

Russia's strategic and military interests in North and South East Asia

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RUSSIA'S STRATEGIC AND MILITARY INTERESTS IN NORTH AND SOUTH EAST ASIA¹

Frank Umbach

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INTRODUCTION

The evolution of Sino-Soviet/Russian relations from an antagonistic militarized standoff back to the 1960s to a nascent partnership at the beginning to the 1990s and declared "*strategic partnership*" today is an important development in a rapidly changing East Asian environment. It has significant security implications for the region itself as well as for global affairs.² It must be remembered that in 1969 (after a long series of border clashes) and the beginning of the 1970s, the Soviet political and military leadership was seriously contemplating a preemptive or even a preventive nuclear attack on China's nuclear forces and facilities.³ In addition, Khrushchev's successors began an expensive, long-term military buildup of Soviet conventional armed forces in the Far East and the border with China, from roughly 20 divisions to about 40 in the early 1970s and 52 in 1982.⁴ Although negotiations were held from 1969 to 1978 to improve the bilateral relationship, the general political environment remained unchanged and even deteriorated at the end of the 1970s with the Soviet invasion in Afghanistan in 1979. Beijing consistently held to three preconditions for normalizing the bilateral relationship: (1) withdrawal of Soviet troops from Afghanistan; (2) reduction and withdrawal of troops from Mongolia and along the Sino-Russian border; and (3) cessation of Soviet support of the Vietnamese invasion of Cambodia.

Against that historical background, *Gorbachev's* strategic reassessment of the Soviet Union's status in world affairs after 1985/86 also opened the perspective for an improvement in the bilateral relationship with China. Concrete steps for demilitarization in the Far East and the joint border followed only in 1988/89, including the removal of Soviet SS-20 intermediate-range ballistic missiles, drastic force reductions, and an agreement to hold bilateral negotiations on military Confidence-Building Measures (CBMs) in the border region.

Since the end of the Cold War and the beginning of the 1990s, a radical break with the past and their historical mutual mistrust has taken place, leading to the announced "*strategic partnership*" in April 1996. A number of strategic, political, and economic factors have led both sides to strengthen further their bilateral relationship during recent years. Both sides fear a "*New World Order*" dictated by the U.S. with its overwhelming military superiority and political leverage in world affairs. However, the Sino-Russian relationship, and in particular its

manifestations in increased Russian arms exports and military-technology transfers to China, has also raised suspicion and mistrust in East Asia and especially the United States.⁵

Russia's new interest in East Asia and efforts to strengthen its relationships with India and other Asian countries were the result of a reorientation of its foreign policy in 1993 away from *Kosyrev's* one-sided and romantic pro-Atlantic foreign policy, which, in the view of its increasing critics in domestic affairs, did not reflect Russia's objective geopolitical national interests as an Eurasian power.⁶ After the demise of the Soviet Union, Moscow found itself isolated and excluded from such activities as the *Korean Energy Development Organization (KEDO)* and the Korean peace talks. In short, Russia had ceased to be a military and political superpower in Asia, and it was confronted with domestic problems and foreign policy challenges in Europe (NATO's expansion to the east). Against this background, stronger tendencies of a Eurasian foreign policy were strengthened in January 1996, when Yevgenii Primakov became the new Russian Foreign Minister. Geopolitical and geostrategic challenges in its Western theater, NATO's eastward expansion, and perceived U.S. efforts to undermine Russian influence in Central Asia and other neighboring regions provided the impetus for a "*strategic convergence*" between Russia and China.⁷ Both sides promoted a "*multipolar world*" and a desire to establish a new political and economic order. They also shared, and continue to share, an interest in preventing fundamentalist Islamic groups and national separatist forces from achieving greater power and influence in their own countries or neighboring states, such as in the Caucasus, Central Asia or China's Western Xinjiang province. Furthermore, increased Russian energy exports to satisfy China's rapidly increasing consumption (by a factor of three to six) was another strong incentive on both sides to improve the bilateral relationship—especially for China and its intent to become the next superpower. Simultaneously, Russia's Asian military presence in the post-Cold War era has diminished substantially. The old Soviet security alliances with North Korea, Vietnam and India are now defunct and have been replaced with new cooperation and friendship treaties, which, however, do not include any automatic security and defense obligations for Russia.

Viewed from outside, Russia presently faces not so much a military threat from China or others, but it is confronted with a serious socio-economic crisis in its Far East regions, with implications for its future federal system and sovereignty. In this light, the following analysis will pay special attention to a wider definition of security in the context of Russia's strategic and military interests in East Asia. Hence, the socio-economic situation in Siberia and the Far East will be analyzed in greater detail, followed by Russia's relations with China politically, economically and militarily (including its increased arms export policies). Further attention will be given to the "regionalization" of Russia's foreign and security policies in North- and South-East Asia—the latter with a special focus on Russia's arms export policies during recent years.

REGIONALIZATION, DISINTEGRATION AND THE IMPACTS ON SIBERIA AND THE RUSSIAN FAR EAST⁸

With the end of the Cold War, Russia has often drifted back to forms of militarism, assertive nationalism and suspicion of the West. Historically, those tendencies are hardly surprising.

Throughout modern history, prolonged transformations of political and economic structures with decaying institutions and regime changes often have caused domestic instability, leading even to international conflicts and wars.⁹ Whilst old institutions have collapsed, new and democratic institutions have yet to be consolidated in Russia. Moreover, Russia's historical ambivalence toward the West and Europe as well as its latent inclination to seek its own Slavophilic "third way" are deeply rooted in her political culture.

Originally, the creeping devolution of power from the center to the periphery was a result of the unplanned decay of a hypercentralized state rather than the product of constitutional agreement. Because such regional power is unprecedented in Russian history, the set of arrangements that produced an element of stability may now generate something quite different in the future. There is a very real danger that the decentralization, fragmentation and regionalization processes underway will be established to such an extent that the stability of the unitary federation could be placed at risk. The risk is not so much that Russia will implode like the former Soviet Union, but rather that it would cease to function because it lacks viable institutions of both regional and central government and due to the varying vested interests of the political and economic elites in Moscow and the regions. At the same time, the division of powers between the center and the region is so vaguely defined that it produces ongoing battles of vested interests and results in a continuous political crisis.¹⁰

Russia's federal structure has been a major source of political friction, leverage and competition over the last several years. The most contentious issue between the federal government and the regions has been the division of power between them, especially as regards tax and budgetary issues. Such disputes have been resolved mostly on an *ad hoc* basis, with the federal government signing more than 40 separate treaties delimiting authority between it and individual regions, in spite of constitutional provisions and laws providing for a uniform regime applying to all regions. The federal government has been largely unable to enhance its legitimacy in the competition with regional governments, which has prevented any dramatic and sustained improvements in its revenue base and or redistribution of revenues to nationally significant purposes.

Contrary to the views of many politicians and experts in Moscow, regionalization can be seen as a normal part of the democratic evolution of Russia, an evolution that dilutes the traditionally autocratic and hyper-centralized Russian power structure that include some constitutional arrangements and other circumstances are probably not conducive to a functioning liberal democracy. The democratization has, to some extent inevitably, produced "little dictators" who have, in some cases, seized local power through non-democratic means and then misruled. That, however, is explainable in a country with little tradition of a pluralistic democracy and a real federal structure. The great majority of Russia's political elite (particularly in Moscow) perceives the decentralization and regionalization processes as a negative phenomenon that is often equated with separatism.¹¹ Hence, they have paid more lip service to regional autonomy rather than having accepted genuine federalism. Both the elite in Moscow and the regions have almost no experience in creating a federalist state either from below or from the top. They largely do not see and understand the regionalization/decentralization processes as an opportunity to build a real and viable federal or confederated state from below.

Furthermore, they overlook globalization trends in economic-political affairs, which are strengthening those, processes—regardless what Russia is doing. Thus, while Russia is already on the way to a confederated state in economic affairs, politically it is quite a different situation. In this regard, there is another gap between traditional tendencies to maintain a strong unified, federal state and the economic trends of globalization, which favor further decentralization and regionalization in the future.

During the last decade, the Russian economy has become increasingly fragmented, thereby undermining the effectiveness of policies designed for nationwide effect and requiring the central government to develop highly differentiated regional policies. This is more necessary than ever because socio-economic development during recent years has resulted in increasing differences between the regions. Each has quite different characteristics in terms of its political and economic profile. The increasing diversity of decisions by regional leaders will make it even more of a challenge for the central government to devise any single policy for the entire country in the future—no matter who is governing the Russian Federation. Meanwhile, the differentiation often has become even greater between the regions than their differences with Moscow. Accordingly, the impact of the Russian financial crisis has been felt in varying degrees throughout the Russian Federation, and the economic crisis has prompted a further shift in decision-making away from the center and toward provinces. Hence some of Russia's 89 regions have announced various emergency plans to cope with the rapidly deteriorating situation in the absence of direction from the federal government. However, although the center-periphery relationship has been redefined by the regionalization processes, by bitter-inter clan rivalries and governmental disarray, and by "robber barons" appropriating vast assets across Russia as a byproduct of the deepening crisis, most of Russia's regions have not really become economically and politically stronger. Although most of Russia's regions seem rather weak and are still dependent on Moscow, local power structures seem to be very strong when they are united and can count on local support.

Given the overall economic crisis and the inability of the central government to provide the regions with the means to survive, local governments have been forced to reorient their attention to more prosperous neighbors. This has been particularly true in the Russian Far East, which has been forced to create ties with neighboring states. The result so far, however, is very mixed and hitherto rather disappointing.

Siberia and the Far Eastern region (the latter consisting of the *Primorski* and *Khabarovsk* regions, the *Sakha-Yakutia Autonomous Republic*, and the provinces of *Amur*, *Magadan* and *Sakhalin* with some 8 million population) with its core maritime provinces had for many years remained closed and isolated zones, with virtually no contact with China and other nations in the Asia-Pacific region. With their political, economic and cultural isolation, they were destined to be a military outpost fully dependent on Moscow for the supply of material resources, energy resources and all major daily necessities. According to its status as a special restricted military zone, the Far East economy "was not integrated into the economic activity of the region, and it absolutely did not submit to any economic laws."¹² Although Siberia and the Russia Far East have an enormous potential of energy resources, the region has faced a severe energy and food crisis during recent years.¹³

With the end of the Soviet Union and the beginning of economic reforms, both regions lost practically all the economic and financial privileges that they had enjoyed during the “good old times” of the Soviet era. In the beginning of the 1990s, bilateral trade with China saved the Far East from economic catastrophe and provided it with goods necessary for economic survival in turbulent times of transformation. With the economic collapse, the region returned to economic autonomy it enjoyed after the revolution of 1917 and the beginnings of the 1930s within the “Far Eastern Republic”. Although President *Boris Yeltsin* initiated—in 1992—a “Far East Regional Development Program” which later became part of the federal program, “The Economic and Social Development of the Far East and Transbaikalian Regions in the Years 1996-2005”, the ambitious program never materialized in a way the government promised. In 1996, real financing was just 35 per cent of what was planned, and target projects were financed at only 13 per cent of what was originally intended. In subsequent years, financing was further reduced.¹⁴ In this light, it is not surprising that political resentment in Siberia and the Far East is often directed against Moscow, the “Party of Power,” and the left opposition.¹⁵

Since that time, Siberia and the Russian Far East regions have been forced to open to neighboring states and regions which provide numerous opportunities for economic and cultural cross-border relationships. However, no lasting conditions for positive cooperation and exchange with neighboring countries in Asia could have been established. In addition, the percentage of unprofitable industries in the Far East increased from 22.7 per cent in 1992 to 63.8 percent in the beginning of 1996.¹⁶

During recent years and despite the enormous energy resources in the region, no significant domestic or foreign investment has been made in the region’s energy industry due to the lack of a coherent legal framework with transparent rules for domestic and foreign investment or joint ventures, widespread corruption, organized crime, and other obstacles to foreign investments.¹⁷ In 1997, foreign investment in the Far East stood at just \$140 million—only 3 per cent of the Russian total (Moscow has 67.4%).¹⁸ This was down from \$191.4 million in the Far East (6.8%), and from only \$22.3 million (0.8%) in Eastern Siberia.¹⁹ Specific Far East problems, such as local political instability, aggravated by widespread organized crime and corruption,²⁰ and separatist tendencies, add additional dimensions to the general political instability, the absence of a rational legal base for business transactions, and high levels of crime across Russia. Although Siberia and the Far East have half of the world’s coal deposits and almost a third of its oil and gas deposits, it needs massive foreign investment not only to exploit these resources but also for the creation of a modern business infrastructure, including communications and transportation systems at international and regional levels.²¹ Against the background of failing financial resources from Moscow and the lack of a substantial foreign investment, *Primorski Krai* experienced the most significant decline in economic activity and living standards in Russia.²² Vladivostok, a city of 700,000 inhabitants on the Sea of Japan, has become notorious, for instance, as a symbol of the worst of provincial poverty, isolation and political feuds in Russia in which democracy often took a back seat during the 1990s. The controversial governor of the Primoriye region, Yevgeni Nazdratenko, has taken over private business, seized control of the press and judiciary, and pumped government budgets dry of his entire region, including the Vladivostok municipal budget.

At the same time, organized and institutionalized crime, including cooperation among Russian mafia, Japanese *Yakuza* and Chinese *Triads* organizations is creating a potential security problem of regional dimensions. This interplay, however, is confined not only to East Asia but has security implications for Europe, too, because the Russian federal government is either powerless to combat organized crime or, more often, is linked to or even part of it. It is one of many other examples that illustrate convincingly why the West must stop thinking only in terms of narrowly defined dimensions of European security instead of at least Eurasian security.

Political groups in the regions that seek to secure certain advantages for themselves in the budget, tax and other spheres will continue to be inflame tensions between regions and the federal government for their own purposes. This will inevitably aggravate political instability caused by other factors. Hence regionalization and decentralization have important consequences for the political and economic stability of Russia as well as for its prospects for a return to economic prosperity. In light of the present Chechen war, former Prime Minister Primakov—in contrast to many Russian officials associated with (former) President Boris Yeltsin—had already warned in 1997 that separatism remains a serious security challenge and that Russia is far from united. He argued repeatedly as foreign and prime minister that Russian diplomacy's major tasks include the maintenance of that country's territorial integrity.²³ Russia's "National Security Concept" of December 1997, to some extent the new one of January 2000,²⁴ and its new foreign policy concept²⁵ (in striking contrast to Russia's newly published military doctrine of April 2000²⁶--and even more in regard to the draft military doctrine of October 1999²⁷ which focus much more on external security challenges²⁸)—have stressed more than ever that Russia's main security challenge arise primarily from internal instability rather than from external security challenges (despite Russia's firm opposition to NATO's extension to the east).²⁹

However, separatism as an extreme form of decentralization and regionalization seems still primarily a concrete threat in the North Caucasus rather than in other Russian regions. Most of Russia's regions are still seeking greater autonomy within a larger Russian Federation rather than independence. Nonetheless, this drive for autonomy leads to greater competition and rivalry rather than cooperation. In general, secessionist tendencies have stemmed not primarily from ethnic or historic roots but from Moscow's failure and inability to meet its obligations in the view of the regions. Against the background of the increasing diversity of Russia, there seems to be an increasing "*asymmetric federation*" which will complicate the center-periphery relationship even further. At the end of 1998, only 10 territories account for nearly 60 per cent of Russia's total exports, and the leading 20 regions account for almost 40 per cent of imports. Furthermore, nine regions have concluded no agreement with foreign partners, while 11 Russian regions (led by Tatarstan) have exercised their right to open representative missions abroad. Regarding taxation, only 10 regions out of 89 are self-sufficient (net donor regions) while all the others are either net recipients or "*depressed regions*."³⁰ However, Primorie is in fourth position (only after Moscow, St. Petersburg, and Kaliningrad Oblast) in the number of joint ventures with a share of foreign capital.³¹

Whether widely discussed plans of advocating the consolidation of Russia's 89 regions into 10, 12 or 25 to 35 bigger regional administrations might really be adequate to stop the fragmentation and disintegration trends remains uncertain as long as Moscow does not address

the real origins of these strategic processes and as long as it favors strong top-down control over the regions. Russia's present military operations in Chechnya, for instance, that seem to follow no mid- or long-term political design for a political and economic stabilization of the North Caucasus, might instead backfire and fuel an extreme "Islamization" which Moscow has claimed to prevent. The rise of eight multi-regional associations or supra-regional groupings, organized by the leaders of the regions themselves, already indicate that they now play a large role in both domestic and foreign affairs—a trend which will increase further. In this light, the present Chechen war might rather accelerate the fragmentation and disintegration processes under way, including those in the Russian Far East. Furthermore, it is necessary to remember that in the not-so-distant past the region was a semi-autonomous political-economic system on the periphery of both the Russian and Chinese empires.³² At the very least, Russia's transition to a federated or confederated system will remain a very difficult and lengthy process with inherent unpredictability for Russia and neighboring countries and regions.

Of particular concern are Russian demographic trends in general and in the Russian Far East vis-à-vis China in particular. If current Russian demographic trends continue, the number of teenagers in the Russian Federation will be smaller in 2001 than it was in 1959—the year in which the birth deficit from the World War II period cast the greatest shadow of the USSR. The present mortality rate in Russia is almost twice as high as its birth rate, which is one of the lowest of the world. As a result, Russia's population is shrinking by about 2,500 every day—nearly 750,000 people per year.³³ In 15 years, Russia's population is likely be reduced by more than 22 million people.³⁴ By 2050, Russia's population may fall to between 80 and 100 million. Other factors involved include high emigration and slowing immigration, divorce, abortion (about 70 percent of all pregnancies since 1994—one of the highest rates in the world), suicide (now 40 per 100,000 - again one of the highest in the world), and birth defect rates, as well as widespread diseases, the latter explained by the lack of a basic health infrastructure and environmental catastrophes.³⁵ All these factors contribute to the alarming demographic trends that have wide-ranging economic and political implications for Russia and its armed forces.³⁶ The crude death rates in the first half of 1998 were, for instance, nearly 30 percent higher than they had been at the end of the 1980s. Overall life expectancy has been fallen in 1997 to under 67 years, and for males it is about 61 years. For comparative analyses it is important to note that similar mortality crisis in the past in Germany, Spain, Japan, and South Korea were in one or another way the direct result of wars or civil wars—not peacetime phenomena. According to analytical forecasts, although the Russian Federation would have been the world's sixth most populous nation in the Soviet Union's final days, its population will shrink to be no larger than ninth in the world by 2020. Life expectancy then will be lower than that of 125 of the world's 188 countries. According to Russia's State Statistics Committee, in 1999 the population of the Russian Federation fell by another 716,900 (or 0.49 percent). That decline, Russia's largest since the breakup of the Soviet Union, was due to worsening economic conditions, rising rates of alcoholism, and poor medical treatment.³⁷ By 2016, Russia's population may fall by 8 million. At present, Russian women have only average 1.24 children—1.11 fewer than the rate needed to maintain the population.³⁸ By the middle of the century, Russia could lose half of its population, which ultimately could lead to severe political instability.³⁹

Such an outcome will also increase competition for manpower between the Russian military and the Russian economy. It creates additional pressure (besides financial difficulties) for the military to maintain its current force structure, and it becomes more difficult for the economy to recover from its present problems. It also means that Russia's political elite and military establishment must learn how to make the most efficient use and take care of its scarce human resources, which Russia has never done in its military history.

