan in accordance with the treaty on military cooperation signed by the

¹³ See, e.g., interview with Uzbek President Islam Karimov in *Nezavisimaya Gazeta*, 5 May 1998; Turkmen President Saparmurat Niyazov's speech in *Sodruzhestvo NG* (supplement to *Nezavisimaya Gazeta*), no. 11 (Dec. 1998); and 'Uzbekistan will not extend its participation in the CIS Collective Security Treaty' (note 11).

two countries in 1994. In 1995–98 Russia delivered to Kazakhstan MiG-29, Su-25 and Su-27 combat aircraft and other modern weaponry.¹⁴

There is another tendency, however, in regional security affairs—an intention in some quarters to squeeze Russia gradually out of the region. Some local actors (Uzbekistan) and extra-regional powers (the USA, for instance) are suspected or accused of this. Russian suspicions of such intentions increased when Kazakhstan, Kyrgyzstan and Uzbekistan stepped up their cooperation with NATO countries in the framework of the Partnership for Peace (PFP) programme. This cooperation included participation in joint military manoeuvres with the USA in 1997, the first time in Central Asia.¹⁵ Another round of such exercises was organized by the US Central Command in September 1998 in Kyrgyzstan and Uzbekistan.¹⁶ Russia interpreted these developments as another challenge to its already waning influence in Central Asia, this time in security affairs. Chinese strategic analysts saw the sending of US paratroopers to Central Asia for manoeuvres as a logical consequence of NATO's eastward expansion, indicating 'that the struggle between the big powers has spread from economic and political fields to military and security fields'.¹⁷

Developments in security affairs in the Central Asian region certainly have the potential to transform the area into one of serious confrontation between different regional and extra-regional countries, but the possibility of a direct military role for the USA and/or NATO in regional affairs seems remote at best, and in fact both impractical and counterproductive to Western interests.¹⁸

III. Multipolarity and partnership

In declaring multipolarity one of the basic principles of its revised foreign policy both globally and in Asia in particular, Russia was responding to the new realities and challenges in the post-cold war world and trying to withstand attempts by the USA after the victory in the cold war to build a new world order on the principle of unipolarity,¹⁹ thus consolidating its position as the only remaining superpower. Short of sliding into a new confrontation with the USA, which for obvious reasons it could not afford either politically, economically or militarily, Russia nevertheless maintained that such a unipolar world order can

¹⁴ See appendix 3 in this volume.

¹⁵ Gafarly, M., 'Tsentralnoaziatskiy soyuz prevrashchaetsya v voyenny blok' [Central Asian Union transforms into a military bloc], *Nezavisimaya Gazeta*, 20 Dec. 1997; and Korbut, A., 'Novye ucheniya v Tsentralnoy Azii' [New manoeuvres in Central Asia], *Nezavisimaya Gazeta*, 2 Apr. 1998.

¹⁶ 'NATO partnership: Central Asian exercises begin in Uzbekistan', Foreign Broadcast Information Service, *Daily Report—Central Eurasia: Military Affairs (FBIS-UMA)*, FBIS-UMA-98-264, 21 Sep. 1998.

¹⁷ Chen Feng, 'The international strategic situation of 1997', *International Strategic Studies* (Beijing), no. 1 (1998), p. 5.

¹⁸ For arguments in support of this view, see, e.g., Olcott, M. B., 'The Caspian's false promise', *Foreign Policy* (summer 1998), p. 111; and Jaffe, A. M. and Manning, R. A., 'The myth of the Caspian "Great Game": the real geopolitics of energy', *Survival*, vol. 40, no. 4 (winter 1998/99), p. 122.

¹⁹ Reflecting on the emerging structure of post-cold war global politics, which he terms a 'unimultipolar system', Samuel P. Huntington writes that 'the United States would clearly prefer a unipolar system in which it would be the hegemon and often acts as if such a system exists' while 'other countries feel threatened by what they see as the American pursuit of global hegemony'. Huntington, S., 'The lonely superpower', *Foreign Affairs*, vol. 78, no. 2 (Mar./Apr. 1999), pp. 37–37.

in no way adequately reflect the diversity of national interests and concerns of different countries and would in fact cause international tensions and conflicts. Russia also expressed concern over what it saw as the tendency of the USA to arbitrarily declare various areas in the world to be zones of US vital national interests, which in Russia's opinion might lead to serious disturbances of the existing world order and the entire system of international relations.

In defending the principle of multipolarity in international relations, Russia had achieved noticeable progress in Asian regional affairs by the end of the 1990s. This was particularly obvious in its relations with China. Underlining their common interests in the present-day world, Russia succeeded in upgrading its relations with China from 'good-neighbourly' to the successive levels of 'constructive partnership' and further to 'strategic partnership'. Although the declared strategic partnership was a far cry from the erstwhile Soviet–Chinese political and military alliance and, as both China and Russia emphasized, was not aimed at any third party, it undoubtedly contributed to strengthening Russo–Chinese relations not only on political or economic but also on security issues. Indeed, stronger military–technical cooperation became one of the most important aspects of their relationship. During the 1990s China became the largest single buyer of Russian conventional weapons.²⁰

Growing mutual trust was reflected in agreements between Russia and China and also joined by Kazakhstan, Kyrgyzstan and Tajikistan in 1996 and 1997 on confidence building in the military field in border areas and mutual reductions of armed forces in border areas.²¹ These agreements set numerical limits on troops, arms and equipment for ground forces, frontal aviation and air defence troops in a 100-km zone along the borders of Russia and the three Central Asian states with China, although they did not include any limits on the strategic forces. In 1997 Russia and China also succeeded in reaching agreement on demarcation of the 4300 km-long eastern sector of their border, with the exception of three small disputed localities. This was a serious achievement which effectively put an end to their long dispute over the border issue and paved the way to a closer relationship on other matters of mutual interest.²²

Having achieved substantial progress in bilateral issues and in reducing their remaining controversies to the acceptable minimum, Russia and China were now able to devote more attention to their other pressing needs and concerns in international affairs. By creating a working relationship which corresponded to their basic national interests they also gained a unique opportunity, for the first time since the Soviet–Chinese rift in the 1960s, to coordinate their policies on a wide range of security issues outside their immediate bilateral agenda. Thus, addressing the world financial crisis in the joint statement adopted at their sixth summit meeting in November 1998, they called for the 'economic security of

²⁰ Anthony, I., 'Trends in post-cold war international arms transfers', ed. I. Anthony, SIPRI, *Russia and the Arms Trade* (Oxford University Press: Oxford, 1998), pp. 29–30.

²¹ See, e.g., chapter 18, section II, in this volume.

²² In the opinion of the Beijing Institute for International Strategic Studies, these agreements represent a 'new concept of security since the end of the Cold War'. *International Strategic Studies*, no. 1 (1998), p. 5.

sovereign states' to be ensured and for 'attempts to use currency or financial levers to impose political or economic conditions which infringe on the legitimate national interests of a particular country' to be ruled out.²³ They joined in criticism of the US–Japanese plans to cooperate in building advanced-capability Theater Missile Defense (TMD) systems which, in their opinion, would intensify tension in the Asia–Pacific region.²⁴ They also took a common stand on the need to ensure stability on the Korean Peninsula and on the issue of militant Islamic extremism, which both of them regarded as a serious threat to their national security.

However, the Sino-Russian 'strategic partnership' did not achieve the status of a closely coordinated policy and did not impose any obligations on either side in its dealings with third countries, thus reducing many of their joint statements on international affairs to mere declarations of interests and intent. This may change if Russia and China manage to boost their bilateral trade and economic cooperation, which are at present stagnant.²⁵ Although there may be no close linkage between political, security and economic cooperation, there is little doubt that the implementation of long-term agreements on massive sales of Russia's oil and gas to China is of strategic importance for both countries.

Russian policy based on the principles of multipolarity and constructive or strategic partnership was, predictably, welcomed in Asia by other countries that were critical of or openly opposed to what they saw as the US intention to dominate post-cold war international affairs. They interpreted the declared changes in the Russian foreign policy doctrine as an invitation to intensify their cooperation with Russia on political and security issues in order to withstand US pressures as well as to coordinate their responses to concrete problems that give rise to mutual concerns. The new Russian policy also presented them with opportunities to gain access to certain types of sophisticated military-related technologies denied to them by the West for political reasons.

Thus in the case of India a rapprochement with Russia on this new basis meant, among other things, the intensification of bilateral cooperation on the modernization of the Indian armed forces, including the navy, with the latest Russian weapon systems. This cooperation was further enhanced by Russia's decision to offer India joint development and production of new weapon systems.²⁶ Russia renewed its assurances to India that it would not supply arms to Pakistan²⁷ and in December 1998 signed a new long-term defence cooperation programme with India up to the year 2010. Total projected Russian arms sales to India over that period were estimated at about \$16 billion or more—at

²³ The full text of the Russian–Chinese Declaration is available in *Diplomaticheskii Vestnik*, no. 12 (1998), pp. 7–10.

²⁴ 'Russia: Russia, PRC reaffirm military cooperation', in FBIS-SOV-98-298, 25 Oct. 1998.

²⁵ Although Russia and China planned to increase their bilateral trade to \$20 billion as early as 2000, its actual value in 1997 was only slightly over \$6 billion, and in 1998 fell by a further 10% because of the Russian financial crisis and the fall in the value of the rouble. *RFE/RL Newswire*, vol. 3, no. 62, Part 1 (2 Feb. 1999).

²⁶ 'India: Growing India–Russia defence cooperation', in Foreign Broadcast Information Service, *Daily Report–Near East and South Asia*(FBIS-NES), FBIS- NES-98-253, 10 Sep. 1998.

²⁷ 'Russia: Sergeyev praises Russian–Indian defense cooperation', in FBIS-SOV-98-292, 19 Oct. 1998.

least twice the amount of military hardware and spare parts delivered to India over the seven-year period 1990–96.²⁸ The new programme would also involve a transfer to India of modern military technology, intensifying and adding new substance to the defence cooperation.²⁹

Although Russia expressed official disapproval of the Indian nuclear tests of May 1998, it refused to join US-initiated economic sanctions against India or to abrogate the earlier (1988) contracts for the construction of the nuclear plant in Tamil Nadu and for the supply of two light-water nuclear reactors.³⁰

Russia also proceeded, in spite of strong opposition from the USA and Israel, in providing large-scale assistance to Iran in creating its civilian nuclear power industry. Moreover, in 1998, disregarding US objections, Russia announced its plans to increase the number of nuclear reactors to be sold to Iran.³¹ Later in the year the Russian State Duma voted overwhelmingly³² for the expansion not only of political and economic but also of military cooperation with Iran.

In doing this Russia sought to demonstrate to its Asian partners that in dealing with them it would now be guided primarily by mutual interests and that it would no longer blindly follow trade or any other restrictions unilaterally imposed by the USA, as it did in 1993 when it restricted the sale of cryogenic rocket technology to India. As a reward Russia expected not only to increase its arms and other exports but also to create or rebuild a basis for broader cooperation with several Asian countries on political and security issues. Indeed, strengthening commercial relations with Iran paved the way for better understanding and cooperation between Russia and Iran on such diverse and very sensitive issues as the conflicts in Afghanistan and Tajikistan and the status of the Caspian Sea. In relations with India Russia succeeded in achieving compatibility between Russian and Indian strategic interests on such issues as the need to preserve peace and stability in Central Asia and to support those forces in Afghanistan that were fighting the fundamentalist Taleban movement.

Pragmatism in the pursuit of multipolarity

It would be an oversimplification and in fact misleading to interpret the application of the new Russian foreign policy doctrine in Asia as merely an attempt to exploit anti-US or anti-Western feelings in regional countries or to focus only on those aspects that reflected criticism of US policies. In fact Russia used its promotion of the principles of multipolarity and constructive/strategic partnership in international relations and pointedly distanced itself from coalitions and blocs in order to pursue quite different goals—to give itself maximum flexi-

²⁸ Mukhin, V., 'Su-30 MK poluchit tolko Indiya' [Only India will get the Su-30 MK], *Nezavisimaya Gazeta*, 11 Nov. 1998.

²⁹ Timofeev, A. and Bausin, A., 'Primakov forging military partnership', *Moscow News*, 24–30 Dec. 1998.

³⁰ *RFE/RL Newslines*, vol. 2, no. 94, Part 1 (19 May 1998).

³¹ Gordon, M., 'US offers Russia a satellite deal if it halts missile technology to Iran', *International Herald Tribune*, 10 Mar. 1998.

³² 'Russia: State Duma urges expansion of Russia–Iran military ties', in FBIS-SOV-98-295, 22 Oct. 1998.

bility in dealing with the outside world at a time when its economic and military capabilities were seriously weakened. Acting in the spirit of multipolarity allowed Russia to avoid being tied to any one-sided political or ideological approaches and to pursue its national interests in a completely pragmatic manner.

This pragmatic approach was demonstrated when Russia set out on an active course of improving relations with Japan, which had remained poisoned by mutual mistrust and suspicion for almost the whole period since the end of World War II. The years 1996–98 saw an intensive exchange of high-level visits between Russia and Japan, including formal and informal summit meetings of their leaders in Krasnoyarsk (November 1997), Kawana (April 1998) and Moscow (November 1998). At the Moscow summit meeting Russian President Boris Yeltsin and Japanese Prime Minister Keizo Obuchi signed a joint declaration establishing a ‘creative partnership’ between their two countries. New initiatives based on compromise were put forward on both sides on major political, security and economic issues in order to pave the way for the signing of a long-overdue peace treaty between Russia and Japan.³³

In the process significant progress was made in their bilateral relations on security affairs. Russia announced the de-targeting of its strategic missiles aimed at Japan and continued with the planned reduction of its conventional military forces in the Russian far east in the larger framework of the ongoing military reform. At the summit meeting in Krasnoyarsk it was agreed that the Russian and Japanese navies would develop cooperation that would include exchanges of visits of warships and joint manoeuvres to practise rescue operations at sea. The first-ever exchange of visits of defence ministers supplemented by visits of other high-ranking military officials of both countries followed the Krasnoyarsk meeting and helped to establish a regular security dialogue between Russia and Japan.³⁴ In July 1998 another round of by then regular joint naval exercises was carried out in the northern part of the Sea of Japan and in December 1998 General Anatoly Kvashnin, Chief of the General Staff of the Russian Armed Forces, paid an official visit to Japan.³⁵

There were, however, clear limits to their political and security cooperation, dictated (a) by the still unresolved territorial dispute over the southern Kuril Islands and (b) by the unquestionable priority consistently accorded by Japan in national security issues to the USA. The latter resulted in a redefining and strengthening of the 1960 US–Japan Treaty of Mutual Cooperation and Security in 1997 which, Russia (and China) worry, may lead to an arbitrary expansion of the area of security responsibility covered by the treaty similar to what is happening with NATO in Europe. Japan’s plans to use its armed forces in the event of an emergency in ‘areas adjacent to Japan’ as specified by the 1997

³³ The full text of the Russian–Japanese Declaration is available in *Diplomatičeskij Vestnik*, no. 12 (Dec. 1998), pp. 11–14.

³⁴ ‘Russia: Russia, Japan move to improve military cooperation’, in FBIS-UMA-98-026, 26 Jan. 1998.

³⁵ Markushin, V., ‘Poezdka nachalnika Generalnogo shtaba’ [Chief of General Staff visit], *Krasnaya Zvezda*, 4 Dec. 1998.

revised Guidelines for US–Japan Defence Cooperation raise legitimate questions in Moscow as to how these areas are defined, whether they extend to the territory of third states (including Russia), and who will determine the degree of ‘emergency’ and in what way. Serious concern is also caused by Japan’s intention to establish, in cooperation with the USA, a close-range Theater Missile Defense (TMD) system. This is regarded in Russia as a violation of the 1972 Anti-Ballistic Missile (ABM) Treaty. Similarly, Japan’s decision to launch a series of intelligence-gathering satellites in 1999–2003 as part of a joint programme with the USA in researching a TMD system³⁶ is regarded in Moscow with the greatest concern.

In the framework of strengthening Russia’s security relations with the Asia–Pacific countries, Igor Sergeev, Russian Defence Minister, visited Viet Nam at the end of 1998. Although after the break-up of the Soviet Union the former alliance relationship between Russia and Viet Nam was over, Russia, in the words of Sergeev, was still regarded in Viet Nam as a strategic partner. During his visit a number of agreements on bilateral military cooperation were signed, envisaging large-scale sales of Russian arms to Viet Nam. The two sides also agreed that Russia would continue to maintain its presence at the naval base in Cam Ranh, although the terms of its rental of facilities there were to be renegotiated.³⁷

Conducting its policy on the principles of multipolarity and constructive/strategic partnership undoubtedly helped Russia to restore its ties with most of its former friends and allies in Asia and to upgrade significantly its relations with such important regional actors as China, Japan and Iran. It was particularly effective in Asia since international relations in this part of the world had been multipolar even during the days of bipolarity and remained such after the end of the cold war and the disappearance of the Soviet Union. The Russian policy of multipolarity is therefore not a reactive one; it addresses the objective realities of international relations in Asia and Asia–Pacific.

It is also worth noting in this context that Russia has been fairly careful in describing official relations with its Asian counterparts in terms of ‘good-neighbourly relations’, ‘constructive partnership’ and ‘strategic partnership’, emphasizing that there are different levels of relationships. If the pursuit of ‘good-neighbourly’ relations was the main course of Russia’s non-adversarial foreign policy in Asia in the post-Soviet period, ‘constructive’ and especially ‘strategic’ partnership was meant to signal a much closer degree of cooperation in different areas of interstate relations with a few carefully chosen countries, reflecting the growing scope of compatible or shared interests. It was therefore significant that by the end of 1998 strategic partnership characterized Russia’s relations with only one Asian country outside the CIS—China—although

³⁶ Kristof, N., ‘Japan plans spy satellites over a suspicious region’, *International Herald Tribune*, 7–8 Nov. 1998.

³⁷ ‘Strategicheskoye partnyorstvo obrashchonnoye v 21 vek’ [Strategic partnership addressed to the 21st century], *Krasnaya Zvezda*, 27 Oct. 1998.

preparations were in progress to upgrade relations with India to the same level.³⁸ Russian relations with Iran also progressed quite substantially in the 1990s and were sometimes termed in the press 'strategic partnership'.³⁹ However, officially they were yet to be raised to this level, and doing so might involve an even greater degree of cooperation between Moscow and Tehran on bilateral and international issues.

The effectiveness of the new policy

Although the new Russian foreign policy doctrine was a useful tool for promoting Russian national interests in the area of international security, it was effective only to a certain degree. It was developed as probably the best possible response to national requirements at a time when Russia's capabilities were extremely limited. However, the same factors set the limits to the effectiveness of this approach. Skilful political manoeuvring coupled with the use of still available material and technical resources helped Russia regain some of its previous influence in Asian regional affairs, but it was not sufficient to persuade even the closest of its new friends to expand their partnership with Russia beyond declarations of common attitudes regarding certain international issues of common concern.

Russia's considerable loss of status and prestige after the collapse of the Soviet Union marked its relations with its counterparts in Asia quite negatively. Thus its relations with India were substantially improved after their cooling off at the beginning of the 1990s. The common interests of Russia and India as major multi-ethnic, multilingual and multi-religious states committed to democratic development were emphasized by both sides. On the other hand, as with Sino-Russian relations, this new relationship, although it undoubtedly reflected shared interests on a number of security issues, including security on the Indian subcontinent or in Central Asia, lacked the characteristics that define a true close partnership. That became clear when India did not send Russia any prior notice of its plans to conduct nuclear tests in May 1998 and did not propose any consultations on this highly sensitive and extremely important issue. Neither India nor China displayed any great interest in the proposal put forward by Prime Minister Primakov on his official visit to India in December 1998 to create a 'strategic triangle' made up of Russia, India and China.⁴⁰ This proposal was made at a time when both China and India were opposing the US–British military action against Iraq, undertaken without the appropriate decision of the UN Security Council, but neither of them deemed it possible to go beyond formal diplomatic protests.

³⁸ An official document reflecting this new stage in Russo-Indian relations was expected to be signed in Dec. 1998 but was postponed because of the ill health of President Yeltsin, which prevented him from making a visit to Delhi. Tamin, A., 'Zavershilsya vizit premyer ministra RF v Delhi' [Russian Prime Minister's visit to Delhi completed], *Nezavisimaya Gazeta*, 23 Dec. 1998.

