

# Russian Security Policy in East Asia

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## Introduction

On 16 September 1988, General Secretary of the Communist Party of the Soviet Union Mikhail Gorbachev made a speech in Krasnoyarsk, outlining his major policy in East Asia. The speech addressed all the issues of major importance for the Soviet leadership in relation to its security and foreign policy in the region.

Fifteen years later, in 2003 Russia presented to the ASEAN Regional Forum (ARF) its Annual Security Outlook (hereafter referred as 'ARF 2003 Paper'), which formulated a concise analysis of Russian security views in the region as of that year. Although those two documents are completely different, a comparative analysis casts certain light on the changing security situation in East Asia and its policy implications for Russia in the first decades of the 21-st century. This

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paper concludes that the major paradigm of Russian geopolitical interests in East Asia, which was reflected in the Krasnoyarsk Speech, still stands.

By September 1988, three years and a half since he became General Secretary, Gorbachev had already faced substantial difficulties on his domestic front, but continued to produce remarkable results in the area of foreign policy. Europe was on the eve of greater changes and US-Soviet relations were rapidly improving. In East Asia, Gorbachev had signalled a new policy in his Vladivostok speech in July 1986, including his intention to withdraw Soviet troops from Mongolia and radically improve Sino-Soviet relations.

Against that background, the Krasnoyarsk speech turned out to be the last iteration of Soviet foreign-security policy in East Asia. The last vestiges of the Cold War which compelled Gorbachev to highlight Russian geopolitical interests, along with Gorbachev's habit of addressing issues straightforwardly, made that speech an unusual display of Russian security and foreign policy thinking in the region.

## Russian historical geopolitics

In understanding Russian geopolitical thinking, it is useful to put yourself in the position of a Russian leader in the

### Aandacht voor het Verre Oosten

Het Verre Oosten, en dan vooral de driehoek gevormd door de Chinese Volksrepubliek, het Koreaanse schiereiland en het Keizerrijk Japan is volop in beweging. De economische aspecten krijgen in de vaderlandse media de nodige aandacht; aan de veiligheidspolitieke ontwikkelingen wordt echter slechts fragmentarisch aandacht besteed.

Daarom heeft de redactie besloten een serie artikelen over deze regio te plaatsen. Zij heeft daarbij dankbaar gebruik gemaakt van de adviezen en steun van prof. dr. W.R. van Gulik, hoogleraar Japanse taal en cultuur aan de Universiteit Leiden en tevens reserve luitenant-kolonel van het Wapen der Cavalerie. In deze derde bijdrage staat de relatie van Rusland met de vs, China, en Japan centraal en de impact van '9-11'.

Kremlin, or in the Winter Palace, before the revolution. If you look from there toward the east, then you would first see, across the Urals, that gigantic Siberian mass which Russian Cossacks had first explored under Ivan the Terrible in the sixteenth century.



Ivan the Terrible  
(Collectie: IMG/KL)

In the seventeenth century, the Russians learned that this huge Siberian expanse ultimately ends, encircled by the sea. The territorial extension to the south-east met with a different civilization, China. Russian historic memory was blurred here with the *Mongolian Yoke* which had dominated the country from the thirteenth to fifteenth century.

In the eighteenth century, with a clear recognition that Siberia was an integral part of the Russian Empire, Russian explorers gradually began to define the eastern sea-border and its south-eastern land border. As the history of imperialism developed in the latter part of the nineteenth century with China becoming the object of colonization, the Treaty of Aigun (1858) and the Treaty of Beijing (1860) defined the limits of Russian territory facing the Qing Dynasty. Japan then emerged as the major security threat to Russia both from the sea and, through the Korean Peninsula and Manchuria, from the continent. The clash of the two powers first brought victory to Japan in 1904-1905, but four decades later it was the Soviet Union which emerged as victorious in 1945.

Russian external policy based on these historical geopolitics developed further during the latter part of the twentieth century in the context of the Cold War and the Sino-Soviet conflict.

(1) The United States loomed from the other side of the Pacific Ocean as its rival superpower and as its first major security threat.

(2) The Peoples' Republic of China, which shared the USSR's long south-eastern border, became the second security concern. The tension between the two countries was magnified by the conflicts in such areas as ideology, global hegemony, Eurasian geopolitics, border demarcation, military confrontation and economic and scientific cooperation.



**American anti-Russia propaganda, directed towards Japan, 1945**

(Collectie: IMG/KI)

(3) Japan, the third country of geopolitical concern to the Soviet Union, was primarily considered a disturbing element to Soviet maritime and regional security because of its close security ties with the United States. While Japan's economic miracle increasingly attracted Soviet attention, Japan's stubborn demand for the return of four islands heightened the Cold War tension.

(4) The Korean Peninsula, the fourth element in Russian geopolitical thinking, was in a complex situation. Historically, the clash of interests between Russia and Japan began from that Peninsula.

After World War II and the division of the Peninsula along the 38th parallel, North Korea became the Soviet Union's natural ally, but its despotic regime alienated the USSR. South Korea which formed a close bond with the United States was the Soviet's natural adversary, but its economic success could not but attract the Soviet Union.

(5) The fifth area which mattered to the Soviet Union was India and the Indian Ocean. India, bordering on the south of the Central Asian Republics, had long been an important Soviet partner in Asia. The Indian Ocean was an impor-

tant area for Soviet geopolitical interests in the context of its global superpower rivalry with the United States.