These demographic trends may raise numerous new security challenges. The further emigration of working-age Russians from northern and eastern regions of the Russian Federation, for instance, can seriously undermine the successful exploitation of its natural resources and erode economic conditions for the socio-economic and demographic stabilization of affected regions. At the same time, the concentration of foreign immigrants in regions of high-unemployment along the border with China endangers social and political stability. According to Russian sources, the population in the Far East grew from 1.6 million in 1926 to 4.8 million in 1959, to 6.8 million in 1979, to 7.9 million in 1989, and reaching finally 8.057 million in 1991.⁴⁰ After 1991, however, the population in the Far East started to immigrate to Russia's Central regions. The most serious losses were registered in the Magadan region (9.9%) and in Chukhotka (13.4%) due to the sharp deterioration in the economic situation and declining living standards.⁴¹ As Odelia Funke has pointed out in her paper, the average lifespan in Siberia and the Far East is 16 to 18 years less than elsewhere in Russia, while the incidence of diseases such as tuberculosis and child mortality rates are significantly higher than in the rest of Russia.⁴²

Official Russian sources vary significantly on the number of Chinese in the Russian Far East, with figures varying between 150,000 and two million.⁴³ According to these official Russian sources, every year up to 500,000 Chinese laborers immigrate into the Russian Far East from China's northern provinces. The number of foreign citizens who are illegally staying on Russian territory may have already exceeded one million.⁴⁴ Although the cross-border flow of people has created numerous economic incentives and even though the number of illegal border crossings, such as in *Primorski Krai*, declined from 1994-1998 due to attempted entries on forged passports, visa regime violations and deportations, Chinese migration has raised security concerns and socio-economic fears among political elite and the public in the Russian Far East.⁴⁵ Nonetheless, according to First Deputy Interior Minister Valery Fyodorov, more than 500,000 Chinese are entering Russia, of which 350,000 enter through non-visa tourist exchanges. Most of these people do not return to China but stay in Russia.⁴⁶ Thus, while 800,000 people (10% of the Khabarovsk territory population) left in recent years, they have been replaced by Chinese and Koreans. In this light, a "peaceful capture" and "peaceful invasion" seem already to be under way: "These people are already a political force to be reckoned with in the context of the territorial economy and politics."⁴⁷ Furthermore, cross-border smuggling of non-ferrous metals, oil, drugs and illegal firearms have reached alarming rates, which "clearly jeopardizes national security."⁴⁸

Eventually, Russia may be confronted with serious Chinese demands that it must open its vast and scarcely populated Far Eastern provinces (8 million Russian live between Siberia's Lake Baikal and Vladivostok on the Sea of Japan) to Chinese immigration. On the Chinese

side, the density is already in some places ten times higher than that experienced by the 32 million Russians east of the Ural Mountains, and it is increasing 20 times faster than the population on the Russian side.⁴⁹ Each Russian per kilometer of the mutual Russian-Chinese border is facing 63,000 Chinese nationals on the other side. The Primorski Krai region, with its 2.2 million residents for instance, is confronted with 70 million Chinese in the neighboring Heilong-jang province.⁵⁰ While the Russian Far Eastern population has decreased 8 percent since 1989 to 7.4 million, across the border China's Manchurian population increased by 13 percent over the same period.⁵¹ The demographic pressure from China on Russia will even increase further in the future. China's rapidly growing "active labor force" (people aged between 15-59) will reach more than 115 million by 2010 (from 100 million today) and will represent nearly 70 per cent of the Chinese population near the Russian border—an enormous pool of surplus labor. These demographic trends will add new dimensions to the excess labor pool that will increase as a result of the privatization of inefficient state-run sectors of China's economy. At the same time, Russia's present population in Siberia and the Far East will fall from 32 million to just 10 million if current demographic trends continue.⁵² Against this background it is not surprising that the populist governor of Primorski Krai, Yevgeni Nazdratenko, deported 9,500 Chinese in 1994-1995 and 2,000 more in 1996 as a part of "Operation Foreigner", which boosted his popularity.

	2000 Population	1999-2000 Population Growth	Change on a Year Earlier
Russia	145,5 million	-0.54 percent	-784,500
China	13000.0 million	approx. 2 percent	+25,000,000

Source: 'Russia's Dwindling Population Ensures Rigid Foreign Policy', Stratfor.Com, 13 April 2000 (Internet: www.stratfor.com/CIS/commentary/0004130155.htm), here p. 4.

Table 1. Demographic Trends in Russia and China: A Comparison (2000)

Russian mistrust of China may also be explained by the fact that the boundary between Russia and China is not merely an international border, but also an intercultural boundary, which, however, has become increasingly porous. Given the deteriorating economic situation of the last years, Chinese migration has resulted in increasing job competition. Their work quality, discipline, special skills, and lower costs of employment make them very attractive for Russian companies. Working 11 hours a day and six days a week, their employment in some cities and border districts—areas desperate for investment and job opportunities—has more than tripled during recent years. The average hourly cost of an industry employee is just 56 cents—half that of Guatemala, and even lower when compared with \$2.69 in South Korea (1998) and \$10.12 in the U.S.⁵³ The widespread feeling of vulnerability and insecurity on the Russian side might even increase if cross-border economic cooperation and joint ventures (such as the Tyumen River free trade area) do not produce positive benefits for the Russian side in the near future. The pressure of population, the need for arable land, raw materials and especially energy and water resources⁵⁴ may constitute powerful motives for expansion into the empty spaces of Russia's Far East. Moreover, Russia seized the Far Eastern territories in 1858 and 1860 in the "unequal

treaties” of Aigun and Beijing. Although both countries signed a border agreement in 1999, China never explicitly accepted those treaties as inviolable. Vladimir Y. Portyakov, the deputy director of the Institute of the Far East at the Russian Academy of Sciences, concluded in 1996:

”... there is a deeply ingrained negativist attitude in the region toward the center’s policy, which apparently does not reckon with the specific conditions of the Far East and particular federation components, and is therefore not effective enough in addressing the region’s problems... The feeling that the Far East is politically isolated from the rest of Russia, compounded by a weakening of day-to-day human and economic contacts with it, with a simultaneous expansion of such contacts with East Asian countries and the United States, point to the emergence of a sub-ethnic group in the Far East which is seeking maximum independence, its subordination to the center being purely formal.”⁵⁵

Those existing fears are fueled by China’s “undisguised aspirations“ to participate in developing the resources by exporting its large workforce not just to the Russian Far East, but also to Siberia. A Chinese magazine, for instance, estimated the manpower shortage in Siberia and the Russian Far East at 50-80 million people with an additional work force of 8 million needed to develop the Far East. Against this background of dubious Chinese reports, Vladimir Portyakov wrote:

“Very indicative is China’s interpretation of the ‘mutual complementarity’ of Russia and China, when the northeastern part of China, with a territory of 1.9 million sq km and a population of 110 million, is assigned the ‘lofty mission’ to help, primarily by work force, develop Siberia and the Far East with their 12.76 million sq km of territory and a population of less than 33 million.”⁵⁶

Resettlement programs to move Russians into the region, however, are probably unrealistic. For example, Primorskiy Krai Governor Yevgenii Nazdratenko recently demanded the relocation of five million Russians from European Russia to the Far East to balance the demographic trends on both sides of the border⁵⁷, but a lack of funds and similar problems in other Russian regions mean nothing is likely to be done.

A NEW “STRATEGIC ALLIANCE” WITH CHINA VIS-À-VIS THE WEST AND THE U.S.A.?

In a joint statement in April 1996 at the fourth Sino-Russian summit since 1992, Russian President Boris Yeltsin and Chinese President Jiang Zemin announced their intent to build a “strategic partnership” between their countries.⁵⁸ The new “equal partnership” is, as Grigorii Karasin, Russia’s Deputy Minister of Foreign Affairs, explained, “directed at strategic cooperation in the XXI century and can be characterized as long-term intergovernmental ties of a new type which is not directed against third countries, as fully satisfying the vital interests of our nations, and as assisting peace and security in the APR [Asia-Pacific Region] and in the entire world.”⁵⁹

One year later, in April 1997, another statement explained indirectly the strategic partnership as an anti-hegemony clause and opposition to efforts to enlarge and to strengthen military blocs in Europe and East Asia, such as NATO and the U.S.-Japanese security alliance.⁶⁰ Officially, however, they rejected an alliance to offset growing U.S. global influence.⁶¹

They had already agreed to the Russian sale of two advanced Sovremenny guided missile destroyers (armed with modern 'MOSKIT' anti-ship cruise missiles) and other modern high-tech weaponry to China, which raised alarm on the U.S. side.⁶² In the autumn of 1997, both sides reached a breakthrough in efforts to demarcate the eastern section of the Sino-Russian border for the first time in the 400-year-long history, although their short western border of just 50 kilometers remained under negotiation.⁶³ However, it seems that Russia made far more concessions to China than vice-versa. For instance, Russian members of the joint demarcation commission accused China of creating artificial sandbars on the bank of the *Amur River* in order to lay claim to the Bolshoi Ussuriisky and Tabarov islands.⁶⁴ Despite these controversial issues and in the light of the overall climate of friendship and amity, both sides also signed at their 1997 November-meeting in Beijing a framework agreement to construct a \$12 billion, 3,000 kilometer-long gas-pipeline from Siberia to North China that would run in the future from Irkutsk province through Mongolia and China to South Korea.⁶⁵

In 1998, with increasing frustration and suspicion towards the West, both sides ended with declarations about joint commitments to a "multipolar world" and showed broad agreement against the use of economic sanctions against India and Pakistan for their development of nuclear weapons. They also made clear their resistance against any use of force against Belgrad for its policies in Kosovo. But with U.S. President Clinton's visit in Beijing, the Russian press also highlighted the huge difference and asymmetry in trade between China and Russia (\$6.8 billion) and China and the U.S. (roughly \$60 billion).⁶⁶ Furthermore, the "peaceful invasion" of Primorie and other Russian Far East territories continued. Thus a Russian article warned:

"If Moscow doesn't find a way of stopping Siberian's migration, fails to supervise cheap and skillful Chinese workforce, and fails to attract Japanese, American, and South Korean investments, Chinese will surely settle the abandoned Siberia. In absolute accordance with Den Xiaoping's theses, the Chinese people will build up its strength at first and then recall the humiliations it was subject to in the 19th and early 20th centuries by imperialist countries of the world (Russia included) and decide to correct the historic wrong"⁶⁷

Furthermore, the catastrophic socio-economic situation during the winter 1998-99, with severe food and energy shortages, highlighted the vulnerabilities of Russia's regions in the Far East.⁶⁸ In 1999, NATO's military intervention in the Kosovo conflict and the unfortunate bombing of the Chinese embassy in Belgrad further strengthened their bilateral relationship vi-à-vis the U.S.⁶⁹ Symbolically, the Russian armed forces were holding their biggest military exercise (called "West-99") since the mid-1980s, which, as Dmitri Trenin has stated, "for the first time in a decade again designated NATO as the enemy" and gave a visiting high-level Chinese military delegation unprecedented access to Russian nuclear bases.⁷⁰ However, as Bin Yu has argued, "Kosovo was not as significant a unifying force between Beijing and Moscow as one might think. ... China viewed the Yugoslav case as not affecting the fundamentals of China's national interests. Beijing's foreign policy community was even advising top leaders to distance China from the Milosevic regime."⁷¹ But the fateful bombing changed the picture. Finally, the Kosovo-conflict posed both challenges and opportunities for Moscow and Beijing to substantiate and elevate their bilateral relationship. It also opened the opportunity for China's PLA to double almost the 1999 defense budget by gaining additional resources in May and summer of 1999.

In August 1999, both sides signed an agreement to sell 40-60 advanced SU-30MK fighters to China after several years of difficult negotiations.⁷²

China also supported and defended Russia's indiscriminate warfare in Chechnya, while Moscow supported China's position on Taiwan and Tibet. Both sides were frustrated by their inability to stop the NATO campaign in the United Nations and declared again, in the light of their own problems with ethnic separatism, that state sovereignty, state unity and territorial integrity were still the most important components of international law and politics. These important components had also been highlighted during their "Shanghai Five" meeting with Kazakhstan, Kyrgyzstan and Tajikistan in August 1999 in the midst of a hostage crisis, with around 1,000 Islamic gunmen holding up to 100 people, including four Japanese. This event demonstrated dramatically to both sides some of the new security challenges both countries face, such as rising Islamic fundamentalism, cross-border terrorism, smuggling of firearms and drug trafficking.⁷³ Understandably, security was a key issue at the summit. The Shanghai Five leaders supported an initiative to create a nuclear-weapons-free zone in Central Asia and to establish a broader "conference on co-operation and confidence-building measures in Asia."⁷⁴ But this meeting, too, demonstrated a Russia in decline. Until 1998, Russia and Central Asian countries had formed "joint delegations" for negotiations with China. On this occasion, the Central Asian states decided to hold negotiations with Beijing independently "without looking at Russia for approval. In other words, they decided to bet on a stronger and more stable partner."⁷⁵ Additionally in 1999, Russia and China repeatedly warned the U.S. against developing BMD and TMD umbrellas (the latter together with Japan and, possibly, Taiwan), claiming that this would threaten all nuclear and non-proliferation treaties (particularly ABM and CTBT).⁷⁶

In October 1999, the Russian and Chinese navies conducted their first joint naval activity since 1949. In the same month, both sides began the process of implementing the agreed demilitarization of their joint border by creating a 100-kilometer wide demilitarized zone on each side. A month later, they held their third round of General Staff's discussions.⁷⁷ Both sides also have increased their military, military-technology and non-military cooperation, including the areas of space science and technology.⁷⁸ Reportedly more than 1,000 Russian technology projects have been initiated until the autumn of 1999.

But even though the Moscow-Beijing axis seemed getting stronger with each year⁷⁹ in the light of new common regional and global interests in their foreign and security policies, they are not interested in forming a real military alliance because their positions do still not coincide perfectly.⁸⁰ Moreover, Yeltsin felt it necessary to remind the West that Russia "has a full arsenal of nuclear weapons."⁸¹ But this action only reveals again Russia's own political weakness and its international position as a faltering world power. Moscow seems desperate for China's support to demonstrate to the U.S. that it is still a great power in world politics. Symptomatic of the changing power balance between both sides, China—an aspiring world power—focused their December 1999 meeting on the border agreements, showing that it is capable of playing the Russian card any time it sees necessary or fit.

However, Beijing was “immensely shocked”, confused and irritated by former Russian President Boris Yeltsin’s resignation on the New Year’s Eve after he was for a brief visit in Beijing in early December 1999.⁸² Obviously, Moscow did not inform Beijing in advance as part of their claimed “strategic partnership.” The lack of awareness also signals a severe failure of Chinese intelligence to warn the administration. Meanwhile, China seemed to be concerned and worried about Putin’s much more cautious China policy and his intention to strengthen Russia’s ties to the West, the European Union, and even to NATO, which stands in some contrast to Russia’s former “omnidirectional” foreign policy. According to various Chinese and Russian sources, Putin had promised Beijing to visit China as the first of his foreign visits, but he scheduled several other foreign visits to Europe and Central Asia before going to China. It was only in the summer of 2000 and on the way to the G-8 meeting in Okinawa when Putin held a real summit in Beijing, and then flew to Pyongyang to restore bilateral relations with Russia’s former ally, North Korea. In Beijing, both sides declared again their strong opposition to U.S. plans to create a national missile defense shield and instead proposed a global monitoring system for the early detection of missile launches.⁸³ Reportedly, China offered Russia a long-term cooperation pact and sought Russian support for scenarios of applying military force against Taiwan. However, it is hardly in Moscow’s interest to become directly involved in the potential hotspot of the Taiwan Strait.⁸⁴ Furthermore, Putin has begun to modify his China and East Asia policies to the detriment of China at a time when Beijing seeks to establish closer relations with Moscow.⁸⁵ Despite the ongoing arms flows and weapon technology transfers to China, becoming too close with China may not be in Russia’s long-term strategic interests, as Putin seems to realize. He might also have recognized the implications of China’s forthcoming World Trade Organization (WTO) admission, which will draw away even more potential resources and foreign investment. China’s admission to the body will also simultaneously further strengthen China’s position in their bilateral relationship as long as Russia itself is not able to join the global trade organization.⁸⁶ Hence it may further widen the gap between major trading partners (including China) and those countries (such as Russia), which are still outside of the WTO and have missed the opportunities they (such as Moscow) had some years ago.⁸⁷

Moreover, Putin’s unilateral proposal to develop a joint missile defense system for Europe with NATO and the U.S. caught Beijing by surprise. It provoked the Chinese to remind Moscow of the “common interests of all countries.” China also declared its objection “any” changes of the ABM-treaty, including from the Russian side.⁸⁸ In this light, the “Joint Statement on ABM,” issued by both presidents during their Beijing summit in July 2000, seems to be an attempt by both sides to restore rather than to deepen their strategic relationship as regards U.S. missile defense plans and a revision of the ABM treaty.⁸⁹ This was not the first instance of such reassurances, however. Earlier, during the Moscow visit of China’s Defense Minister Chi Haotian in January 2000, Moscow had to reassure China by confirming “unconditional adherence to all agreements reached during earlier summits.”⁹⁰

As important as the political and socio-economic situation in Siberia and the Russian Far East may be, the future of Russian-Chinese relations and the place of China in Russia’s strategy probably depend not so much on Russian domestic developments as on the geopolitical and geostrategic evolution of China’s domestic, foreign, and security policies. This reflects the fact that Russia is already the junior partner in the Sino-Russian relationship. In

both countries, socio-economic conditions and problems could create serious security challenges that extend beyond their own borders and have unpredictable consequences. Indeed, the disintegration of either of the two countries cannot be excluded, although I still believe that total collapse, for either country, is—for numerous reasons—a rather unlikely possibility. Perhaps most importantly, both states have a tradition of a strong state and center, and efforts to overcome separatism and disintegration could lead to the creation of a new and highly authoritarian state in either country, which could provoke new tensions and contradictions in their mutual relationship.