³⁹ For a detailed discussion, see Golan, G., *Russia and Iran: A Strategic Partnership?*, Discussion Paper no. 75 (Royal Institute of International Affairs: London, 1998).

⁴⁰ *RFE/RL Newslines*, vol. 2, no. 244, Part 1 (21 Dec. 1998).

Even more confusing was Russia's record in the post-Soviet period on the Korean Peninsula, where the Soviet Union and Russia had had serious national security interests since the end of World War II. Until the later 1980s promotion of these interests was associated in Moscow basically with maintaining alliance relations with North Korea. In the years that followed Russia first moved to a more balanced relationship with both North and South Korea, and in the first half of the 1990s tilted towards South Korea, downgrading its relations with Pyongyang to the minimum. These policy changes culminated in 1995 when Moscow notified Pyongyang of its intention to replace the 1961 Soviet–North Korean Treaty on Friendship, Cooperation and Mutual Assistance and proposed to exclude from a new treaty any obligations to provide military support to its former ally. At the same time it tried to expand its relationship with Seoul by signing an agreement on massive arms exports to South Korea.⁴¹

The abandonment of a balanced approach backfired. It resulted in a predictable loss of influence not only in Pyongyang but also in Seoul. The negative consequences were first felt when Russia was not invited to take part in the implementation of the 1994 US–North Korean Framework Agreement, which envisaged among other things assistance to North Korea by supplying it with light-water nuclear power reactors,⁴² although Russia had the necessary experience and technologies in this field. These consequences became absolutely clear when South Korea did not support Russia's inclusion in the proposed four-party talks between the two Koreas, China and the USA on a final settlement of the Korean problem.

Although under the new policy guidelines Russia tried to regain its position on the Korean Peninsula, it was not until the new government of President Kim Dae Jung was established in Seoul and launched its 'sunshine policy' that the Russian–South Korean political dialogue started to improve. South Korea's positive change of attitude towards the role of Russia in preserving peace and security on the Korean Peninsula and in North-East Asia in general was reflected in Kim's proposal for the participation of Russia along with China, Japan, North and South Korea, Mongolia and the USA in multilateral negotiations on North-East Asian security.⁴³ As another indication of improving relations, ties in the security field were revived when in October 1998 a South Korean naval squadron visited Vladivostok and held joint exercises there with the Russian Pacific Fleet.⁴⁴ Russia and South Korea also intensified their high-level political contacts when in January 1999 the South Korean Minister of Foreign Affairs and Trade visited Moscow, while the Russian State Duma

⁴¹ Sergounin, A. A. and Subbotin, A. V., *Russian Arms Transfers to East Asia in the 1990s*, SIPRI Research Report no. 15 (Oxford University Press: Oxford, 1999), pp. 111–15.

⁴² Goodby, J. E., Kile, S. and Müller, H., 'Nuclear arms control', *SIPRI Yearbook 1995: Armaments, Disarmament and International Security* (Oxford University Press: Oxford, 1995), pp. 653–56.

⁴³ 'Japan: Kim calls for 7-way talks on East Asia security', in Foreign Broadcast Information Service, *Daily Report—East Asia (FBIS-EAS)*, FBIS-EAS-98-282, 9 Oct. 1998.

⁴⁴ 'Russia: South Korean naval squadron to visit Vladivostok', in FBIS-UMA-98-292, 19 Oct. 1998.

speaker Gennady Seleznev visited Seoul in April and held talks there with President Kim Dae Jung on a wide range of bilateral issues.⁴⁵

Trying to restore a more balanced approach to Korean affairs, Russia resumed an active dialogue with North Korea as well. As a result in 1996 their joint commission on economic, trade and technical cooperation resumed its work and in the next two years a number of contracts on bilateral cooperation in coal, oil refining and steel industries were signed.⁴⁶ Another step in this direction was taken when, after protracted negotiations that began in 1993, a trilateral Russian–North Korean–Chinese agreement defining the border along the Tumen River was finally signed in November 1998.⁴⁷

The process of Russia and North Korea establishing closer relations was highlighted in March 1999 by the preliminary approval by senior government officials of both countries of the Treaty on Friendship and Cooperation, which was described by Russian Deputy Foreign Minister Grigory Karasin as an important contribution to stability and security in North-East Asia.⁴⁸

Arms transfers policy

Besides intensifying its diplomatic efforts, Russia also tried other methods to pursue its national security interests in Asia and Asia–Pacific. Special significance was given to arms sales, although promoting arms trade globally and regionally had long been an important part of Russia's policy. In the framework of the new foreign policy doctrine, however, the promotion of arms sales became part of the foreign policy concept.

This approach to the issue of arms sales was based, first, on the fact that the armed forces of many countries in the world were using Soviet/Russian arms and military equipment. Thousands of tanks, aircraft, helicopters, anti-aircraft and radar systems, battleships and infantry fighting vehicles sold or supplied to them in previous years needed spares and ammunition and thus created a sizeable market, even though some of those weapon systems were obsolete beyond repair or modernization. Thus, while defence expenditure in the world was largely on the decline in the post-cold war period and the world market was saturated with weapons, Russia claimed that it had succeeded by 1998 in restoring its arms sales to as many as 39 countries, the same number as were Soviet clients on the arms market during the cold war.⁴⁹ Second, arms sales had a clear tendency to grow in importance in Russian industrial exports in the post-Soviet period, even though their overall value had fallen radically compared to

⁴⁵ *RFE/RL Newswire*, vol. 3, no. 17, Part 1 (26 Jan. 1999); and 'South Korean leader urges wider relations with Russia', FBIS-SOV-1999-0426, 26 Apr. 1999.

⁴⁶ Denisov, V., 'Rossiya–KNDR: 50 let druzhby i dobrososedstva' [Russia–DPRK: 50 years of friendship and good-neighbourliness], *Diplomaticheskii Vestnik*, no. 10 (Oct. 1998), p. 51.

⁴⁷ *RFE/RL Newswire*, vol. 2, no. 215, Part 1 (6 Nov. 1998).

⁴⁸ Karasin, G., 'Nasha kontseptsiya—bezopasnost cherez ekonomiku' [Our concept is security through the economy], *Nezavisimaya Gazeta*, 26 Mar. 1999.

⁴⁹ Ananyev, E., 'Dlya uspekha u Rosvooruzheniye est vsyo krome vremeni' [Rosvooruzheniye has all the conditions for success except time], *Nezavisimaya Gazeta*, 22 July 1998.

that of Soviet times. In the five-year period 1993–97 average annual sales by Russia of conventional weapons on the world market amounted to \$3 billion (at constant 1990 prices) and accounted for about 80 per cent of Russia's industrial exports,⁵⁰ while the Russian defence industry was dependent on arms exports for two-thirds of its revenues.⁵¹ Third, Russia was willing now not only to sell finished weapons but also to transfer advanced military technology and conclude licensing agreements to allow the recipient countries to build advanced Russian military hardware.

By 1997 Russia had not only stabilized its arms sales at a level which brought it back into the club of top weapon exporters; it had also built up the basis for a further expansion of these sales by successfully exploring new markets, mostly in Asian countries—notably China, India, Iran, South Korea and several ASEAN member states. They played a crucial role in Russian arms sales policies and took a dominant share in Russian arms exports.⁵² China's share alone over the five years 1993–97 was over 26 per cent on average and in certain years much higher: in 1997 it reached 50.2 per cent. The total share of Asian countries in Russian arms sales over the same period was almost 75 per cent on average and never less than 44 per cent.⁵³

Although the political aspects of arms sales in Asia were played down by the Russian authorities in the post-cold war spirit in favour of their economic importance, the direction and volume of these sales did not go unnoticed and caused intensive debate on their strategic significance both at home and abroad. Most comments concerned arms sales to China and India since they were the largest and included the transfer of such modern weapons and weapon systems as MiG-29 and Su-27 fighter aircraft, military helicopters, missile and radar systems, submarines and surface combatants. In the opinion of some observers the acquisition of these arms by China and India not only strengthened their defensive capabilities but also helped them to build a sizeable offensive potential, thus negatively influencing the existing military balance in the region.

There were serious debates on these issues in Russia itself, revealing the lack of a common position in political quarters on the question whether such massive arms sales might indeed have a destabilizing effect on regional security and even put Russia's own security at risk. Statements by then Defence Minister Igor Rodionov in 1996 and by some of the leaders and activists of the liberal Yabloko party, which included China on the list of potential military threats to Russia, are worth noting in this connection.⁵⁴

⁵⁰ Ananyev (note 49).

⁵¹ Rudenko, V., 'Eksport ne umenshitsya' [Exports will not be reduced], *Krasnaya Zvezda*, 1 Dec. 1998.

⁵² Anthony (note 20).

⁵³ SIPRI arms transfers database.

⁵⁴ Yegorov, V., 'U rossiyskoy armii est veroyatny protivnik' [The Russian Army has a possible enemy], *Nezavisimaya Gazeta*, 14 Dec. 1995; and Korotchenko, I., 'Igor Rodionov vystupil za sozdaniye obronogo soyuza stran SNG' [Igor Rodionov proposes creation of a CIS defence alliance], *Nezavisimaya Gazeta*, 26 Dec. 1996.

Unperturbed by these fears and concerns, as the visits of Defence Minister Sergeyev to India, Viet Nam and China in 1998 showed, Russia planned to continue with substantial arms sales to Asian countries as an important part of its policy in this part of the world.

IV. Multilateral security

Along with active promotion of bilateral relations with major actors in Asia and Asia-Pacific, Russia continued to explore the possibilities for creating effective mechanisms of regional security. In the absence of any established regional structures or agreements, Russia had to take into account the already existing security arrangements, which could be divided into three broad categories: (a) bilateral and multilateral political and military treaties and alliances such as the US-Japan and US-South Korea security treaties, the 1951 ANZUS (Australia—New Zealand—USA) Treaty, and others; (b) organizations dealing mainly with economic security such as the Economic Cooperation Organization (ECO, consisting of South-Western and Central Asian states), the South Asian Association for Regional Cooperation (SAARC) in South Asia, ASEAN in South-East Asia or the Asia-Pacific Economic Co-operation forum (APEC, comprising Asia-Pacific countries); and (c) official or 'track two' (unofficial) security dialogue forums like the ARF or the Council for Security Cooperation in the Asia Pacific (CSCAP).⁵⁵

Obviously, in dealing with such diverse structures Russia had to follow different strategies. In the case of political and military treaties and alliances created during the cold war with the clear purpose of containing and 'rolling back' the Soviet Union and based on close cooperation with the USA, the best option for Russia was a two-pronged one: (a) to prevent their developing into anti-Russian political and military structures; and (b) to help them be more effective in preventing the escalation of regional/subregional tensions. It was with this purpose that then Defence Minister Rodionov made what looked like a sensational statement in 1997 in support of the US-Japanese security treaty, which Russia declared to be no longer a threat to its national security and even considered as an important stabilizing factor in Asia-Pacific international relations.⁵⁶

In the case of regional/subregional economic structures, Russia set joining them wherever possible as an important goal of its foreign policy. These efforts culminated in the formal admission of Russia to APEC as a full member in November 1998.⁵⁷ This was rightly considered a notable achievement of Russian foreign policy, not only because APEC was the largest trading bloc in the world, accounting for about 50 per cent of world trade turnover and about 20 per cent of Russia's foreign trade, but also because membership, in the

⁵⁵ For the membership of all these organizations, see appendix 1 in this volume.

⁵⁶ *East Asia Strategic Review 1997/98* (National Institute of Defense Studies: Tokyo, 1998), p. 141.

⁵⁷ *RFE/RL Newswire*, vol. 2, no. 221, Part 1 (16 Nov. 1998).

opinion of Russian observers, would enhance the political status of Russia as an Asian or Asia-Pacific country.⁵⁸ It may also facilitate the process that has already started of strengthening Russia's commercial, financial, technological and other economic ties with the Asia-Pacific region. This has happened largely because provinces in the Russian far east and Siberia found it economically attractive to divert a substantial part of their trade to neighbouring markets in China, Japan and South Korea. Closer economic ties have been established between the Russian far east and Siberia on the one hand and East Asian states on the other through the increase of border trade, foreign investment activities and long-term production agreements between Russian and foreign companies,⁵⁹ although the process was interrupted by the Asian financial crisis of 1997-98 and then by Russia's own economic meltdown in the second half of 1998.

Finally, an important part of Russian foreign policy in Asia and Asia-Pacific was active participation in different official and unofficial security dialogues in the region which were seen in Moscow as a useful tool for creating a comprehensive regional security system. In this context the promotion of relations with ASEAN as one of the most important organizations in the post-cold war political and security environment in the region started to play a highly significant role in the Russian foreign policy of multipolarity. The annual ASEAN PMCs and the ARF began to be regarded by Moscow as an important contribution to building up an atmosphere of trust in the region and working out concrete CBMs in relations between regional countries. The development of a security dialogue with ASEAN as an emerging alternative centre in Asia-Pacific international relations also fitted well with the objectives of a multipolar foreign policy. Thus not only did Russia now participate regularly in the PMCs as a fully-fledged ASEAN 'dialogue partner' and become an active member of the ARF; it also established direct dialogue with ASEAN at the level of foreign ministers, which was to serve as a forum for the discussion of political issues of mutual interest on a regular basis.⁶⁰

In the area of political and military security in the region, Russia started by creating CBMs with regional countries on a bilateral level, their basic elements ranging from exchange of visits of military delegations at different levels to joint defence and peacekeeping exercises; from exchange of information on defence budgets to voluntarily informing Russia's counterparts in the region about changes in defence policy and national security doctrine; and from reducing armed forces in border areas to deploying them in a clearly non-offensive posture. Agreements on these CBMs with such major regional actors as China

⁵⁸ Kistanov, V., 'Rossiya, Yaponiya i ATEs' [Russia, Japan and APEC], *Nezavisimaya Gazeta*, 9 Apr. 1998; and Goncharenko, S., 'Rossiya i ATEs' [Russia and APEC], *Mirovaya Ekonomika i Mezhdunarodnye Otnosheniya*, no. 10 (1998), pp. 88-89.

⁵⁹ For more detail, see Chufirin, G., 'Multilateral economic cooperation in the Asia-Pacific region', ed. H. Soesastro, *One Southeast Asia in a New Regional and International Setting* (Centre for Strategic and International Studies: Jakarta, 1997).

⁶⁰ 'R. Severino v Rossii' [R. Severino in Russia], *Diplomaticheskii Vestnik*, no. 7 (July 1998), p. 38; and 'Russia: Russia-ASEAN meetings to be held on regular basis', in FBIS-SOV-98-158, 7 June 1998.

and Japan became an important stepping-stone in the Russian policy of promoting the establishment of a multilateral regional security system in Asia and Asia-Pacific. Analysts from the Institute of World Economy and International Relations (IMEMO), a leading Russian research institute in the field of Russian and international security, described the agreements reached between China and Russia in 1996–97 (also signed by Kazakhstan, Kyrgyzstan and Tajikistan) on mutual reductions of armed forces along their common borders as an important breakthrough in confidence building and even as ‘setting a precedent in intra-Asian relations and serving as a model for a possible approach to the resolution of similar problems in the Asia-Pacific region’.⁶¹

CBMs may indeed be considered important for creating a cooperative or comprehensive security system in Asia and Asia-Pacific, but only as a first stage. The countries of the region, Russia among them, recognize the need to go beyond it and to establish in the region mechanisms of preventive diplomacy and conflict resolution that will help them to de-escalate and defuse existing tensions and reduce the prospects of and incentives for new disputes. The creation of such mechanisms is particularly important in anticipation of fundamental changes in the strategic environment in Asia in the next 10–15 years with possible Korean reunification, a declaration of independence by Taiwan or Japan’s developing a more assertive role in regional security affairs.

V. Conclusions: what next?

Political developments in post-Soviet Russia follow one another rapidly and can transform the political landscape in the country radically from one round of parliamentary and presidential elections to another. If it is true that the post-Soviet Russian foreign policy is fundamentally different in its motivations, goals and methods from Soviet foreign policy it is also true that in its turn Russian foreign policy as pursued since 1996 has been remarkably different in many aspects from what it was initially in its doctrinal approach to international relations in general and to relations with the Asian countries in particular.

Sometimes this new Russian foreign policy was criticized in the West as being based on the principles of a ‘zero-sum game’ and barely concealed anti-Americanism. ‘Russia still tends to view the world through balance of power lenses: another country’s gain is Russia’s loss, and vice versa, especially when that other country is America’, wrote *The Economist*.⁶² Other Western observers see this policy as another form of Gaullism: thus the prestigious US Council on Foreign Relations describes it as fitting ‘quite comfortably into what might be called the Gaullist paradigm: a host of strategic objectives and tactical measures

⁶¹ Zagorsky, A. and Osroukhov, O., ‘Sokrashcheniye vooruzhenii i mery voyennogo doveriya v rayone granitsy SNG s KNR’ [Arms reduction and military CBMs along the CIS border with China], *Razoruzheniye i Bezopasnost*, 1997/98 (Nauka: Moscow, 1997), p. 257.

⁶² ‘Russia’s world’, *The Economist*, 9 May 1998, p. 16.

deployed to obtain by other (mostly symbolic) means that which used to flow from the abundance of tangible military–political assets'.⁶³

For Primakov, who was Russian Foreign Minister from January 1996 to September 1998 and Prime Minister from September 1998 to May 1999 and a principal architect of the new Russian foreign policy, it was not General Charles de Gaulle who served as a model but Prince Alexander Gorchakov, the chancellor who was at the helm of Russian foreign policy for 26 years after 1856, taking over this post after the defeat of Russia in the Crimean War. His example was particularly relevant for Primakov since Prince Gorchakov, acting under extremely adverse international conditions and serious domestic difficulties—a situation very similar to that Russia has found itself in in the post-Soviet period—set clear guidelines as to how to restore the position of Russia as a great power in the 'concert of nations'. In a speech on the 200th anniversary of Gorchakov's birth, Primakov stressed that to achieve the resurrection of Russia as a great power Prince Gorchakov advocated a vigorous foreign policy that was not limited to a single direction or area of concern but active in all areas. In doing this Russia not only relied on its own strength but could always exploit the resentment many small countries inevitably feel against larger ones. Gorchakov also understood what Primakov argued was the fundamental basis of Russian foreign policy: 'There are no constant enemies but there are constant national interests'.⁶⁴

Drawing on Prince Gorchakov's experience, Primakov maintained that Russian foreign policy had to adopt a balanced approach, neither advancing excessive claims that failed to recognize what had happened in the past decade nor setting 'deliberately low standards' that would ignore Moscow's continuing possibilities.⁶⁵ This policy won widespread, cross-party domestic support—no mean achievement by any standards, but especially remarkable at a time when very few activities of the federal government escaped severe criticism from different quarters.

However, the ability of Russia not only to upgrade but even to sustain its role in international relations in the foreseeable future remains in serious doubt.

This uncertainty is predicated above all on Russia's domestic development. It is clear that unless the current grave political, social and economic problems are resolved Russia's role in international relations in general and in Asia in particular is bound to decline. No amount of diplomatic effort will be enough on its own to assure a secure and prosperous future for Russia in Asia and the Asia–Pacific region unless the current institutional crisis, involving the fundamental

⁶³ Aron, L., 'The foreign policy doctrine of postcommunist Russia and its domestic context', ed. M. Mandelbaum, *The New Russian Foreign Policy* (Council on Foreign Relations: New York, 1998), p. 31.

⁶⁴ In stark contrast to these views was the attitude taken by Kozyrev. In an interview given to one of the right-wing Russian newspapers he described the shift in Russian foreign policy after 1995 towards 'a concept of national interests' as 'one big mistake' since it 'assumes Russia's opposition above all to the most developed countries'. *Moscow News*, 24–30 Dec. 1998.

⁶⁵ Primakov, Ye., 'Rossiya v mirovoy politike: k 200-letiyu A. M. Gorchakova' [Russia in world politics: on the 200th anniversary of A. M. Gorchakov], *Diplomaticheskii Vestnik*, no. 7 (July 1998), pp. 78–79.

norms, standards and principles of Russia's statehood, is arrested. Moreover, if these negative processes are not reversed not only will Russia continue to lose heavily in international relations, but domestically the unprecedented economic and social crisis will also facilitate regionalist tendencies already existing in certain areas across Russia, in both the European and the Asian parts of the country, bringing them to the point of open separatism.