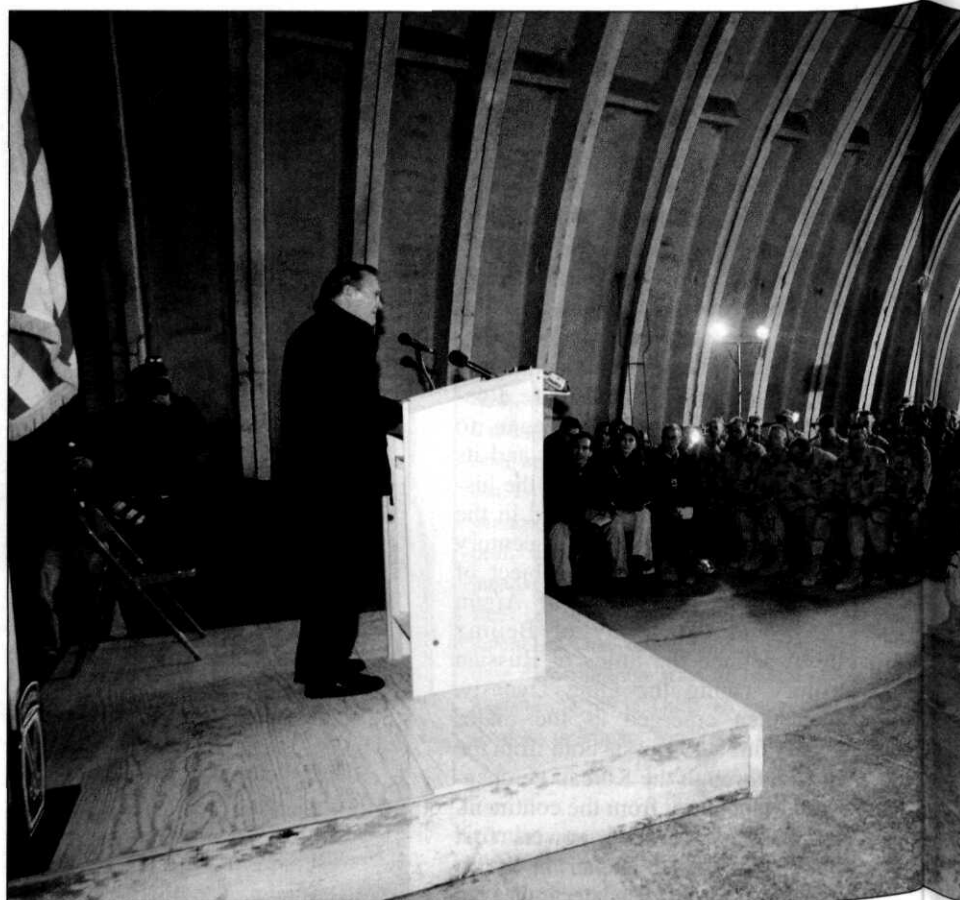
- (6) The sixth area of Soviet's security concern, South-East Asia and Australia, was geopolitically somewhat remote.
- (7) Lastly, in the mind of Soviet strategic thinkers, there has always been an eagerness to establish a regional multilateral institution in which to become a member. It was partly due to analogous thinking with Europe but also due to Soviet *realpolitik* considerations trying to utilise regional multilateral organizations to contain the United States and China. Becoming a member of the East Asian community was also an important underlying factor for establishing the USSR's identity as an Asian nation.

The content of the Krasnoyarsk speech, its general structure and the Seven-Point Asian Security Initiatives combined, reflect exactly the above-mentioned seven points of Soviet geopolitical consideration.

Three years after the Krasnoyarsk speech, the Soviet Union disintegrated. Half of the population and a quarter of the territory were lost and the Russian Federation emerged as its successor state. A new state structure based on democracy and market economy was created under Yeltsin. Putin succeeded Yeltsin in 2001 and Russia is now evolving with increasing hints of its traditional autocracy.

### **From superpower to non-superpower**

This paper concentrates on the major security issues surrounding Russia in East Asia, i.e. the US, China, Japan and Korea. It argues that, notwithstanding the fact that the demise of the Soviet Empire was a difficult challenge for the Russians, actual changes



which took place in the East Asian security environment show that Russia has now better achieved its geopolitical security objectives than fifteen years ago.

The fundamental changes from a superpower status to non-superpower, more regional power inevitably forced Russia to downsize its military capability and security objectives, a change which contributed to strengthening its ultimate security position. Total confusion and the necessity of creating a new political and economic system also contributed to this downsizing.

At the same time, conscious efforts on the part of the Russian leadership and diplomats to adjust to the new reality also contributed to developing a stronger geopolitical security environment. In this process of adjustment, while Russian geopolitical in-

terests remained unchanged, new problems and new tasks emerged as the 21st century commenced.

### **United States**

Although the main theme of the Krasnoyarsk speech was East Asia, the underlying security theme was the United States. The most resounding question asked by Gorbachev in the speech was 'why mutual understanding is not developing between the two countries in this region in contrast to several important areas of world politics?'

Gorbachev then urged 'an equal-footing and non-power-seeking participation of the US' in issues of the Asia-Pacific Region. The Seven-Point Asian Security Initiatives proposed in the speech in reality are all directed to improving and stabilising the security



**Secretary of Defense Donald H. Rumsfeld addresses soldiers of the Army's 10th Mountain Division and U.S. Air Force personnel in 2001. The troops are deployed to Central Asia for Operation Enduring Freedom**

(Foto: U.S. Department of Defense, H.C. Stikkel; collectie: IMG/KI)

cy and market economy created entirely different relations between the two countries, however. Furthermore, Yeltsin's initial foreign policy was a clear pro-Western policy. In America, however, national enthusiasm in expanding democracy in the former communist arch-enemy prevailed based on the international relations theory of 'democratic peace' or 'democracies do not fight each other'.

The initial period of euphoric optimism, however, did not last long on either side. NATO's eastward expansion left a deep psychological scar in the mind of many Russian political leaders and intellectuals, whereas

Russian oppression of Chechnya and eventually its pressure on Georgia created a chill in America. Towards the end of the Clinton presidency Russia and America entered into relations that were, at best, cordial.

In 2001, 9/11 probably brought about a second turning point in substantially narrowing the proximity between the two countries. President Putin had long waited for an opportunity to have his Chechen policy recognised by major Western countries and the 'common fight against international terrorism' gave him precisely that opportunity.