Furthermore, despite of eight years of independent statehood, Russia has failed to come to terms with its reduced stature in the wake of the collapse of the Soviet superpower and failed to define a new role and identity for itself on the world stage. Its actions often seemed geared and sometimes even reflect an obsession with denying the United States the "unipolar" hegemony Moscow suspects it of seeking. Therefore it has favored a "multipolar world" by establishing a "virtual" "strategic partnership" among Moscow, Beijing, India and others.⁹¹ Those Russian strategies are intended to play off Western and "Asian" interests with the goal of increasing Russia's influence on the world stage. Over the last year, both Russia and China also emphasized their opposition to U.S. plans for an anti-missile defense system that threatens their nuclear retaliatory capabilities and could force them into a new and expensive arms race they cannot win. Nonetheless, there are a number of limitations and obstacles to a lasting "strategic partnership" in the 21st century.⁹² While both cooperate in Central Asia to combat Islamic fundamentalism and terrorism and to counterbalance the U.S., they also compete to attract foreign investment and in regard to the region's energy resources. Even in Europe and in the territory of the former Soviet Union, China follows its own strategic interests, which do not always overlap with those of Russia, as the Yugoslav-conflict demonstrated in 1999. The Chinese-Ukrainian relationship is a good example of the lack of a real joint strategic agenda between Moscow and Beijing beyond countering the U.S., arms exports, and joint energy projects.⁹³

Moreover, Primakov's and Putin's recent "Eurasian orientation" and the proclaimed "strategic partnership" between Russia and China, initiated in April 1996, is in many respects more a "tactical alliance" than a real military alliance, which is not in the China's interest (the word "alliance" is not even used by China).⁹⁴ China has repeatedly made clear that the new quality of their bilateral relations "are not alliance-type relations, are not directed against any other third party, and moreover, do not present a threat to other states."⁹⁵ Characteristically, the Chinese side speaks always about a "Strategic Cooperative Partnership" with Russia and not so much about a real "Strategic Partnership". It indicates a different and ultimately narrower and more limited definition of their "strategic partnership."⁹⁶ Furthermore, Chinese experts have also warned "against blind optimism by closing our eyes to the numerous difficulties and forestall loss of confidence by noticing the huge potential of the Sino-Russian relationship."⁹⁷ As a Chinese expert has admitted:

"Side by side with deepening bilateral relations, there has arisen an anti-China undercurrent in Russia, which spreads such allegations against China as 'population invasion', 'economic penetration', 'military challenges' and 'geo-strategic contradictions'. It has affected somewhat the expansion of bilateral relations. Yet this frenzy remains, after

all, only a tributary and is mixed up with many factors of Russian domestic politics. The mainstream in Russia's China policy still considers China as a reliable partner and gives top priority in Russian foreign policy to the expansion of relations with China."⁹⁸

Furthermore, current bilateral trade activity and prospects for increasing it to \$20 billion by the year 2000 (as was agreed to by both sides during their April 1996 meeting in Shanghai) are rather poor. Total bilateral trade in 1996 was \$6.77 billion, and it declined to just \$5.5 billion in 1998. China's bilateral trade with the U.S. and Japan, by contrast, is more than 10 times that with Russia. In several years during the 1990s, one-third of the total bilateral trade between Russia and China was related to the Russian export of high-tech weapon systems and transfers of military and dual-use technologies. Between 1991 and 1997, China spent almost \$6 billion on Russian weapons.⁹⁹ The economic investment of companies in both countries is also limited. While Chinese companies invested just US-\$140 million in Russia, Russian businessmen mobilized US-\$220 million for investment in China.¹⁰⁰ China has also not given Russia any economic preference vis-à-vis the West. Thus the Chinese awarded the tender for the famous Three Gorges dam project to French and German contractors, despite Russians offers.

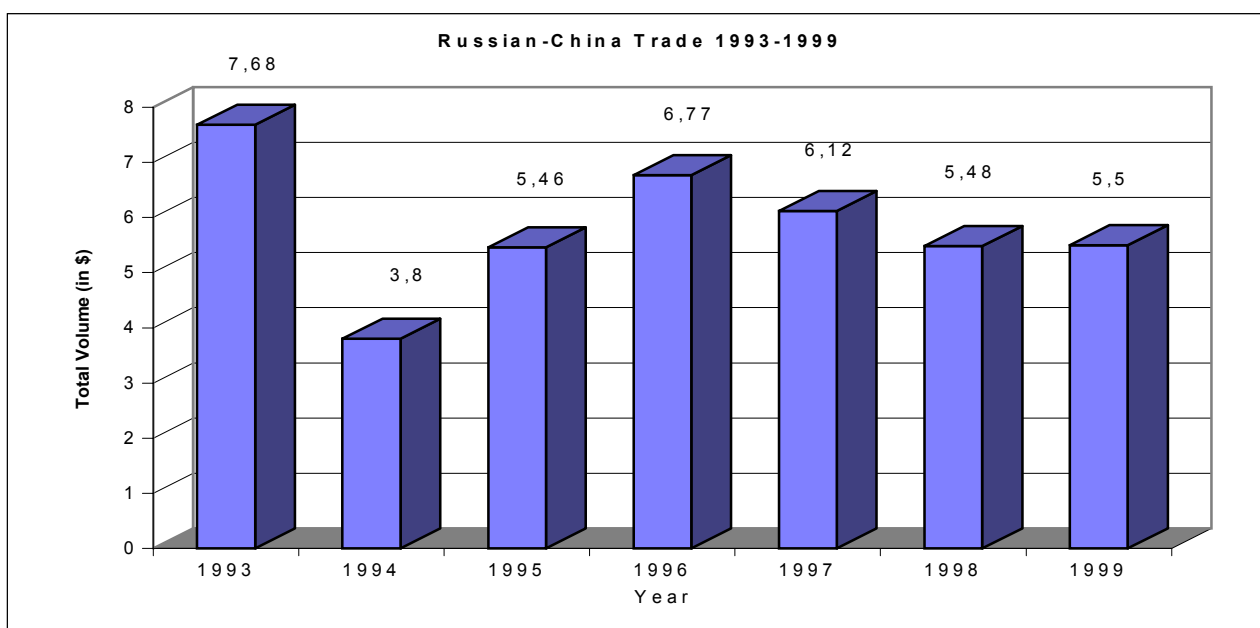


Table 2: Sino-Russian Trade 1993-1999

Although Russia and China have concluded an agreement on the demarcation of their joint border, China could at some future date redirect its energies towards the north and seek revision of the boundary—particularly if the Taiwan problem is "solved," (which is unlikely if a military "solution" is excluded). Hence, it can argued that Russia should have a strategic interest not only in stability and peace of the Taiwan Strait but also in the independence of Taiwan—which is not the case. Arguably, China has never accepted the loss of 1.5 million square kilometers of its territory to Tsarist Russia in the 19th century by "unfair treaties".¹⁰¹ Even after the successful demarcation of the border with China, Russia will remain suspicious on China's future intentions and the "creeping occupation" and "Sinicisation" of its Far East region

already underway by immigration and cross-border cooperation. Thus, Russian diplomats warned governor Nazdratenko not to renounce the border demarcation treaty in response to growing domestic opposition against numerous Russian concessions to China because "the Chinese might return to their old territorial claims (in all 1.5 million square kilometers)"¹⁰²

Given current strategic economic, political and demographic trends, a Japanese diplomat has concluded and forecasted in 1997: "China has a superior position to Russia in the region both politically and economically, and Russia must accept a junior partnership with China—a potential source of frustration for Moscow, especially given the nationalistic domestic atmosphere."¹⁰³

Although both sides are interested in implementing long-term plans for the development of Russian energy projects, at the same time, Russia has become concerned about China's increasing political, economic and military ties to Central Asia and the Caspian region, which Moscow views as its natural sphere of influence. Here again, China seems in the mid- and long-term future to have considerable if not greater leverage in the competition with Russia, primarily in regard to Kazakhstan.¹⁰⁴ As Dmitri Trenin has argued: "So far, Russian and Chinese interests in Central Asia do not collide. In the future, they might, especially if both governments continue to espouse the traditional form of geopolitical thinking with its emphasis on zero-sum gaming."¹⁰⁵ Hence, in the mid- and long-term future, Russia's influence might decrease even in this sensitive region to the point of being the junior partner of China, which will create numerous conflicts of interests between both sides. Thus, some Russian military officers, such as in the General Staff, believe that China might become a threat to Central Asia within 5 to 10 years and to the Russian Federation itself within 15 to 20 years.¹⁰⁶

China has already increased its influence in Russia's backyard, and the agreed pipeline with Kazakhstan—that does not transit Russian territory—contradicts the proclaimed "strategic partnership" with Russia. It reflects rather a clash of strategic interests between these two countries and the future concerns of Russia about the direction of Chinese energy and security policies. Even if no Caspian oil and gas flows through the pipeline in the near future, Chinese influence will surely grow in the coming years—to the detriment of Russia. In this perspective, it seems not unlikely that Central Asia is becoming China's rather than Russia's backyard.¹⁰⁷

Despite their impressive strategic convergence during the 1990s, Russia and China's future bilateral relationship will not continue without elements of mistrust and other problems. Russian views of China are characterized by much more diversity than their strengthened relationship would suggest at first glance. At least, three schools of thought can be identified:

- Those who favor strengthening bilateral ties with China;
- Those who prefer Russia to balance between various power centers, such as the West and China; and,
- Those who fear a growing geopolitical and geostrategic rivalry with a rising Chinese that has the potential to expand at the expense of Russia (mostly pro-Westerners and extreme nationalists).¹⁰⁸

To some extent, these different schools of thought can be identified in both the political forces that support the Chinese way of economic and political development—which they see as more effective than the Russian one—and those who reject the Chinese model either because of its inapplicability in Russia or because of its non-democratic character. It is difficult to analyze them in the light of dividing lines between ideologies of Russian political groups and parties. However, it is not surprising that the Popular Patriotic Union headed by the Communist Party of the Russian Federation (CPRF) follow Oleg Rakhmanin (of the Institute of the Far East of the Russian Academy of Sciences, the largest Moscow research center for China Studies), who favors a close alliance with Beijing.¹⁰⁹ Some extreme nationalists such as Aleksey Mitrofanov, deputy leader of Vladimir Zhirinovskiy's Liberal-Democratic Party and former chairman of the State Duma's Geopolitical Committee, has urged Russia to "remove all impediments to China's expansion westward and help restore China's sovereignty over the whole of Turkestan, including South Kazakhstan" because this would "strengthen geopolitical stability in the region" and "bring all of Western Europe under the range of China's nuclear missiles."¹¹⁰

By contrast, in the view of the pro-Westerners, China offers Russia only temporary benefits and may create long-term problems. The West, on the other hand, may offer Moscow temporary embarrassments, but it also offers significant potential for future long-term cooperation. Vasily V. Mikheev, for instance, concluded in a 1997 analysis: "Generally speaking, behind the ideas of Russian-Chinese strategic cooperation stands bluffing that is not supported by either financial resources or unity of will and action of the declared allies'."¹¹¹ Even more outspoken was former Defense Minister Igor N. Rodionov, who succeeded General Grachev in December 1996. He confused Beijing (on the very day of Chinese Premier Li Peng's arrival in Moscow) by listing China among "the main potential enemies of Russia" and announced plans for closer military cooperation with the U.S. and Japan in the Far East, which Beijing sees increasingly as a major security threat. Although Rodionov was forced to engage in self-criticism a few weeks later when he explained that closer ties with China would not compromise Russia's own security, this episode left the lasting impression that Rodionov's real sin was just to say openly what almost all Russians think privately and discuss behind closed doors.¹¹²

Nonetheless, given current domestic economic and political trends, for the time being it seems that close Sino-Russian relations will continue. At the same time, while the convergence of strategic interests will continue on both sides, the relationship will not be transformed into a real "strategic alliance" against the West.

DECLINE AND DECAY OF THE RUSSIAN ARMED FORCES AND ITS IMPLICATIONS FOR THE MILITARY BALANCE OF FORCES VIS-À-VIS CHINA

"If one takes a look at today's situation, one must acknowledge that the breakdown of expenses not only in the Armed Forces, but also in all power structures is hardly optimum. We cannot describe it as optimum today when despite considerable resources being committed by the state to the country's armed and power-related component, many of our

units conduct no drills, no combat training. If pilots do not fly, if sailors almost never put to sea, is everything all right in terms of the structure of the Armed Forces?"

(Opening remarks by Russia's President *Vladimir Putin* at a *Security Council* meeting on August 11, 2000 to discuss a new Russian strategy for military planning until 2015¹¹³)

By 1985 the Soviet Union had built up its ground forces in the Far East to a level of almost 500,000 men (see the following two tables). In addition, there were substantial deployments of aircraft and missiles with conventional and nuclear weapons, including SS-20s and strategic nuclear, forces targeted at China.

Soviet Deployment in the East Asian Theater of War (Mid of 1980s)	
Ground Forces	480,000
Naval Forces	140,000
Air Forces	100,000
Strategic Rocket Troops	100,000
National Air Defense Forces	150,000
KGB Border and Other Military Units	130,000
MVD Internal Security Military Units	60,000
Construction Troops	140,000
Strategic Rear Service Units, Road and Railroad Construction Troops and Others	100,000
Total	1,400,000
<i>Source: Jae Kyu Park and Joseph M. Ha, eds., The Soviet Union and East Asia in the 1990s (Seoul, Korea: Institute for Far Eastern Studies, Kyuoguan University, 1989), p. 201, here following Shulong Chu, 'The Russian-U.S. Military Balance in the Post-Cold War Asia-Pacific Region and the "China Threat"', Journal of Northeast Asian Studies, Spring 1994, pp. 77-95, here p. 83.</i>	

Table 3. Soviet Armed Forces in East Asia (Mid-1980s)

Estimated Numbers of Soviet Troops in the Asia-Pacific Region* in the Late 1980s	
Total Armed Forces	1,200,000
Regular Troops (Army, Navy, AF, Air Defense, Strategic Rocket, KGB Border Troops)	1,000,000
Conventional Combat Troops (Army, Navy, AF)	730,000
Ground and Air Forces	600,000
Ground Forces	500,000
Naval Forces	130,000
Air Forces	100,000
Strategic Rocket Forces	90,000
Air Defense Troops	100,000

KGB Border and Other Troops	110,000
MVD Troops	50,000
Railway/Construction Troops	150,000
* Includes troops stationed in Siberia, Transbaykal, Far Eastern MDs, troops in Mongolia, and the Pacific Fleet. <i>Source:</i> Shulong Chu, 'The Russian-U.S. Military Balance in the Post-Cold War Asia-Pacific Region and the "China Threat"', <i>Journal of Northeast Asian Studies</i> , Spring 1994, pp. 77-95, here p. 84	

Table 4. Numbers of the Soviet Armed Forces in the Late 1980s

At the end of 1987 and in the light of the INF-treaty and the "double decision", the Soviet Union agreed to a unilateral destruction of the 180 SS-20 intermediate range ballistic missiles and 256 other medium- and short-range missiles deployed in East Asia.¹¹⁴ In 1989, the Soviet Union announced the withdrawal of 250,000 troops from the Far East at a time when Gorbachev called for a demilitarization of the Sino-Russian border. Further reductions have continued, including the complete withdrawal of all 120,000 Russian troops from Mongolia.¹¹⁵ The three tank divisions in the Far East Military District have been withdrawn entirely, and the number of motor rifle divisions was reduced from 21 in 1989 to 10 in 1996. During the same period, Russia cut its Pacific Fleet by about 50 per cent.

Over the past eight years, the Russian armed forces have experienced a continual financial crisis and a steep decline—as Russia's defeat in Chechnya in 1996 brutally revealed. Since 1989, Russian experts have discussed genuine military reform. So far, however, only modest military reform steps have been made, although Defense Minister Igor Sergeev has achieved some success during the last three years.¹¹⁶ Mostly, however, the Defense Ministry, and in particular the Russian General Staff, has downgraded real "military reform" to a "reform of the armed forces"—and they are not the same thing¹¹⁷ Moreover, considerable disagreement exists between Defense Minister Igor Sergeev and the Chief of the General Staff, Anatoly Kvashnin over the future direction and concrete steps of Russia's military reform.¹¹⁸ As long as Russia's economic decay continues, Russia's armed forces will be largely unable to play a powerful and lasting role in the country's foreign and security policies. Even the Ministry's own most optimistic projections see adequate funding beginning only in 2004, but the financial crisis that began in August 1998 makes even those earlier calculations unrealistic. The virtual collapse of Russian state finances since that time has made any effective military reform even more doubtful. In the second quarter of 1999, the under-financing of the armed forces amounted to 200 million rubles under its quota. In the fourth quarter of 1999, it was stated that only 31 per cent of the military budget had been confirmed in the summer of that year.¹¹⁹ At the same time, total debts to the Army and Navy have reached the sum of 50 billion, almost half of the entire annual defense budget.¹²⁰ As a result of domestic uncertainties, details of the 1999 defense budget were classified again—for the first time since 1991.¹²¹ Moreover, Russia's recent defense budgets have never been as transparent as the defense budgets of NATO states. The 1998 defense budget, for instance, still excluded the financial resources spent on Russia's fifteen so-called "other armed forces," such as the Ministry of Interior Forces, Border Guards, etc. If these "other armed forces" are included, Russia might still have as many as 3 million people under arms.¹²² According to a Russian source of May 2000, all these military and militarized departments and their force structures consume almost 50 percent of all state budget

expenditures.¹²³ According to Aleksei Arbatov, these often heavily armed paramilitary forces had a combined strength in 1997 of 1.2 million men and total funding in that same year was some \$8 billion.¹²⁴ Furthermore, as one Russian source criticized, Russia continues to afford the "luxury of maintaining a total contingent of over 25,000 servicemen abroad. Even the USSR could not afford this!"¹²⁵

While the official overall strength of the regular Russian Armed Forces had been reduced to 1.2 million by January 1, 1999 and is expected to fall further, at present only about one-third or even one-fourth of that number can be considered to be genuinely operational. Without the political will to make drastic strength cuts, Moscow will instead maintain a largely non-operational military establishment that will exacerbate the severe structural weaknesses of the Russian armed forces dating back to Soviet times.¹²⁶ As Aleksei Arbatov, Deputy Chairman of the Duma Defense Committee, recently argued:

"If Russia decided to bring the financing of its servicemen up to the U.S. standards, then it would have to either reduce its army from the current 1.2 million servicemen to 100,000 people or increase the military budget up to 6 trillion rubles, or seven times greater a sum than the overall total of the 2000 federal budget."¹²⁷ Given the scarce resources, a further reduction of the regular armed forces to some 600,000 will be necessary within the next decade.¹²⁸

However, Russia's General Staff still sees 1.2 to 1.3 million as the "minimum strength" and the "crucial barrier below which the state cannot cross." They feel this way because the military and political leadership might not resort to using even a limited number of nuclear weapons for solving defense tasks in a local war which can escalate to a full-fledged regional war, as the Chief of the Center for Strategic Forecasts of the General Staff, Colonel Vyacheslav Zubarev, has argued in June 2000.¹²⁹

Although the adopted common policy guidelines on military issues of the "National Security Concept" of December 1997 stated that, even if all of Russia's armed forces (including those not belonging to the Defense Ministry) are mobilized, Russia can cope with at best just one regional conflict. And even that case has become more and more doubtful over the last two years. According to one military source, unless funding is increased, only 40-50 per cent of Russia's Air Forces fleet will still be operational by 2001.¹³⁰ At present, 50 percent of aircraft and 40 per cent of anti-aircraft systems and helicopters need repairs.¹³¹ Also according to Russian sources, largely due to a lack of fuel, flight training in Russia's Air Force was conducted at only 35 percent of desired levels in 1999, a decrease from 45 percent in 1998.¹³² As a result, the average number of flying hours a year was only 20 per pilot,¹³³ compared to NATO figures of up to 180 hours. A U.S. State Department report of 1999 about the "rapid decay" in Russia's military readiness was even more alarming: in 1998, the Russian Army had to cancel 65 percent of its planned regimental exercises and 27 percent of battalion level training.¹³⁴ Although the Russian Navy officially still has 80 major warships (including one aircraft carrier), 160 minor combatants, 24 amphibious ships, and 70 mine countermeasure vessels, its current real operational total readiness might be as low as 10 percent—in contrast to more than 70 percent during the Cold War.¹³⁵ Sea duty for the Russian submarine fleet, for instance, was reduced by 25 percent, while surface ships cancelled 33 percent of their planned exercises in 1998.