The economic and social aspects of this problem, which has become a serious issue of national security, are further exacerbated by the diversity of Russia's historical, cultural and ethnic traditions and experience. In the future, as is the case now and has been the case since the 16th century when Russia became a multiracial state, it will experience the effect of two conflicting tendencies. The first will work in favour of closer coexistence and interrelationships between different ethnic, linguistic and confessional groups and communities, since preserving the unity of Russia is seen by large sections of the society—probably the majority of the nation—as the only guarantee for national survival and further progress. The second tendency, which will favour the further disintegration of the Russian state as the 'natural' course of events after the disintegration of the Soviet Union, is promoted both by extreme chauvinistic political forces identifying themselves with different ethnic communities (Chechens, Tatars, Bashkirs and so on) and by 'modernists' who treat most of the non-Russian ethnic communities as a heavy burden for Russia in its drive for modernization and progress.

The next decade or so will be critical for the future of the Russian nationhood and by implication therefore for the future of Russia in Asia. Judging from the previous history of Russia, it will most probably not be political and not even economic factors per se but mostly interracial and cultural ones which help to solve the basic contradiction between these two conflicting tendencies—in favour of the first. This perception is based on the understanding that balanced socio-cultures, especially those that have formed over many centuries and of which the Eurasian society of Russia is a clear example, tend to withstand external and domestic pressures most successfully. In this context the foreign policy of Russia should aim to preserve national integrity and actively oppose religious extremism and aggressive nationalism as serious threats to the security of Russia.⁶⁶

Closely linked to Russia's current economic problems is the continuing decline in the state of its national defence and its ability to withstand possible external military threats. This is especially true of its conventional armed forces, including those deployed in the Asian part of the country, whose numerical strength and combat readiness declined substantially during the 1990s.⁶⁷

⁶⁶ Chufrin, G., 'Security concerns of Russia in Asia-Pacific', ed. D. Dickens, *No Better Alternative: Towards Comprehensive and Cooperative Security in the Asia-Pacific* (Center for Strategic Studies, Victoria University of Wellington: Wellington, New Zealand, 1997), pp. 133–43.

⁶⁷ According to Western assessments, by the end of the 1990s 'modern types comprised only about 40% of tanks and infantry vehicles, 30% of SAM and artillery systems and 2% of helicopters' of the Russian armed forces. Dick, C. J., *Russian Military Reform: Status and Prospects* (Conflict Studies Research Centre: Canberra, June 1998), p. 1. The cash-starved Russian Government is unable, however, to

It is important to emphasize in this connection that the USSR's position in Asia was determined to a significant degree by its military and not its economic power. The sharp decline in the state of its armed forces has therefore undermined Russia's position and influence in Asia even more seriously than in Europe. In these circumstances it is difficult to imagine that Russia's counterparts in Asia and Asia-Pacific (or at least some of them) will remain passive and will not assume a more aggressive policy towards Russia, challenging its territorial integrity and political sovereignty over certain regions, for instance, the north Caucasus, Siberia or the Russian far east.⁶⁸

Domestic factors will be central for the future of Russia in Asia, but this does not mean that developments in other Asian countries or in regional political and security relations as a whole, having their own dynamics, may not influence Russia's interests significantly.

First on the agenda of these potential or real threats to Russia's security is the proliferation of weapons of mass destruction and the means of their delivery, which became endemic in Asia in the 1990s and will most certainly cause periodic escalation of tensions in regional and global international relations in the foreseeable future. India, Iraq, Israel, North Korea and Pakistan, which possess or are suspected of possessing such weapons, form the 'southern belt' in close vicinity to the Russian borders, thus forcing Russia to keep these issues high on the priority list of its relations with these countries. From Russia's national perspective it will be essential: (a) that these states comply with internationally accepted norms and regulations of non-proliferation and; (b) that the tensions in which these states are involved are prevented from developing into open military conflicts that may lead to the use of weapons of mass destruction.

Another serious threat to Russia's security in Asia is linked to developments in some Central Asian and South-West Asian countries where radical Islamist forces are assuming or have already assumed a prominent political role. From Russia's national perspective these developments are a grave threat to its domestic security and will require a credible long-term policy to counter them, preferably in close coordination with those CIS states that may also feel beleaguered by the 'Islamic threat'.

However, the threat of radical Islam is not the only one that may destabilize the situation in Central Asia and as a consequence undermine Russia's own security. Another potential source of such instability is ethnic or interstate con-

embark on modernization of its armed forces. As Defence Minister Igor Sergeev conceded in his speech at the Air Defence Academy in Tver on 8 Feb. 1999: 'The Russian armed forces will not start receiving new weapons until after 2005. Until then existing weapons must be repaired and updated if possible'. *RFE/RL Newslines*, vol. 3, no. 27, Part 1 (9 Feb. 1999).

⁶⁸ Such scenarios are already being actively considered in the USA. See, e.g., Brzezinski, Z., 'A geostrategy for Eurasia', *Foreign Affairs*, Sep./Oct. 1997, p. 56 where the author advocates 'a loosely confederated Russia composed of a European Russia, a Siberian republic and a Far Eastern republic'. Also worth noting in this context is the conflict of interests in Russian-Turkish relations in the north Caucasus and the debates in Turkey. See, e.g., Kireyev, N., 'The medium and long-term interests of Turkey in its relations with Russia', in *Blizhniy Vostok i Sovremennost* [The Middle East and modern times] (Institute of Israel and Middle East Studies: Moscow, 1997), 4th edn, pp. 176-79. See also chapter 10 in this volume.

flicts in this subregion of Asia, as the events in Khujand in late 1998 demonstrated. Any serious destabilization in intra-state relations in the Central Asian countries may provoke outside actors to interfere and internationalize the conflict. It will be in the best national interests of Russia to use all its influence to prevent such a situation from developing since otherwise Russia will be left with little choice—either to interfere to defend its declared vital national interests in this part of the world or to withdraw, thus continuing its strategic retreat from Asia.

A serious threat to Russia's security in Asia may also result from the escalation of tensions or even from a possible open military conflict in East Asia either on the Korean Peninsula or in the Taiwan Strait. In both cases (and especially in case of the Korean conflict) Russia's national interests will be directly involved.

Summing up the analysis of Russian policy in Asia and the Asia-Pacific region in the post-Soviet period it is important to emphasize that it is in the national interests of Russia to preserve stability in the region and reduce existing tensions at the regional or subregional levels to the minimum. Escalation of international tensions and possible military conflicts, especially in areas close to the Russian national borders, may pose a direct threat to Russian national security and consequently force Russia to divert much-needed resources from domestic economic and social to security purposes. It is also in the higher national interests of Russia to develop its economic ties with the region, since this may help it resolve its current economic problems and ensure sustainable economic growth. To achieve these goals it is important for Russia to maintain non-adversarial relations with all the regional countries and to promote closer relations (otherwise called partnership relationships) with the major actors in the area. Finally, it is in the long-term interests of Russia to promote multi-lateral regional mechanisms of conflict prevention and conflict resolution that may eventually create a fundamentally new, post-cold war regional security regime in Asia and Asia-Pacific based on the principles of multipolarity and international cooperation.

Appendix 1. Select multilateral economic and security-related organizations and initiatives in Asia, April 1999

Shannon Kile

Asia–Pacific Economic Co-operation (APEC)

Members: Australia, Brunei, Canada, Chile, China, Hong Kong (China), Indonesia, Japan, Korea (South), Malaysia, Mexico, New Zealand, Papua New Guinea, Peru, Philippines, Russia, Singapore, Taiwan, Thailand, USA, Viet Nam

APEC was established in 1989 as an informal dialogue group to promote economic cooperation and to remove obstacles to trade between the countries of the Pacific Rim. APEC serves as the forum for an annual meeting of the foreign and economics ministers of the participating states, which is followed by a summit meeting of the heads of government. Under its auspices 10 international Working Groups have been set up to address a broad range of economic, educational and environmental issues.

Association of South-East Asian Nations (ASEAN)

Members: Brunei, Burma, Cambodia, Indonesia, Laos, Malaysia, Philippines, Singapore, Thailand, Viet Nam

ASEAN was established by 5 neighbouring countries (Indonesia, Malaysia, Philippines, Singapore and Thailand) in 1967 as a consultative forum for promoting economic and political cooperation between them. ASEAN enlarged rapidly from 1995 and now incorporates all the states in South-East Asia. ASEAN's distinctive consensus-based form of regionalism—sometimes called 'the ASEAN way'—has been a model for regional organizations elsewhere. Its principal achievements have been in promoting greater economic integration among the member states and in fostering joint approaches to political and security issues affecting the region. Its emerging role as a manager of regional affairs was weakened by the onset of the severe financial crisis in Asia in 1997.

ASEAN Post-Ministerial Conference (ASEAN–PMC)

ASEAN Members: Brunei, Burma, Cambodia, Indonesia, Laos, Malaysia, Philippines, Singapore, Thailand, Viet Nam

ASEAN Dialogue Partners: Australia, Canada, China, European Union, India, Japan, Korea (South), New Zealand, Russia, USA

The PMC is an annual meeting between ASEAN ministers and representatives from the countries with which ASEAN has established dialogue-partner relationships. Held after the ASEAN Ministerial Meeting, it is intended to promote political and economic cooperation and regional stability.

ASEAN Regional Forum (ARF)

Members: Australia, Brunei, Burma, Cambodia, Canada, China, European Union, India, Indonesia, Japan, Korea (South), Laos, Malaysia, Mongolia, New Zealand, Papua New Guinea, Philippines, Russia, Singapore, Thailand, USA, Viet Nam

The ARF is a forum for official intergovernmental consultations on Asia–Pacific security issues which grew out of the ministerial meetings between ASEAN and its dialogue partners and other countries with interests in the region. The ARF was proposed by ASEAN in 1993, and the inaugural meeting was held in 1994. It meets annually at the ministerial level. It also

convenes a number of intersessional Support Groups focusing on regional issues, the most active of which have been the groups on confidence-building measures and peacekeeping operations.

Central Asian Union (CAU)

Members: Kazakhstan, Kyrgyzstan, Tajikistan, Uzbekistan. Russia received observer status in 1996.

The CAU was established by an agreement signed by the presidents of Kazakhstan, Kyrgyzstan and Uzbekistan in July 1994; Tajikistan joined the union in 1999. (Georgia and Turkey were granted observer status in 1999.) The union is aimed at strengthening economic cooperation between the member countries and at taking practical steps to form a Central Asian economic space that would include a free trade zone and a common market for goods, services and capital. The development of closer economic ties has been hindered by disputes over unpaid debts and import tariffs as well as by political tensions between member states.

Commonwealth of Independent States (CIS)

Members: Armenia, Azerbaijan, Belarus, Georgia, Kazakhstan, Kyrgyzstan, Moldova, Russia, Tajikistan, Turkmenistan, Ukraine, Uzbekistan

The CIS is a multilateral framework for promoting economic and security cooperation between the former Soviet republics. Founded in Dec. 1991 at the same time as the USSR was dissolved, it was seen by some as a mechanism for developing political and economic integration on the territory of the former Soviet Union and by others as an instrument for facilitating a 'velvet divorce' of the newly independent states. The organization now includes all the former Soviet republics except for the Baltic states. It has achieved only limited success in promoting greater cooperation among member states, and its role in post-Soviet economic and security matters has waned.

In 1995, Belarus, Kazakhstan and Russia signed an agreement creating a CIS Customs Union; the union was joined by Kyrgyzstan in 1996 and by Tajikistan in 1999.

CIS Treaty on Collective Security (Tashkent Treaty)

The Treaty on Collective Security was signed in Tashkent in May 1992 by Armenia, Kazakhstan, Kyrgyzstan, Russia, Tajikistan and Uzbekistan; it was later joined by Azerbaijan, Belarus and Georgia. It provided for mutual military assistance in the event of aggression against any of the signatories. It had been envisioned as the centrepiece of a CIS collective security system that would include the formation of an integrated coalition force, but yielded few concrete results. In 1999 Azerbaijan, Georgia and Uzbekistan ended their participation in the treaty regime upon the expiry of the original accord.

Council for Security Cooperation in the Asia-Pacific (CSCAP)

Members: Australia, Canada, China, European Union, Indonesia, India*, Japan, Korea (North), Korea (South), Malaysia, Mongolia, New Zealand, Philippines, Russia, Singapore, Thailand, USA, Viet Nam

* Associate member.

CSCAP is a regional 'track two' initiative involving the participation of academics, business leaders, foreign and defence policy specialists, and current and former government officials. It has become increasingly active in supporting the activities of the ARF. A number of issue-oriented international working groups have been established under the auspices of CSCAP dealing with, *inter alia*, confidence- and security-building measures, maritime cooperation and transnational crime.

Economic Cooperation Organization (ECO)

Members: Afghanistan, Azerbaijan, Iran, Kazakhstan, Kyrgyzstan, Pakistan, Tajikistan, Turkey, Turkmenistan, Uzbekistan.

The ECO was established in 1985 by Iran, Pakistan and Turkey; the other seven members joined in 1992. Its main objectives are to increase mutual trade and to promote conditions for

sustained economic growth in the region. It consists of an executive Ministerial Council (comprising foreign ministers or equivalent), a Regional Planning Council and a Council of Deputies (the ambassadors of the member countries in Tehran) and is supported by technical committees in the fields of economic and commercial cooperation; transport and communications; agriculture; energy; infrastructure and public works; narcotics; and educational, scientific and cultural matters.

Georgia–Ukraine–Azerbaijan–Moldova (GUAM) agreement

Members: Azerbaijan, Georgia, Moldova, Ukraine

In 1997 the four former Soviet republics signed an accord to promote greater economic and political cooperation among themselves outside the CIS framework; Uzbekistan joined this informal grouping in Apr. 1999.

‘Shanghai Five’ group

Members: China, Kazakhstan, Kyrgyzstan, Russia, Tajikistan

Informal name given to summit meetings of the five heads of state. The first meeting was held in Shanghai, China, in Apr. 1996 and produced a set of agreements on military confidence-building measures. At subsequent meetings the leaders have pledged, *inter alia*, to cooperate in fighting terrorism and religious extremism, curbing illegal migration and establishing a Central Asian nuclear weapon-free zone.

South Asian Association for Regional Cooperation (SAARC)

Members: Bangladesh, Bhutan, India, Nepal, Maldives Islands, Pakistan, Sri Lanka

SAARC was established in 1985 as an intergovernmental forum designed to promote economic and social development in member states through joint programmes in agreed areas of cooperation including agriculture, communications, education, public health, rural development and transport. In 1995 the South Asian Preferential Trading Arrangement (SAPTA) entered into force, which is aimed at gradually reducing, and eventually eliminating, tariffs within the SAARC region.

Appendix 2. Chronology of principal defence- and security-related agreements and initiatives involving the Russian Federation and Asian countries, 1992–99

Shannon Kile

1992

- 25 May A visit to Moscow by Turkish Prime Minister Suleyman Demirel sees the signing of a Russo-Turkish treaty on the foundations of their relations.
- 25 May Russian President Boris Yeltsin and Kazakh President Nursultan Nazarbayev sign a treaty on friendship, cooperation and mutual aid. Under the terms of the treaty, the two countries pledge to form a common military area, with joint use of military installations, and a common economic area.
- 15 Sep. Yeltsin issues a presidential decree stating that ‘Russia proceeds from the premise that only one China exists and that Taiwan is an indivisible part of it’. The decree follows the decision of Taiwan and Russia in June to exchange unofficial representative offices.
- 6 Nov. Russia and Turkey agree on a deal providing for the sale of Russian military equipment, including helicopters, armoured vehicles and rifles, to Turkey; the deal, worth an estimated \$80 million, marks the first sale of Russian military hardware to a member of NATO.
- 20 Nov. Russia and South Korea sign a protocol providing for regular visits of defence officials and naval vessels between the two countries.
- 23 Nov. The Iranian Navy commissions a Kilo Class diesel submarine from Russia under the terms of a \$600 million deal initially made with the USSR; two additional Kilo Class submarines are delivered to Iran in 1993.
- 19 Dec. On his first official visit to China, Yeltsin and Chinese President Yang Shang Kun sign a Joint Statement on the Foundation of Mutual Relations, in which the two countries pledge to establish good-neighbourly, friendly and mutually beneficial relations; Chinese and Russian officials also sign 24 other statements, documents and memoranda of understanding on cooperation on a range of issues, including border demarcation and reductions in armed forces.

1993

- 28 Jan. In New Delhi, Yeltsin and Indian Prime Minister P. V. Narasimha Rao sign a 20-year Treaty of Peace, Friendship and Cooperation, replacing a similar 1971 Soviet–Indian treaty. The two leaders also sign military cooperation accords, including deals on the sale and production of Russian arms and the supply of Russian military spare parts, and make progress in resolving their dispute over India’s repayment of debt owed to the Soviet Union.

- 11 May The Russian and Turkish defence ministers sign an accord on defence industrial and military training cooperation.
- 25 May In Moscow, Yeltsin and Tajik President Imomali Rakhmonov sign a treaty of friendship, cooperation and mutual assistance and an agreement on the status of Russian forces in Tajikistan.
- 5 July The Russian and Kyrgyz defence ministers sign a military cooperation accord which, among other provisions, allows Russia to lease land for military installations on the territory of Kyrgyzstan, the rent to be paid in military equipment and training.
- 15 July Russian and US officials reach a compromise agreement in their dispute over the sale of Russian rocket engines to India, whereby Russia will sell the engines to India but will not transfer the propulsion technology; the Indian government vows to develop the technology indigenously.
- 2 Sep. Russian and Turkmen officials sign a military cooperation agreement under which Turkmenistan pledges to bear the full cost of stationing Russian armed forces on its territory after 1 Jan. 1994; Russia will maintain some bases in Turkmenistan and will assist in modernizing the Turkmen army. Turkmen President Saparmurad Niyazov emphasizes that his country wishes to remain outside any military bloc.
- 9 Nov. Russian Defence Minister Pavel Grachev and Chinese Defence Minister Chi Haotian sign a five-year defence cooperation agreement paving the way for an increase in the number of military attachés stationed in their respective capitals; the agreement is characterized as a step towards improving Sino-Russian relations.

1994

- 28 Mar. Russia and Kazakhstan sign a military cooperation agreement covering, *inter alia*, defence industrial cooperation in the design, production and repair of military equipment; they also reach agreement on the terms of Russia's lease of the Baikonur space-launch facility.
- 29 May During the visit of Russian Prime Minister Viktor Chernomyrdin to Beijing, Russian and Chinese officials sign an Agreement on the Sino-Russian Border Management System intended to facilitate border trade and hinder criminal activity.
- 3 June In Moscow, Yeltsin and South Korean President Kim Young Sam sign a 13-point agreement aimed at improving diplomatic and commercial relations between Russia and South Korea.
- 7 June Following two years of negotiations, Malaysia agrees to buy 18 Russian MiG-29 fighter aircraft; the deal, which is valued in excess of \$500 million, makes Malaysia the first non-communist state in South-East Asia to purchase Russian military equipment.
- 16 June During a visit to Hanoi, Chernomyrdin and his Vietnamese counterpart, Ko Van Kiet, sign a friendship treaty which replaces a similar 1978 treaty between Viet Nam and the Soviet Union; the dispute over Viet Nam's debt to Russia left over from the Soviet era remains unresolved.
- 30 June Yeltsin and Narasimha Rao sign the Declaration on Further Development and Expansion of Cooperation between Russia and India, stating that their

countries share a common view of regional and global issues and are opposed to 'aggressive nationalism and religious fanaticism'; the two sides also sign nine agreements in various areas, including a protocol extending a credit line to allow India to buy Russian military equipment and spare parts.

- 12 July* The Russian and Chinese defence ministers sign a border security agreement designed to prevent potentially dangerous military incidents, such as unintentional radar jamming and airspace violations.
- 3 Sep.* At the end of a summit meeting in Moscow, Yeltsin and Chinese President Jiang Zemin issue a joint statement defining their bilateral relationship as a 'constructive partnership'. The two leaders pledge that their countries will not initiate the use of nuclear weapons and will not target their strategic nuclear forces against each other. They also sign a demarcation agreement fixing the boundary along a disputed 55-km stretch of the western Sino-Russian border.