President Bush was rallying global support for his war against terrorism and Russia's support was much desired. The interests of the two countries converged. Russian acknowledgement of the US military presence in Central Asia and the Caucasus perhaps represents those changes most vividly.

In the war in Iraq in 2003, however, Russia's alignment with France and

balance with the United States in East Asia.<sup>1</sup>

**The end of the Cold War and 9/11**

The demise of the Soviet Union and the emergence of the new Russia based on common values of democra-

<sup>1</sup> The Seven-Point Asian Security Initiatives are the following:

- (1) Not deploy additional nuclear weapons in the region;
- (2) Not to increase naval power in the region;
- (3) Freezing and reduction of naval and air forces and restriction of their activities in the region where the Soviet Union, China, Japan and the two Koreas meet;
- (4) Simultaneous withdrawal of the Soviet base in Cam Ranh Bay in Vietnam and the US base in the Philippines;
- (5) Enhancing maritime safety;
- (6) Transforming the Indian Ocean into a peaceful zone;
- (7) To establish a mechanism to discuss security issues of the Asia-Pacific Region.



**President George W. Bush and president Vladimir Putin during the U.S.-Russia summit, June 2001** (Foto: BOBO; collectie: IMG/KI)



**Talks during the SALT-1 meeting in Vienna**

(Foto: NAVO; collectie: IMG/KI)

Germany created new frictions between the two countries. Russian policy in some of the CIS countries, such as Georgia and Moldova, and President Putin's increasingly autocratic way of governing, as witnessed by how the Presidential elections were carried out in March 2004, brought about further irritation on the American side.

And yet, in no way do the two countries now view each other as global rivals or as threats to their own security. Global conflicts of the Cold War, based on ideology and a hegemonic clash of interests, no longer exist. Tensions continue, interests need to be adjusted, but for the time being, America has ceased to be the major security threat for Russia. The Russian security situation in East Asia

clearly reflects these basic Russia-US relations.

#### **Nuclear deterrence**

The issue of nuclear deterrence probably best substantiates and symbolises the changing dynamics of the two countries. One of Gorbachev's major security-foreign policy objectives was to enter into the stage of 'reduction' of the huge nuclear arsenal. That was a further advance from the stage of 'limitation' that had been agreed under the SALT Agreement. The INF Treaty in 1987 was the first achieve-

ment. The end of the Cold War which brought the SDI to an end<sup>2</sup> was a great relief. But the negotiations to reduce strategic nuclear weapons dragged on.

The last achievement made by Gorbachev in this context was START I of July 1991. Among its other terms, START I restricted the number of nuclear warheads to 6,000 seven years after the treaty entered into force. The Treaty survived the demise of the Soviet Union, was ratified and entered into force under Yeltsin in December 1994. Both Russia and the United States fulfilled their Treaty obligations under Putin in December 2001.

Table 1 shows the changes which took place from 1988 to 2003 in the strategic balance between the two countries. Overall reduction of nuclear arsenal was substantial.

What complicated the last years under Yeltsin and the first years under Putin in US-Russia strategic negotiations were START II, missile defence and the ABM Treaty, all entangled in one knot.

START II was concluded at the height of Yeltsin's pro-western foreign policy in January 1993. America and Europe were embarking on large-scale assistance to President Yeltsin, and Japan joined those efforts. Right from the beginning, the Treaty envisaged much greater scale reductions of nuclear arsenals than START I had provided for.

By January 2003,<sup>4</sup> Operational Nuclear Warheads had to be reduced to

**Table 1: Changes in Russia-us Strategic Balance 1988-2003 (mb)**

	1988		2003	
	USSR	US	Russia	US
ICBM	1,386	1,000	735	550
SSBN	62	36	13	18
SLBM	942	640	332	432
Strategic Bombers	175	362	78 <sup>3</sup>	115
Operational Nuclear Warheads	10,595	9,789	5,436	5,974

<sup>2</sup> SDI was finally terminated in the US in 1993.

<sup>3</sup> 63 Tu-95 (Bear) and 15 Tu-160 (Blackjack).

<sup>4</sup> This time limit was later extended until the end of 2007.

3,000-3,500. ICBM's with MIRV nuclear warheads, in particular, in which Russia had a comparable superiority vis-à-vis the United States, all had to be eliminated. The Russian parliament, where nationalist emotions strongly grew particularly after NATO's eastward expansion became inevitable, did not ratify it easily.

President Clinton's policy of introducing National Missile Defense (NMD) and Theatre Missile Defense (TMD) to combat the rogue states further complicated the situation. Russia feared that this new system of missile defence, a smaller version of the SDI that had been the Russian nightmare, could jeopardize the strategic balance with the United States and its own security. They strongly maintained that the new American initiatives were incompatible with the ABM Treaty, to which Russia attached great importance.

Vladimir Putin, who was elected president in March 2000, succeeded in getting the Russian Parliament to ratify START II in April 2000, but the Russian Parliament attached the condition to the ratification that the ABM Treaty should be observed. The US Congress objected strongly to that condition and decided not to ratify START II. The first year under President Putin therefore passed without any agreement regarding START II, the ABM Treaty, NMD and TMD.

After President Bush came to power in January 2001 and showed even greater determination to pursue the Missile Defence (MD) Program with the resolve to withdraw from the ABM Treaty, President Putin swiftly adjusted to the new reality. In July 2001 the two Presidents agreed to start new negotiations to combine MD (defensive) and reduction of strategic nuclear weapons (offensive).

Then 9/11 occurred and it brought the interests of the two countries considerably closer. It must have given further impetus to expediting the negotiations on strategic arms talks.

On the offensive side, on 24 May 2002 the two countries concluded the Treaty on Strategic Offensive Reductions (Moscow Treaty). The Treaty replaced the short-lived START II and ended a possible follow-up in START III, and prescribed the reduction of operational strategic nuclear warheads to 1,700-2,200 by 31 December 2012. No breakdown of any kind was given.