Although Russia's Defense Ministry lobbied for 310 billion rubles, the official defense budget in 1998 was just 81.7 billion rubles. Of that planned defense expenditure, the military had received only 30 billion rubles by the end of November 1998. At that time, the defense ministry's debts totaled 60 billion rubles, including 16 billion rubles in salaries and pensions.¹³⁶

In the summer of 1999, only three divisions and four brigades in the Leningrad, Moscow, North Caucasus and Siberian military districts maintained a status of "permanent readiness units," which requires having at least 80 percent of full personnel strength and with 100 per cent of weapons and other equipment. Nonetheless, major military exercises such as "ZAPAD-99," conducted in June 1999, demonstrated a much better capability to deploy large combined-arms forces than many Western experts expected.¹³⁷ However, characteristic of the navy's problems, the exercise used up its entire annual fuel reserve. Moreover, as the renewed war in Chechnya is confirming, Russia's conventional military capabilities are becoming increasingly overtaxed as a result of its lack of trained professional troops and shortages of resources for training, maintenance and new equipment.

The system for calling up conscripts has also become more and more obscure because of the compulsory military service and exemptions on the grounds of conscientious objection, deserters, and "dedovshchina" (the systematic oppression of young recruits by their older comrades). Meanwhile, in the light of the war in Dagestan/Chechnya and reports that the military is even illegally using inexperienced conscripts to fight the rebels, Tatarstan has declared it will no longer send its conscripts to fight for Russia in the southern regions or any other "hotspots" because they have not received the military training for those combat missions.¹³⁸ The Defense Ministry ultimately felt compelled to compromise with the province's decision because it worried that other regions would follow Tatarstan's example. According to Russian law until the end of 1998, conscripts could be used in armed conflicts only on a voluntary basis.¹³⁹ As the realities of the new Chechen war reveal once again, Russia's conscripts are largely neither well-trained nor have the morale for fighting in the ethnic wars on Russia's southern periphery—particularly the protracted conflicts in which larger numbers of soldiers die.

The latest statistics reveal that the health crisis and the drug problems have also increasingly affected the armed forces.¹⁴⁰ Reportedly, the number of healthy conscripts has dropped by 20 percent over the last decade. According to data of Russia's Defense Ministry, 10 percent of conscripts in the Ground Forces and the navy are drug addicts, and one of every nine crimes in the Russian armed forces is drug-related.¹⁴¹ Nearly 33 percent of all conscripts were either exempted or "reprieved" for health reasons by Russian draft boards during the spring-summer call-up campaign of 1999. An increasing number of prospective conscripts suffer from numerous diseases and drug addiction, which have soared by 100 percent since 1993. In 1999 alone, the number of crimes connected with illegal drug trafficking committed by servicemen increased by 32 per cent. In the Chelyabinsk region alone, a rise of over 300 per cent since the mid-1990s had been reported.¹⁴² In the fall of 1999, 57 percent of those examined were regarded as unfit to serve, and 49,000 men, almost one fifth of the total conscripted, did not report for duty. Despite the expected one million conscripts in the spring of

2000, the armed forces were only able to draft 13 percent or 191,612 young men of that number.¹⁴³

There are other problems, as well. Incidents of bribery have increased by almost 40 per cent, although overall crime rates have fallen by 12.4 per cent compared with the summer period of 1998.¹⁴⁴ Housing is an issue, and at the beginning of 1999 93,400 servicemen lacked apartments for their families. In April 1999, the federal government owed nearly 7.5 billion rubles to Russia's armed forces personnel.¹⁴⁵ Furthermore, the socio-economic crisis of the armed forces has resulted in a growing de facto alliance between local military commanders and regional political bosses—a fact that has opened the door to patronage, widespread corruption, and weapons smuggling in the armed forces. All these negative trends have been particularly prevalent in the armed forces in Siberia and the Far East.¹⁴⁶ Crime, accident rates, lack of adequate maintenance of weapons and infrastructure, failure to make payment for the supply of energy and food all seem to exceed the levels existing in European military districts. In July 1998, for instance, Aleksandr Lebed, governor of Krasnoyarsk Krai, in an open letter to Moscow threatened to assume control of the nuclear weapons based in his region in order to force the government to pay its soldiers.¹⁴⁷ However, the threat of a "nuclear regionalism" and the possibility that regional leaders might acquire de facto control over various nuclear assets on their territories, including missile material, nuclear power stations, and ultimately nuclear weapons, at present seems rather remote.

Meanwhile, Russia's Ground Forces have been reduced to an effective strength of 300,000-348,000 soldiers in 24 active formations (on paper, in contrast, Russia has still 800,000 personnel in its Ground Forces). The Ground Forces' strength of 300,000 men is almost as strong in numbers as the Internal Troops of the Ministry of Internal Affairs.¹⁴⁸ The Navy's Pacific Fleet had been cut further by 60 per cent from 333 combat vessels to just 100. From these are just 30 to 40 per cent are operational. Although the restructuring of the military districts was to be completed by the end of 1999 following the merger of the Siberian and Trans-Baikal military districts, probably not more than 100,000 troops are deployed in the Siberian and Far Eastern Military Districts.¹⁴⁹

Moreover, Putin's stated policy of increasing the official defense budget by 50 percent last January has not had a real impact on the Russian armed forces and its operational readiness. By the end of May 2000, the military had only received 6.5 percent of promised funds for 2000, as Defense ministry officials have claimed.¹⁵⁰ Despite of the Defense Ministry's extremely unrealistic financial planning in recent years, it has submitted to the government another proposal to replace 50 percent of military equipment over the period 2001-2010 with new or modernized systems. According to those plans, however, the official defense budget must increase to between 6.0 and 6.6 percent of GDP—double present official defense expenditures, over the next five years.¹⁵¹ But even if they receive additional financial resources, Russia's ground forces will still be unable to protect the entire Eastern defense perimeter and vast unpopulated areas along the Russian-Chinese border.

	1989-90	1991-92	1993-94	1995-96	1996-97
Ground Forces					
Tank divisions	3	3	3	3	0
Motor rifle divisions	21	18	16	13	10
Pacific Fleet					
Submarines					
SSBN*	24	24	20	18	14
Principal surface combatants					
Carriers	2	2	0	0	0
Cruisers	11	14	14	9	4
Destroyers	8	7	7	6	7
Frigates	56	40	28	34	34
* nuclear-fuelled ballistic-missile submarines <i>Source:</i> IISS (Ed.), 'The Military Balance 1997/98' (Oxford: Oxford University Press for the IISS, 1997), here following Jennifer Anderson, 'The Limits of Sino-Russian Strategic Partnership', Adelphi Paper 315, London 1997, p. 38 f.					

Table 5: Soviet/Russian Forces in the Russian Far East, 1989-1997.

Seen in this light, the agreed demilitarized zone between Russia, China and the three Central Asian states has raised new defense problems. In an agreement reached in April 1996 during their Shanghai meeting, both sides declared, with three other Central Asian states—Kazakhstan, Kyrgyzstan, and Tajikistan, their intent to establish a model for achieving regional peace, security, and stability for confidence building in the area of military matters in border regions. One year later, in April 1997, all five states concluded and signed an agreement providing for the mutual reduction of armed forces in their common border regions. This unique military-political document of confidence and security building measures has been seen by some as a model for reducing or eliminating tensions of unresolved territorial conflicts in other parts of North- and South East Asia.

Originally, China wanted in 1991/92 to establish a zone extending to 300 kilometers on either side of the border. Because of Russia's traditional deployments near the border, Russian troops would have had to withdraw and relocate, requiring new infrastructure facilities Russia could not afford. From the Russian strategic point of view, this would have been even worse; in some areas Russia would have had to withdraw its troops behind the Trans-Siberian Railway, the key civil and military link between Moscow and its eastern territories and, for example, the critical route of supply for logistics and personnel during the war with Japan in the 1930s. Against that background, it is not surprising that there were more than 20 rounds of border and

arms control negotiations over a period of seven years before a final document could be worked out at the Shanghai meeting in April 1996. The signed agreement included pledges of non-aggression, non-use of force, notification preceding military exercises and other types of exercises permitted within the 100-kilometer zone. Ultimately, the specifics of force reductions were included in an agreement signed in May 1997 in Moscow. This agreement focused on the reduction only of regular troops, not of border forces or strategic forces within the 100-kilometer zone. It requires that Russia and the three Central Asian republics reduce their troop levels by fifteen per cent to a maximum of 130,400 by 7 May 2002. They are allowed a maximum of 3,810 tanks and 4,500 armored vehicles.

While at first glance China seemed to have made significant concessions by giving up the 300 kilometer zone, and the formula of a 100 kilometer zone on both sides created lesser problems, such as relocation, for Russia. However, China has deployed its ground forces roughly 400 kilometers inside the border, in accordance with their former military doctrine and strategy of luring the enemy deep into its own territory. Moreover, Russia lacks the strategic depth in the Far East that China enjoys. The majority of Russia's ground forces, other military strategic assets, and major regional population centers with associated civilian infrastructure are all deployed near the Sino-Russian border, in accordance to the Russian military doctrine and strategy since the 1930s.¹⁵² In the end, Russia agreed to the Chinese proposal because of its planned reductions, although it has been forced to relocate its ground forces in the backcountry and to make them highly mobile. However, in the event of a conflict, Russian forces would have to cross over the Siberian taiga, which lacks fuel resources and has a weak infrastructure.¹⁵³ Unfortunately, Russia does not have the financial resources for a drastic relocation and restructuring of its armed forces in the Far East. Against this background of an increasing defense dilemma in the Russian Far East, only nuclear weapons seem—apparently—to provide an answer to create a credible deterrence against a potential Chinese threat in the future.

Russia's foremost security perception and the resulting commitment to prepare forces able to fight low-intensity conflicts at home (especially on its southern flank) have been replaced, meanwhile, by a continued determination to maintain a modern nuclear capability which guarantees Russia's status as a nuclear world power (i.e. in the U.N. Security Council) and fulfills a deterrence role vis-à-vis the superior conventional armed forces of NATO in Europe and China in East Asia.¹⁵⁴ Russia had already dropped its 1982 pledge to a "no-first use"-policy on nuclear weapons in the document "Principle Guidance on the Military Doctrine of the Russian Federation" in November 1993.¹⁵⁵ It has since underlined the increasing role of Russia's strategic and tactical nuclear weapons in its defense policies.¹⁵⁶ Many Russian security and defense experts advocate placing a greater reliance on nuclear weapons to compensate for the deficiencies of the country's conventional forces. Not only strategic nuclear weapons, but also tactical nuclear weapons play a much more important role in Russia's defense posture, and particularly in the Far East opposite China. As Dmitri Trenin has confirmed: "Some Russian military officers privately admit in a conflict with China the main Russian defenses along the border, including all the principal cities, will be overrun in a matter of days, leaving the General Staff with few options other than going nuclear."¹⁵⁷ According to James Clay Moltz in 1997, approximately 1,259 Russian nuclear warheads were still based in the region, deployed on air-launched cruise missiles, land-based missiles, and SLBMs.¹⁵⁸

The new emphasis on the role of nuclear weapons had already been confirmed in Russia's 1997 "National Security Concept"¹⁵⁹ and in new military doctrine and strategy proposals. It suggests an overwhelming reliance on nuclear forces for a virtually any military-political contingency, including the right to use them as first strike weapons and even pre-emptive use in ethno-political conflicts, that Russia's forces cannot realistically and effectively deal with.¹⁶⁰ Moreover, there are at least 6.000 operational warheads and thousands more in storage, indicating that these weapons were not destroyed as pledged by former President M. Gorbachev and President Boris Yeltsin in 1991 and 1992. Reinforcing the increasing role of these strategic and tactical nuclear weapons is the fact that the current restructuring of Russia's armed forces is conducted under the slogan "military reform under the nuclear missile umbrella."¹⁶¹ Instead of improving living conditions and raising the actual fighting capacity of Russia's conventional troops engaged in peacemaking missions and internal conflicts, the well-known Russian military expert and journalist Pavel Felgenhauer offered this criticism of the military reforms in 1997:

"... money is being spent on superfluous nuclear missiles which, in accordance with agreements on non-targeting, are aimed 'nowhere'. The fairy tale of the reform 'under the nuclear umbrella', the new missiles and discussions on parity, will be paid for not only with money, but also with the blood of Russian soldiers in future local conflicts in this country's southern regions."¹⁶²

In this light, Russia places presently too much emphasis on nuclear scenarios that are largely unrealistic and do not address any of the most important security problems on its southern flank. It does this in an effort to bolster its declining world power status without having the means to effectively control them.¹⁶³ Nuclear deterrence against China might become more questionable over the next decade, however, because Russia will have great difficulties sustaining even 900 strategic nuclear warheads after 2008-2010. Although China currently has only some 300 strategic nuclear warheads and an additional 150 tactical nuclear warheads, it seems able to expand its nuclear forces (by acquiring and applying *MIRV* technology) to some 600-900 strategic nuclear warheads within the next decade. It seems also to have an interest in modernizing and enlarging its arsenal of tactical nuclear weapons.¹⁶⁴ If China does expand its strategic and tactical nuclear arsenals, Russia's nuclear deterrence capacity automatically would become more questionable, particularly when it is part of an evolving concept of limited nuclear deterrence that closely links conventional and nuclear warfare.

In recent years, Russia's nuclear forces, especially the Strategic Missile Forces (RVSN), have been given preferential treatment. According to Russian data, up to 80-90 percent of all defense budget military expenditures were spent on strategic weapons branches, primarily the *RVSN*, which Marshal Igor Sergeyev commanded before he became Defense Minister.¹⁶⁵ As part of that effort, Russia has sought to procure 20-30 ICBMs a year—more than all other nuclear powers altogether—to maintain its nuclear superpower status into the 21st century.¹⁶⁶ Russia's nuclear forces are now in process of reorganization into a single command, a step that is very much disputed in the armed forces itself (General Staff, ground forces etc.).¹⁶⁷

Many military arguments seem at first glance understandable – particularly in the light of Russia's financial constraints. However, the preferential treatment received by the newly

established "Strategic Deterrence Forces" and its unified supreme command has provoked new controversies and debates about the use of scarce resources for building new nuclear missiles ("Topol-M") instead of modernizing the conventional armed forces. Russia's abandonment of its "no first use" pledge in November 1993 has been highlighted more recently by Russia's new "National Security Concept" of January 2000¹⁶⁸ and its new military doctrine of April 2000.¹⁶⁹ The document states that Russia must have a potential for nuclear deterrence ensuring "the infliction of required damage to any aggressor, either state or a coalition, under any circumstances."¹⁷⁰ Although the final version of the doctrine doesn't specifically mention Russia's right to the first use of nuclear weapons, the document makes clear that "the Russian Federation keeps the right to use nuclear weapons in response to the use of nuclear arms and other WMD against it or its allies, and in response to a large-scale aggression with the use of conventional arms in situations critical for the national security of the Russian Federation."¹⁷¹ However, the vagueness of the phrase "situations critical for (Russian) national security" enables Moscow to interpret it relatively freely, although the October 1999 draft version of the military doctrine was even more ambiguous in this regard¹⁷²), as critical Russian military experts have concluded.¹⁷³

Since the beginning of the 1990s, many Russian security and defense experts have advocated placing greater reliance on nuclear weapons to compensate for the deficiencies of conventional forces. Thus not only strategic nuclear weapons but also tactical nuclear weapons play a much more important role presently in Russia's defense posture, and particularly in the Far East, for contingencies involving China. Thus Aleksei Arbatov, for instance, has already argued in 1997:

"The Chinese conventional build up greatly depends on massive imports of weapons and technology from Russia. Thus, besides the nuclear threat, Moscow has an effective means of undercutting or at least seriously slowing down the emergence of this hypothetical threat. At a minimum, to deter effectively China's conventional offensive superiority at the theatre (level), Russia might rely on the option of employing tactical nuclear weapons in the border area to thwart the enemy's offensive operations while deterring China's nuclear response at the strategic level by superior (assured destruction) strategic retaliatory capabilities. Then Russia's deterrence would be credible: its nuclear capabilities would be sufficient to deny China's alleged military gains at the theatre but not threatening to its national survival and thus would not provoke its strategic nuclear pre-emption."¹⁷⁴

Moreover, Russian nuclear weapons designers are confronted with the fact that their country can no longer afford a vast nuclear weapon archipelago like that of the Soviet era. As a result, they are currently lobbying together with General Staff officers to build a new generation of low-yield tactical nuclear weapons for use, weapons which could be Moscow's answer to its lack of high-precision-conventional weapon systems.¹⁷⁵

However, the use of Russia's present tactical nuclear arsenal is very questionable because of the vicinity of almost all major Russian cities and military headquarters in the region to the common border with China. They were vulnerable in the past, for example during the 1960s and the times of a potential military conflict between China and Russia, and many Russian military experts have concluded that they remain very vulnerable to a large-scale surprise attack by the Chinese.¹⁷⁶ The use of non-strategic nuclear forces is only deterrent when Moscow would use longer-range tactical nuclear weapons that threaten China's hinterland and major

cities beyond the common border. Recognizing these defense dilemmas on its potential eastern front, Russia seems set to develop a new generation of tactical nuclear weapons and munitions with low-yield and super-low-yield, obviously delivered to targets by both strategic and tactical delivery systems such as the newly developed ISKANDER 400 km short-range missile system. In 1999, Russia conducted seven sub-critical tests on Novaya Zemlya and will continue to conduct even more until the end of this year.¹⁷⁷

Furthermore, the seriously debate over the use of nuclear (and chemical) weapons in the current Chechen war seems to confirm that Moscow's priorities tend toward a further "nuclearization of Russia's defense policy".¹⁷⁸ But given Russia's economic and financials constraints, a further modernization of its Strategic Nuclear Forces and tactical nuclear arsenal would only exacerbate underlying problems because it would come at the further expense of its conventional forces. It would result in a continued decline in morale and operational effectiveness at a time when Russia must cope with a lasting and extremely violent ethnic conflict in the Northern Caucasus—a conflict that has no peaceful solution in sight for the foreseeable future. Hence, reliance on the nuclear factor and umbrella do not necessarily guarantee Russia's national security under all circumstances, including dealing with potential threats posed by China. Andrei Piontkovsky, director of the Center for National Security Research, and Vitaly Tsigichko, a well known and leading security specialist of the System Analysis of the Russian Academy of Sciences, have warned and criticized the new military doctrine in May 2000 as follows:

"As far as the Far Eastern sector is concerned, we are following a very strange tradition to avoid an analysis of the capabilities of the Russian and Chinese armed forces. ... Such analysis is a necessary element for creating a system of stability. Considering Russia and China, one reaches the conclusion that it is a classical case, when the superiority in ordinary weapons (China) can be deterred by the threat of nuclear weapons.

But this analysis does not take in consideration such parameters as 'inadmissible damage'. ... Considering the potential Russian-Chinese conflict from this point of view, we will have to give up the idea that a threat of nuclear weapons can frighten the enemy. If we come into conflict with China, it has a good chance of winning, except in one instance: a total nuclear war, which would destroy both sides.