1995

- 8 Jan.* Russia and Iran sign an agreement worth \$800 million under which Russian contractors are to complete work on the 1300-Megawatt (MW) nuclear power reactor at Bushehr, the construction of which had been halted after the 1979 Iranian Revolution; in September, Russia confirms that it will also sell two 440-MW light-water nuclear reactors to Iran.
- 20 Jan.* In Moscow, Yeltsin and Kazakh President Nazarbayev announce measures to coordinate defence and security policies; they pledge that the two countries will establish joint armed forces by the end of 1995 as well as a joint border guard force.
- 21 Apr.* South Korea announces that it will accept deliveries of Russian arms—tanks, infantry fighting vehicles and anti-tank missiles—as partial repayment of Russia's \$210 million debt to South Korea.
- 19 May* As part of growing bilateral defence ties, Yeltsin and Turkmen President Niyazov approve a package of military cooperation measures; among these are agreements on joint air defence and military transport arrangements.
- 10 Sep.* The Russian Foreign Ministry announces that it has informed North Korea that it will not renew the 1961 Soviet–North Korean Treaty of Friendship, Cooperation and Mutual Assistance beyond its Sep. 1996 expiry date and has proposed a new treaty; Russia considers Article I of the 1961 accord, which obliged the Soviet Union to provide military assistance in defence of North Korea, to be 'non-operative'.

1996

- 26 Jan.* Russian and Kazakh defence officials sign a package of 16 agreements on military cooperation, including agreements on the organization of joint communications and air defence systems and collaboration in military R&D.
- 8 Feb.* Russia and China reach agreement on a licensing arrangement under which China will manufacture Su-27 fighter aircraft to supplement the aircraft it has already purchased from Russia.
- 25 Apr.* At a summit meeting in Beijing, Yeltsin and Jiang Zemin issue a joint statement declaring that the two countries intend to elevate their relations to a 'strategic partnership'. The key elements of this partnership include: deeper

political and diplomatic ties; increased bilateral trade (to \$20 billion by the year 2000); multilateral security arrangements, possibly serving as a model for the Asia–Pacific region; respect for national sovereignty and non-interference in each other’s internal affairs; and a commitment to a multipolar world order.

- 26 Apr.* Meeting in Shanghai, the heads of state of China, Kazakhstan, Kyrgyzstan, Russia and Tajikistan sign an agreement to establish a number of military confidence-building measures (CBMs) within a 100 km-wide zone on both sides of the 8000-km border that China shares with the other 4 countries; these include limits on the number and geographical scope of border-area field exercises and movements, measures to prevent hazardous military activities, and expanded contacts between the countries’ military forces and border troops. The sides also renounce the use of or threat to use military force against one another.
- 2 Aug.* South Korea announces that it will accept Russian uranium for use in nuclear power reactors and Russian helicopters worth \$90 million as a partial debt repayment.
- 23 Oct.* In New Delhi, Russian Defence Minister Igor Rodionov signs a military technology cooperation agreement with his Indian counterpart, Mulayam Singh Yadav. They also reach agreement on joint exercises and officer exchanges.
- 3 Nov.* During a visit to Moscow by South Korean Defence Minister Kim Dong Jin, Russian and South Korean officials sign a memorandum of understanding (MOU) on military cooperation; it includes policy statements about the settlement of Russia’s outstanding debt to South Korea with arms exports.
- 14 Nov.* The Indian Cabinet is reported to have approved the \$1.8 billion deal reached by the previous government to purchase 20 Su-30 fighters from Russia with an option to buy 20 additional aircraft.
- 28 Dec.* At the end of Prime Minister Li Peng’s visit to Moscow, Russia and China issue a joint communiqué pledging to build an ‘equal and reliable partnership’. A number of bilateral military and commercial agreements are signed, including one finalizing the sale of Russian Su-27 fighters and related production technology to China; agreement is also reportedly reached on China’s purchase of two Russian Sovremenny Class destroyers.

1997

- 18 Mar.* Russian and Kyrgyz officials sign a protocol extending their cooperation in guarding Tajikistan’s border with Afghanistan.
- 23 Apr.* At a summit meeting in Moscow, Yeltsin and Jiang Zemin issue a Joint Declaration on a Multipolar World and Formation of a New World Order calling for the development of a multipolar international system rather than one dominated by a single superpower.
- 24 Apr.* Following up on their Apr. 1996 agreement on border CBMs, the presidents of China, Kazakhstan, Kyrgyzstan, Russia and Tajikistan sign the Treaty on Mutual Reductions of Military Forces in Border Areas. It requires the withdrawal of most troops stationed within the 200 km-wide zone of application along the border that China shares with the other 4 countries.

- 20 June* At the summit meeting of the Group of Seven (G7) leading industrial countries in Denver, Yeltsin meets Japanese Prime Minister Ryutaro Hashimoto and announces that Russia will not target its nuclear weapons on Japan.
- 3 July* The Treaty of Friendship, Cooperation and Mutual Security between Russia and Azerbaijan is signed in Moscow by Yeltsin and Azerbaijani President Heidar Aliyev.
- 5 Aug.* Indonesia announces that it will purchase from Russia 12 Su-30 aircraft and 8 Mi-17 helicopters in a deal valued at \$600 million.
- 23 July* During a visit of Russian Foreign Minister Yevgeny Primakov to Seoul, a 'hot line' agreement is signed providing for the establishment of a special communications link between the official residences of the Russian and South Korean presidents.
- 10 Oct.* The Russian and Kyrgyz defence ministers sign an agreement under which Kyrgyzstan will lease four military installations to Russia; the agreement also provides for Russia to supply training and spare parts to the Kyrgyz Army.
- 30 Oct.* The Russian and Kazakh defence ministers sign an agreement on Russian compensation to Kazakhstan for leasing defence facilities there.
- 2 Nov.* Following informal talks in the Siberian city of Krasnoyarsk, Yeltsin and Japanese Prime Minister Hashimoto commit themselves to sign by the year 2000 a peace treaty formally ending World War II and to settle the remaining bilateral issues from the war; they also agree on the framework of the 'Yeltsin-Hashimoto plan' to expand bilateral trade and economic relations.
- 10 Nov.* At a summit meeting in Beijing, Yeltsin and Jiang sign an agreement settling the demarcation of the disputed 4300-km eastern sector of the Russian-Chinese border in accordance with the provisions of a May 1991 demarcation agreement between China and the Soviet Union. (The status of three islands lying in border rivers is left for future negotiations.) The agreement is to be accompanied by the introduction of military CBMs in the border area. The two also agree to establish regular biannual meetings at prime ministerial level.
- 22 Nov.* Russian and visiting South Korean defence ministry officials sign agreements on military technology and defence industrial cooperation.

1998

- 3 May* The Russian and Chinese foreign ministries exchange notes confirming the start of the telephone 'hot line' link between the two countries' presidents.
- 6 May* The presidents of Russia, Tajikistan and Uzbekistan sign an accord creating a trilateral 'union' aimed at combating the advance of militant Islamic fundamentalism in Tajikistan and elsewhere in Central Asia.
- 28 May* South Korean and Russian defence ministry officials sign documents providing for bilateral exchanges between their respective ministries and general staffs.
- 21 June* Renewing a Soviet-era project, Russian and Indian atomic energy officials sign a protocol to a 1988 agreement, under which Russia will build two 1000-MW light-water nuclear reactors at Kudankulam in the Indian state of Tamil Nadu; the deal is valued at \$2.6 billion.

- 3 July The foreign ministers of China, Kazakhstan, Kyrgyzstan, Russia and Tajikistan issue a joint statement calling for the strengthening of bilateral and multilateral cooperation among their countries as an important contribution to stability and security in Asia; they respond favourably to the proposal put forward by the five Central Asian countries to establish a nuclear weapon-free zone in Central Asia.
- 7 July Yeltsin and visiting Kazakh President Nazarbayev sign a declaration of 'eternal friendship and alliance' between their countries that provides for mutual assistance in the event of aggression by a third party.
- 27 July At the fifth meeting of the ASEAN Regional Forum (ARF), Foreign Minister Primakov proposes a series of maritime confidence-building measures to be applied in the Asia–Pacific region.
- 25 Aug. In Moscow, Yeltsin and Vietnamese President Tran Duc Luong sign a joint declaration on developing future cooperation between Russia and Viet Nam.
- 3 Nov. Meeting in Pyongyang, North Korea, representatives of Russia, China and North Korea sign an agreement defining the border along the Tumen River.
- 12 Nov. Yeltsin and Japanese Prime Minister Keizo Obuchi issue a declaration proclaiming the establishment of a 'creative partnership' between their countries at the end of a summit meeting in which new proposals were put forward to resolve the long-running bilateral dispute over the Kuril Islands.
- 14 Nov. Russia joins the Asia–Pacific Economic Co-operation (APEC) forum.
- 23 Nov. At the end of an informal summit meeting held near Moscow, Yeltsin and Jiang issue a nine-point joint statement on 'Russian–Chinese relations on the Threshold of the 21st Century' calling for, *inter alia*, support for a multipolar international system and a greater role for the UN in world affairs.
- 22 Dec. Primakov, now Russian Prime Minister, and Indian Prime Minister Atal Behari Vajpayee attend the signing in New Delhi of an agreement on military–technical cooperation, to be valid until 2010; Indian and Russian officials also sign agreements on commercial and scientific cooperation.

1999

- 17 Mar. The Russian and North Korean deputy foreign ministers initial a new cooperation agreement which is expected to replace the expired 1961 Treaty of Friendship, Cooperation and Mutual Assistance between North Korea and the USSR.
- 24 Mar. On a visit to New Delhi, Russian Defence Minister Igor Sergeyev and his Indian counterpart, George Fernandez, sign a military cooperation agreement providing for the training of Indian defence personnel at Russian military academies; according to Sergeyev, the two countries will sign a declaration of strategic partnership by the end of the year.

Appendix 3. Transfers of major conventional weapons by Russia to Asian countries, 1992–98

This register lists major weapons on order or under delivery, or for which the licence was bought and production was under way or completed, during period 1992–98. 'Year(s) of deliveries' includes aggregates of all deliveries and licensed production since the beginning of the contract. Sources and methods for the data collection are explained in SIPRI Yearbooks and on the SIPRI Internet site at URL <<http://www.sipri.se/projects/armstrade/atmethods.html>>. Conventions, abbreviations and acronyms are explained at the end of this appendix. 'Deal worth' values in the comments refer to real monetary values as reported in sources and not to SIPRI trend-indicator values.

Recipient	No. ordered	Weapon designation	Weapon description	Year of order/ licence	Year(s) of deliveries	No. delivered/ produced	Comments
Cambodia	2	Mi-17 Hip-H	Helicopter	(1995)	1996	(2)	Supplier uncertain; second-hand; for VIP transport
	(2)	Mi-26 Halo	Helicopter	(1996)	1996	(2)	Supplier uncertain; probably second-hand; bought by Cambodian civilian as gift for Air Force
China	7	Il-76M Candid-B	Transport aircraft	1992	1993	7	Barter deal worth \$200 m (offsets 60%); 3 more delivered to military-owned airline
	(8)	Ka-27PL Helix-A	ASW helicopter	1998		..	Incl 4 Ka-28PS SAR version
	24	Su-27SK Flanker-B	FGA aircraft	1995	1996–97	24	Deal worth \$2.2 b; incl 6 Su-27UB trainer version
	(288)	AA-11 Archer/R-73	Air-to-air missile	1995	1996	(288)	For 24 Su-27 fighter aircraft
	2	Su-27UBK Flanker-C	FGA/trainer aircraft	1992	1992	2	Original order for 12 Su-27SK FGA aircraft reduced to 2 Su-27UB trainer version
	24	Su-27SK Flanker-B	FGA aircraft	1991	1992	(24)	Deal worth \$700 m (offsets 40%); incl 4 Su-27UBK trainer version
	(288)	AA-11 Archer/R-73	Air-to-air missile	(1991)	1991–92	(288)	For 24 Su-27 fighter aircraft
(96)	AA-8 Aphid/R-60	Air-to-air missile	1991	1991–92	(96)	For 24 Su-27 fighter aircraft	
(15)	SA-15/Tor-MI	AAV(M)	(1996)	1997	(15)		

(255)	SA-15 Gauntlet/9M330	SAM	(1996)	1997	(255)	For SA-15 SAM system
(4)	SA-10d/S-300PMU-1	SAM system	1992	1993-97	(4)	Number delivered could be 6
(1)	36D6/Tin Shield	Surveillance radar	1992	1993	(1)	For use with 4 SA-10c/S-300PMU SAM systems
(1)	76N6 Clam Shell	Surveillance radar	1992	1993	(1)	For use with 4 SA-10c/S-200PMU SAM system
(144)	SA-10 Grumble/5V55R	SAM	1992	1993-97	(144)	For 4 SA-10d/S-300PMU SAM systems
2	Kilo Class/Type-636E	Submarine	1993	1997	1	
2	Kilo Class/Type-877E	Submarine	1993	1995	2	Originally built for Poland and Romania but cancelled
2	Sovremenny Class	Destroyer	1996		..	Originally ordered for Soviet/Russian Navy but cancelled before completion and sold to China
2	Top Plate	Surveillance radar	1996		..	On 2 Sovremenny Class destroyers
4	Bass Tilt	Fire control radar	1996		..	On 2 Sovremenny Class destroyers; for use with AK-630 30mm guns
12	Front Dome	Fire control radar	1996		..	On 2 Sovremenny Class destroyers; for use with SA-N-7 ShAMs
2	Kite Screech	Fire control radar	1996		..	On 2 Sovremenny Class destroyers; for use with AK-130 130mm guns
6	Palm Fond	Surveillance radar	1996		..	On 2 Sovremenny Class destroyers
4	SA-N-7 ShAMS/Shtil	ShAM system	1996		..	On 2 Sovremenny Class destroyers
(132)	SA-N-7 Gadfly/Smerch	ShAM	1996		..	For 2 Sovremenny Class destroyers; designation could be SA-N-17 Grizzly
2	SS-N-22 ShShMS	ShShM system	1996		..	On 2 Sovremenny Class destroyers
(50)	SS-N-22 Sunburn/P-80	ShShM	1998		..	For 2 Sovremenny Class destroyers
4	AK-130 130mm	Naval gun	1996		..	On 2 Sovremenny Class destroyers
(200)	Su-27SK Flanker-B	FGA aircraft	1996	1998-98	(2)	Incl some only assembled in China; Chinese designation J-11
2	Kilo Class/Type-877E	Submarine	1997	1997-98	1	Incl 1 originally built for Russian Navy, but sold to India before completion; Indian designation Sindughosh Class
3	AK-100 100mm L/59	Naval gun	(1986)	1997	(1)	For 3 Delhi Class (Project-15 Type) destroyers
3	Kite Screech	Fire control radar	(1986)	1997	(1)	For 3 Delhi Class (Project-15 Type) destroyers; for use with AK-100 100mm gun
6	Bass Tilt	Fire control radar	(1986)	1997	(2)	For 3 Delhi Class (Project-15 Type) destroyers; for use with AK-650 30mm guns
	India					

Recipient	No. ordered	Weapon designation	Weapon description	Year of order/ licence	Year(s) of deliveries	No. delivered/ produced	Comments
	18	Front Dome	Fire control radar	(1986)	1997	(6)	For 3 Delhi Class (Project-15 Type) destroyers; for use with SA-N-7 ShAM system
	6	SA-N-7 ShAMS/Shtil	ShAM system	(1986)	1997	(2)	For 3 Delhi Class (Project-15 Type) destroyers
	(216)	SA-N-7 Gadfly/Smerch	ShAM	(1986)	1997	(72)	For 3 Delhi Class (Project-15 Type) destroyers
	3	Garpun	Fire control radar	(1993)	1997-98	(1)	For 3 Delhi Class (Project-15 Type) destroyers; for use with SS-N-25 ShShMs
	3	SS-N-25 ShShMS	ShShM system	1992	1997-98	(1)	For 3 Delhi Class (Project-15 Type) destroyers
	(98)	SS-N-25/X-35 Uran	ShShM	1992	1997-98	(32)	For 3 Delhi Class (Project-15 Type) destroyers
	3	Krivak-4 Class	Frigate	1997	..	..	Deal worth Rs35.4 b; delivery delayed due to financial problems of producer
	3	AK-100 100mm L/59	Naval gun	(1997)	..	..	On 3 Krivak-4 Class frigates
	3	Kite Sereech	Fire control radar	1997	..	..	On 3 Krivak-4 frigates; for use with AK-100 100mm gun
	..	Cross Sword	Fire control radar	(1997)	..	..	On 3 Krivak-4 Class frigates; for use with SA-N-9 ShAM system; status uncertain
	3	SA-N-9 ShAMS	ShAM system	(1997)	..	..	On 3 Krivak-4 Class frigates; status uncertain
	..	SA-N-9 Tor-M	ShAM	(1997)	..	..	For 3 Krivak-4 Class frigates; status uncertain
	3	Garpun	Fire control radar	1997	..	..	On 3 Krivak-4 Class frigates; for use with SS-N-25 ShShM system
	3	SS-N-25 ShShMS	ShShM system	(1997)	..	..	On 3 Krivak-4 Type frigates
	3	Top Plate	Surveillance radar	1997	..	..	On 3 Krivak-4 Class frigates; designation uncertain
	8	Bass Tilt	Fire control radar	1983	1989-98	(5)	For 8 Khukri Class (Project-25/25A Type) corvettes; for use with 76mm gun and AK-630 30mm CIWS
	8	Cross Dome	Surveillance radar	(1983)	1989-98	(5)	For 8 Khukri Class (Project-25/25A Type) corvettes
	8	Plank Shave	Surveillance radar	(1983)	1989-98	(5)	For 8 Khukri Class (Project-25/25A Type) corvettes
	4	SS-N-25 ShShMS	ShShM system	(1996)	1998	(1)	For last 4 Khukri Class (Project-25A Type) corvettes

(96)	SS-N-25/X-35 Uran	ShShM	(1996)	1998	(24)	For last 4 Khukri Class (Project-25A Type) corvettes
(320)	SA-N-5 Grail/Strela-2M	ShAM	(1983)	1989-98	(200)	For 8 Khukri Class (Project-25/25A Type) corvettes
3	Head Net-C	Surveillance radar	1989	1998	(1)	For 3 Brahmaputra Class (Project-16A Type) frigates
3	Garpun	Fire control radar	(1993)	1998	(1)	For 3 Brahmaputra Class (Project-16A Type) frigates; for use with SS-N-25 ShShM system
3	SA-N-4/ZIF-22	ShAM system	(1989)	1998	(1)	For 3 Brahmaputra Class (Project-16A Type) frigates
(90)	SA-N-4 Gecko/Osa-M	ShAM	(1989)	1998	(20)	For 3 Brahmaputra Class (Project-16A Type) frigates
3	SS-N-25 ShShMS	ShShM system	1993	1998	(1)	For 3 Brahmaputra Class (Project-16A Type) frigates
8	Plank Shave	Surveillance radar	(1987)	1991-97	(8)	For 8 Tarantul-1 (Vibhuti) Class FAC
8	Bass Tilt	Fire control radar	(1987)	1991-97	(8)	For 8 Tarantul-1 (Vibhuti) Class FAC; for use with 76mm gun and AK-630 30mm CIWS
(160)	SA-N-5 Grail/Strela-2M	ShAM	1987	1991-97	(160)	For 8 Tarantul-1 (Vibhuti) Class FAC
8	SS-N-2 ShShMS	ShShM system	(1987)	1991-97	(8)	For 8 Tarantul-1 (Vibhuti) Class FAC
(104)	SS-N-2d Styx/P-21	ShShM	1987	1987-97	(104)	For 13 Tarantul-1 (Veer and Vibuthi) Class Class FAC
(4)	140mm RL	Naval MRL	(1985)	1987-97	(4)	For 2 Magar Class landing ships; designation uncertain
1	Fedko Class	Tanker	1995	1996	1	Indian designation Jyoti Class
3	Ka-31 Helix	AEW helicopter	(1997)		..	For Navy; deal worth \$29 m
(10)	MiG-21UM Mongol-B	Fighter/trainer ac	1995	1995	10	Ex-Russian Air Force
8	MiG-29SE Fulcrum-C	FGA aircraft	1994	1996	8	
2	MiG-29UB Fulcrum-B	Fighter/trainer ac	1995	1996	2	
(180)	AA-11 Archer/R-73	Air-to-air missile	1995	1996	(180)	For 10 MiG-29SE/UB fighter aircraft
40	Su-30MK Flanker	FGA aircraft	1996	1997	8	Deal worth \$1.55 b; incl 32 Su-30MKI version; option on licensed production of 120 more
(360)	AA-10c Alamo/R-27RE	Air-to-air missile	1996	1997	(60)	For Su-30MK/MKI FGA aircraft
(720)	AA-11 Archer/R-73	Air-to-air missile	(1996)	1997	(144)	For Su-30MK/MKI FGA aircraft
(750)	AA-12 Adder/R-77	Air-to-air missile	(1996)		..	For 125 MiG-21bis fighter aircraft; upgraded to MiG-21-93 and possibly also for MiG-29 fighter aircraft