President Putin was freed from the START II obligation to dismantle all

MIRV ICBM's. Russia withdrew from START II in June 2002. This obviously gave the Russian government greater manoeuvrability in reducing its offensive strategic missiles capability making the most of their superior MIRV ICBM's.

On the defensive side, Russia moved toward the recognition of reality. America declared its withdrawal from the ABM Treaty in December 2001 and the Treaty was terminated in June



**Exercise CENTRAZBAT '98 in Kyrgyzstan involved more than 450 military personnel from Azerbaijan, Georgia, Kazakhstan, Kyrgyzstan, Russia, Turkey, and Uzbekistan who are training with over 250 U.S. military troops to hone their peacekeeping skills. The exercise will enhance regional cooperation and increase interoperability training among NATO and Partnership for Peace-nations**

(Foto: U.S. Department of Defense, C. Steffen; collectie: IMG/KI)

2002. President Putin declared this decision to be wrong but not tantamount to a threat to Russia. President Bush announced in December 2002 the intention to start the first deployment of land- and sea-based defence missiles around 2004. The Russian Foreign Ministry expressed regrets but it was again a subdued reaction (EASR, pp. 86-88). Thus the 'Structural MAD' which had effectively governed the Cold War era finally came to an end (Tosaki, p. 47).

But Russia's acknowledgement of the new reality in relation to Missile Defense (MD) is still somewhat unclear. Russia may be thinking that there is no way of preventing American resolve for NMD. Inasmuch as the necessity of nuclear attack against the United States moved beyond the scope of policy assumptions in Russian strategic thinking, American NMD as such would not harm Russian security interests. Russia may have been contemplating something entirely different, however. In February 2004, just before the Presidential election, it was announced that 'Russia succeeded in experimenting with a new type of offensive weapons to counter US MD' (AS, 2004-03-17).

In terms of TMD in East Asia, Russia needed to ensure that any TMD to be established would not be adversarial towards Russia, and even if it is established that it would not be, Russia may find that a TMD could be detrimental to regional stability, which would make it undesirable in terms of Russia's own security interests.

#### Naval balance in East Asia

This brings us to another important security perspective in East Asia: naval power balance. The demise of the Soviet Union has brought about a fundamental reduction in Russian naval power in East Asia. Table 2 compares this dramatic change.

Russia's fundamental change toward democracy and the market economy and common interest between the two countries in combating terrorism all

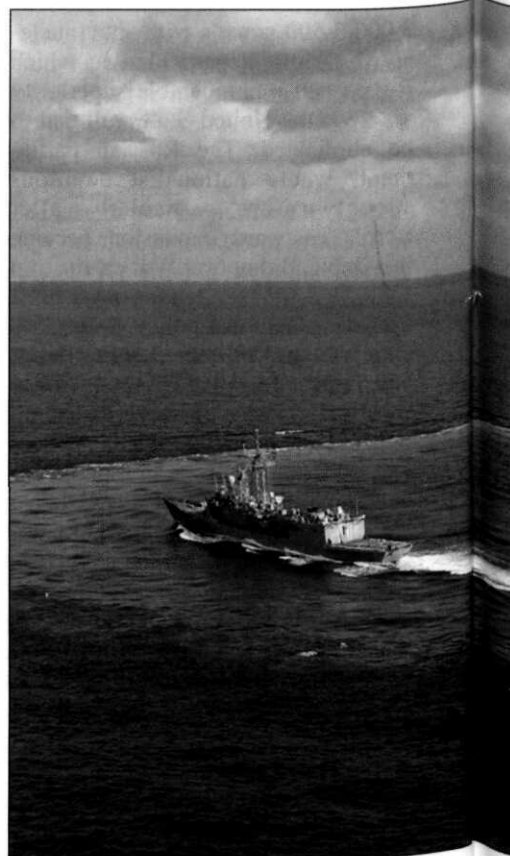
contributed to this dramatic decline in Russian naval power in the Pacific. With no prospect of global confrontation the US naval presence in the Pacific is not creating a security threat to Russia (Pavliatenko, p. 22). The Russian Pacific Fleet has a new task of ensuring the security of the eastern coast of Russia, but to match American forces is well beyond its objectives. Economic drivers against the continuation of large-scale naval presence in the Pacific were also ample in Russia.

#### Positive dynamics

It is therefore not surprising that, in reading the ARF 2003 Paper, Russia-US bilateral relations are described as one of the factors that give cause for optimism in respect of positive dynamics in between the leading regional powers.

At the same time, the paper reiterates Russian concern over a regional security system based mainly on bilateral alliances, and particularly criticises the actions to deploy a TMD system on a bloc basis in the Asia-Pacific as being 'the most disturbing.'