The Russian conception, which relies on the nuclear factor, is not a guarantee of the country's security. This conception is ineffective in all aspects as regards possible conflicts."¹⁷⁹

RUSSIA'S ARMS EXPORT POLICY AND MILITARY TECHNOLOGY COOPERATION WITH CHINA

"Russia's arms trade with China should be based not only on immediate economic profits, but first of all on all possible scenarios of the developments in Sino-Russian-relations. It is very important to correlate arms exports with the prospects of Russian military reform and the modernization of Russia's armed forces."

(Warning and recommendations given by the Russian expert Mikhail Nossov in 1997¹⁸⁰)

In 1996 the Russian deputy prime minister admitted in Malaysia that Russia is willing to sell anything that its customers want, except nuclear weapons.¹⁸¹ Russia's apparently unlimited weapons export policy has often been explained by the high dependency of Russia's defense industry on weapon exports revenues. Indeed, the export revenues of 1997-98 accounted for as much as 62 percent of all the funding channeled into the Russian defense industry—a percentage that is unlikely to decline in the foreseeable future.¹⁸² Russia's arms trade, however, is not only the key to survival for Russia's military industrial complex, but it also is seen as one of very few available foreign policy instruments in the Asia-Pacific region. However, short-term economic benefits must be evaluated vis-à-vis the potential future consequences of Russia's present's economic profits—an evaluation which appears not, however, to have been made. China's rapid economic growth has facilitated a more rapid modernization and strengthening of its armed forces than was anticipated. After the bloody events on Tianamen Square in 1989, however, Western countries drastically curtailed arms sales to China. As a result, China had no alternative but to turn to Russia. Furthermore, Russian arms are still easier to integrate into China's armed forces because the force structure of the PLA is still dominated by weapons of Soviet manufacture or design. The Chinese have much more experience in reverse engineering and retrofitting Russian weapon systems than with Western military technology. China seems particularly interested in weapon systems, technology transfers, and in specialists on lasers, anti-submarine warfare, air defense, and missile technology.¹⁸³

However, Chinese pressure to reduce prices (and Moscow's unwillingness to accept partial payment in barter), reduce hard currency outlays, and give rights for licensed production to Beijing have repeatedly hampered the negotiation of new arms deals. Thus "the majority of Russian arms manufactures who fulfill Chinese orders are far from delighted with the terms and conditions of the trade", as Pavel Felgenhauer admitted.¹⁸⁴ The Chinese, too, are not always highly satisfied with the Russian technology offered. It is not interested in large-scale acquisitions of "export versions" of conventional arms, but in the most advanced technologies. Indeed, as Felgenhauer also concedes: " ... the prospect of mass destruction of the most modern Russian weapons in China has strong opponents in Russia. The situation would unnecessarily augment competition against Russia's own arms export share and could pose a credible threat to Russian national security."¹⁸⁵

In the Russian view, Western criticism aimed at its arms export policies to China and other states is often double standard. As long as wealthy Western countries and particularly the U.S. show no restraint, why should Russia, confronted with numerous economic problems and hungry for cash, curtail its arms exports? The Russian military—and particularly the General Staff—is very much divided on this issue, but there is some agreement against an unrestricted arms export policy towards China. But Russia's military-industrial complex does not share any of those wider security concerns. Furthermore, civilian Russian security experts, such as Pavel Felgenhauer, have become particularly concerned not so much about arms deliveries as about illegal arms technology transfers:

"... the 'export' of technology documentation and know-how likely occurred during tours of China by Russian military and industrial experts. Apparently, several important military technology secrets were sold and revealed in this way. China will continue to probe for Russian military secrets as long as Beijing seeks to rearm its forces with a new generation of weapons."¹⁸⁶

At the same time, Yevgeni M. Kokoshin confirmed the pressure for bigger arms exports and the lack for control:

"Attempts are sometimes made to subject Russian foreign policy to export needs. At the same time, the view that foreign policy is above economic interests remains strong. Russia has a long way to go before it can sensibly balance its economic interests, foreign policy needs, and legal and moral imperatives. Russia is grappling with certain policy extremes, such as a super-ideological foreign policy and opportunistic pragmatism.

Arms transfers are executed by state companies; by private companies under the control of the state; or by private companies and individuals outside state control (the black market). State policy should attempt to control arms exports from infringing on other state interests on the international scene. As a rule, controls are overseen by executive bodies in the exporting state. However, confining the system of control only to governmental bureaucracy may be unwise. The opportunities for corruption and abuses of authority are markedly lower if an arms export control system involves national parliaments."¹⁸⁷

Another Russian expert, Sergei V. Kortunov, responsible for arms control policy in Russia's Foreign Ministry from 1992-94, has also confirmed:

"... Russia has not resolved a fundamental question: namely, the interrelation between arms export policy and national security policy. Two instruments of control over the spread of information vital for national security (one relating to state secrets, the other to control over the export of products and services that can be used to create various arms and military equipment) operate separately and irrespective of each other. At the same time, a clear-cut linkage among several export regimes is lacking. One exists for the export of goods and services for military use, another for dual-use goods and services, and yet another for equipment, materials, and technologies used to develop missiles. This should be rectified. The process of classifying and declassifying data in the sphere of defense, economy, science and technology, and that of exporting, transferring, or exchanging data in such fields, should be complementary and regulated within a single framework."¹⁸⁸

Hence, its arms export policy "is now guided not by ideological principle but to a great degree by pragmatic economic considerations."¹⁸⁹ That explains also Russia's close military-technological cooperation with China, which is heavily disputed in the light of long-term security challenges facing Russia¹⁹⁰, as well as its strategies for breaking into new markets such as in Southeast Asia.

Reportedly, China is presently negotiating with Russia to buy another 40 SU-30MKK fighters to supplement its June 1999 order for 40-60 aircraft and agreement to allow China to produce up to 250 SU-30s under license.¹⁹¹ Beijing also seeks to acquire another two or three upgraded "KILO"-class submarines and two or three more SOVREMENNY-class destroyers.¹⁹² However, whether China is able to finance 200 SU-27s and another 250 SU-30s under license over the next 10-15 years is to some extent still questionable. But it reveals some of the

conclusions drawn by the Chinese General Staff in recent years regarding the overall importance of air superiority for all contingency planning for the Taiwan Strait or other potential hotspots, such as the South China Sea.

Positive Forces	Negative Forces
<ol style="list-style-type: none"> 1. Russian security concerns resulting from possible spread of WMD; 2. high level political support and declaratory policy in the form of decrees, resolution, etc.; 3. inherited governmental institutions and personnel with export control experience; 4. desire to be recognized as a civilized, democratic state and to create a favorable trade and investment climate; 5. Soviet tradition of nonproliferation with regard to weapons of mass destruction (WMD); 6. Western assistance, encouragement, and pressure. 	<ol style="list-style-type: none"> 1. disorder and confusion resulting from break of USSR; 2. overmilitarized economy and industrial pressures for military exports; 3. slow pace of defense conversion and continuing military production; 4. porous borders and lack of customs control and enforcement; 5. poor record keeping and accounting for weapons, technology, and material; 6. diminished government authority and growth of organized crime and corruption in the weapon trade; 7. increasing regionalization and decreasing central control; 8. growing Russian nationalism critical of submission of Western interests; 9. bureaucratic politics placing export promotion over export control and intragovernmental rivalry over cooperation; 10. shortage of funding for export control personnel and policy implementation; 11. little export control coordination and cooperation with neighboring NIS countries; 12. tradition of economic and technical cooperation with problem countries.

(Source: Gary K. Bertsch/Anupam Srivastava, „Weapons Proliferation and Export Controls in the former Soviet Union: Implications for Strategic Stability in Asia’, The National Bureau of Asian Research (NBR)-Publications, Vol.3, No. 1, 1999, (via Internet: www.nbr.org/publications/review/vol3no1/essay.html), here p. 11.)

Table 5: Forces Affecting the Development of Nonproliferation Export Control in Russia

Moreover, a Russian article of August 1997 reported that both sides agreed to work out an automatic command and control system (C²) for China’s strategic nuclear forces.¹⁹³ Russia also has sold control and guidance systems from its SS-18 and SS-19 ICBMs to China for its newly developed DF-31 and DF-41 ballistic missiles and has assisted in upgrading China’s conventional and nuclear submarines.¹⁹⁴ Reportedly, China even received sensitive technology

information on the SS-24 and SS-25 ICBMs¹⁹⁵ and is now cooperating with China in the field of space technologies that have at least some military implications. However, while Moscow has denied categorically reports of a planned sale of two Russian Typhoon-class ballistic missile nuclear submarines,¹⁹⁶ it has sold the aircraft carrier "Kiev" to China as scrap metal. Although the Russian Defense Ministry provided assurances that all equipment and armament were removed from the ship, even Russian experts expect that a detailed inspection of the ship will assist the Chinese Navy to develop its own carrier program.¹⁹⁷ Moreover, both sides reportedly have signed recently a five-year (2000-2004) military cooperation pact worth up to US-\$20 billion.¹⁹⁸ It is a matter of fact that it is no longer the Russian Air Force but the PLA-Air Force that has bought the most-modern Russian-made combat aircraft during the 1990s. As a consequence, the military balance in East Asia might gradually change at the expense of Taiwan in the short-term and Russia itself in the long-term future.

However, Russia is also selling a similar amount of most-modern weapon systems to India—increasingly a strategic competitor of China. But Russian political and military experts do not harbor any strategic concerns about India like those they have vis-à-vis China. The difference can be explained by the fact that India and Russia share no common border and have almost always been political allies over recent decades. India seems at present to be the perfect military cooperation partner for Putin in terms of defense-related issues and sharing of military technology. If the characterization of a mutual relationship as a "strategic partnership" applies to any bilateral relations of Russia, it most accurate at present for describing the Russian-Indian relationship rather than the much more ambiguous Sino-Russian relationship.

Russia's arms export policies also contradict its proclaimed National Security Concepts of December 1997 and January 2000 in which non-proliferation concerns—albeit primarily as regards the nuclear dimension—play a prominent role.¹⁹⁹ In this light, Russia's weapon export and technology transfer policy, which amounts to selling almost anything to anyone for cash, has the capacity to reshape, if not threaten, Asia's delicate balance of power. At the same time, Russia still has a shaky export control system that is constantly subject to change. Although Russian high-technology is generally less effective than Western high-technology, its arms are an attractive option for many countries due to their low costs—partly attributable to the relatively weak ruble. Russian military exports to China and India accounted for 75-80 percent of Russia's total military sales in the 1990s.²⁰⁰ Moscow hopes to expand its military exports to more than US \$4 billion in 2000 and to more than US \$6 billion in later years.²⁰¹

RUSSIA'S REGIONAL FOREIGN POLICY IN NORTHEAST ASIA AND ITS RELATIONS WITH JAPAN AND KOREA

"Even today, there is no single view on how Russia's foreign policy is shaped, how it relates to the interests of some or other groups and lobbies associated with certain sectors of the economy, productions or financial structures. In the meantime, many things suggest that such groups—usually called 'economic groups'—play a considerable role in shaping some important Russian foreign policy directives."

(Russian foreign policy expert Iu. Fedorov in late 1998²⁰²)

The decentralization and regionalization processes have produced new actors in Russia's foreign policy. Besides economic interest groups, such as the military-industrial complex and Russia's oil and gas industry (Gazprom has often been characterized in Russia as a "state within a state,"²⁰³ and Boris Berezovsky claimed in late 1996 that he and six other people controlled 50 per cent of Russia's gross national product²⁰⁴), Russia's regions have also become increasingly involved in foreign policy activities.²⁰⁵ In contrast to Soviet foreign policy practices, Russia's federal government has to take into account various regional interests in a way that the Soviet leadership never did. It is explained by the fact, *inter alia*, that since 1991 the administrative boundaries of 27 of Soviet Russia's regions became international frontiers of the Russian Federation.

These non-traditional foreign policy actors have complicated foreign policies shaped and designed by the Foreign Ministry, the Duma and the *Yeltsin* administration. Furthermore, the leading political forces and groups (or "clans") in Russia often use foreign policy and international problems or conflicts to consolidate their own position in domestic politics (as Prime Minister Vladimir Putin is demonstrating again with his "understanding" to solve the conflict in Chechnya) rather than to address those foreign policy problems themselves in order to solve them. Russia has still not developed a system of rules by which these political conflicts can be conducted and solved. Everyone seems to play his own game with no definite rules existing for the game. In this regard, these domestic circumstances and processes often reflect a "pluralist chaos" involving a multiplicity of actors (representing a multitude of specific interests) in Russia's foreign policy decision-making. It has been remarked, "Soon every small village will want to open its own Foreign Affairs Ministry."²⁰⁶

As the Foreign Ministry lacks mechanisms to coordinate and control different foreign policy agendas, implementation of coherent, long-term foreign-policy strategies has been greatly complicated—indeed almost impossible at times, and parallel foreign policies can be identified in various regions. As the result, Russian foreign policy has been characterized more by a succession of ill-connected *ad hoc* responses to issues as particular elements and vested interests in the elite saw their influence ascendant or their interests engaged than by any mid- and long-term proactive "masterminded" strategies as Aleksandr Lukin has confirmed for Russia's China policy:

"Foreign and especially Chinese experts who are accustomed to an orderly organization of state affairs often get confused about the current Russian lack of coordination in foreign policy and even the *de facto* existence of several foreign policy lines on the same issue. Many of them believe that this situation is a cleverly staged performance and look for a mysterious plan behind the confusing statements of brainless and uncontrolled bureaucrats. Such experts have yet to experience perestroika in their way of thinking, which is necessary to understand where authority has disintegrated to an extent that it can hardly exert control at all. As a result, Russian policy toward China as in many other areas is consistent only on paper. In practice, not only outside the leadership but also inside it, various groups are interested in different policies toward China and each is able to choose from a wide spectrum of theoretical views the ideological basis that suits its intentions."²⁰⁷

Against this background, it is not surprising that Russia's regions were not only eager to promote cross-border economic ties with neighboring regions but were also interfering increasingly into Moscow's own diplomacy with other states. Viktor Ishayev, governor of Khabarovsk Krai, and Yevgeni Nazdratenko, the governor of the Primorie, have demanded all economic rights that the twenty so-called republics within Russia already enjoy, including title to all natural resources within their borders. While for the first time ever the heads of administrations (or their deputies) of districts and towns situated along the border with China have been included in the Russian delegation of the Joint Sino-Russian demarcation commission²⁰⁸, Nazdratenko had also heavily criticized the Russia's demarcation negotiations with China:

"...the demarcation plan in the eastern regions will transfer land in the Lake Khasan region to China which contains the graves of Russian soldiers; give China an outlet to the sea through the River Truman, enabling it to build a port that will diminish the freight-hauling revenues of the trans-Siberian railway; require land in the Khankaiki district that is properly Russia's be surrendered; and that the Russian government has understated the amount of territory it will give up in the Ussuryiski district."²⁰⁹

While this lower level participation in foreign policy complicated Moscow's efforts to find a political solution to a very sensitive foreign policy issue, it also highlighted the Moscow's failure to keep informed those regions affected by the diplomatic concessions made during the bilateral talks with Beijing. Similar conflicts exist between Moscow and the Sakhalin province over territorial negotiations with Japan and the Kurile Islands.

If China becomes a serious regional threat to Russia, Moscow's position in the Asia-Pacific region will be defined by the quality of its relations with the region's leading countries—Japan and South Korea in particular. That is one of the reasons for Moscow's great interest in improving its relationships with these Northeast Asian powers in recent last years. Despite their continuing disagreements over the status of the Kurile Islands, Russian and Japan have improved their relationship politically, economically, and even militarily. It is in their both interests that China does not become too strong and constitute a regional threat. In this case, both may perceive the need for some counterbalancing to China's growing regional and global power. Furthermore, both have an interest in widening the Korean Four-Party Negotiations to six-party meetings in which they both are included. In July 1998, Japanese and Russian naval vessels conducted an unprecedented joint naval exercise practicing search and rescue operations. In August 1998, Japan's Defense Minister Hosei Norota visited Russian naval facilities at Vladivostok for the very first time since the end of World War II. A month later, the 6,700-ton Russian missile cruiser "Admiral Panteleyev" visited the military port of Yokosuka, Japan's fleet headquarters—a first and historic visit by a Russian naval vessel into a Japanese military port.²¹⁰ In February 2000, the Chief of Staff of Japan's Maritime Self-Defense Forces, Admiral Hosei Fujita, made the very first visit by a Japanese naval chief to Russia, underlining the growing military cooperation between the two states. Japan also granted another \$120 million in financial assistance for nuclear waste clean up in Russia's Pacific Fleet ports as well as another \$20 million for a scientific center in Moscow.²¹¹ However, the bilateral relationship and the Russian need to attract huge Japanese investments for energy and infrastructure

projects on Sakhalin and the Russian Far East is still hampered by the Kurile Islands question and the open peace-treaty issue.

When Boris Yeltsin prepared his planned visit to Japan in summer 1992, the Russian president was considering offering at least an option for giving back the Kurile Islands in the future. But some Russians protested not only in private circles but went directly to the public. The Russian General Staff, the staff of the CIS-armed forces, and the staff of the Russian Navy all came to the same conclusion in their evaluations: the Kuriles are of the highest strategic importance for Russia and therefore will not be transferred back to Japan. Yeltsin had to postpone the trip to Tokyo for an unstated time while increasing disputes and debates began over the direction and formulation of both foreign policy and the future of domestic reforms.²¹²

Although in subsequent years, Russo-Japanese relations have improved and more Japanese investment in the Russian Far East has been made, it is still marginal by Japanese standards. The insubstantial bilateral trade and investment, however, is not only the result of unsolved political issues such as the Kuriles but also reflects the clash of two very different business cultures and the problems on the Russian side outlined above. But a peace-treaty, which Russian President Boris Yeltsin and Japan's former Prime Minister Ryutaro Hashimoto agreed to achieve at the November 1997 Krasnoyarsk summit, seems, in the year 2000, very distant. Any treaty implying the loss or restriction of sovereignty over the Kurile Islands has still no chance of being ratified in the Russian Duma. Russian President Vladimir Putin made clear during his first days in office that he will not allow any fragmentation of Russia under his rule. This announcement was not only directed against "separatism" in Central Asia and the Caucasus but also in the Far East.²¹³

On the Japanese side, too, numerous weak coalition governments in the 1990s offered only limited room for political maneuver and change in Japanese foreign policy. In addition, the growing service sector in the 1990s, a more energy-efficient economy, and growing reliance on nuclear power made Japan less dependent on Middle Eastern oil deliveries and distracted Japanese interest from developing a Siberian partnership with Russia on important energy projects.²¹⁴ More recently, however, low-level private and economic contacts have increased, but they will have to be broadened significantly before they have any real influence on governmental relations.