Recipient	No. ordered	Weapon designation	Weapon description	Year of order/licence	Year(s) of deliveries	No. delivered/produced	Comments
	(800)	AT-6 Spiral/9M114	Anti-tank missile	(1995)	1998-98	(400)	For Mi-24 (Mi-25 and Mi-35) helicopters
	..	BM-9A52/BM-23	MRL	(1998)		..	
	(321)	M-46 130mm	Towed gun	(1991)	1994-95	321	Ex-Russian Army
	(250)	T-90	Main battle tank	(1998)		..	Deal worth \$750 m; no. ordered could be up to 315; may incl assembly or licensed production in India; reaction on Pakistani acquisition of 320 T-80UB tanks; status uncertain
	(20)	2S6M Tunguska	AAV(G/M)	(1996)	1997-98	(20)	Number ordered could be up to 50
	(320)	SA-19 Grison	SAM	(1996)	1997-98	(320)	For 20 2S6 AAV(G/M)s
	(6)	SA-12/S-300V	SAM system	(1998)		..	
	(400)	SA-16 Gimlet/Igla-1	Portable SAM	(1990)	1990-92	(400)	
Lic.	165	MiG-27M Flogger-J	FGA aircraft	1983	1984-97	(165)	Indian designation Bahadur
Lic.	753	BMP-2	IFV	1985	1988-92	(753)	Indian designation Sarath
Lic.	143	BMP-2	IFV	(1990)	1993-95	(143)	Indian designation Sarath
Lic.	375	T-72M1	Main battle tank	(1980)	1990-94	(375)	Indian designation Ajeya
Lic.	1 200	AT-4 Spigot/9M111	Anti-tank missile	1983	1990-94	(1 200)	For BMP-2 IFVs
Lic.	..	AT-5a Spandrel/9M113	Anti-tank missile	(1988)	1989-98	(8 750)	For BMP-2 IFVs
Lic.	8	Tarantul-1 Class	FAC(M)	1987	1991-97	8	Indian designation Vibhuti Class
Iran	2	Kilo Class/Type-877E	Submarine	1991	1992-93	2	Deal worth \$750 m; Iranian designation Tareq Class
	1	Kilo Class/Type-877E	Submarine	1993	1996	1	
	(122)	T-72M1	Main battle tank	1989	1993-96	122	Iranian designation Tareq Class
	(80)	BMP-2	IFV	1992	1993	80	
	(800)	AT-4 Spigot/9M111	Anti-tank missile	(1992)	1993	(800)	For 80 BMP-2 IFVs
	(2)	BMP-2	IFV	(1995)	1996	2	Designation uncertain
Lic.	..	T-72S1	Main battle tank	(1996)	1997-98	(30)	
	(21)	MiG-29 Fulcrum-A	Fighter aircraft	1995	1995-96	(21)	Ex-Russian Air Force; payment for Russian debt to Kazakhstan; incl 4 MiG-29UB trainer version
	(14)	Su-25 Frogfoot-A	Ground attack ac	1995	1997	(14)	Ex-Russian Air Force; payment for Russian debt to Kazakhstan

		Su-27SK Flanker-B	FGA aircraft	(1995)	1996-97	(10)	Ex-Russian Air Force; payment for Russian debt to Kazakhstan
	1	SA-10c/S-300PMU	SAM system	(1998)		..	
	..	SA-10 Grumble/5V55R	SAM	(1998)		..	For 1 SA-10c/S-300PMU SAM system
North Korea	15	Drum Tilt	Fire control radar	(1979)	1981-94	(15)	For 15 Soju Class FAC; for use with 30mm guns
	(15)	SS-N-2 ShShMS	ShShM system	(1979)	1981-94	(15)	For 15 Soju Class FAC
	15	Square Tie	Surveillance radar	(1979)	1981-94	(15)	For 15 Soju Class FAC; supplier uncertain
	5	Drum Tilt	Fire control radar	(1987)	1990-95	(5)	For Taechong-2 (Mayang) Class patrol craft
	6	Square Tie	Surveillance radar	(1979)	1981-93	(6)	For 6 Sohung Class FAC; supplier uncertain
	..	AT-4 Spigot/9M111	Anti-tank missile	(1987)	1991-98	(800)	More possibly produced for export
	(.)	SA-16 Gimlet/Igla-1	Portable SAM	(1989)	1992-98	(140)	
	(800)	SA-7 Grail/Strela-2	Portable SAM	(1985)	1986-93	(800)	
South Korea	(33)	T-80U	Main battle tank	1995	1996-97	33	Part of payment for Russian \$210 m debt to S. Korea
	(396)	AT-11 Sniper/9M119	Anti-tank missile	1995	1996-97	(396)	For 33 T-80U tanks
	(33)	BMP-3	IFV	1995	1996-98	(33)	Part of payment for Russian \$210 m debt to S. Korea; incl for Marines; number could be up to 70
	(528)	AT-10 Stabber/9M117	Anti-tank missile	1995	1996-98	(528)	For 33 BMP-3 IFVs
	(45)	AT-7 Saxhorn/9M115	Anti-tank missile	1995	1996	(45)	Part of payment for Russian \$210 m debt to S. Korea; for technical evaluation
	(45)	SA-18 Grouse/Igla	Portable SAM	1995	1996	(45)	Part of payment for Russian \$210 m debt to S. Korea
Laos	4	Mi-17 Hip-H	Helicopter	1997	1997-98	(4)	Originally 12 planned but last 8 cancelled for financial reasons
Malaysia	18	MiG-29S Fulcrum-C	FGA aircraft	1994	1995	18	Deal worth \$600 m (offsets \$220 m incl \$150 m barter); incl 2 MiG-29UB trainer version; Malaysian designation MiG-29N and MiG-29NUB
	(216)	AA-11 Archer/R-73	Air-to-air missile	1994	1995	(216)	For 18 MiG-29SE FGA aircraft
Myanmar	5	Mi-17 Hip-H	Helicopter	1996	1997	(5)	
	7	Mi-17 Hip-H	Helicopter	1995	1995	7	
Pakistan	12	Mi-17 Hip-H	Helicopter	1995	1996	12	For Army; deal worth \$32 m

Recipient	No. ordered	Weapon designation	Weapon description	Year of order/licence	Year(s) of deliveries	No. delivered/produced	Comments
Singapore	5	Mi-17 Hip-H	Helicopter	(1995)	1995	5	For Army
	350	SA-16 Gimlet/Igla-1	Portable SAM	1997	1998	(175)	Deal incl also 30 launchers; option on 500 more
	10	Mi-8T Hip-C	Helicopter	1993	1994	(10)	Ex-Russian Air Force
Tajikistan	19	Mi-17 Hip-H	Helicopter	(1994)	1995-96	(19)	Deal worth \$65 m; for Gendarmerie
	23	BTR-60P	APC	1993	1993	23	Ex-Russian Army; deal worth \$75 m incl 20 Mi-17 helicopters and 52 BTR-80 APCs; for Gendarmerie
Viet Nam	(174)	BTR-80	APC	1993	1993-95	174	Ex-Russian Army
	(40)	BTR-80	APC	1993	1993	(40)	Ex-Russian Army
	6	Su-27SK Flanker-B	FGA aircraft	(1994)	1995	6	Deal worth \$200 m; incl 1 Su-27UBK trainer version
	(72)	AA-11 Archer/R-73	Air-to-air missile	(1994)	1995	(72)	For 6 Su-27SK/UB fighter aircraft
Turkey	(6)	Su-27UBK Flanker-C	FGA/trainer ac	(1996)	1997-98	6	Designation uncertain
	4	ST-68U	Surveillance radar	1994	1995-97	(4)	Vietnamese designation HQ-371 Class.
	2	Tarantul-1 Class	FAC(M)	1994	1996	2	On 2 Tarantul-1 Class FAC
	2	Plank Shave	Surveillance radar	1994	1996	2	On 2 Tarantul-1 Class FAC; for use with 76mm and 30mm guns
	2	Bass Tilt	Fire control radar	1994	1996	2	On 2 Tarantul-1 Class FAC
	2	SS-N-2 ShShMS	ShShM system	1994	1996	2	On 2 Tarantul-1 Class FAC
	(16)	SS-N-2d Styx/P-21	ShShM	(1994)	1996	(16)	For 2 Tarantul-1 Class FAC
	(80)	SA-N-5 Grail/Strela-2M	ShAM	(1994)	1996	(80)	For 2 Tarantul-1 Class FAC
	2	Cross Dome	Surveillance radar	1996	..	..	For 2 BPS-500 Type FAC
	2	Bass Tilt	Fire control radar	1996	..	..	For 2 BPS-500 Type FAC; for use with 76mm and AK-630 30mm guns
Lic.	2	SS-N-25 ShShMS	ShShM system	1996	..	..	For 2 BPS-500 Type FAC
	(16)	SS-N-25X-35 Uran	ShShM	1996	..	..	For 2 BPS-500 Type FAC
	(48)	SA-N-5 Grail/Strela-2M	ShAM	(1996)	..	..	For 2 BPS-500 Type FAC; designation uncertain
Lic.	2	BPS-500 Type	FAC(M)	1996	..	..	Vietnamese designation Ho-A Class
	(4)	BPS-500 Type	FAC(M)	(1998)	..	..	Vietnamese designation Ho-A Class

Source: SIPRI arms transfers database.

Abbreviations and acronyms

ac	Aircraft
AAV	Anti-aircraft vehicle
AEW	Airborne early-warning
AEW&C	Airborne early-warning and control
APC	Armoured personnel carrier
APC/CP	Armoured personnel carrier/command post
ASW	Anti-submarine warfare
CIWS	Close-in weapon system
FAC	Fast attack craft
FGA	Fighter/ground attack
IFV	Infantry fighting vehicle
Lic.	Licensed production
mm	millimetres

(M)	Missile-armed
MRL	Multiple-rocket launcher
SAM	Surface-to-air missile
SAR	Search and rescue
ShAM	Ship-to-air missile
ShShM	Ship-to-ship missile

Conventions

..	Data not available or not applicable
()	Uncertain data or SIPRI estimate
m	million (10 ⁶)
b	billion (10 ⁹)

About the authors

Vyacheslav B. Amirov (Russia) is a Senior Research Fellow at the Centre for Japanese and Pacific Studies in the Institute of World Economy and International Relations (IMEMO) of the Russian Academy of Sciences in Moscow. His recent publications include 'Republic Korea: economic relations with Japan and the United States', in *Korean Peninsula in Northern Asian Regional Affairs* (Moscow, 1997, in English); 'Russia's policy towards Central Asian newly independent states' (Paper presented at the international conference on post-Communist states, Melbourne, Australia, 1998); and 'Strany ACEAN: raznye puti vykhoda iz krizisa' [ASEAN: different ways out of the crisis], in *Mezhdunarodny Finansovy Krizis: Novy Etap Globalnogo Ekonomicheskogo Razvitiya?* [International financial crisis: a new stage of global economic development?] (Moscow, 1999).

Vladimir Baranovsky (Russia) is a Deputy Director of IMEMO and was previously SIPRI Project Leader on Russia's Security Agenda in Europe. He edited the SIPRI volume *Russia and Europe: The Emerging Security Agenda* (1997) and has contributed successive chapters to the SIPRI Yearbook.

Vyacheslav Belokrenitsky (Russia) is Head of the Near and Middle East Department in the Institute of Oriental Studies (IOS) of the Russian Academy of Sciences and Professor at the Moscow State Institute of International Relations (MGIMO). His recent publications include 'Russia and Greater Central Asia', *Asian Survey*, no. 12, 1994; 'The geopolitical vertical line in the heart of Asia', *Pro et Contra*, no. 2, 1997; and 'Russia and the "Islamic Triangle": Afghanistan, Iran, Pakistan', *Limes*, no. 4, 1998.

Chen Qimao (China) is Professor at the Shanghai Institute of International Affairs and President of the Shanghai Society of International Relations. His recent publications include 'The Taiwan Strait crisis: its crux and solutions', *Asian Survey*, no. 11, 1996; 'China-Korean peninsula relations in the 21st century', *SIIS Journal*, no. 3, 1997; and (with Wei Yung) *Relations Across the Taiwan Strait: Perspectives from Mainland China and Taiwan* (Occasional paper by the US Atlantic Council, 1998).

Gennady Chuftrin (Russia), Associate Member of the Russian Academy of Sciences, is Leader of the SIPRI Project on Russia's Emerging Security Agenda and was previously Deputy Director and Head of Department at the IOS. He recently published *Russian Foreign Policy in Asia-Pacific: Changing Objectives* (Seoul, 1996); *Weapon Sales in Moscow's Foreign Policy* (Singapore, 1996); *Security Concerns of Russia in Asia-Pacific* (Wellington, New Zealand, 1997); and 'The Caspian Sea Basin: the security dimensions', *SIPRI Yearbook 1999*.

Alexander N. Fedorovsky (Russia) is Head of the Pacific Economy Section in IMEMO. His recent publications include 'South Korea's economic relations with Russia and China' and 'Inter-Korean economic relations: problems and prospects', both in *Korean Peninsula in Northern Asian Regional Affairs* (Moscow, 1997, in English); and 'Kim Dae-Jung Administration's unification policy and prospects for

Russian–Korean relations’, *Korean Journal of National Unification: An Annual Journal*, 1998, pp. 85–100 (in English).

Tsuyoshi Hasegawa (USA) is currently Professor at the Department of History, University of California at Santa Barbara (USA). His publications include *The Northern Territories Dispute and Russo-Japanese Relations* (University of California, 1998, in 2 vols).

Joyce K. Kallgren (USA) is a former Associate Director of the Institute of East Asian Studies at the University of California at Berkeley, a member of the Executive Committee of the US Council for Security Cooperation in the Asia–Pacific and the Board of Directors of the National Committee of US–China relations, and editor of *Asian Survey*. Among her recent publications is *Progress in the 20th Century: Problems in the 21st. East Asia’s Challenges for Japan* (Hiroshima University, 1998).

Shannon Kile (USA) is a Researcher on the SIPRI Project on Russia’s Emerging Security Agenda. He has contributed chapters on nuclear arms control to most volumes of the SIPRI Yearbook since 1993 and is the author of a chapter in *The Future of the Defence Industries in Central and Eastern Europe* (SIPRI, 1994).

Andrew C. Kuchins (USA) is Associate Director of the Centre for International Security and Cooperation, Stanford University. His research interests include Russian foreign and security policy with an emphasis on Asia. He is at present completing a book entitled *Russia and the World: Dilemmas of Power*.

Vladimir I. Maksimenko (Russia), formerly Deputy Director of the IOS, is at present Senior Research Fellow at the IOS. His recent publications include ‘Kak myslit mir za predelami rosta?’ [How to see the world beyond the parameters of growth?], *Vostok*, no. 2, 1998; ‘Koordinaty sovremennosti’ [Coordinates of the modern world], *Vostok*, no. 4, 1998; and *Fundamentalizm i Ekstremizm v Islame* [Fundamentalism and extremism in Islam] (forthcoming).

Abbas Maleki (Iran) was formerly Deputy Foreign Minister and at present is Director of the International Institute for Caspian Studies in Tehran. He has published *Silk and Spice Routes* (Tehran, 1996); *Oil and Gas in the Caspian: an Iranian Perspective* (Paris, 1997); and *America’s Footprint in Central Asia* (Tehran, 1997). *Privatisation: Path to Economic Development* is forthcoming (all in English).

Vladimir Moskalenko (Russia) is Head of the Pakistan Section of the IOS and Professor at the Institute of Asian and African Studies, Moscow State University. His recent publications include ‘Pakistan: kurs ha Tsentralnuyu Asiyu’ [Pakistan: Central Asian policy], *Vostok*, no. 5, 1996; [Peace process in Afghanistan: the foreign powers’ responsibility] (Tehran, 1996, in Persian); (with T. Shaumian) ‘The nuclear weapons and New Delhi view’, *Asia and Africa Today*, no. 10, 1998; and (with T. Shaumian) ‘Rossiysko-indiyskiye otnosheniya i Pakistan’ [Russian–Indian relations and Pakistan], *Rossiia i Indiya na Poroge Tretogo Tysachiletia* [Russia and India on the threshold of the third millennium] (Moscow, 1998).

Victor Nadein-Raevsky (Russia) is Senior Research Fellow at IMEMO. He is the author of *An Opinion on the Turkic Factor* (Moscow, 1996, in English); *Turtsiya i Rossiyskiye Avtonomii* [Turkey and the Russian autonomies] (Moscow, 1997); and

Panturkizm: k Istorii Voznikoveniya [Panturkism: towards a history of its development] (Moscow, 1998).

Vitaly V. Naumkin (Russia) is President of the Russian Centre for Strategic Research and International Studies, Head of the Arabic Department at the IOS and Editor-in-Chief of the journal *Vostok*, published by the Russian Academy of Sciences. His recent publications include (co-edited with I. Zviagelskaya) *Ethnic History of Russia* (Boulder, Colo., 1996); *Ethnic Conflict in the Former Soviet Union* (Moscow, 1997, in English); and *Arms Trade in the Middle East* (Moscow, 1997, in English).

Mikhail G. Nosov (Russia) is Deputy Director of the Institute of US and Canada Studies of the Russian Academy of Sciences and the author of *Challenges to the Strategic Balance in East Asia on the Eve of the 21st Century* (Washington, DC, 1997); 'Yaponiya i vneshniy mir: vstupaya v mirovoye soobshchestvo' [Japan and the outside world: joining world society], *Yaponiya v Poiske Novykh Rubezhey* (Moscow, 1998); and 'Nad stranitsami yaponskoy vneshney politiki' [The pages of Japanese foreign policy] in *Yaponiya: Perevorachivaya Stranitsy* [Japan: turning the pages] (Moscow, 1998).

Martha Brill Olcott (USA) is a Senior Associate at the Carnegie Endowment for International Peace and Professor of Political Science at Colgate University. Her recent publications include *Democratisation and the Growth of Political Participation in Kazakhstan* (Cambridge, 1997); 'The Central Asian states: an overview of five years of independence', *Demokratizatsiya*, no. 4, 1997 (in English); and 'The Caspian's false promise', *Foreign Policy*, summer 1998.

Mouzaffar Olimov (Tajikistan), a Professor at the Tajik State National University and Director of the SHARQ non-government research centre, is co-editor of *Problemy Vyzhivaniya i Ustoychivogo Razvitiya Tadjikistana* [Problems of the survival and sustainable development of Tajikistan] (Dushanbe, 1996); (with S. Olimova) *Regionalism in Tajikistan: its Impact on Fergana Valley* (Washington, DC, 1996); and *Mezhtadjikskiy Konflikt: Put k Miru* [Inter-Tajik conflict: the road to peace] (Moscow, 1998).

Igor V. Podberezsky (Russia) is a Leading Research Fellow at IMEMO. His research interests are focused on civilizational problems, religion, culture and literature. His recent publications include *Byt Protestantom v Rossii* [Being a Protestant in Russia] (Moscow, 1996); and 'Zakon nichego ne dovel do sovershenstva' [The law has perfected nothing], *Christian Word*, no. 1, 1998.

Jonathan D. Pollack (USA) is Senior Adviser in International Policy at the RAND Corporation, Santa Monica, California. His recent publications include *Designing a New American Security Strategy for Asia* (1996); *Engaging China in the International Export Control Process: Options for US Policy* (co-author, 1997); and *Preparing for Korean Unification: Scenarios and Implications* (senior author, 1999).