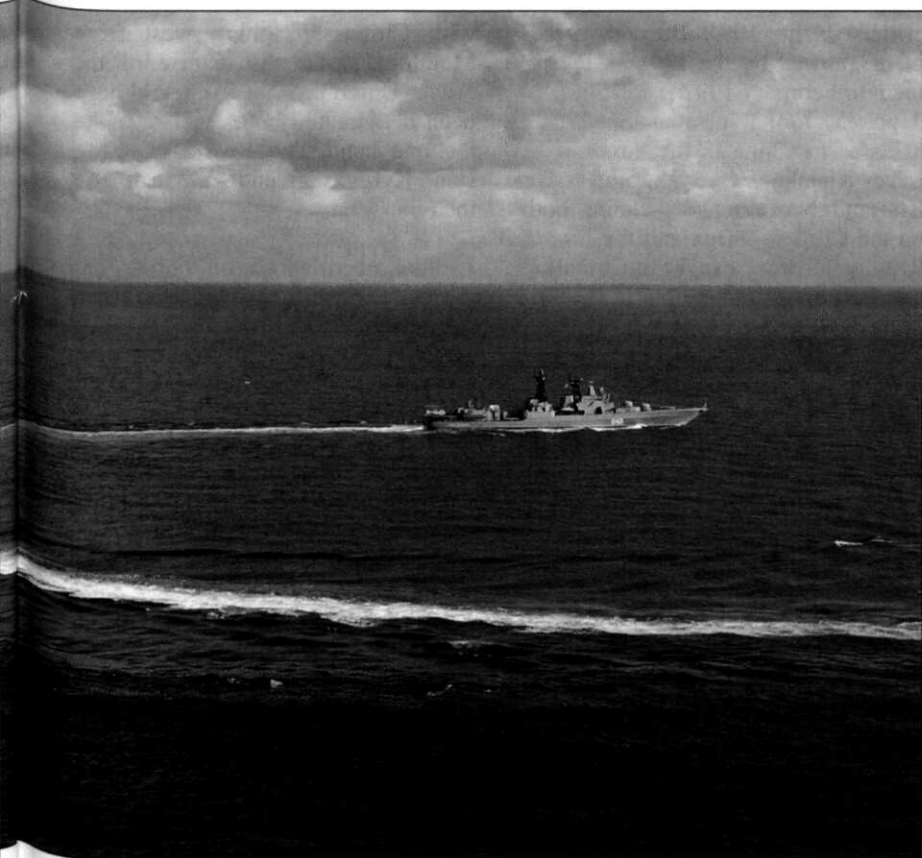
The United States stopped being a superpower security threat for Russia. The Cold War rivalry disappeared. But differing positions in Iraq and the Commonwealth of Independent States (CIS), autocracy in Russia and, in particular, diverging interests regard-



ing MD are examples of continuing tensions between the two countries. Above all, the overwhelming American military power and its uni-polarity in the global political economy are sufficient for Russia to maintain its traditional geopolitical security concern against the United States, including in East Asia.

**Table 2: Changes in Naval Deployment in the Pacific (MB)**

	1988		2003	
	USSR	US	Russia	US
Submarines	112	43	8	35
Strategic Submarines	24	8	3	8
Aircraft carriers (CV/CVN)	2	7	-	6
Battleships	-	2	-	-
Other principal Surface Platforms				
Cruisers (CGN, CG)	12	20	1	13
Destroyers (DDG, DD)	12	29	5	24
Frigates (FFG, FF)	47	53	2	15
Amphibious command (LCC)	-	1	-	2



**uss Vandegrift and Russian Destroyer Marshal Shaposhnikov maneuver in formation during a Russian Passing Exercise as a Russian Passing Exercise as a joint foreign naval exercise (2003). USS Vandegrift is a Guided Missile Frigate currently forward deployed to Yokosuka, Japan.**

(Foto: U.S. Navy, G.B. Granger; collectie: IMG/kl)

## China and Central Asia

At the time of the Krasnoyarsk speech, relations between the Soviet Union and China had not yet normalised from the Sino-Soviet rift of the 1950s to the 1970s. But it was nothing like the tense antipathy which we saw during the harsh period of rivalry.

Since 1978, China had already been on the way of 'Reform and Opening.' As for China's three conditions for the normalization – the withdrawal of Soviet troops from Afghanistan and Mongolia and of Vietnamese troops

from Cambodia – substantial changes had already begun by then.<sup>5</sup>

For Gorbachev, who initiated *perestroika* and foreign policy based on *novoe myshlenie*, there were good reasons to state in the speech that 'in the process of powerful reform which is taking place in the two great socialist countries, common points are increasing' and propose confidently that 'we are prepared to begin the preparation for a Sino-Soviet Summit expeditiously'.

Changes which have occurred since then in Soviet/Russia-China relations have been quite remarkable. Gorbachev's visit to Beijing in May 1989 brought about 'normalization' and terminated the struggle for leadership in Socialist ideology and for hegemony through global power politics. The rivalry between two giant states in the Eurasian continent still remained, however, particularly in regard to settling various border issues.

## Border demarcation and confidence-building measures

In April 1990, the Agreement on the Reduction of Forces along the Border and Confidence-Building Measures was concluded as the first tangible agreement along the border (Iwashita-a, p. 224). Jiang Zemin's visit to Moscow in May 1991 resulted in the first Sino-Soviet Border Agreement. Under its terms, though its content was not made public then, all territories had to be clearly demarcated within five years time of the ratification of the Agreement, except for the 'three islands' (Boljshoi in the West, and Boljshoi Usliskii and Tarabalov in the East) which were left out of the initial agreement (Iwashita-a, p. 28).



**Mikhail Gorbatsjov**  
(Collectie: IMG/kl)

<sup>5</sup> Based on the Afghanistan Peace Accord in April 1988 Soviet troops began their withdrawal to be completed in March 1989. After the Vladivostok speech in July 1986 in which Gorbachev declared his intention to withdraw from Mongolia, the actual troop withdrawal started in April 1987. In the latter part of the 1980's Soviet backed Vietnam also revealed its intention to withdraw from Cambodia.



After the demise of the Soviet Union, the relationship between the two countries became 'shaky' for a while (Rozman-a, p. 204). Chinese sympathy for the coup did not please Boris Yeltsin and Yeltsin's initial pro-Western foreign policy did not elicit particular sympathy from China. But after the short-lived period of euphoria, when Russia changed its course to emphasise Eurasian foreign policy against US uni-polarity and eastward expansion of NATO, the importance of improving its relations with China became obvious.

Meanwhile, the Russian policy of building a free and open market economy combined with the weakening of organs of control and Chinese eagerness in expanding its economic interest at the border region brought about a sharp influx of Chinese merchants into the Eastern border region of Russia in 1992 and 1993.<sup>6</sup> This sudden 'activation' of border movement evoked social turmoil in the Russian Far East.