Japan's revised security treaty with the United States and its guidelines for defense cooperation²¹⁵ also have provoked criticism on the Russian side, though the main criticism in Moscow is directed against the TMD-plans of Japan. Despite those controversial issues, both sides seek to boost their economic ties such as economic development of the four Northern and Southern Kurile Islands. At the end of 1999, Japan was the only Western country that has kept its credit line to Russia open by offering another loan package of \$1.5 billion. Nonetheless, most Russian experts see Japan only in the mid- and long-term as a more important partner. Despite being the only one extending bilateral credits to Russia through the early summer 2000, Japan has been overlooked and ignored diplomatically by Putin and his new foreign policy elite. Japan's hope for signing a peace-treaty with Russia until the end of this year has not been very realistic from the very beginning. Both sides seem now instead to be contemplating an interim

pact that would offer some face-saving. It would allow the separation of the long-standing territorial dispute from the conclusion of the peace-treaty. Whether the forthcoming first visit of President Putin will lead to a substantial new beginning of their bilateral relationship remains to be seen. The rather static and stagnant character of those relations is not in the economic and foreign policy interest of either side, particularly not in Russia's. However, Russia seems presently unwilling to improve its relations at the expense of China. And it seems even more unlikely that Japan would be willing to initiate substantially differing relations with Moscow - at least not at the expense of its "strategic security alliance" with Washington.

On the Korean peninsula, Russia has lost the leverage it had before the end of the Cold War. Since 1992, Russia and North Korea have not been very close, and they have not been good neighbors; they also were no longer military allies. The relationship became even more strained in 1992 when Moscow demanded that North Korea unconditionally subject itself to nuclear inspections. Since the death of Kim Il-Sung in 1994, the former emphasis on military and security issues has been reduced even more, and emphasis has been placed on political-security and economic issues.²¹⁶ However, Russia has continued to export weapons to North Korea, albeit on a limited scale. Symbolic for their deteriorating and Janus-faced relationship, North Korea did not participate in the 300th anniversary of the Russian Far East Fleet in Vladivostok, in contrast with South Korea, China, the United States, and even Japan.²¹⁷

At the same time, Moscow has improved its relationship with South Korea. Bilateral trade between Russia and South Korea peaked at \$3.8 billion in 1996 and decreased in the following two years to \$3.3 billion in 1997 and just \$2.1 billion in 1998, largely because of the financial and economic crisis in Russia.²¹⁸ Moscow has also sought to export high-tech weaponry to South Korea, including submarines, long-range air defense systems, and next-generation-fighters as a partial payment for \$1.75 billion debt of Russia shortly after the end of the Soviet Union. It has already delivered military hardware totaling some \$450 million, including 33 T-80 tanks, 41 BMP-3 armored infantry vehicles, 20 BTR-armored personnel carriers, METIS anti-tank missile systems and IGLA portable anti-aircraft missile systems, but by the end of 1999, Russia's debt to South Korea of \$1.75 billion has not been reduced.²¹⁹ However, it is questionable whether South Korea would opt to purchase significant quantities of Russian weapon systems because of the important security alliance with the United States and the need to maintain close interoperability with U.S. forces.²²⁰ At the same time, the Russian military remains still concerned about the situation on the Korean peninsula in general and about North Korean efforts to develop its nuclear and missile potential, in particular. In Russia's view, this is "one of the most important problems directing affecting ... Russia's national security, as well as regional and global stability."²²¹ Reportedly, the decline in Russia's military efficiency had an alarming impact because, for instance, the Russian armed forces did not detect North Korea's three-stage missile launch at the end of August 1998. According to one Russian observer, "They began worrying in Moscow only when the Japanese government expressed its 'grave concern' over the ICBM test launch organized by North Korea."²²² Although Moscow is eager to play a more important role on the Korean peninsula such as in the four-party talks and in *KEDO* (Russia is not involved in either at the moment), the question remains for all other participants whether Moscow still retains any substantial influence on North Korea.

But the recent promising situation on the Korean peninsula seemed at first to have given Russia new opportunities to reengage politically in the region. It could strengthen its own role while potentially weakening Beijing's as the main supporter of Pyongyang. If successful, Moscow would also increase its bargaining position with the U.S. because the North Korean ballistic missile program has been used as one of the main justifications for Washington's missile defense plans and the intention to revise the ABM-treaty. On 9 February 2000, Moscow signed a new "North-Korea-Russia Treaty of Friendship, Good-Neighborliness and Cooperation," which replaced Russia's Cold-War era treaty of 1961 with Pyongyang,²²³ although Russia did not promise any economic assistance in this new treaty. On 20 July 2000, during Putin's two-day visit in Pyongyang, both sides also signed an 11-point Joint Declaration, in which they agreed to actively seek cooperate in defense policy.²²⁴ Reportedly, Russia has exported 10 modern MiG-29 fighters, with the potential for delivery of additional 30 fighters. The value of these 10 modern fighters is between \$500 million and \$1 billion—a significant expense for a country whose estimated state budget is not more than \$1,4 billion! Whether both sides have agreed a "friendly deal" allowing Pyongyang to pay much less is a question still unanswered by the Russian side. But the delivery, training and maintenance of these MiG-29 fighters for North Korea's Air Force suggest a significant number of new Russian military advisors in North Korea in the future.²²⁵ Even more sensational has been Putin's message in July that North Korea is now willing to abandon its ballistic missile program and exports in return for "civilian" space technology and the willingness of other states to launch at least two North Korean space satellites a year.²²⁶ While this development apparently has given Russia considerable leverage vis-à-vis Washington's missile defense plans and efforts to revise the ABM-treaty, North Korea's plan is dubious in many ways. Pyongyang cannot really expect that other countries would provide it with advanced missiles it could easily copy and use it for its own secret military missile programs. Furthermore, the question is still unanswered by Russia and North Korea for which purposes North Korea really needs any space satellites in the light of its severe economic and food crises. But in an August 2000 meeting, Kim Jong-II clearly retreated from his offer made to Putin. He is reported to have stated that he did not intend to make a serious proposal to Putin but brought the idea up in a "passing, laughable matter." As other remarks by the North Korea's leader suggest, he obviously has had some second thoughts about his proposal to Putin. The diplomatic slap and insult to Putin substantially weakens Russia's future bargaining position in East Asia, possibly even eliminating the boost it received during the last months of its reengagement policy in Northeast Asia. It also highlights the unpredictability of Kim Jong-II, for Russia and the rest of the world.

Russia also has revived the Tumen River international development program which, when combined with the newly planned Korean-Siberian rail link, would allow direct shipment of goods between Asia and Europe. However, these projects are not realistic without Japanese and other international financial investment, including investment in Russia. While the Trans-Siberian railway in past years carried 20 percent of container traffic between Japan and Europe, this land-based trade decreased to almost nothing in 1996 due to cuts of energy supplies by Russia's Unified Energy System attributable to unpaid bills and frequent strikes.²²⁷ Russia's new engagement on the Korean peninsula, however, is not without any risks. These developments allow Pyongyang to play Russia and China off against each other, which may strain Sino-

Russian relations and potentially risks undermining inter-Korean reconciliation and the South-Korean-Russian relationship.

Another aspect of Russia's new policies in East Asia is interest in regional integration and collaboration with regional international organizations. In 1995, Russia applied for participation in the Association of Petroleum Exporting Countries (APEC) and its committees. It is now preparing to enter the Asian Development Bank and is actively supporting the work of the ASEAN Regional Forum (ARF) and the Council for Security Cooperation in the Asia Pacific (CSCAP).²²⁸ The latter, however, is very much hampered by a lack of funds and, at times, by overlooking the importance of shaping and determining the work and direction of the ARF. On the negative side, Russia is not included in the Asia-Europe Meeting (ASEM) processes established in Bangkok in 1996. Furthermore, Russia's official admission to APEC, which had heavily been supported by China, is rather the result of politics and not economics (meeting the economic pre-conditions) or, as Stephen Blank observed, the other Asian states have bought the argument that "Russia is a superpower not by virtue of the current reality but due to its potential."²²⁹

Since the financial and economic crisis of the summer of 1998, Northeast Asia—with a total population of nearly 300 million people and a combined annual GNP of approximately \$3 trillion—has the potential to become one of the world's most dynamic economic zones, if economic regionalization, transnational cooperation, and globalization trends continue. Despite Russia's rhetoric and political declarations of intent to strengthen economic relations with the rising Asia-Pacific region, Russia's current economic realities speak a different language. Some 40 per cent of Russia's trade is with the EU; 22.2 percent of its exports and 16.5 percent of its imports are with the other Commonwealth of Independent States countries, while the U.S. share was just 5.9 per cent and 3.3 per cent, China's share only 4.5% and 2.5 per cent, and Japan's share even less with 3.5 per cent and 2.9 per cent (1997).²³⁰ Trade with Asia is less than 20 per cent of Russia's commodity circulation and with the wider Asia-Pacific region is even less than 10 per cent. Still, although trade with East Asia does not play an important role for Russia as a whole, it is of the utmost importance for Siberia and the Russian Far East—with the latter of making 90 per cent of total turnover.²³¹

Comparing 1997 with 1993, Russian imports from China shrank by almost three times, and almost 1.8 times from Japan. Furthermore, Russia's share of Asian-Pacific countries' trade in 1997 less was than one per cent.²³² In the same year, the exports of more than 700 joint enterprises with foreign partners in the Far East did not exceed \$200 million.²³³ Vladivostok—which has excellent port facilities, the railhead for the Trans-Siberian railroad, and an ideal location for integration with the economies of China, Japan and Korea—theoretically could become Russia's window on Northeast Asia, but the forces of economic integration are restrained by the deep Russian fear that they may be overwhelmed by much-larger non-Russian populations, widespread fear of foreign domination, ongoing political struggles and severe shortages of energy and water supplies.²³⁴ As the result of the 1994 introduction of a restricted visa regime, the foreign trade of Primorie decreased 78 per cent from the level of one year before, while Amur Oblast's dropped by 81 per cent over the same year.²³⁵ One of the very few positive indicators is the impressive expansion in trade between the Russian Far East

region and the West Coast of the United States, which rose from \$1 million in 1992 to \$360 million in 1997. During the same period, the number of U.S.-Russian joint ventures increased from 19 to 74. Geography, extensive shipping facilities in the east versus overburdened and increasingly expensive and unreliable rail systems in western Russia, as well as political motivation to become more independent from Moscow have all contributed to increased economic interdependence with the U.S. West Coast, which could also expand the community of economic and political interests in the long-term. In the short-term, regional elites will use this greater interdependence as leverage to increase their influence directly in Moscow and indirectly in Washington.²³⁶

The financial crisis of 1998 further undermined foreign trade and investment and the few positive factors of economic revival. If no positive incentives and results are made available in the near future, the Russian Far East—already cut off from European Russia—risks to become completely alienated from the rest of Russia, as well. As *Eric Hyer* has warned in 1996:

“For 70 years the historical trend toward the natural integration of the Russian Far East into the Northeast Asian economic system was artificially prevented by political barriers. However, it now appears the historical, economic and demographic forces have reasserted themselves, and the political factors are no longer in place to prevent them from following their natural course.”²³⁷

Against this background, strategic trends still seem to indicate that the economic gap between the Russian regions east of the Urals and other countries in Northeast Asia and the wider Asia-Pacific region is increasing, which makes the integration of these regions into APEC and the Pacific Rim even more difficult with every day. One negative example supporting that conclusion is the fact that in October 1998, 20 countries—including China, all the Central Asian and Caucasian states, Ukraine, and Belarus—opened a 27,000 km fiber optic telephone line between Frankfurt and Shanghai, along the historic “Silk Road.” The line provides all these countries with stable communication links between Europe and Asia. Russia, however, is not participating in the project and has, therewith, “lost all chances to realize its claims to be a communication bridge between the two continents.”²³⁸ Opting for an alternative radio communication line in 1996, which is much less reliable as a fiber line, the volume of loss of communication traffic for Russia is estimated at several billion minutes per year.

Against this background of a widening rather than narrowing economic gap between Siberia and the Russian Far East on one side and the other Asian-Pacific countries on the other side, the Russian expert Vasilii Mikheyev of the Far East Institute reminded his government in 1999 regarding the fundamental pre-conditions for strengthening Russia’s leverage in the Asia-Pacific region:

“... Russia’s desire to become China’s strategic partner is realizable only on condition that Russia itself becomes an active and weighty participant in Asia-Pacific integration processes. To do this Russia must have its own view on globalization of the world economy and Asian regionalism, its own concept of creating a single Asia-Pacific economy, a strategy and policy of economic and financial integration of Russia in the Asia-Pacific region or at least in the northeastern portion of the Asia-Pacific region which is geographically close to the Russian Far East.”²³⁹

RUSSIA'S STRATEGIC INTERESTS IN SOUTH-EAST ASIA

As all sides admit, relations between Russia and South-East Asia today are very much underdeveloped. Even the former allies of the Soviet Union, such as Vietnam, Laos and others, have redirected their economic ties towards the other ASEAN states, China and Western countries, especially Japan. While Moscow is concerned about the impact of unipolarity on its Asia-Pacific relations, it is not taking a very active role in improving those relationships and boosting bi- and multilateral trade with this region, with one exception: arms exports. Russia seems also not very much concerned about unresolved conflicts and potential hotspots such as the Spratly Islands,²⁴⁰ even though its regions in the Far East and Vladivostok must have a keen interest in open Sea Lanes of Communication (SLOCs) and stability in the South China Sea. The Russian oil firm LUKoil, for instance, is producing oil in Vietnam's section of the Spratly Islands, which are also claimed by China. On the other side, the ASEAN states are also very much divided about the prospects for their relationship with Russia.²⁴¹ Indeed, one can identify a "pattern of mutual disinterest" as Stephen Blank has argued.²⁴² Thus, the ASEAN countries accounted for just one per cent of Russia's foreign trade.²⁴³

But while Russia seems not to have wider strategic interests in Southeast Asia any longer, it still has a strategic interest in maintaining its military presence in Vietnam; moreover, the navy leases facilities in Cam Ranh Bay, providing direct access to the South China Sea as the supply line to Northeast Asia. Presently, Russia is in tense negotiations with Hanoi to extend its leases. At the same time, the United States is also interested in access to Vietnam's ports and military bases. Both, Russian and possible American plans for obtaining access to Vietnam's strategic facilities affect China's strategic interests. Here again, a more competitive relationship between Russia and China can no longer be excluded for the future.²⁴⁴ Furthermore, Russia has become more interested in multilateral naval cooperation within the framework of the ARF, it including:

- exchanges of information on the purpose of naval activities, structure of forces, time frame and areas of the activities, level of command;
- notification of large-scale exercises and movements of naval forces;
- invitation of observers to naval exercises;
- joint exercises on search and rescue at sea, assistance to victims of natural disasters;
- mutual renunciation of exercises and maneuvers in sea straits, fishing zones and air-space above them.²⁴⁵

However, this increased Russian interest is hindered by a lack of funds for the Pacific Fleet to participate more actively in these new multilateral security cooperation activities.

Instead of improving its economic ties to South-East Asia and possibly promoting its own regionalization, Russia has mainly concentrated primarily on boosting its arms export policies to this important sub-region. However, the Asian financial crisis of 1997 undermined the positive outlook in Russia.²⁴⁶ Furthermore, globalization has also its impact in this field. Declining global

defense expenditures, large defense industrial overcapacities, and a shrinking global arms market since the end of the Cold War have created a "buyer's market" that has given purchasing or receiving countries new flexibility to shop around for the best arms deals (which often include transfers of technology and know-how) and to play off one supplier off against another. Consequently, the selling nations have resorted to all kinds of marketing and discounting devices, including, if necessary, extensive technology transfer arrangements—often as part of offset agreements, barter arrangements, and even bribes. At the same time, during a global defense industry reconfiguration, many East Asian countries have gradually shifted their procurement policies from the initial import of large numbers of completed weapon systems to the local assembly and production of major weaponry through licenses, joint venture agreements and technology transfers. Hence, Asian customers are no longer interested in just completely finished products. They are rather interested in the business of negotiating comprehensive packages involving collaboration with local industry, technology transfer, creative financial arrangements, and the creation of jobs in their countries. That explains why customers are more and more interested in long-term partnerships ('lifetime marriages') with suppliers that provide solutions to larger overall national requirements, possibly extending beyond defense itself. The slowing of East Asia's military spending and arms build-up will increase further the competition among American, European and Russian arms makers and suppliers in the only growing arms market in the world besides the Middle East. The increasing competition might result in further reduced prices of sophisticated state-of-the-art weapon systems and increased technology transfer to the region, as Russia's modified arms export policy to the Asia-Pacific region indicates. Against this background, Russia was forced again to revise its arms export policies to become more successful in difficult times. Mikhail N. Timkin, First Deputy Director-General Secretary of Rosvooruzhenie, Russia's "State Cooperation for Export and Import of Armament and Military Equipment" stated in May 1997:

"The results of last year give us every reason to believe that in 1998 we will overtake the US in arms exports, and we will become the world leader in arms supplies. ... Asia, particularly the lucrative Southeast Asian market worth in excess of US\$12 billion, is our priority target in 1997.

... we use three new forms of cooperation, being licensed production of arms, cooperation in the licensed production of arms, and the use offset programmes.

We are also ready to lease weapons to these countries. We are also prepared to accept different types of payment, including cooperation in the use of ports of the countries, natural resources and direct payment.

So we use all types of trade which humanity invented."²⁴⁷

The Russian government began to assess the impact of the Asian financial crisis on exports of Russian-made weaponry. Contracts with Indonesia have been lost for the time being. Russian experts believe (often in the context of conspiracy theories) that the United States' support for Indonesia during the financial crisis had been conditional on cancellation of Indonesia's purchase of 12 Su-30K fighter bombers, 8 Mi-17 combat helicopters, along with 50 BMP-3 armored personnel carriers and additional armored commando vehicles.²⁴⁸ The Sukhoi

deal was a breakthrough for the company in the Southeast Asian market, just as Malaysia's purchase of MiG-29 fighter-bombers had been three years earlier. Traditional Asian buyers of Russian-made arms are primarily China, India, and Vietnam. Moscow believes that more customers in the Asia-Pacific region, which had formerly relied exclusively on American and European hardware, will follow. Russia's traditional weapon export strategy is based on its main strength—low prices for sophisticated state-of-the-art equipment (normally 65 to 70 per cent of Western products) at a time when their Asian customers are still focusing on the hardware costs, even though life-cycle costs such as maintenance are often overlooked. While Russia's marketing strategy has significantly improved, delivering adequate supplies of spare parts in time remains a problem for its arms industry, and it is a problem that ultimately undermines Russia's reputation as a reliable partner. Meanwhile, Russia has recognized the inherent and structural weaknesses in its arms export strategy and is working to overcome these burdens.

The total export of Russian arms increased from US-\$1.7 billion in 1994 to US-\$3.6 billion in 1996, and it dropped to about US-\$2.6 billion in 1997. But Russia's state-run arms export company Rosvooruzhenie earned not more than US-\$2-2.5 billion of hard currency due to the fact that Moscow's arms export policy is also an effort to pay with weapons debts it owes to many countries in the world (such as many former Warsaw Pact countries, South Korea etc.). Also, some of the funds it received were non-convertible currency in the form of clearing.²⁴⁹ According to an *Arms Control and Disarmament Agency (ACDA)* study, Russia obtained 36 per cent of all weapons transfer agreements signed with developing nations in Asia between 1989 and 1992 and 37.4 per cent between 1993 and 1996 (the US obtained only 31.2 and 24.8 per cent, respectively, in those years). Russia's share of arms deliveries to Asia was 61.9 per cent in 1989-92 but declined to 20.3 per cent in 1993-96 (with the US at 17.9 per cent and 34.1 per cent respectively).²⁵⁰ In 1997, Russia signed new contracts worth US-\$7.3 billion, and in the first four months of 1998, agreements for an additional US-\$1.5 billion, of which will all be realized before 2003-2005.²⁵¹ More than half of all arms exports are accounted for by aviation equipment and 18 per cent by naval hardware.²⁵² Therewith, Russia seemed to have become again the world's second largest arms exporter after the United States, and it is seeking to take first place soon. It even intended to increase annual arms exports to US-\$10 billion by the year 2000 to regain the place it held in the world arms market during the Soviet era. However, this goal was set before the outbreak of the financial and economic crisis in East Asia, which made Russian goals unrealistic for the time being. Foreign Relations Deputy Minister Alexander Kotelkin had already predicted in November 1997 a Russian decline in armament exports in 1997-1999.²⁵³

In the wake of the financial crisis, Russia—like other major suppliers—has been forced to revise its aerospace export plans and strategies after months of misplaced optimism.²⁵⁴ It hoped thus to stabilize its gains and overall position in the region for the next 2-3 years, when the situation is expected to improve.