Sang-Woo Rhee (South Korea), Professor at Sogang University, Seoul, is Chairman of the Yoido Society for New Asia. His recent publications include *Unification for Co-prosperity* (Seoul, 1996); *Introduction to North Korean Politics* (Seoul, 1997); *Korea and East Asia in the 21st Century* (Seoul, 1998); and *Contemporary Theories of International Relations* (3rd edn, Seoul, 1999).

Duygu Bazoglu Sezer (Turkey) is Professor of International Studies at Bilkent University, Ankara. Between 1989 and 1997 she lectured at the NATO Defence College in Rome. Her recent publications include 'Russia and the South: Central Asia and the Southern Caucasus', *European Security*, summer 1996; *Turkey in the Security Environment in the Balkans and Black Sea Region* (Boulder, Colo., 1996); and 'From hegemony to pluralism: changing politics of the Black Sea', *SAIS Review*, winter 1997.

Tatiana Shaumian (Russia), Deputy Head of the Centre for Indian Studies, IOS, has published 'Indiysko-kitayskiye otnosheniya: ot konflikta k poiskam pytei sotrudnichestva' [Indo-Chinese relations: from confrontation to cooperation], in *Regionalnye Konflikty v Azii i Severnoy Afrike* [Regional conflicts in Asia and North Africa] (Moscow, 1997); 'The new is well forgotten old', *Asia and Africa Today*, no. 7, 1997; (with V. Moskalenko) 'The nuclear weapons and New Delhi view', *Asia and Africa Today*, no. 10, 1997; and *Foreign Policy Perspectives of the Central Asian States* (London, 1998).

Vinay Shukla (India) is the Moscow correspondent of the Press Trust of India news agency. He publishes widely on Russian and Central Asian developments in the Indian press, has translated over 30 Russian classics, and is currently completing a book entitled *From Brezhnev's USSR to Yeltsin's Russia*.

Nodari Simonia (Russia) is an Academician (full Member) of the Russian Academy of Sciences, a Deputy Director of IMEMO, Director of the Centre for Comparative Studies of Russia and Developing Countries, and a member of the Scientific Council at the Russian Foreign Ministry. He is the author of 17 books and over 190 articles. Among his recent publications are 'Krakh bipolyarnoy struktury mirovogo soobshchestva' [Crash of the bipolar structure and its implications for the future world order] in *Rossiya i Yug: Vozmozhnosti i Predely Vzaimodeystviya* [Russia and the South: possibilities of and limits to cooperation] (Moscow, 1996); 'Natsionalizm v Azii, Afrike i Latinskoy Amerike' [Nationalism in Asia, Africa and Latin America], *Moskovskoye Vostokovedeniye: Ocherki, Issledovaniya, Razrabotki* [Moscow oriental studies: essays, investigations and reviews] (Moscow, 1997); and 'Gosudarstvo i razvitiye' [The state and development], *Mirovaya Ekonomika i Mezhdunarodnye Otnosheniya*, no. 12, 1998.

Victor Sumsy (Russia) is Head of Section at IMEMO. His recent publications include 'Antipolitika i antiekonomika: zametki o politizatsii v Rossii' [Anti-politics and anti-economics: notes on the politicization of Russia], *Rubezhi*, no. 9, 1996; 'Armiya i problematika grazhdanskogo obshchestva' [The army and the problems of civil society], *Mirovaya Ekonomika i Mezhdunarodnye Otnosheniya*, no. 2, 1997; and 'Gosudarstvo, finansovo-promyshlennyye gruppy i krizis v Indonezii' [The state, financial-industrial groups and crisis in Indonesia] (Moscow, 1998).

Konstantin Syroezhkin (Kazakhstan) is Professor of Political Science and Deputy Director at the Kazakhstan Institute of Strategic Studies. His recent publications include *Reglamentatsiya Mezhnatsionalnykh Otnosheniy v KNR: Teorii i Praktika* [Management of inter-ethnic relations in the PRC: theories and practice] (Moscow, 1997); *Sovremennyye Sintsyan i ego Mesto v Kazakhstanskogo-Kitayskikh Otnosheniyakh* [Modern Xinjiang and its place in relations between China and Kazakhstan] (Almaty, 1997); and 'Finansovy krizis v Yugo-Vostochnoy Azii: istoki i

uroki' [Financial crisis in South-East Asia: sources and lessons], *Kazakhstan-Spektr*, no. 3, 1998.

Yuri V. Tsyganov (Russia) is Research Associate at the Contemporary Europe Research Centre in the University of Melbourne, Australia. He recently published *Taiwan v Strukturu Regionalnoy Bezopasnosti Vostochnoy Azii* [Taiwan in the regional security structures of East Asia] (Moscow, 1998); 'Clans and pressure groups in contemporary Russian politics', ed. L. Holmes, *The Russian Crisis and Its Impact on Australia* (University of Melbourne, 1998); and 'Ekonomicheskiye reformy v KNR i modernizatsiya NOAK' [The PRC's economic reforms and PLA modernization], *Mirovaya Ekonomika i Mezhdunarodnye Otnosheniya*, no. 12, 1998.

Alexei Zagorsky (Russia) is a Leading Research Fellow at IMEMO. His recent publications include *Korean Peninsula in Northeast Asian Regional Affairs* (Moscow, 1997); *Justice and Law in Settling the Russian–Japanese Territorial Dispute* (Tsukuba, 1996); *Russian Strategic Nuclear Policy after the Collapse of the USSR (1992–1994)* (Tokyo, 1997); and *Russian Policy in Northeast Asia in Search of Accommodation* (Moscow, 1998).

Irina D. Zviagelskaya (Russia) is Vice-President of the Russian Centre for Strategic Research and International Studies and Head of Section, IOS. Her recent publications include *Ethnic History of Russia* (co-edited with V. Naumkin) (Boulder, Colo., 1996); *The Tajik Conflict* (Moscow, 1997); *What Can be Learned from Conflict Management in the CIS?* (Baden-Baden, 1998); and 'The Tajikistan conflict', *SIPRI Yearbook 1999*.

Index

- Abkhazia 211, 218
Academy of Sciences 413
Adamov, Yevgeny 261, 458
Admiral Gorshkov aircraft-carrier 68, 464
Aeroflot 60
Afghanistan:
 conflict in 25, 107, 166, 171, 197
 drug trafficking 25, 93, 167, 202–3
 ethnic conflict 166–67
 gas/oil transport 167
 Geneva Accords (1988) 198
 history 197
 Iran and 23, 195
 Islamic radicals and 2, 142, 167, 197, 200, 201, 205, 213–14, 243
 Mujahideen 167, 198, 199
 Pakistan and 88, 213, 230, 263
 Russia and 25, 166–67, 170, 171, 195–96, 197–206, 246, 301
 social divisions in 213–14
 Tajikistan and 25, 86, 87, 113, 117, 118, 120, 133, 205, 503
 Taliban:
 Iranian diplomats killed by 195–96
 military advances of 25, 88, 167, 200, 205
 threat posed by 91
 USSR's invasion 181, 197
Agency for the Restructuring of Credit Organizations 78
Agip 170
Agni missile 238
Agreement on the Legal Status of the Russian Border Forces in Tajikistan (Russia–Tajikistan, 1993) 115fn., 117
Agreement on Cooperation and Mutual Assistance (Russia–Tajikistan, 1995) 111, 119
agreement on mutual notification of missile launches (USA–Russia, 1998) 369
Agreement on the Sino-Russian Border Management System (1994) 501
Airspace Technology Corporation 69
Akayev, President Askar 105, 137, 141, 142, 151
Aksakov, Ivan 35
Aksakov, Konstantin 35
Albright, Madeleine 380
Aliyev, President Heidar 164, 215, 218, 504
Alligator helicopter 70
Ananyev, Yevgeny 67
Ankara Declaration (1998) 179
Annadurai, C. N. 249
Anti-Ballistic Missile (ABM) Treaty (1972) 170, 485
ANZUS Treaty (1951) 490
Arab–Israeli Peace Process: Russia and 219, 220–21, 226
Arafat, Yasser 221
Aral Sea 95
Arbatov, Alexei 125, 183–84, 431
Ardzinov, Mikhail 129
armed forces:
 condition of 431
 corruption 61
 foreign policy and 62–63
 funding of 431
 reduction in 2, 433
 reform 61, 433
Armenia:
 arms imports from Russia 211
 Azerbaijan and 137, 188
 Russia and 170, 211
 Russian presence in 22
arms industry:
 arms exports and 255, 303, 311, 382, 385, 460
 conversion 65
 decline in 22
 foreign policy and 65–67
 illegal exports 56
 reforms 56–57
 restructuring 70, 79
 Rosvooruzheniye and 64
 state defence orders 65
arms trade, illegal 2, 16, 62
ASEAN (Association of South-East Asian Nations):
 China and 417, 418, 424
 ‘ASEAN style’ 421–22
 Japan and 418
 membership 497
 Russia and 411–26
 USA and 417, 418
 see also following entries
ASEAN Post-Ministerial Conference (PMC) 412, 416, 418, 419, 476, 491, 497
ASEAN Regional Forum (ARF): 476
 description 497–98
 formation of 424
 members 497

- Russia and 418, 419, 491
security structures and 31
- Asia:
- arms imports from Russia 67–71, 488, 489
 - economic growth 16
 - financial crisis 1997–98 26, 69, 322, 380, 420–22
 - importance increasing 1, 11, 50
 - instability 11, 449
 - multilateral organizations 497–99
 - multilateral security 435–36, 453, 490–92
 - multipolarity 480–90
 - nuclear issues 15
 - Russia, and:
 - economic interest in 3
 - foreign policy and 1–4, 48–50, 455–68, 472–96
 - integration in 17
 - neglect of 46
 - USA's attitude to 29–30
 - security challenges 11–32, 449, 453–55
 - security institutions, absence of 16, 366
 - security risks from 16
 - US policy and 374–83
 - weapons of mass destruction, spread of 15, 229–30, 239, 240, 241, 257, 283, 387, 495
- see also following entries*
- Asia–Pacific:
- arms imports from Russia 282, 488
 - China and 284–85, 358
 - conflict in 281
 - definition 16
 - economic community 274
 - economic development 26
 - economic integration 354
 - instability 27, 281
 - military expenditure 27
 - multilateral security 453–55, 490–92
 - Russia and:
 - bilateral relations 283–86
 - CBMs 491–92
 - constraints 26–31, 278
 - developing relations 274, 275–76, 278–86, 485
 - economic relations 280–81
 - future role 278–86
 - goals 383–87
 - influence diminished 356
 - international posture and 472–96
 - policy recommended 286–87
 - security conclusions 471–72
 - security threats 453–55, 449
 - stability 281–83
 - trade 356
 - security future 447–73
 - security institutions, absence of 16, 366, 435
 - territorial disputes 27
 - Theater Missile Defense (TMD) system 380, 381
 - USA and 353–72, 389–90, 391–92, 434, 448, 451–52, 455–56
- Asia–Pacific Economic Co-operation (APEC) 50, 280, 290, 346, 416, 419, 429, 442, 490–91, 497, 505
- Asia, Central:
- assets 17–18
 - authoritarianism 129
 - border CBMs 308, 357, 432, 481, 492, 502, 503
 - China and 87, 107–8, 269
 - CIS and 86
 - conservatism of regimes 83
 - corruption 141, 142
 - definition 16, 82
 - democracy and 140
 - drug trafficking 18, 92–94
 - economic security 98–99
 - economies 145–48, 149
 - emigrants 202
 - environmental degradation 94–95
 - ethnic complexities 84–85
 - exports, transport of 19
 - foreign investment 141, 147
 - gas 85, 88, 104
 - geopolitical forces 83–88
 - instability 18, 19–20, 137
 - integration 85, 102, 104, 106–7, 125
 - internal conflicts 92
 - international community and 145–48
 - Islamic world and 46, 84, 87, 91, 107, 108, 129–30, 142, 201–2
 - leaders' personal contacts 105
 - major power rivalry in 99
 - major powers, cooperation with 20–21
 - map 82
 - Middle East and 87
 - minorities abroad 84
 - NATO, manoeuvres with 85
 - nuclear-weapon-free zone proposed 92, 505
 - oil 85, 88, 104, 130, 131, 153
 - peacekeeping battalion 85
 - population change 95–98
 - Russia and:
 - attitude to 19, 143
 - declining influence of 106, 108–9
 - defence cooperation 479–80
 - economic links with 130–31
 - economic policy 477
 - importance of to 176
 - intention to exclude 480
 - investments in 102, 130
 - military cooperation with 135–36
 - mutual interests 106–9

- stakes in 17
- subsidies 101
- trade 101, 102, 106, 131
- withdrawal from 83, 101, 104, 131, 153, 477
- Russian emigration 95, 96
- Russian foreign policy and 47–48, 123–36, 477–80:
 - Kazakh view of 100–9
 - stages of 100–6
 - Tajik view of 110–22
- Russian language in 129
- Russians in 19, 101, 102
- security 18, 88–99, 107–8, 132–36
- USA and 135, 139–40, 152, 153
- USSR and 46
 - see also under* China; Iran; Turkey; and Saudi Arabia
- Asia, East:
 - bilateral security treaties 403
 - China and 406–7
 - economic integration 354
 - financial crisis 2, 322, 415, 420–22, 449:
 - Russia and 280–81
 - Pax Americana* 403, 404–5, 407
 - Pax Ameriponica* 405–6
 - Pax Consortis* 404, 405, 406
 - Pax Nipponica* 405
 - security institutions 433–37:
 - absence of 16, 366, 403, 435
 - US policy in 377–78
 - USSR, troops 355
- Asia, North-East 320–22:
 - definition 16, 272
 - map 272
 - omnidirectional friendliness 326–29
 - Russia, strategic options 323–24
 - Russian–US relations 373–93
 - USA and 321–22, 324, 378–83
- Asia, South:
 - arms, illegal 250
 - China and 263
 - conflict potential 236–38
 - definition 16, 228
 - drugs 250
 - economies 231
 - ethnic problems 249–50
 - geopolitical situation 229–46
 - Indian view 247–70
 - instability, sources of 229–33
 - integration 233
 - map 228
 - military expenditure 263
 - nuclear dangers 248, 256–58
 - nuclear-weapon-free zone proposed 252
 - poverty 231–32
 - religion 249–50
 - Russia and 25–26, 229–70
 - socio-economic problems 231–32
- Asia, South-East: 411–26
 - China and 31
 - definition 16
 - instability 31
 - map 412
 - Russia and 31
 - US presence 417
- Asia, South-West:
 - characteristics of 207–8
 - definition 16, 156
 - instability 159
 - Islam and 208, 209
 - Islamic fundamentalism in 213
 - map 156
 - NATO threat 215
 - near abroad and 217–18
 - Russia and:
 - assets and liabilities 157–71
 - fears of 212
 - importance of to 159, 218–19
 - region's view of 207–26
 - as stabilizer 209
 - subregions 208
 - Turkish threat 214–15
 - USA and 207, 209–10, 216–17
- Assad, President Hafez 223
- Astana 105
- Astrakhan khanate 38, 39fn.
- Ataturk, Mustapha Kemal 173
- 'Atlantic model' 41, 49, 217
- Atlantic Richfield 131
- Atomenergoexport 309
- authoritarianism 37, 43–44, 53, 55
- Azerbaijan:
 - Armenia and 137, 188
 - Caspian Sea and 165
 - oil 161, 163, 216
 - Russia and 225
 - US bases 170
 - USA and 140
- Azimov, Yakhyo 112
- Baikonur space launch facility 501
- Baker, James 198
- Baltic states: NATO and 126
- Baluevskiy, Yury 371
- Bambasuren, Dyushiin 313, 314
- Bangladesh:
 - conflict in 231
 - democracy 248
 - India and 254
 - secession 249
- banks 56, 59, 67, 73, 74, 78
- Baranov, General Yury 116
- Bashkirs 38, 494

- Bashkortostan 42
 Baturin, Yury 361
 Bechtel 171
 Belavezh Agreements (1991) 41, 126, 182
 Berezovsky, Boris 60, 75, 76, 77, 191, 348
 Bhutto, Benazir 195, 255
 Black Sea Straits 164fn., 177
 Russian passage through 22, 177–78
 tanker shipping through 163, 177–78fn.
 Black Shark helicopter 70
 BM-21 multiple rocket-launchers 193
 BMP infantry fighting vehicles 193
 BMP-3 infantry fighting vehicle 70
 Bolshoy Ussuriyskiy Island 438
 Bosphorus *see* Black Sea Straits
 Brezhnev, General Secretary Leonid 339, 435, 474
 British Petroleum 348
 Brunei 422, 424
 Brzezinski, Zbigniew 100, 217fn., 495fn.
 BTR troop transporters 193
 budget deficit: financing 75
 Burbulis, Gennady 252
 bureaucratic capitalism:
 factional struggle 58
 formation of 54–61
 Moscow and 73
 regional level 73
 weakening of 79
 Buryats 38
 Bush, President George 159, 437
 Butler, Richard 168

 Cam Ranh Bay 68, 425, 485
 Cambodia 353, 412, 416, 420, 506
 Cargotrans 64
 Caspian Pipeline Consortium 167
 Caspian Sea:
 economic values 160–61
 environmental degradation 94–95, 171
 legal status 165, 185, 189, 190
 maritime boundaries 23, 165
 oil:
 development 139
 transport 105, 139, 147, 161–62, 164, 165, 171, 177–79, 216
 USA and 139–43, 153
 oil reserves:
 control over 19, 23, 162, 189
 size of 161, 190, 196, 208
 Russia and 19, 94, 105, 139, 147, 152, 165, 185, 189–91
 strategic importance 160
 see also under names of littoral countries
 Caucasus, northern 210, 212, 213, 225
 Caucasus, southern:
 Islamic fundamentalism 209
 NATO and 215–16
 Russia and 225
 security threat 209
 Caucasus–Chechen Solidarity Foundation 179
 Central Asian Battalion 135, 152, 190, 215
 Central Asian Union 85, 103, 104, 105, 125, 498
 Central Bank 78
 Central and East European states: NATO and 126
 Centre for Global Energy Studies (CGES) 161
 CFE (Treaty on Conventional Armed Forces in Europe, 1990) 212
 Chechnya:
 illegal arms transfers 62
 Iran and 188
 Islam and 38–39, 213
 lives lost 38
 oil and 177, 178
 Turkey and 21, 162, 179, 214
 Chernomyrdin, Viktor:
 bureaucratic capitalism and 55
 China and 291, 312, 441, 501
 defence industry and 66
 government opponents replaced 59
 industry and 57, 58
 nomenklatura and 53
 removed from office 60, 75, 432
 Tajikistan and 112, 119
 Viet Nam and 423, 501
 Chernyshev, Albert 268
 Chevron 131, 138
 Chi Haotian 359, 501
 China:
 anxiety about 357
 armed forces modernization 311–12, 359, 364, 378, 379, 439, 460
 arms imports from Russia 68, 284, 298–99, 302, 310–12, 358, 379, 439–40, 441, 459–62, 489, 502, 506–7
 arms production, licensed 502
 Asian economic crisis and 325
 border CBMs 308, 357, 432, 481, 492, 502, 503, 504
 border problems 291, 299, 302, 308, 367, 438, 488
 Central Asia and *see under* Asia, Central
 drug trafficking 94
 economic growth 27, 284, 311, 315, 325, 358, 463
 economic reforms 301
 energy consumption 346, 441
 four modernizations 324
 gas consumption 88
 human rights in 301, 302, 363
 illegal emigrants 88
 Israel and 460