Beginning in 1995, Governor Nazdratenko of the Primorskii Region began waging a strong public campaign against the Chinese influx, stating that it could endanger Russian security and economic interests. He also

criticised the 1991 Border Agreement, ratified by the Russian Parliament in February 1992 (Iwashita-a, p. 21, p. 25), for having abandoned 1500 hectares to China in the three areas: Lake Khanka, Ussurisk, and Lake Khasan.<sup>7</sup> Nazdratenko's claims both on the Chinese influx and the loss of Russian territory caught the attention and support of the people in the Primorskii Region.

#### **A 'strategic partnership'**

Under this public pressure from the Russian Far East, the two administrations saw advantages in preserving the basic content of the 1991 agreement, lest impossible political difficulty arise on both sides. They exerted efforts to resolve differences over concrete territorial demarcations, in particular regarding the three objections raised by Nazdratenko. But when President Yeltsin visited Beijing in April 1996 just before his second presidential election, the differing positions could not be narrowed and the visit was saved by President Yeltsin's proposal to establish a 'strategic partnership' between the two countries.

The two administrations continued hard negotiations, however, which resulted in the 'Declaration to Conclude the Demarcation of the Eastern Border' in November 1997. The subsequent Protocol was signed in 1999 (Iwashita-b, p. 217). Akihiro Iwashita's analysis indicates that in the area by Lake Khanka 70 hectares went from China to Russia and 90 hectares from Russia to China, the area by Ussurisk went from Russia to China, and the area by Lake Khasan was divided in two: 140 hectares to Russia and 160 hectares to China (Iwashita-a, p. 31, p. 34, p. 40, Iwashita-c, p. 184). China showed particular flexibility in reaching a compromise solution regarding the area by Lake Khasan.

#### **Demarcation of the western border**

Another important issue which President Yeltsin had to deal with was the demarcation of the western border

with China, stretching west from Mongolia. After the demise of the Soviet Union this border should have been demarcated between China, on the one hand, and Russia, Kazakhstan, Kyrgyzstan and Tajikistan, on the other.<sup>8</sup>

Parallel negotiations on border demarcation and confidence-building measures began at the beginning of 1993 in the form of four (Russia, Kazakhstan, Kyrgyzstan and Tajikistan) plus one (China). In April 1996, the five countries gathered in Shanghai and concluded the first tangible agreement on confidence building measures.

Shanghai thus became the symbol of stability and confidence in this China-Russia western border area (Iwashita-a, p. 224). The level of confidence was further raised by an agreement on troops withdrawal from the border, signed by the five countries in April 1997.

Under President Yeltsin, bilateral agreements on border demarcation proceeded successfully between China and the four countries from 1994 to 1999. In Tajikistan, where civil war continued for many years, the first border agreement, concluded in August 1999,<sup>9</sup> left many unresolved issues.

After President Putin came to power, he was quick to continue the good neighbourly policy toward China. The first year of MD discord with President Clinton, and European countries that were not particularly friendly, with the exception of the personal friendship with Prime Minister Blair, Putin had little incentive to slow his policy toward China. The Treaty of Friendship and Good-Neighbourly Relations with China was concluded in July 2001.

The new Treaty governs the basic relationship of the two countries after a twenty-one year interval since the former Treaty of Friendship, Alliance and Mutual Assistance expired in 1980.<sup>10</sup> 'It stopped just short of pled-

6 Russian statistics at Blagoveshchensk regarding border population transfer in 1992 show 618,006 (of which 330,791 are Russian) and 771,008 in 1993 (of which 397,075 are Russian) (Iwashita-a, p. 24).

7 Lake Khanka 300 hectares, Ussurisk 900 hectares and Lake Khasan 300 hectares (Iwashita-a, p. 29).

8 Whereas the Russia-China eastern border runs for 4300km, the western border with China runs for 3150km, comprising Russia (50km), Kazakhstan (1700km), Kyrgyzstan (1000km) and Tajikistan (400km) (Iwashita-a, p. 222).

9 The last unsettled frontier between China and Tajikistan was settled in May 2002 by President Rakhmanov's visit to Beijing. Though the content of the agreement was not disclosed, Tajikistan is said to have agreed to transfer several thousands of square kilometres to China (Iwashita-a, pp. 225-226).

10 That Treaty was in force for thirty years from 1950 to 1980.



**U.S. fighter-jets on a Chinese base during World War II**

(Collectie: IMG/KL)

ging an alliance in case of war over Taiwan or NATO expansion along Russia's borders' (Rozman-a, p. 205). The three islands issue on the eastern border could not be resolved, but Putin downplayed the negative impact of the lingering problem (Iwashita-b, p. 228).

#### **Security threat in Central Asia and the impact of 9/11**

While the CIS Collective Security Treaty had gone through difficulties during the 1990's<sup>11</sup>, the threat by Islamic fundamentalism from south gave genuine cause for security cooperation in the region. The most unstable area among the five Central Asian countries, Tajikistan, gave the greatest reasons for Russian greater involve-

ment. As the result of the civil war in Tajikistan from summer 1992, the 201 Motor Rifle Division and other Russian forces remained in Tajikistan from that point onwards (Yuasa, p. 126).

In May 2001 the Collective Rapid Deployment Force was established by Russia, Kazakhstan, Kyrgyzstan and Tajikistan, and in August of that year each country deployed forces under this joint force. In June 2001, the Shanghai Five became the Shanghai Six when Uzbekistan joined, and a new structure, the Shanghai Cooperation Organization (SCO), was established.

The Shanghai Five transformed itself from a border demarcation and confidence-building organization to a structure that addresses issues of common concern for the leadership of the participant countries, namely, the fight against 'national separatism, religious extremism and international terrorism' (Iwashita-a, p. 126).

Against that background, 9/11 shook all the countries in the region and introduced a much wider security per-

spective than any country had anticipated before.