With the kind of advanced weaponry equipment Russia is now offering, such as the new YAKHONT and MOSKIT supersonic anti-ship cruise missile, the powerful S-300 SAMs, or the sophisticated Sukhoi fighters with the most modern air-to-air missiles (such as the VYMPEL R-

73 or AA-11 ARCHER and VYMPEL R-77 or AA-12 ADDER, also nicknamed "AMRAAMSKI"—both are regarded as the best in the world), the region could acquire some of the world's most deadliest weapon systems. See the Russian arms export recapitulation at Table 6 below.

Russia's New Weaponry Export Strategy of 1998²⁵⁵

- Expansion of arms exports to India (total value of contracts signed is US-\$8-9 billion) and to China (US-\$6 billion) within the forthcoming new 10-year defense cooperation agreement, beginning in 2000. This agreement will shift the emphasis from outright purchases to jointly developing hardware. It encompasses the purchase of six S-300V anti-ballistic missile (ATBM) systems for nearly \$1 billion and airborne early warning systems, upgrading some 125 MiG-21/FISHBED-L' fighters and key military equipment items of India's ground forces (T-72 main battle tanks), jointly developing the multi-role SU-30MK fighters (India bought 40 last year), overhauling and re-arming the 44,000-ton aircraft carrier Admiral Gorshov, and jointly building the Russian-French MiG-AT advanced jet trainers.²⁵⁶ India has also announced plans to procure 50 Russian-made Kh-35 anti-ship missiles to its already delivered 48 missiles for its three 6,700-ton INS Delhi-class destroyers.²⁵⁷
- Development of a single seat SU-30 multi-purpose fighter for China, with 40-60 aircraft expected to be procured; overall, Russia hopes to sell more than 500 of the latest Russian fighters to China, which has to replace roughly 2000 of its older aircraft.
- Offering a new list of military equipment such as the Su-32FN reconnaissance-strike aircraft and the S-300PMU-2 FAVORIT SAM.
- Sale of 24 Su-27 fighters before 2001 (total value \$800 million) and 32-45 Kh-35 anti-ship missiles to Vietnam.²⁵⁸
- In the next decade, selling 10-12 additional modern KILO-class subs (from existing Russian Navy stocks) to countries in the Asia-Pacific region for a fraction of the real cost in order to fund development of the next generation of diesel-electric submarines.²⁵⁹
- Willingness to accept more flexible forms of payment for its military products (with increased offsets and leasing opportunities) to compensate for the consequences of the financial crisis.
- Long-term programs as the main form of military-technical co-operation with Asian countries, including the export of the latest Russian technologies.
- Co-ordination of export marketing activities (i.e. between its two leading combat aircraft manufactures - Sukhoi and Mikoyan - by Rosvooruzhenie) to avoid mutual competition in foreign markets; the Progress plant (producing combat helicopters and the MOSKIT supersonic antishipping missile) in Russia's Far Eastern region has acquired the right to enter directly into foreign trade activities for a period of three years (China will be the first country to receive this sophisticated state-of-the-art missile).

Table 6: Russia's New Weaponry Export Strategy of 1998 in Detail.

During a defense industry exhibition in Thailand ("Thai'97"), Russia made a big impression by offering even to lease submarines at "friendship prices," which include barter trade, crew training and maintenance programs.²⁶⁰ In 1999, Russia again increased its weapon exports to \$3.4 billion and hopes to boost them to \$4.3 billion in 2000.²⁶¹ Those indiscriminate weapons' offers have highlighted its arms export policy of often indiscriminate sales due to narrow factional and other vested interests overriding any long-term security and non-proliferation

policy on advanced conventional weapons. It is also, as pointed out above, the result of Russia's weak or absent effective state control over sales of weapon and materials, of endemic corruption, and of Russia's failed efforts to convert its "Military-Industrial Complex," a failure that ultimately will undermine its own future security, particularly in the Far East.²⁶²

CONCLUSIONS AND PERSPECTIVES

"No permanent allies and permanent enemies exist, and there are no nations that are fated to be eternal rivals or eternal friends. ...The entire history of Sino-Russian relations serves as an example. While both countries were Communist, their relations from 1960-89 were much worse than today. ...

When formulating nuclear and foreign policy, long-term considerations and interests should always prevail over perceived short- and mid-term needs. For example: in their general foreign and 'nuclear' relations from 1949-60, the Chinese were guided by their long-term interests, such as Khrushchev's struggle in 1956-62 to maintain China as his Socialist ally at any cost. The Chinese emerged victorious because they gained the tools and knowledge necessary to build their atomic bomb. Only then did they abandon their alliance [with the Soviet Union]. ...

It should never be forgotten who benefited most from the Cold War. During the 1949 to 1960, the Chinese obtained nuclear technology and much more from the Soviet Union. The Soviet Union received virtually nothing in return. Meanwhile, the Chinese consistently exploited US fears to foster U.S.-Chinese cooperation and reaped considerable economic and other benefits. While China counts its gains daily, Russia and the U.S. continues to be plagued and by lingering Cold War 'ghosts', myths and memories that heavily and often adversely influence their contemporary relations.

Finally, when considering future relationships between the three global nuclear powers, one should recognize, appreciate, and ponder the main paradox of the Cold War. This paradox is that although the US and Russia (the Soviet Union) were thought to be principal rivals during the Cold War, they never engaged in real combat. The fiercest combat during the Cold War took place between Americans and Chinese and between Russians and Chinese. The historical realities must never be forgotten as statesmen try to shape a more peaceful and secure future."

(Russian historian *Viktor. M. Gobarev*²⁶³)

The most important security challenge in East Asia for Russia in the foreseeable future is its own socio-economic and environmental situation and its strategic implications for neighboring countries: Russia is no longer a power, it is in many ways a problem by its own. Putin's recent shortsighted decision to dissolve the State Committee on the Environment and the State Committee on Forestry and to transfer their functions to the Ministry of Natural Resources, which licenses development of Russia's oil, natural gas and other deposits, highlighted the widespread and deep-seated believe that the environment is not an important national security issue, but just something only for rich states.²⁶⁴ President Putin's 13 May decree, which was approved by the Duma in July 2000, creating seven federal districts and appointing federal representatives (mostly generals of secret services and the armed forces, either retired or currently serving) and establishment of the seven military districts seems understandable at a first glance to strengthen central control and "vertical authority" over the regions and their policies and laws, which often are illegal and violate the constitution of the Russian

Federation.²⁶⁵ But a recentralization policy, with more direct presidential oversight but less autonomy for the regions, is in many ways in contrary to the obvious need for economic and political decentralization and regionalization as the result of and to respond to globalization trends. Moreover, the seven new vast administration districts are not aligned in common with the eight interregional associations. The future of Siberia and the Russian Far East is endangered by new economic and political recentralization policies rather than being encouraged by further decentralization and the application of regional as well as transnational integration strategies. Unfortunately, almost all Russian discussions of the relationship between the center and the periphery are modeled on the Russian past experience of a strong central government and weak regions. Thus Russia has, with a brief exception at the end of the 19th century, no historical experiences with federalism as, for instance, Western Europe has had. Putin himself has outlined his broader, long-term vision for the future center-periphery relations when he argued: "Russia was founded as a super-centralized state from the very start. This is inherent in its genetic code, traditions, and people's mentality."²⁶⁶ This statement seems fully consistent with his understanding of Russian history and his own policy concepts of a "strong state" and "strong center." In the meantime, he has also pushed through proposals to replace governors accused of violating criminal and federal law, which is understandable in many ways. However, he seems to have overlooked that federalism and political decentralization have played an important role in preventing Russia from disintegrating in the same manner as the Soviet Union did. Therefore, and despite the fact that the Russian Federation (with 81,5% of ethnic Russians vis-à-vis the Soviet Union with only 55%) has ethnically not been so homogenous since the 18th century, although Putin's decree may achieve some gains (such as improvement of tax collection and investment) in the mid- and long-term future it may have just the opposite effect—undermining rather than strengthening Russian territorial integrity and stability. So far, as Paul Goble has concluded: "... the center and the regions struggle over power as such, dividing power rather than sharing it and thus making their contest a zero-sum game in which a victory by one is a loss by the other, rather than one in which each can benefit."²⁶⁷

Although secession of Siberia and the Far East from the Russian Federation seems rather unlikely due to fears of China and several other factors, it cannot totally be excluded in the mid- and long-term future.²⁶⁸ Presently, secession is mostly used as a political instrument to get Moscow's attention to the socio-economic plight of these regions. Thus the political elite and population might support a new "Far Eastern Republic," but most see the future of their "republic" still fully in the context of the Russian Federation.²⁶⁹ And indeed, despite these economic problems, unfavorable demographic trends, and increasing job competition with Chinese and other ethnic groups living on Russian territory, the greatest reservations about the future "strategic partnership" with Beijing are not to be found in Moscow but in Russia's Far Eastern region itself, even though they have benefited from the cross-border trade.

Nonetheless, the Russian-Chinese relationship has undergone a remarkable transformation during the last decade, including a developing congruence of strategic agendas accompanied by congruence in strategic cultures: China supported Moscow's opposition to NATO's eastward expansion; Moscow supported China's opposition to the 1996 revised U.S.-Japan Security Alliance and its guidelines for mutual defense cooperation. Both countries oppose—but to

different degrees due to their specific national defense dilemmas—Washington's plans for national and theater ballistic missile defense systems. Thus, Russia is much more concerned about a NMD rather than a TMD system. That explains Putin's proposal to build a joint TMD system with the United States and Europe or even a joint NMD system with the United States, which clearly is not in China's strategic interests. Russia's concerns about a U.S. TMD system in East Asia is only related to potential impacts on China's defense policies because it might fuel (rather than just stimulate) faster modernization of China's nuclear forces (which already is under way, having begun long before the U.S. TMD and NMD plans were first discussed in the mid of the 1990s²⁷⁰), including the adoption MIRVed warheads.²⁷¹

In recent years, bilateral Sino-Russian meetings have indicated the changing balance of power in world politics and the changing status of both powers within the international system. They clearly demonstrated that Russia needs China more than China needs Russia. They also suggest that it was China that has increasingly dictated the terms of the relationship. Given the potential for—and their history of—enmity, not only Russia and China themselves but the West and the U.S. as well should have a strategic interest in a stable and cooperative partnership.

However, in contrast to the Eurasian direction of Russia's foreign and security policies, the Euro-Atlantic area is the most structured, regulated, and, therefore, the most stable region of which Russia is an important integral part. Nowhere else is the danger of interstate conflict so low; and nowhere else is Russia directly participating in numerous security agreements and obligations with its neighboring countries: Russia is a member of NACC, the OSCE, the Council of Europe, a signatory of arms control agreements such as INF, START and CFE and since 1997 a member of the NATO-Russian Permanent Joint Council.

Moreover, the European Union is Russia's most important modernization partner while at the same time Russia's entire trade with the Asia-Pacific states is less than 10 percent (excluding the United States). While the percentage of Russia's foreign trade with the Commonwealth of Independent States countries declined from 55 per cent in 1991 to 22 per cent in 1998, it has risen to 40 per cent with the European Union (after the inclusion of Central and East European countries it will even increase to 50 per cent, in contrast to 6 per cent with China, 4 per cent with United States, and 3 per cent with Japan).²⁷² However, Russia has never really recognized the economic and, in particular the political, potential of the European Union, and its policies towards the organization is characterized by many contradictions. Thus, it has also overlooked and underestimated the E.U. processes underway to create a common foreign and security policy. In this light, Russia has failed to recognize its real own national interests and the fact that "its relations with China are not a substitute for, or a counterbalance to, relations with the West."²⁷³ Furthermore, as Steven Rosefielde reminds us in his analysis for the conference, "Russia today is probably more poorly positioned to integrate itself into the global market system than it was a decade ago."²⁷⁴

Russia's arms export policies, and in particular its transfers of technologies and technical know-how to China—even more important in the mid- and long-term than the arms exports—is another point of concern, not only for other East Asian states and the West but for Russia, too. This is because these policies have fueled the ongoing arms race in the region that is

interrelated with many unresolved territorial conflicts and deep-rooted historical mistrust.²⁷⁵ The willingness to trade long-term strategic interests for short-term commercial benefits might backfire for Russia because of its relative weakness and the increasing power of China, which will become even clearer in coming decades. If Russia does not economically recover and experience substantial growth in the next decade (which at present appears rather unlikely), it will not have the financial resources to modernize and rebuild its armed forces—an expectation and intention which today is used to justify current high-tech arms exports and military-technology transfers to China. Russia's technological superiority over "backward China," historically important leverage and a source of reassurance for Moscow's policies in Asia, is now becoming history—and it is doing so much faster than Russia's political and military elites seem to realize. History seems not to offer any lessons for Russia. Past Soviet assistance to China in developing its own nuclear weapons, for instance, saved Beijing between 10-15 years.²⁷⁶ The strategic developments now under way already have dramatically reversed the geopolitical dynamics of Eurasia as a whole, with wide-ranging implications not only for both countries but also for regional and global affairs. Historically, it would not be the first time that Moscow and the Russian military high command have underestimated the progress China is making in modernizing its nuclear and conventional armed forces.²⁷⁷

The first half of this year seems to confirm previous analysis indicating the limits and barriers inherent to bilateral relations between China and Russia. Neither the recent Beijing summit between Jiang Zemin and Putin in July²⁷⁸ nor the Shanghai Five-meeting the month before can change the impression that, despite all rhetoric, declarations and their joint firm opposition to U.S. plans to build a NMD shield,²⁷⁹ their mutual relationship is developing in a way that both sides (and particular China) would rather not see. While their bilateral relationship is still characterized by cooperation, a convergence of interests in specific economic and foreign policy fields, it also is characterized by mistrust as well as strategic rivalry. In particular, Putin's modified foreign policy has grown more cautious vis-à-vis China and, simultaneously, has become more active in Central Asia, on the Korean peninsula, towards the United States and in Europe.²⁸⁰ Russia's unofficial invitation to India to join the Shanghai-Five probably will face reservations by China. Beijing might retaliate by suggesting that Pakistan also should be included as a counterbalance to India, which is seen in Beijing as an increasing strategic competitor in regional and global affairs.²⁸¹ Furthermore, on both sides (and particular in China), almost no one really believes and expects that the other "strategic partner" is willing to help to achieve its own national foreign policy objectives, except those which are directed against both sides (NATO's extension, US missile defense plans etc.). But while even the limited common foreign policy objectives of Russia and China do not overlap so perfectly as most observers assume, these growing disagreements under Putin seem not to have affected Russia's weapon exports and technology transfers to China, as a newly signed five-year military cooperation pact worth up to US-\$20 billion indicates.

Against this background, Russia's reengagement on the Korean peninsula may complicate Sino-Russian relations by making them more competitive politically and economically. However, both sides have a mutual interest in strategic stability on the Korean peninsula, particularly as regards North Korea's ballistic missile development and exports, as well as Pyongyang's adherence to the Agreed Framework of October 1994, by which North Korea

supposedly abandoned its nuclear ambitions because they directly affect China's and Russia's defense policies in the region. Looking ahead, however, the question of the future of U.S. troops in Korea might be answered very differently in Moscow and Beijing.²⁸² Furthermore, as the recent retraction of Kim Jong-Il's offer to abandon its ballistic missile program and exports in exchange for launch of space satellites suggests²⁸³ it will rather be difficult for Russia to regain the level of political-diplomatic leverage and weight on the Korean peninsula, as well as in Northeast Asia, enjoyed by the Soviet Union.

Against this background of an ambiguous and uncertain future in the Sino-Russian relationship, Russia should concentrate on promoting its economic ties with the Northeast and Southeast Asia and strengthening regionalization and multilateral security efforts rather than simply making declarations instead and boosting arms exports in the region. Only then could Russia become a more serious political partner for ASEAN and other states in East Asia. Such a course also would contribute to Russia's own economic revival in the region, which might otherwise become a security challenge for Moscow, and beyond. Otherwise, it is not only Russia that will face challenges in the region, but the region as a whole as it interacts with a Russia facing declining fortunes in the region and beyond.

Endnotes

¹ This analysis is based on the findings of a research project sponsored by the Volkswagen Foundation, as well as on a former analysis for the Körber-Foundation in German.

² To the evolution see also Rong Zhi, 'Eine Rueckschau auf die chinesischesowjetischen und die chinesischesowjetischen Beziehungen', *Beijing Rundschau* 46/1999, pp. 12-15.

³ See, inter alia, Viktor M. Gobarev, 'Soviet Policy Toward China: Developing Nuclear Weapons 1949-1969', *The Journal of Slavic Military Studies* (hereinafter JSMS), No. 4 (December) 1999, pp. 1-53.

⁴ To details see the excellent study by Harry Gelman, 'The Soviet Far East Buildup and Soviet Risk-Taking Against China', RAND-Report R2943-AF, Santa-Monica, August 1982.

⁵ To the evolution of Russia's foreign and security policies in East Asia and particular China see Stephen J. Blank/Alvin Z. Rubinstein (Eds.), 'Imperial Decline. Russia's Changing Role in Asia' (Durham-London: Duke University Press, 1997); Jennifer Anderson, 'The Limits of Sino-Russian Strategic Partnership', *Adelphi-Paper/IISS*, No. 315 (London-New York: Oxford University Press, December 1997); Chikahito Harada, 'Russia and North-east Asia', *Adelphi-Paper/IISS*, No. 310 (London-New York: Oxford University Press, July 1997) and Dmitri Trenin, 'Russia's China Problem' (Washington: Carnegie Endowment for International Peace, 1999).

⁶ See also Frank Umbach, 'The Role and Influence of the Military Establishment in Russia's Foreign and Security Policies in the Yeltsin Era', *JSMS*, September 1996, pp. 467-500, here pp. 467 ff.

⁷ See Rajan Menon, 'The Strategic Convergence between Russia and China', *Survival*, Summer 1997, pp. 101-125.