- Japan and 326, 328, 345, 364, 366, 367
 Lianyungang power plant 291
 military expenditure 431
 military power, growth of 311, 463
 MTCR and 239
 Muslim population 439
 National Oil and Gas Corporation 312
 NATO expansion and 306, 327
 nuclear imports 309, 458
 oil in 312
 oil consumption 88
 population growth 87
 Russia and: 27–28
 borders 49, 290, 291, 295, 296
 economic relations 293, 300, 308–10,
 312, 357–58, 439
 energy projects with 441, 459
 energy supply 312–13, 441
 future relations 297–300, 505
 hot line with 307, 504
 immigration, illegal 296–97
 military–technical cooperation 70, 301,
 362
 nuclear energy development and 458
 nuclear weapons and 290
 perception of in 360
 problems between 288, 293–97
 recognition of 304
 relations 27, 50, 269, 284–85, 288–317,
 357–61, 385–86, 456–62, 486
 strategic partnership 284–85, 298, 303,
 304–8, 316–18, 327, 437–43, 472, 481,
 482, 502, 503
 Taiwan and 292
 technology and 284
 territorial disputes 308
 trade 290, 291, 293–94, 309–10, 457
 ‘unjust treaties’ with 49, 295, 439
 USA, balancing role 307, 315, 316
 weapon espionage 440
 Russian far east and 42, 313, 359
 South-East Asia and 453
 Spratly Islands and 424–25
 State Council 68
 Taiwan and *see under* Taiwan
 Three Gorges power project 284, 294, 309,
 458
 Tiananmen Square incident 301, 376, 378,
 460
 USA and 29, 292, 298, 324, 354, 361–63,
 371–72, 378–80, 438
 West and 303
 Chou En-Lai 264
 Chubais, Anatoly: 58, 59–60, 61
 economy and 76, 77
 industry and 57, 58
 Uneximbank and 59
 CIS (Commonwealth of Independent States)
 498:
 anti-aircraft defence network 170
 creation of 138
 Customs Union 86, 103, 104, 105, 112,
 126–27, 498
 decline in 104
 drug trafficking in 92–93
 Iran and 191
 membership 498
 Tajikistan and 117
 see also following entry
 CIS states:
 Central Asia and 20
 leadership continuity 47
 Russia:
 conflicts with 62
 foreign policy and 54, 217
 as leader 41
 see also preceding entry
 civilizational identity:
 as Asian 37–39
 as Eurasian 40–46
 as European 34–37
 opponents of 33
 search for 12, 13, 33
 Clinton, President Bill:
 China and 240, 323, 328, 364
 impeachment 333
 Iran and 194
 Japan and 325, 326
 Middle East and 158
 oil and 162, 194
 Russia and 328
 cold war: legacy of 451–52
 Collective Peacekeeping Force (CPF) 113, 114
 Communist Party of the Russian Federation:
 Eurasianism and 45, 245
 Comprehensive Nuclear Test-Ban Treaty
 (CTBT, 1996) *see under* India and Pakistan
 Conoco 194
 Council of the Federation 72, 77
 Council for Foreign and Defence Policy 45
 Council for Security Cooperation in the Asia–
 Pacific (CSCAP) 498
 coup, unsuccessful 52–53
 Cox, Christopher 379
 CSCE (Conference on Security and
 Co-operation in Europe): Tajikistan and 110
 Cyprus: S-300 air defence system 179, 180,
 221
 Dagestan 5
 Daud, General Muhammad 197
 Deare, John 79
 Declaration on Strategic Partnership (India–
 Russia) 233

- defence industry *see* arms industry
 Defence Ministry 66–67
 Delhi Declaration on a Non-Violent and Nuclear-Free World (1986) 259
 Delta Oil Company 167
 Demirel, Suleyman 163, 500
 democracy:
 movement for 53, 54
 myth of 52–53
 Deng Xiaoping 250, 292, 299
 Dostum, General Abdul Rashid 92, 200
 Dostoyevsky, Fyodor 36–36, 123
 drug trafficking 2, 49 *see also under names of regions and countries involved*
 Dudayev, Dzhokhar 188
 Duma:
 communist successes 217
 Iran and 196
 Islam and 184
 nationalist successes 217
 oil industry and 78–79
 Primakov and 77
 Dyachenko, Tatyana 53
- Ecevit, Bulent 165
 Economic Cooperation Organization (ECO) 191, 490, 498–99
 economy:
 crisis, 1998 75–80, 99, 149, 443, 458
 decline in 430, 431–32
 differences over 76–80
 reform of 75
 Elf Aquitaine 170
 Erbakan, Necmettin 162, 163
 ethnic republics 72
 Eurasian projects 42, 48, 217
 Eurasian transport corridor 104
 Eurasian Union, proposed 102, 125, 127
 Euro-Atlanticists 183
 European Bank for Reconstruction and Development (EBRD) 78
 Exxon 79, 348
- far east (of Russia) 49:
 Asia–Pacific and 74, 276–77, 278
 border problems and 290
 China and 42, 313, 359
 economic development of 79, 276–77, 279, 285, 296, 491
 gas 441
 immigration, illegal 2, 296–97
 Japan and 339, 342
 natural resources 14, 347–48
 oil 441
 strengthening 27
 trade 491
 underdevelopment 274
- Federal Property Fund 78
 ‘federalization’: debate over 14
 Federation Treaty (1992) 71
 Ferghana 133, 137, 150
 Fernandes, George 239, 242, 505
 Filatov, Sergey 183
 financial–industrial groups 59
 financial–trading faction 56, 57–58, 66, 73
 Fissile Material Treaty (FMT) talks 244
 Five Principles of Peaceful Coexistence 289, 297, 299, 307
 Florovsky, Georgy 40
 foreign investment in Russia 54fn., 78–79
 foreign policy:
 concept 253
 domestic developments and 12, 13–15
 economic factors and 2–3
 factors affecting 12–17
 fragmentation 58
 policy options 124–27
- Gaidar, Yegor:
 Afghanistan and 199
 bureaucratic capitalism and 54–55
 Central Asia and 124
 economy and 77
 Iran and 183
 nomenklatura and 53, 55
 removed from office 57–58
- Gandhi, Rajiv 259
 gas industry:
 bureaucratic capitalism and 55–56
 Caspian Sea and 58
 exports to Asia–Pacific 74
 foreign activities 58
 restructuring 59
 Gazprom 56, 60, 76, 119, 146, 194, 216, 348
 General Agreement on Peace and National Accord in Tajikistan (1997) 114, 134
 General Electric 171
 Geneva Accords (1988) 198
 Georgia:
 Abkhazia and 138
 Russia and 22, 218, 225
 UN and 218
 Ghauri/Hatf missile 238, 258
 GlavKosmos 234
 Gorbachev, President Mikhail:
 Afghanistan and 198
 Asia–Pacific and 274, 472
 bureaucratic capitalism and 54
 China and 288
 India and 259
 Iran and 182
 Japan and 337
 Gorchakov, Prince Alexander 493
 Gore–Chernomyrdin Commission 195

- Grachev, Pavel 114, 296, 501:
 commercial activities 62–63, 63–64
 ‘Great Game’ 87, 166, 209
- Greece: S-300 missiles 221–22
- gross domestic product 430
- gross national product 428
- Group of Seven: Russia’s joining 54, 278, 306
- GUAM (Georgia, Ukraine, Azerbaijan and Moldova) grouping 104, 499
- Guidelines for US–Japanese Defense Cooperation (1997) 326–27, 328, 329, 330, 365, 380, 405–6, 467, 485
- Gulyayev, Andrey 256
- Gusinsky, Vladimir 60
- Habibie, Bacharuddin Jusuf 420, 421
- Hashimoto, Ryutaro 74, 285, 318, 319, 326–28, 330, 333, 334, 337, 344–46, 349, 351, 356, 442, 465, 504
- Hatf missile *see* Ghauri/Hatf missile
- Haushoffer, Karl 41
- Hekmatyar, Gulbuddin 199, 205
- Hudson, Michael C. 169
- Humboldt, Alexander von 40
- Ibrahim, Anwar 421
- ICM-3 infantry fighting vehicle *see* BMP-3 infantry fighting vehicle
- Ignatenko, Vitaly 398
- Ikeda, Yukihiko 467
- Il-76 aircraft 200, 298, 311, 358
- Il-78 aircraft 440
- IMF (International Monetary Fund):
 conditions attached to credit 76
 financial support for Russia 54, 75, 76, 281
 Uzbekistan and 150
- immigration, illegal 16
- India:
 aircraft-carrier 464
 arms imports from Russia 67, 68, 253, 254, 265–66, 464, 482–83, 501, 503, 507–10
 BJP 236, 237, 250
 China and 49, 235, 239, 240, 463
 conflict in 231
 CTBT and 229, 244, 260, 463
 economic potential 268–69
 economy 430–31
 Kudankulam nuclear power station 244, 261, 504
 military expenditure 232, 237, 258, 431
 military spare parts 252, 253
 non-aligned status 25
 NPT and 229, 260, 262, 463
 nuclear reactors 245, 261, 504
 nuclear tests 89, 229, 237, 238–39, 256, 363, 449, 465, 483, 486
 nuclear warheads 244
 nuclear weapon programmes 232, 237, 464
 nuclear-weapon state, non-recognition as 240, 260
 oil and 268
 Pakistan and: 231
 CBMs 257–58
 talks with 241
 religious problems 249, 250
 rocket technology 483, 501
 Russia and:
 cryogenic rocket engine deal 252–53
 military cooperation 505
 relations 25, 233, 234, 236, 238, 245, 251–54, 258–62, 265–69, 455, 462–65, 475, 482–83, 486, 505
 strategic partnership with 233, 234, 265–69, 505
 trade 268
 sanctions and 232
 socio-economic problems 231–32
 space launch vehicle 253
 USA and 235, 236
 USSR and 462
see also Kashmir
- Indian Ocean 263
- Indonesia 353, 413, 414, 415, 420–21, 422:
 arms imports from Russia 69, 504
- Inkombank 59, 119
- International Atomic Energy Agency (IAEA):
 Iran and 194
 Korea, North and 368
 South Asia and 244
- International Bank for Reconstruction and Development (IBRD) 78
 Uzbekistan and 150
- International Energy Agency (IEA) 161
- Interstate Council 103
- Iran:
 Afghanistan and 195, 204
 arms imports from Russia 23, 170, 193–94, 221, 500, 510
 Bushehr nuclear power plant 166, 185, 192, 195, 204, 221, 502
 Caspian Sea and 23, 165, 189–91
 Central Asia and 18–19, 86–87, 187–92
 Chechnya and 188
 China and 299
 diplomats killed 195
 economy 23, 165
 elites 185
 gas/oil resources 181
 Islamic fundamentalism and 141, 183
 missile test 89
 nuclear reactors 23, 184, 194, 483
 nuclear technology 166
 nuclear weapon programme 221
 oil transport and 88, 165

- Pakistan and 204
 Russia and 23–24, 113, 165–66, 181–96, 299:
 debt to 182
 economic cooperation 192–93, 221
 improving relations with 483
 military–technical cooperation with 69, 193–94, 195
 nuclear power industry 483
 republics of and 193
 Saudi Arabia and 204
 Tajikistan and 23, 113, 188
 USA and 23, 24, 69, 89, 141, 165–66, 186, 204
 USSR and 181, 182, 192
- Iraq:
 debt to Russia 24, 222
 embargo on 163
 oil exports 168
 Persian Gulf states and 168
 Russia and 24, 168, 169, 222
 Turkey and 222
 UN sanctions 24
 UNSCOM 168, 222
 US–UK attacks on 24, 159, 168, 169, 222, 486
 USA and 168
 USSR and 181, 182
- Iraq–Iran War 166, 181, 182
 Irkutsk project 312, 441–42
- Islam *see under names of regions and countries involved*; *see also* Wahhabis
- Islamic fundamentalism: 6, 22, 108, 184, 213
 Afghanistan and 213–14
 fear of 47, 84, 141, 495
 joint action to counter 6, 91, 129–30, 478, 482, 504
 spread 2, 16, 91, 175, 208, 210
- Ismailism 87
- Israel: Russia and 220–21
- Ivanov, Igor 224, 386
- Ivashov, Leonid 91
- J-10 aircraft 358
- Jammu and Kashmir *see* Kashmir
- Japan:
 ‘Asian NATO’ and 331, 484
 China and 326, 328, 345, 364, 366, 367
 economy 33, 326, 329, 380, 406
 energy needs 346
 foreign policy options 325–26
 Korea, North and 2, 322, 400–1
 Korea, South and 321
 Korean missile launched over 2, 400–1
 militarization of 434, 435
 military expenditure 364, 431
 Okinawa base 327, 381, 390
 Russia and: 28–29
 border problems 319
 China, balancing with 306, 321, 330
 conflict possibilities 367
 dialogue with 303, 343–46
 economic links with 28, 318, 331–32
 future relations 332–36
 peace treaty with 28, 318, 335, 337, 345, 465, 468, 504
 relations with 50, 285–86, 318–52, 367, 386, 442, 465–68, 484, 504, 505
 see also Kuril Islands
 satellites 485
 security scenarios, alternative 468–71
 Siberia and 347
 Theater Missile Defense (TMD) programme 467, 482, 485
 USA and:
 military presence in 28, 336, 355, 371, 380, 390
 nuclear umbrella 325, 364
 relations with 325–26, 330, 345, 364–67, 380–81, 403, 404, 405, 427, 433, 466–67, 484
 security treaty *see* Treaty of Mutual Cooperation and Security (USA–Japan, 1960)
 USSR and 339–40
 Jiang Zemin 269, 289, 290, 291, 305, 324, 327, 328, 457, 502, 505
 Joint Declaration on a Multipolar World and the Emerging New International Order (China–Russia, 1997) 306, 503
 Joint Declaration (USSR–Japan, 1956) 274, 338, 350
 Joint Declaration on Security (USA–Japan, 1996) 326–28
 Joint Statement on the Foundation of Mutual Relationships between the Russian Federation and China (1992) 304, 500
- Kaifu, Toshiki 337
- Kalmyks 38
- Kamchatka 341
- Kamel, Ayhan 174
- Karaganov, Sergey 214
- Karasin, Grigory 256, 488
- Karimov, President Islam 84, 92, 99, 129, 133, 140, 150
- Kashmir:
 conflict 231, 233, 241–43, 247, 263
 human rights 236–37
 Line of Control 237, 242, 247
 mediation offered 235, 240
 Russia and 235

- Kazakhstan:
 arms imports from Russia 510–11
 Caspian Sea and 165
 CIS and 86
 corruption 147, 151
 democracy weakened 151
 drug trafficking 203
 economy 145, 147, 150
 emigration to Russia 97–98
 environmental degradation 95
 foreign investment 145
 gold 144
 immigration of Kazakhs 98
 Islamic world and 84, 151
 'Kazakhization' 98
 natural resources 144
 oil 138, 148, 149, 161, 178, 479
 Russia and:
 border 153
 foreign policy 109, 138–39, 479, 500, 505
 military cooperation 501, 502, 504
 subsidy 101
 trade 101, 131
 Russians in 19, 20, 84, 151, 176
 Turkey and 176
 welfare reform 145
 Kazan khanate 38, 39fn.
 Khan, Gauhar Ayub 255
 Khan, Muhammad Ayub 264
 Khan, Munir Ahmad 241
 Khasaviurt agreement (1996) 178
 Khasbulatov, Ruslan 71, 219
 Khatami, President Seyed Mohammad 170, 204, 222
 Khomeini, Ayatollah 181, 182
 Khomyakov, Alexey 35
 Khrushchev, Nikita 339
 Khujand 478, 496
 Kilo Class submarine 192, 311, 358, 440, 500
 Kim Dae Jung 321, 381, 382, 402, 487, 488
 Kim Dong Jin 503
 Kim En Sam 397
 Kim Il Sung 395
 Kim Jong Il 322, 399
 Kim Yong-nam 398
 Kim Young Sam 501
 Kireyevsky, Ivan 35
 Kiriyenko, Sergey 75, 76, 77, 291, 432, 442
 Kokh, Alfred 60
 Korea, North:
 Agreed Framework 368–69, 487
 arms imports from Russia 511
 China and 403
 CWC and 368
 economy 399–400, 401
 Japan and 2, 322, 400–1
 Korea, South and 369–70, 382, 398, 400, 410
 missile launches 2, 30, 322, 369, 381, 400–1
 missile sales 369
 NPT and 368, 382
 nuclear potential 30, 368, 382
 nuclear reactors supplied to 30, 487
 Russia and 30, 367–70, 384, 387, 395, 397–99, 400, 409, 436, 454–55, 487, 502, 505
 starvation 321, 397
 USA and 368–69, 382–83, 387, 401
 USSR and 395
 see also following entries
 Korea, South:
 arms imports from Russia 70, 397, 502, 503, 511
 economic crisis 397
 Korea, North and 369, 370, 382, 398, 400, 410
 Russia and 30, 367–70, 387, 395–97, 399, 436, 487, 500, 501, 502, 503, 504
 Unification Ministry 369
 USA and 355, 367–70, 382, 390, 403, 410, 427, 433
 see also following entry
 Korean Peninsula:
 border agreement 505
 China and 398
 future 454
 Japan and 404, 405–6, 407
 new balance of power and 403–10
 reunification 382, 398, 410, 449, 455
 Russia and 30, 394–402, 407–8, 409–10, 487–88
 USA and 398
 Korean Peninsula Energy Development Organization (KEDO) 369, 382, 384, 401, 436
 Korean War: ceasefire 370
 Kornienko, Georgy 181
 Kornukov, Anatoly 170
 Korzhakov, Major-General Alexander 57, 63, 64
 Kotelkin, General Alexander 63, 64, 67
 Kovalev, Sergey 183
 Kozyrev, Andrey:
 Afghanistan and 199
 Asia and 475–76
 China and 295, 305
 Eurasianism and 49
 foreign policy 54, 138, 219, 200
 India and 251, 252
 replaced as foreign minister 50, 104, 476
 Syria and 223
 Tajikistan and 134
 West and 54, 302

- Kredobank 59
 Kurdish National Liberation Front 165
 Kurdish Workers' Party (PKK) 164, 165, 171:
 Russia and 214–15
 Kurds 164–65, 171, 178, 222
 Kuril Islands:
 dispute over 28, 29, 49, 285, 302, 318,
 334–36, 337–38, 343, 349–51, 366, 386,
 390, 465, 505
 Japanese aid to 332
 oil 348
 Kuwait: arms imports from Russia 69
 Kuzyk, Boris 63
 Kvashnin, General Anatoly 484
 Kyrgyzstan: 137
 CIS and 86
 CIS Customs Union and 103, 105
 drug trafficking 93, 150
 economy 145, 150
 environmental degradation 95
 foreign investment 145–46
 gold 144
 Islamic fundamentalism and 151
 Islamic world and 84
 Russia and:
 military cooperation 501, 503, 504
 subsidies 101
 trade 101
 Russian emigration from 97
 Lahore Declaration (India–Pakistan, 1999)
 248
 Laos 412, 413, 420, 422, 511
 Lebed, General Alexander: election campaign
 59, 64, 259, 347
 Lee Kuan Yew 420
 Li Fenglin 307
 Li Lanqing 442
 Li Peng 50, 291, 305, 328, 442, 503
 Liberal Democratic Party of Russia 245
 Logovaz 60
 Los Angeles Class submarine 358
 LukArco 131
 Lukashenko, Alexander 126–27
 Lukoil 56, 58, 76, 119, 131, 216
 Luzhkov, Yury 67, 122
 Mackinder, Sir Halford 87, 157–58, 159
 Mahathir, Mohamad 421
 Makhkamov, President Kakhar 137
 Malaysia 413, 414, 421, 422, 424:
 arms imports from Russia 69, 501, 511
 Manilov, General Valery 434
 Mao Zedong 438
 MAPO (Moscow Aircraft Production
 Organization) 63, 69
 Marchuk, Yury 261
 Maritime Province *see* Primorskiy Krai
 Masaliev, Absamat 137
 Maskhadov, Aslan 213
 Massoud, Ahmad Shah 167, 199
mestorazvitiye 42, 43
 Mi-17 helicopter 255, 414, 504
 Middle East:
 arms imports from Russia 67, 69
 'greater' 158, 209
 Russian foreign policy and 218–24
 'traditional' 158
 MiG company 69, 79
 MiG-21 aircraft 266, 464
 MiG-29 aircraft 63, 69, 193, 480, 489, 501
 MiG-MAPO 67
 Migranian, Andranik 185
 Mikhailov, Viktor 185
 Mikhailov, Yevgeny 114
 Military Doctrine 229
 military expenditure, Asia 2
 military expenditure, Russia: decline 65, 431
 Ministry of the Defence Industry 66
 Ministry of Foreign Economic Relations 64
 Minsk Group 218
 Mischief Reef 424
 Mishra, Brajesh 262
 Missile Technology Control Regime (MTCR)
 363
 Mobil 131
 Mojadedi, Sibghatulla 199
 Mongolia 313–15
 Montreux Convention (1936) 164fn., 177fn.
 Moscow Declaration on the Protection of the
 Interests of Pluralistic States (1994) 265, 266
 Moskit *see* Sunburn missile
 Mostbank 60
 Myanmar 413, 420, 421, 422:
 arms imports from Russia 69, 511
 Nagorno-Karabakh:
 OSCE and 218
 Russia and 218
 Turkey and 163
 see also Minsk Group
 Najibullah, President Mohammad 199, 266
 Nakayama, Taro 331
 Nakhichevan Autonomous Republic 182
 Nakhodka Free Economic Zone 279–80
 National Iranian Oil Company (NIOC) 194
 National Security Concept 45, 47, 51, 134,
 229, 267
 NATO (North Atlantic Treaty Organization):
 action in Yugoslavia 5
 expansion 12, 132, 215–16, 224, 371,
 433–34, 448, 480
 Partnership for Peace 85, 152, 215, 480
 Strategic Concept 5