First, the American involvement in the CIS countries in Central Asia drastically changed the regional security conditions. To start with, these CIS countries welcomed the American presence. Not only did it help each leadership better to control the subversive elements in its society, but also it served as a good balancing element to counter the two neighbouring giants, Russia and China. Russia also supported the deployment of the US forces in Uzbekistan, Kyrgyzstan, Tajikistan and Georgia (BH2003, p. 26). By aligning with the US, Russia saw a superb opportunity to have Russian policy against 'Chechen terrorists' approved by Western democracies. For China as well, as long as US involvement in Central Asia served to maintain and strengthen the status quo in the region, there were no reasons for objections.

Second, 9/11 became another occasion for Russia to deploy more forces in the region. In December 2002, Russia deployed its own air force in Kyrgyzstan with a view to strengthening the activities of the Collective Rapid Deployment Force. President Akaev announced in May 2003 that an airbase for the Russian air force was to be established in July (BH2003, p. 27).

Third, greater Russian involvement in the region might have resulted in a backlash among those countries which preferred more independent development: five countries that do not belong to the Collective Security Treaty established a cooperative organization called GUUAM (Georgia, Uzbekistan, Ukraine, Azerbaijan, Moldova) in 1997; Uzbekistan withdrew from GUUAM in June 2002, while establishing a new Central Asia Cooperation Organization (CACO) in February 2002 with Kazakhstan, Kyrgyzstan and Tajikistan; the CACO summit in October emphasized that countries in the region should take care of their own issues such as trade and

<sup>11</sup> The Collective Security Treaty was concluded in May 1992 but of the 12 CIS countries, Turkmenistan, Ukraine and Moldova did not join it. Uzbekistan, Azerbaijan and Georgia later withdrew from it in 1999. That left Russia, Kazakhstan, Kyrgyzstan, Tajikistan, and one country each from the Caucasus, Armenia, and from the Slavic countries, Belarus in the Collective Security Treaty. Nevertheless, the Treaty developed into an Organization in May 2002.

economic cooperation, regional security, and narcotics (Yuasa, p. 136).

Lastly, in terms of Russia-China relations, in the long run, one might anticipate certain reasons for contention about the extent of the influence Russia and China might like to cast upon Central Asian countries. Conversely, prolonged US military presence could also become a common concern, for precisely the same reason. For the time being, however, the two countries seem to have found a good basis for cooperation in the SCO and elsewhere in Central Asia.

### Global balance of power

Post 9/11 international politics created a complex situation not only in Central Asia but also in other parts of the world. Russia-China relations have to be analysed in this broader context as well:

- First, in relations to the activities of international terrorists and proliferation of WMD, both Russia and China saw a common advantage in preventing them. This gave additional reason for further consolidation of relations between the two Eurasian powers in cooperation with the United States.
- Second, in terms of American unilateralism, both Russia and China shared fundamental concerns, however much the three countries had found a basic convergence of interest against international terrorism. Russia and China, for example, took a similar position regarding the war in Iraq in 2003, condemning Saddam Hussein for the possibility of possessing WMD but favouring strongly the necessity of adhering to the common rules of the United Nations, namely the UN Security Council decisions.

- Third, in relation to the MD issue, both Russia and China had security concerns over the American initiative in creating a new MD system. Though for Russia it was more an issue of NMD in conjunction with Russia's retaliation capabilities, for China it was more an issue of TMD with strong implications for Taiwan's defence capability.

The factors as described above provide good explanations for the fact that the positive tone of cooperation between Russia and China did not change after 9/11. The Joint Declaration adopted at President Putin's visit to Beijing in December 2002 just after the establishment of the new leadership in China amply demonstrated this point (Iwashita-b, p. 208). Mr. Iwashita further makes an interesting remark that their concern against defence structures 'based on blocs' was particularly emphasized in this Joint Declaration. It clearly implies their common concern against US MD initiatives which might be enforced at the exclusion of Russia or China (Iwashita-b, p. 215-216). As one of the first messages coming from the newly formed government after the Presidential election in March 2004, Foreign Minister Lavrov clearly supported the Chinese position in his warning against Taiwan's possible 'regional missile defence on a bloc basis'.<sup>12</sup>

### Economic relations and arms trade

One more aspect has to be touched upon from geopolitical perspectives regarding these two giants on the Eurasian continent: trade, notably arms

trade, energy supply and railroad construction.

In 2001 Russian total official trade with China amounted to 7.1 billion dollars ranking China as the country's sixth trade partner after Germany, Belarus, Ukraine, Italy and the USA (see Table 3).

Arms sales from Russia to China occupy a conspicuously important place in the trade figures. Su-27 fighter aircraft, Su-30 fighter aircraft, Sovremennyy-class destroyers, and Kilo-class submarines are the major items (BH2003, p. 28, p. 59), and it is said that arms export to China now comprise 40% of Russian exports to China (Iwashita-b, p. 222). The weight of Russian arms sale could be even more strongly felt when we look into the figures on the Chinese side: of \$6,124 billion weapons import from 1990 to 1997, \$5,342 billion (87%) came from Russia (Sergounin & Subbotin, p. 72).

Russians seem to have good reasons to expand their arms trade. The total amount of the arms trade in the Russian export figures was \$4.4 billion in 2001 (BH2002, p. 30), \$4.8 billion in 2002 (BH2003, p. 28), and \$5.57 billion in 2003 (IHT, 2004-03-02). The first reason must be economic and domestic, that weapons are a lucrative export, ranking second after natural resources. It introduces substantial foreign currency and more importantly helps strengthen Russia's industrial production capability.