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- ⁸ The following chapter is partly based on my article – Frank Umbach, ‘Russia as a ‘Virtual Great Power’: Implications for its Declining Role in European and Eurasian Security’, in: *European Security* (forthcoming in Summer 2000).
- ⁹ See also Edward D. Mansfield/Jack Snyder, ‘Democratization and the Danger of War’, in: *International Security*, No. 1 (Summer) 1995, S. 5-38.
- ¹⁰ See also Martin Nicholson, ‘Towards a Russia of the Regions’, *Adelphi-Paper/IISS*, No. 330 (Oxford-New York: Oxford University Press, September 1999) and Kathryn Stoner-Weiss, ‘Central Weakness and Provincial Autonomy: The Process of Devolution in Russia’, *PONARS-Policy Memo Series*, No. 39, Harvard-University, November 1998.
- ¹¹ To one of few balanced analysis of the positive and negative implications of the regionalization and decentralization from a Russian perspective see Alexander Sergunin, ‘Regionen contra Zentrum. Ihr Einfluß auf die russische Außenpolitik’, *Internationale Politik* 5/2000, pp. 29-36.
- ¹² Victor Subyan, ‘The Economic Security of the Far East and Russia’s National Interests’, *FSU 15 Nationa: Policy and Security*, December 1998, pp. 3-15, here p. 3.
- ¹³ See also Felix K. Chang, ‘The Russian Far East Endless Winter’, *Orbis*, Winter 1999, pp. 77-110; Michael J. Bradshaw/Peter Kirkow, ‘The Energy Crisis in the Russian Far East: Origins and Possible Solutions’, *Europe-Asia Studies* 6/1998, pp. 1043-1063 and Norbert Wein, ‘Die westsibirische Erdölprovinz: von der “Boom-Region” zum Problemgebiet’, *Geographische Rundschau* 6/1996, pp. 380-387.
- ¹⁴ See Victor Subyan, ‘The Economic Security of the Far East and Russia’s National Interests’, here p. 4 f.
- ¹⁵ See Sergej Tschugrow, ‘Besonderheiten der politischen Mentalität im russischen Fernen Osten’, *Aktuelle Analysen des BIOst*, Cologne, No. 34/1999, September 7, 1999.
- ¹⁶ See Victor Subyan, ‘The Economic Security of the Far East and Russia’s National Interests’, here p. 5.
- ¹⁷ See Chikahito Harada, ‘Russia and North-east Asia’, *IISS-Adelphi Paper*, No.310 (Oxford-New York: Oxford University Press, 1997), pp. 20 ff.
- ¹⁸ See Martin Nicholson, ‘Towards a Russia of the Regions’, here p. 57 and E.Kuzmin, ‘Russia: the Center, the Regions, and the Outside World’, *International Affairs (Moscow)* 1/1999, pp. 105-122, here p. 109.
- ¹⁹ See Mikhail Nossov, ‘Russia and Problems of Regional Integration in East Asia’, in: *FSU 15 Nations: Policy and Security*, August 1997, pp. 8-17, here p. 15.
- ²⁰ One example is the fact that the government of Kamchatka demanded direct financing for the import of oil (\$210 per ton) for heating from the federal budget, while it had rejected the delivery of domestic oil (\$100 per ton) in 1998 due to considerable bribes from import companies given to government officials—see Victor Subyan, ‘The Economic Security of the Far East and Russia’s National Interests’, here p. 14.
- ²¹ See Mikhail Nossov, ‘Russia and Problems of Regional Integration in East Asia’, here p. 16.
- ²² Victor Subyan, ‘The Economic Security of the Far East and Russia’s National Interests’, here p. 6.
- ²³ See Dmitry Gornostayev, *Nezavisimaya gazeta* (hereinafter NG), March 17, 1998, pp. 1 and 6.
- ²⁴ See *Rossiyskaya gazeta*, January 18, 2000.
- ²⁵ See the document in NG, July 11, 2000, pp. 1 and 6.
- ²⁶ See NG, 22 April 2000 and *Izvestiya*, April 25, 2000.
- ²⁷ See *Krasnaya zvezda*, October 9, 1999, pp. 3-4.

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- ²⁸ For a comparison of the draft military doctrine of October 1999, the new national security concept of January 2000 with the old National Security Doctrine of December 1997 see F.Umbach, 'Rußlands neue Militärdoktrin und die Absenkung der nuklearen Schwelle – Innen- und Außenpolitische Auswirkungen einer schleichenden Militarisierung russischer Außen- und Sicherheitspolitik', in: Helmut W. Ganser/Herbert Kraus (Hrsg.): "Sicherheitspolitische Risiken und Strategien im 21. Jahrhundert und europäische Handlungsfähigkeit", Beiträge zur Weiterentwicklung der Lehre 2/2000, Führungsakademie der Bundeswehr Hamburg, Fachbereich Sicherheitspolitik und Strategie, pp. 31-53.
- ²⁹ See Rossiyskaya gazeta, December 26, 1997, pp. 4-5.
- ³⁰ See E. Kuzmin, 'Russia: the Center, the Regions and the Outside World', here p. 109 f.
- ³¹ See *ibid.*, here p. 116.
- ³² See John J. Stephen, 'The Russian Far East: A History' (Stanford: Stanford University Press, 1994).
- ³³ See Sophie Lambroschini, 'Russia: Kremlin at a Loss to Deal with Declining Population', RFE/RL Analysis, 21 July 2000 and 'Russia's Dwindling Population Ensures Rigid Foreign Policy', Stratfor.Com, 13 April 2000 (Internet - www.stratfor.com/CIS/commentary/0004130155.htm).
- ³⁴ See Manfred Quiring, Die Welt, July 13, 2000, p. 6.
- ³⁵ In August 1994, for instance, one of the main oil lines ruptured and 100,000 to 250,000 tons of oil poured out into the landscape near the city of Usinsk (Komi-region/Siberia). The spilled oil reached the Kolva River, and the drinking water was contaminated. According to Greenpeace, the polluted area is about 700 hectares. LukOil has promised to clean up 129 hectares annually, but in reality the company is not able to manage more than 60 hectares a year. According to a medical report, 90 percent of the residents in the Komi-oil producing region got sick. See the report of Markus Wehner, FAZ, 22 July 2000, p. 3. See here also the conference paper given by Odelia Funke, 'Environmental Issues and Russian Security', particularly p. 14.
- ³⁶ See also Theodore Gerber, 'Russia's Population Crisis: The Migration Dimension', PNARS-Policy Memo Series, No. 118, Harvard-University, October 1999 and F.Umbach, 'Russia as a 'Virtual Great Power'.
- ³⁷ See RFE/RL Daily News Line, January 26, 2000.
- ³⁸ See RFE/RL Daily News Line, September 3, 1999.
- ³⁹ See Andrew F. Tully, 'Russia: Expert Sees Dangerous Population Decline', RFE/RL Analysis, October 25, 1999.
- ⁴⁰ See V.Portyakov, 'Are the Chinese Coming? Migration Processes in Russia's Far East', International Affairs (Moscow), January-February 1996, pp. 132-140.
- ⁴¹ Mikhail Nossov, 'Russia and Problems of Regional Integration in East Asia', here p. 14 and Victor Subyan, 'The Economic Security of the Far East and Russia's National Interests', here p. 7.
- ⁴² See Odelia Funke, 'Environmental Issues and Russian Security', here p. 12.
- ⁴³ See Eric Hyer, 'Dreams and Nightmares: Chinese Trade and Immigration in the Russian Far East', The Journal of East Asian Affairs, Summer/Fall 1996, pp. 289-308, here p. 294.
- ⁴⁴ Irina Maltseva, Nezavisimaya gazeta, July 23, 1999, p. 2.
- ⁴⁵ See Mikhail Alexseev, 'The "Yellow Peril" Revisited: The Impact of Chinese Migration in Primorskii Krai', PONARS, Policy Memo Series, No. 94, Harvard University.
- ⁴⁶ See Irina Maltseva, Nezavisimaya gazeta, July 23, 1999, p. 2.
- ⁴⁷ Aleksandr Babkin/Aleksandr Shinkin, Rossiyskaya gazeta, July 10, 1999, p. 4.
- ⁴⁸ Aleksandr Babkin/Aleksandr Shinkin *ibid.*

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- ⁴⁹ To population issues and migration problems in this part of Russia see also Norbert Wein, 'Bevoelkerungsbewegungen im asiatischen Russland', *Osteuropa*, 9/1999, pp. 908-922.
- ⁵⁰ Mikhail Alexseev, 'The "Yellow Peril" Revisited', p. 2.
- ⁵¹ See 'Russian Far East Turning Chinese?', *Stratfor.Com* (via Internet - www.stratfor.com/CIS/commentary/0007072219.htm), July 7, 2000.
- ⁵² Eric Hyer, 'Dreams and Nightmares, here p. 293.
- ⁵³ See Russell Working, *International Herald Tribune* (hereafter IHT), March 19, 1999, p. 11.
- ⁵⁴ See also, for instance, Natal'ya Chudodeev, *Segodnya*, June 24, 1998, p. 3.
- ⁵⁵ V. Portyakov, 'Are the Chinese Coming?', p. 135.
- ⁵⁶ V.Portyakov *ibid.*, here p. 136.
- ⁵⁷ See 'Russian Far East Turning Chinese?', p. 2.
- ⁵⁸ See also Grigorii Karasin, 'Russia and China: A New Partnership', *International Affairs (Moscow)* 3/1997, pp. 23-29.
- ⁵⁹ Grigorii Karasin *ibid.*, p. 25.
- ⁶⁰ See Sophie Quinn-Judge, 'Common Cause', *Far Eastern Economic Review* (hereinafter FEER), May 8, 1997, p. 15 f.
- ⁶¹ See also the declarations during their November-meeting in 1997 – IHT, November 11, 1997, p. 4.
- ⁶² See Robert A. Manning, *The Korea Herald* (hereinafter TKH), February 10, 1997, p. 6.
- ⁶³ See Yuri Savenkov, *Izvestiya*, October 29, 1997, pp. 1-2.
- ⁶⁴ See Yuri Sasvenkov, *ibid.*, 28 March 1998, p. 3. To other Russian concessions see also Damon Bristow, 'Despite Differences Border is Resolved', *Jane's Intelligence Review & Pointer*, January 1998, p. 10. To the background of the difficult negotiation process see the chairman of the Russian delegation in the Joint Russian-Chinese Demarcation Commission, Genrikh Kireyev, 'Demarcation of the Border with China', *International Affairs (Moscow)* 2/1999, pp. 98-111.
- ⁶⁵ See *Rossiyskaya gazeta*, November 11, 1997, pp. 1 and 7; *ibid.*, December 3, 1997, p. 6 and TKH, November 11, 1997, p. 1.
- ⁶⁶ See Pavel Spirin, *Nezavisimaya gazeta*, June 24, 1998, p. 6 and *idem, ibid.*, June 30, 1998, p. 6
- ⁶⁷ So, for instance, Andrei Ivanov, *Kommersant Vlast*, No. 30, August 11, 1998, quoted following FSU 15 Nations: Policy and Security, August 1998, p. 29 f., p. 30.
- ⁶⁸ See also *Rossiyskaya gazeta*, November 25, 1998, pp. 1 and 7; Aleksandr Chudodeev, *Segodnya*, November 21, 1998, p. 3; Pavel Spirin, *Nezavisimaya gazeta*, November 21, 1998, p. 6 and Dmitrii Kosyrev, November 25, 1998, p. 1.
- ⁶⁹ See also M. Ehsan Arari, 'The Beginning of a New Cold War?', *European Security*, No. 3 (Autumn) 1999, pp. 124-132.
- ⁷⁰ Dmitri Trenin, 'Russian Chinese Relations: A Study in Contemporary Geopolitics', in: Erich Reiter (Ed.), 'Jahrbuch für internationale Sicherheitspolitik' (Verlag E.S.Mittler & Sohn GmbH: Hamburg-Berlin-Bonn 2000), pp. 913-927, here p. 913.
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- ⁷² See F.Umbach, 'Chinas Aufrüstung – ein Alarmzeichen', *Internationale Politik* 7/2000, pp. 29-36.
- ⁷³ See Charles Clover, FT, 25 August 1999, p. 4; idem, *ibid.*, August 26, 1999, p. 6 and Ahmed Rashid, 'Unstable Fringe', FEER, September 9, 1999, p. 28.
- ⁷⁴ See Robert Karniol, JDW, September 8, 1999, p. 23.
- ⁷⁵ Yuri Chubchenko, *Kommersant-Daily*, August 25, 1999, p. 2.
- ⁷⁶ See Dmitriy Gornostaev, NG, December 10, 1999, pp. 1 and 6; Aleksandr Reutov, December 9, 1999, p. 1 and Yuri Savenkov, *Izvestiya*, December 8, 1999, p. 4. To China's objection of TMD and adherence to the ABM-treaty see Frank Umbach, 'World Gets Wise to P'yongyang's Nuclear Blackmail—Part Two', *Jane's Intelligence Review* (hereinafter JIR), October 1999, pp. 35-39, p. 37 f.
- ⁷⁷ See Bin Yu, 'Back to the Future', *Comparative Connections*, 4th Quarter 1999, p. 1.
- ⁷⁸ See also 'Russia and China: Technology Meets the Politics of Space', Stratfor.Com (via Internet: www.stratfor.com/services/giu/110499.ASP), November 4, 1999.
- ⁷⁹ See also Yuri Golotyuk, *Izvestiya*, June 9, 1999, p. 1 and Igor Korotchenko, NG, January 15, 2000, p. 6
- ⁸⁰ See Gennady Sysoev, *Kommersant-daily*, June 3, 1999, p. 4.
- ⁸¹ Quoted following Eric Eckholm, IHT, December 10, 1999, pp. 1 and 5, p. 1.
- ⁸² See also the 'Sino-Russian Joint Statement', *Foreign Affairs Journal* (Beijing), December 1999, p. 68 f.
- ⁸³ See Craig S. Smith, IHT, July 19, 2000, pp. 1 and 5.
- ⁸⁴ See *Straits Times*, July 20, 2000 and Aleksandr Chudodeyev, *Segodnya*, March 2, 2000, p. 2.
- ⁸⁵ See also 'In Beijing, the Signs of a New Strategic Partnership', Stratfor.Com (via Internet: www.stratfor.com/services/giu2000/030300a.ASP), March 3, 2000.
- ⁸⁶ See also Aleksandr Isaev, NG, February 29, 2000, p. 6.
- ⁸⁷ See also F. Umbach, "Russia as a 'Virtual Great Power'".
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- ⁹¹ See V.Obchinnikov, *Rossiyskaya gazeta*, June 16, 1999, p. 7.
- ⁹² See also 'Can a Bear Love a Dragon?', *The Economist*, April 26, 1997, pp. 19, 20 and 23.
- ⁹³ See also 'Ukraine: The Rope in the China-Russia Tug-of-War', Stratfor.Com (via Internet: www.stratfor.com/SERVICES/giu2000/042000.ASP), April 20, 2000.
- ⁹⁴ See, for instance, Gennady Sysoev, *Kommersant-daily*, June 3, 1999, p. 4. From a western view see Jennifer Anderson, 'The Limits of Sino-Russian Strategic Partnership'.
- ⁹⁵ So the Deputy Minister of Foreign Affairs of the PRC, Zhang Deguang, 'A Strategic Partnership into the 21st Century', *International Affairs* (Moscow) 4/1997, pp. 164-168, here p. 167.

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- ⁹⁶ See, for instance, Xia Yishan, 'A Brief Analysis of Sino-Russian Relations under the new Circu[m]stances', *Foreign Affairs Journal* (Beijing), September 1999, pp. 33-40; Feng Yujun, 'Reflections on Sino-Russian Strategic Partnership', *ibid.*, August 1998, pp. 1-10, here p. 4, and Zhang Buren, 'Cooperation Cements Sino-Russian Relations', *Contemporary International Relations* (Beijing), February 1999, pp.9-12.
- ⁹⁷ Feng Yujun, 'Reflections on Sino-Russian Strategic Partnership', here p. 7
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- ¹⁰⁰ See Johnny Erling, *Die Welt*, July 19, 2000, p. 7.
- ¹⁰¹ See Jing-dong Yuan, 'Sino-Russian Confidence-Building Measures: A Preliminary Analysis', *Asian Perspective*, Spring 1998, pp. 71-108, p. 73.
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- ¹⁰⁵ D. Trenin, 'Russian Chinese Relations: A Study in Contemporary Geopolitics', p. 925.
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- ¹²³ See Alexander Golts, *Itogi*, No. 20, May 2000, pp. 20-24.
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- ¹²⁶ To the prospects of Russia's military reform see in particular Aleksei G. Arbatov, 'Voennaya reforma: doktrina, voiska, finansy', *Mirovaya ekonomika i mezhdunarodnye otnosheniya* (MEiMO) 4/1997, pp. 5-21 and idem, 'Military Reform in Russia'.
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- ¹²⁸ See also *Segodnya*, February 14, 1998 and Franz Walter, 'Zur Entwicklung der russischen Streitkräfte. Wie viele Soldaten kann sich Rußland leisten?'. Alexei Arbatov, who has formerly argued for 600,000 servicemen, has argued recently for a 800,000 Russian armed forces—see Alexei Arbatov/Pyotr Romashkin, *Nvo*, Nr. 8, March 3-16, 2000, pp 1 and 3.
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- ¹³² See Sergey Sokut, NG, August 12, 1999, pp. 1-2.
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- ²⁷² See also Heinz Timmermann, 'Russland: Strategischer Partner der Europaeischen Union? Interessen, Impulse, Widersprüche', Osteuropa 10/1999, pp. 991-1009, p. 995.
- ²⁷³ Chikahito Harada, 'Russia and Northeast Asia', p. 74.
- ²⁷⁴ Steven Rosefield, 'Economic Foundations of Russian Military Modernization: Putin's Dilemma', p. 7.
- ²⁷⁵ The Pentagon is reportedly increasingly concerned about China's rapidly increasing military technological capabilities—see 'Asia 2025', IHT, March 20, 2000.
- ²⁷⁶ See Roland Timerbaev, 'How the Soviet Union Helped China to Develop the A-Bomb', Yaderny Kontrol, No. 3 (May-June 1998), p. 79.
- ²⁷⁷ The Russian crucial assistance to China's nuclear weapons development program in the 1950s and 1960s provides an interesting example for the rapid change from cooperation to increasing mistrust and confrontation in the Sino-Russian relationship between 1964-1969. For the period between 1964 and 1966, a Russian historian concluded: "... *the more [nuclear] tests the Chinese conducted the more worried the Soviet military became*" – see Viktor M. Gobarev, 'Soviet Policy Toward China: Developing Nuclear Weapons 1949-1969', p. 47.
- ²⁷⁸ See also the Beijing summit declaration in *Rossiyskaya gazeta*, July 20, 2000, p. 7.
- ²⁷⁹ See also Dmitriy Gornostaev, NG, July 18, 2000, pp. 1 and 6; idem, ibid., July 19, 2000, pp. 1 and 6.
- ²⁸⁰ See also Dmitriy Kosyrev, NG, pp. 9 and 12.
- ²⁸¹ See also The Times of India, 17 July 2000 (via Internet: www.timesofindia.com/170700/17worl8.htm) and 'The Shanghai Six?', Stratfor.Com (via Internet: www.stratfor.com/asia/commenatry/0007172332.htm), July 17, 2000.

²⁸² To a Chinese view to the future of U.S. troops on the Korean peninsula in a case of reunification see Shiping Tang, 'A Neutral Reunified Korea: A Chinese View', *The Journal of East Asian Affairs*, 2 (Fall-Winter) 1999, pp. 464-483.

²⁸³ See Doug Struck/Joohee Cho, *IHT*, August 15, 2000, pp. 1 and 4.