- NATO–Russia Founding Act (1997) 327, 435
- natural resources: Asia/Asia–Pacific and 3
- Nazarbayev, President Nursultan 86, 103, 104, 105, 125, 128, 151, 195, 500, 502, 505
- Nazdratenko, Yevgeny 74, 277, 438
- Nemtsov, Boris 60, 61, 77, 312, 442
- Nepal 248
- Netanyahu, Benjamin 221
- Nguen Mahn Cam 423
- Nicholson, Jim 362
- Nikolayev, Andrey 114, 153
- Nixon, President Richard 354, 362
- Niyazov, President Saparmurad 140, 171, 501
- nomenklatura* 53, 55, 60
- ‘North Asia Trust Orbit’ 331
- Northern Fleet 433
- Northern Territories *see* Kuril Islands
- Nuri, Said Abdullo 114
- Obuchi, Keizo: Russia and 50, 319, 328, 331, 333, 335, 337, 344, 350, 467
- Öcalan, Abdullah 171, 215
- Ochirbat, Punsalmaagiyn 314
- oil industry:
- bureaucratic capitalism and 55–56
 - Caspian Sea and 58, 105
 - exports, control of 78, 105
 - exports to Asia–Pacific 74
 - foreign activities 58
 - importance of 441
 - investment in 79
 - regions and 73
 - restructuring 57, 59, 78
 - see also following entry*
- oil pipelines:
- Baku–Ceyhan 88, 162, 163, 171, 216
 - Baku–Novorossiysk 171, 177, 216
 - Burgas–Alexandroupolis 164, 178
 - Caspian Sea oil 88, 147, 161, 171
 - China–Kazakhstan 88
 - Kazakh 178
 - map 90
 - Supsa–Ceyhan 178
 - Tenghiz–Novorossiysk 479
 - Tomsk–Shanghai 442
 - Trans-Balkan 164
- ‘On the establishment of a creative partnership between the Russian Federation and Japan’ (Moscow Declaration, 1998) 50, 484
- Onako 78
- Organization of the Islamic Conference (OIC) 48, 84, 110
- Organization for Security and Co-operation in Europe 218
- Organization for Security and Cooperation for Asia 195, 402
- Osama bin Laden 375
- Oslo Agreement (1993) 220
- Ossetia, North 209
- Ottoman Empire 21, 162
- Ozal, Turgut 175, 176
- Ozawa, Ichiro 468
- Pacific Fleet 341, 355, 371, 433, 487
- Pacific Ocean: submarines in 341
- Pakistan:
- Afghanistan and 88, 230, 235
 - arms imports from Russia 255, 511–12
 - arms imports from USA 263
 - China and 235, 239, 240, 263–64, 300
 - conflict in 231
 - CTBT and 229, 244, 463
 - debt of 232
 - democracy 249
 - economy 244
 - India and:
 - CBMs with 257–58
 - conflict with 231
 - talks with 241
 - Iran and 204
 - military expenditure 232, 237, 258
 - NPT and 229, 463
 - nuclear tests 89, 229, 248, 363, 449, 465
 - nuclear warheads 244
 - nuclear weapon programmes 232, 256, 257
 - nuclear-weapon state, non-recognition as 240, 260
 - Russia and 25, 113, 234–35, 238, 246, 251–52, 254–56
 - sanctions and 232
 - socio-economic problems 231–32
 - Tajikistan and 113
 - USA and 235, 236, 255, 263
- Pan-Islamism 173, 174
- Pan-Slavism 36, 41
- Pan-Turkism 42, 47, 172, 173
- Pankin, Boris 198
- Paracel Islands 417, 424
- Paris Club of Industrial Country Creditors 306
- Pastukhov, Boris 189
- Pax Indica* 49
- Pax Islamica* 48
- Pax Sinica* 48–49
- Payin, Emil 296, 297
- Persian Gulf: US troops in 182
- Persian Gulf War 182
- Peter the Great 35, 51
- Petroleum Finance Company 161
- Petronas 194
- Philippines 413, 414, 415, 417, 421, 422, 424:
 - arms imports from Russia 69
- pipelines *see* oil pipelines
- Pitsuvan, Surin 421

- PKK *see* Kurdish Workers' Party (PKK)
- Potanin, Vladimir 59, 348
- Primakov, Yevgeny:
 Asia and 419, 447
 Asia-Pacific and 276, 476, 505
 dismissed 5
 economy and 77–78, 78–79
 foreign policy 80, 104, 476, 493
 India and 246, 252, 260, 262, 268, 463–64, 486
 Iran and 182, 184, 195
 Japan and 343
 nuclear weapon tests and 240
 Pakistan and 256
 prime ministerial appointment 77
 South-West Asia and 159
 strategic triangle (China, India, Russia) 26, 486
 Syria and 223
 Tajikistan and 114
- Primorskiy Krai (Maritime Province): 74, 277, 279, 438
 China and 14, 295, 308, 385
 economic development 277
- Prithvi missile 238
- production-sharing agreements (PSAs) 79
- Programme for the Economic Development of the Far East and Siberia for 1986–2000 274
- Programme for the Economic and Social Development of the Russian Far East and Eastern Regions next to Lake Baikal for 1996–2005 280
- Progress plant 70
- Promexport 66
- public opinion 13
- Pushkov, Alexey 350
- Pyotr Velikiy* aircraft-carrier 433
- Qian Qichen 289
- Rabbani, Burhanuddin 199, 200
- Rabin, Yitzhak 220–21
- Rafsanjani, President Akbar Hashemi 185, 195, 204
- Raje, Vasundhara 264
- Rakhmonov, Imomali 112, 114, 117, 129, 130, 188, 204, 501
- Rao, Narasimha 253, 255, 265, 500, 501
- regions:
 centre and 72
 democracy in 74
 foreign policy and 71–74
 role growing 14–15, 71
 separatism 74
- Reshetnikov, Yevgeny 185
- Rodionov, Igor 311, 434, 440, 467, 489, 490, 503
- Rogachev, Igor 251
- Rogov, Sergey 45
- Rosneft 56, 78
- Rosselmash 79
- Rossiyskiye Tekhnologii 66
- Rosvooruzheniye 56, 63, 64, 65, 66, 68, 69, 118
- ruble:
 Central Asia and 102
 devaluation 76, 329, 432, 443
 zone 102, 128, 145
- Russia–ASEAN Working Group on Science and Technology 413
- Russian Development Bank (RDB) 78
- Russian Federation:
 Asian part 14, 38
 isolationism 124
 Islamic fundamentalism in 108, 213
 Kurds in 171
 Muslims in 22, 38–39, 43, 46, 48, 236:
 Chechnya and 38–39, 48, 213
 nationalism in 47, 195
 new world order and 223–24
 nuclear doctrine 259
 Russians abroad 138
 as sick man of Eurasia 429–33
 systemic crisis 11
 Turkic-speaking population 42, 47, 172
- Russian language: Indo-European 34
- Russian Orthodox Church: Muslims and 39, 46
- Russian Rocket Engines 79
- Rutskoy, Alexander 234, 255
- Rybachiy nuclear submarine base 433
- Ryurikov, Dmitry 113
- S-300PMU-1 air defence system 179, 180, 221, 311, 358
- SA-5 missile 69
- SA-10 air defence system *see* S-300PMU-1 air defence system
- SA-13 *see* Strela missile
- SA-14 *see* Strela missile
- SA-16 missile 70
- SA-N-17 missile 440
- Saddam Hussein, President 24, 168
- Sakhalin Island:
 economic development 285
 Japan and 343–44
 oil projects 79, 280, 348
- Sakharov, Andrey 360
- Samoylov, Viktor 63
- San Francisco Peace Treaty (1951) 338, 339
- sanctions: Russia's refusal to join 220

- Saracoglu, Sukru 173–74
 satellite launch market 166, 170
 Saudi Arabia:
 Central Asia and 87
 Iran and 204
 Uzbekistan and 87
 Sea of Japan: nuclear waste dumping 341
 Security Treaty (USA–Japan, 1951) 353, 355, 364, 484
 Seleznev, Gennady 261, 398, 488
 Semipalatinsk 95
 Senkaku Islands 322, 366, 367
 Sergeyev, Igor 115, 169, 371, 423, 505
 Serov, Vyacheslav 114
 Shafrannik, Yury 55, 57, 58
 Shakhray, Sergey 191
 Shamrayev, Nikolay 430
 ‘Shanghai Five’ group 499
 Sharif, Nawaz 235, 241, 248, 256
 Sheehan, General John 135
 Shevardnadze, President Eduard 138, 182, 215, 218
 short-term bonds 75, 76
 Shumeiko, Viktor 63
 Siazon, Domingo 421
 Siberia:
 China and 313, 359
 economic development 279
 gas 441
 immigration, illegal 2
 Japan and 342, 347, 348
 natural resources 14, 347–48
 oil 441
 strengthening 27
 trade 491
 Turkic population 42
 Sidanco 348
 Sidorenko, General Oleg 266
 Sihanouk, Prince Norodom 353
 Simla Agreement (1972) 238, 241, 247
 Singapore 413, 416, 421, 422:
 arms imports from Russia 69, 512
 Singapore Aerospace 413
 Singh, Jaswant 463
 Sino-Indian War, 1962 263, 269
 Skuratov, Yury 64
 Slavneft 78
 Slavophiles 35–36, 40, 42
 Solana, Javier 215
 Solovyev, Vladimir 35, 46
 Solzhenitsyn, Alexander 46
 Soros, George 77
 Soskovets, Oleg 57, 59, 63
 South Asia Free Trade Agreement (SAFTA) 248
 South Asia Preferential Trade Arrangement (SAPTA) 248
 South Asian Association for Regional Cooperation (SAARC) 233, 241, 248, 490, 499
 South China Sea Islands 303, 308, 366, 367, 416–17, 424–25, 426, 454
 Sovremenny Class destroyer 68, 311, 358, 440, 503
 Spratly Islands 389, 417, 424
 Sri Lanka 231, 249
 SS-20 intermediate-range ballistic missile 288
 SS-N-22 *see* Sunburn missile
 Stalin, Josef 339, 383
 Stankevich, Sergey 187
 START II Treaty (1993) 245
 State Committee on Anti-Monopoly Policy 57
 State Committee for the Management of State Property 57, 61
 State Committee on Military–Technical Policy 64
 Stepashin, Sergey 5
 Stihl missile launcher 311
 Strela (SA-13, SA-14) missile 193
 Stroyev, Yegor 73, 214, 262
 Su-24 aircraft 193
 Su-25 aircraft 480
 Su-27 aircraft 68, 255, 298, 311, 358, 440, 460, 480, 489, 502, 503
 Su-30 aircraft 68, 245, 266, 414, 440, 464, 504
 Su-35 aircraft 68
 Sukarno, President 353
 Sukhoi Construction Bureau 79
 Sunburn missile 311, 440
 Sundarji, General K. 257
 Syria: arms imports from Russia 69, 223
 T-72 tank 69, 193, 464
 T-80 tank 69, 311
 T-90 tank 70, 464
 Taiwan 290, 292, 298, 303, 305, , 325362, 380:
 arms imports from USA 363
 China and 358, 389, 390, 438, 500
 Spratly Islands and 424
 Taiwan Strait 308, 363, 366, 453, 496
 Tajikistan:
 Afghanistan and 137
 arms imports from Russia 512
 CIS Customs Union and 1103, 112
 CIS integration process and 120–21
 CIS states and 86, 112
 civil war 83, 86, 93, 96, 110, 200, 201:
 Collective Peacekeeping Force 113, 114
 Iran and 188
 refugees 150
 Russia and 113–14, 115–16, 117, 133–34, 188
 USA and 138

- Committee of State Border Defence 117, 118
- communist government overthrown 188
- drug trafficking 93, 188, 203
- economy 146, 150
- foreign investment 146
- General Agreement on Peace and National Accord (1997) 114, 134
- international organizations and 110
- Islamic radicals and 2, 84, 96, 188
- minorities abroad 84
- National Reconciliation Commission 188
- oil 119
- peace talks 188
- Persian language 120
- Persian population 47
- Russia and:
- armed forces of 111, 114, 116, 133, 142, 188, 201
 - Federal Border Guard 111, 114, 116–18, 135, 201
 - foreign policy aims in 121
 - military base in 115
 - military cooperation 114–18
 - strengthening relations with 110, 111–13
 - subsidies 101
 - trade 101
- Russian emigration 95, 119–20
- secular orientation 86–87
- Slav University 119
- trade 101, 118–20, 122
- United Tajik Opposition (UTO) 111, 113, 114, 116, 117, 130
- Uzbekistan and 20, 204, 478
- Takeshima Island 321, 367
- Talbott, Strobe 374, 392, 442
- Taliban *see under* Afghanistan and Uzbekistan
- Tamil Tigers 249
- Tang Jiaxuan 240
- Tarabarov Island 438
- Tartus 69
- Tashkent Treaty on Collective Security (1992) 86, 91, 92, 132, 200, 478, 498
- Tatars 38, 494
- Tatarstan 42, 74
- Tengizchevroil 131
- Tetsuo, Maeda 331
- Thailand 413, 414, 421:
- arms imports from Russia 69
- Theater Missile Defense (TMD) system *see under* Asia–Pacific and Japan
- Tibet 305
- Tokyo Declaration (1993) 318, 337, 338, 343, 346
- Tor-M1 missile complex 311
- Total 194
- Trade and Navigation Agreement (Iran–USSR, 1940) 189, 190
- Tran Duc Luong, President 423, 505
- Transcaucasian states:
- drug trafficking 92
 - US interest in 179
- Treaty on Bilateral Relations (Russia–South Korea, 1992) 396
- Treaty of Cooperation and Friendship (India–USSR, 1971) 254
- Treaty of Friendship (Iran–USSR, 1921) 189, 190
- Treaty on Friendship, Alliance and Mutual Cooperation (China–USSR, 1950) 288
- Treaty of Friendship, Cooperation and Mutual Assistance (North Korea–Russia, 1999) 505
- Treaty of Friendship, Cooperation and Mutual Security (Azerbaijan–Russia, 1997) 504
- Treaty of Friendship and Cooperation (Mongolia–Russia, 1993) 314
- Treaty of Friendship and Cooperation (North Korea–USSR, 1961) 397
- Treaty of Mutual Cooperation and Security (USA–Japan, 1960) 235fn., 484, 490
- Treaty on Mutual Defense (USA–South Korea, 1953) 355
- Treaty on Mutual Reduction of Military Forces in Border Areas (China, Kazakhstan, Kyrgyzstan, Russia and Tajikistan, 1997) 291, 307, 341, 357, 433fn., 503
- Treaty of Peace, Friendship and Cooperation (Russia–India, 1992) 500
- Trofimov, Valentin 64
- Trubetskoy, Prince Nikolay 40
- Turan 42, 173, 174
- Turan, Ilter 89
- Turkestan 86
- Turkey:
- armed forces 163
 - arms imports from Russia 69–70, 500, 512
 - Central Asia and 18–19, 174–77
 - Chechnya and 21, 162, 179, 180
 - economy 175, 176
 - EU and 22
 - expansionism 21–22
 - human rights in 22
 - Iraq and 222
 - Islam and 22, 86, 174, 175
 - Islamic ambitions 163
 - Kurdish people and 22, 164–65, 171, 178, 222
 - Kurdish Workers' Party (PKK) 164, 165, 171
 - military expenditure 163
 - NATO and 162, 163, 174, 215

- oil/gas demand 163
oil/gas transport and 21–22, 88, 122, 178–79
Russia and 21–22, 38, 162–65, 172–80, 214–15, 225–26, 500
USA and 22, 89
weakness of 22
- Turkic states: summit meetings 163
- Turkmenistan:
Caspian Sea and 165
drug trafficking 93
economy 145–46
foreign investment 146
gas 149
instability 151
Islamic world and 84
minorities abroad 84
natural resources 47
neutrality 86
oil 161
Russia and 91, 96–97, 101
- Tuvinians 38
- Tveruniversalsbank 59
- Uighurs 439
- Ulaanbaatar 314
- UN Observer Mission in Georgia (UNOMIG) 218
- Unexim group 348
- Uneximbank 59, 60, 67
- Unikombank 59
- ‘union of four’ *see* CIS Customs Union
- Union Oil 167
- Union of Soviet Socialist Republics:
coup attempt 182, 198, 301
disintegration:
humiliation at 34
military property divided 61, 116
Japan and 339
- United Arab Emirates: arms imports from Russia 69
- United Energy Systems (UES) 119
- United Nations: Iraq and 24
- United States of America:
Asia–Pacific and:
military presence 27, 451–52
Russia and 353–72
ballistic missile defence 170
Central Asian Battalion and 135, 152
elections, Chinese attempts to influence 380
foreign policy, understanding 375–76
Freedom of Support Act (1992) 140
Iraq Liberation Act (1998) 168
Islamic fundamentalism and 84
North-East Asia and 324, 325, 327
pipelines and 88
- Russia and 29–30, 353–72, 373–93, 437–38, 448, 455, 480:
strategic partnership with 298
Seventh Fleet 341, 355, 433
unilateralism 30
for relations with other states see under names of states concerned
- UNOCAL 167
- Urinson, Yakov 60
- Uzbekistan:
CIS and 86, 91–92
conflict in 137
drug trafficking 150
economy 99, 145, 150
foreign investment 146
gas 149
gold 144, 146
Islamic radicals and 2, 84, 129–30, 133, 150, 151
Islamic world and 84, 97
minorities abroad 84
Russia and 92, 101, 108, 129, 136, 204, 477–78
Russian emigration 97
Tajikistan and 20, 204, 478
Taleban and 92
Turkey and 176
USA and 84
- Vajpayee, Atal Bihari 241, 248, 256, 257–58, 262, 463
- Velayati, Ali Akbar 182, 185, 188
- Viet Nam:
arms imports from Russia 68, 423–24, 512
ASEAN and 420, 422, 423
Cam Ranh Bay 68, 425
Russia and 283, 412, 414, 422–24, 501, 505
Spratly Islands and 424
- Vietsovpetro 423
- Volga Basin 42
- ‘voucher privatization’ 57
- Voyentekh 63, 64
- Vyakhirev, Rem 119
- Wahhabis 195, 213
- Westernizers: 35, 40, 43
- World Trade Organization (WTO) 379, 380
- World War I 172–73
- Yablokov, Alexey 184
- Yadav, Mulayam Singh 503
- Yakut-Sakha 42
- Yang Shang Kun 289, 500
- Yassin, Yakov 60
- Yastrzhembsky, Sergey 350

Yeltsin, President Boris:

China and 74, 269, 289, 290, 291, 292, 295,
302, 327, 434, 456, 457, 500, 502

failures of 37, 53

financial support for 56

Gorbachev and 71

government dismissed by 75

health problems 255

India and 254, 260, 269, 500, 501

Iran and 188

Japan and 50, 285, 318, 321, 327, 328, 330,
333, 337, 342, 350–51, 351, 465

Kazakhstan and 105

Korean Peninsula and 394

Middle East and 224

'national idea' and 44

regions and 71–72

'shadow cabinet' 53

Supreme Soviet and 71

Tajikistan and 112, 117, 501

Uzbekistan and 113

Western confidence in 137

Yumashev, Valentin 53, 75

Zhirinovskiy, Vladimir 185, 195, 245

Zhu Rongji 291

Zyuganov, Gennady 45, 185, 261