But Russia's selling of weapons cannot be limited to economic reasons

**Table 3: Russia-China Trade (from Russian sources, billion dollars) (Kasai, p. 74)**

	1992	1995	1996	1997	1998	1999	2000	2001
Total	4.7	4.3	5.7	5.3	4.4	4.4	6.2	7.1
%	4.9	3.4	4.3	3.8	3.8	4.3	4.5	5.0
Export	2.9	3.4	4.7	4.0	3.2	3.5	5.2	5.5
Import	1.8	0.9	1.0	1.3	1.2	0.9	0.9	1.6

<sup>12</sup> Lavrov also supported China in warning Taiwan's referendum as being counter-productive (IHT, 2004-03-19).

alone. The second reason must be external, that selling weapons to a foreign country helps establish a strong bond with the recipient country. Interdependence, if not dominance, could well be developing. In this context, it is interesting to note that Russia's major weapons recipients, up to the level of 80%, are China and India, the two most developing economic giants on the Eurasian continent (Kasai, p. 90).

Given the booming growth in China's economy and the visible increase in its political influence, simple balance-of-power considerations from a realist view of international relations suggest that it is not in the interest of Russia to have a militarily strong China. Russia probably sees more immediate and tangible benefits in expanding arms trade with China, however. It strengthens the relationship and brings the two militaries closer, and, most importantly, it sustains arms production.

#### **Energy supply and railroad construction**

In terms of energy supply and railroad construction, Russia and China seem to be entangled in a complex competitive situation. Whatever the conclusion, these issues have a magnitude large enough to shape the geopolitical map of East Asia. Over the 1990s a new possibility of supplying East Siberian natural gas and oil to China began attracting the attention of politicians, experts and analysts.

The first project debated is the exploitation of Kovikta gas near Irkutsk, with an annual production of 20 billion cubic metres requiring \$10 billion in investment for exploration and pipeline construction. The natural gas would meet growing energy demand in China and South Korea, but the

financial shortfall for proceeding has not been resolved (Iwashita-b, pp. 221-222).

The second project is the exploitation of the Angarsk oil field also in the vicinity of Irkutsk. China opted for the establishment of a pipeline from Angarsk to Daqing, a distance of 2400km at a construction cost of \$1.5 to 2.8 billion (JMOFA) that would enable the transport of 600,000 B/D. Establishing this pipeline would bring about a closer geopolitical linkage between Russia and China. Japan's offer, however, on the Angarsk-Nakhodka pipeline has opened an entirely new situation, whereby China and Japan compete for Russian energy. This new situation gives Russia a new strategic geopolitical opportunity, but a decision to favour Japan's supported pipeline raises a possibility of hurting the bilateral relationship with China.

The question of linkage of a railroad in the Korean Peninsula with the trans-Siberian railroad puts Russia in a competitive position with China. A combined Korea could have the strategic leverage of establishing a railroad into the depths of the Eurasian continent with the risk of hurting relations either with Russia or China.

#### **'Positive dynamics' between China and Russia**

All in all, in the fifteen years since Krasnoyarsk, Russia has done a rather remarkable job in improving its relations with China, overcoming its border dispute, establishing the SCO, identifying common interests in combating international terrorism, finding common cause against US unilateralism and opening new economic opportunities in arms trade and energy cooperation.

Therefore, it is again not surprising to see that in the ARF 2003 Paper, Russia-China relations are exclusively mentioned as one of the 'positive dynamics in bilateral relations between the leading regional powers'.<sup>13</sup> It is also noteworthy that the SCO is proudly introduced as a successful

example at the sub-regional level to combat terrorism 'in strengthening the security and stability in Central Asia' and that it may 'become one of the key elements of the architecture of the multilateral regional cooperation'. In relation to the 'bloc basis' of TMD, the matching of the words 'bloc basis' in the ARF 2003 Paper, the Russia-China Joint Declaration of December 2002 and Foreign Minister Sergei Lavrov's statement in March 2004 quoted above cannot be coincidental. These examples strengthen the impression that Russia and China have a common interest in this issue of strategic importance.

However good the current relations are, and however much there is a prospect that the present situation may continue for many years, geopolitical sensitivity between the two countries cannot be denied. It is impossible not to notice China's growing economic might and its growing political influence. A militarily strong China, possibly with a unified Taiwan, may not suit Russia's geopolitical interest.

The energy option now opened for Russia could turn into complex geopolitical tensions if handled inappropriately. China continues to be regarded as the second country of geopolitical concern for Russia, but from a totally different perspective than on the days of the Sino-Soviet conflict during the Cold War.

#### **Japan**

Japan-Soviet relations after Gorbachev assumed power in 1985 began moving dynamically with Foreign Minister Shevardnadze's visit to Japan in January 1986 and the reciprocal visit by the Japanese Foreign Minister Shintaro Abe in May 1986. But when the relationship had only just started to warm, it was put back in the freezer from the Autumn of 1986 until the Spring of 1988.

Japan's accession to SDI and the leak of submarine-related classified infor-

<sup>13</sup> Improved US-China relations and the signing of China-ASEAN Declaration on the Conduct of Parties in the South China Sea in November 2002 are specifically quoted and commended as well.



**Exercise Forest Light is a bi-lateral training exercise between the United States Marine Corps and the Japanese Ground Self Defense Force. The exercise took place in Hokkaido, Japan (2001) and combined cold weather training with bi-lateral training** (Foto: U.S. Marines Corps; collectie: IMG/KL)

mation to Russia by Toshiba are some of the reasons for this deterioration of the relationship, but the total absence of human channels to prevent the worsening of the relationship must be pointed out as well. The Krasnoyarsk speech was delivered at the time when the relationship had began to warm up again. The tone of the speech therefore sounds optimistic, though there were as yet no concrete ingredients.

#### **Territorial negotiations**

Territorial negotiations between Japan and Russia were based on somewhat different conditions compared to the Russia-China territorial issue. Although in both cases, the two sides claimed sovereign rights over territories held by the other, both had complex historical claims and peoples on both sides were highly emotional about their cause, three differences

made Japan-Russia negotiations more difficult.

First, the debate concerning the accuracy of the Russo-Chinese border goes back to the treaties concluded between Tsarist Russia and Qing Dynasty in the 19-th century. The matter is emotional and historic but it does not date from the first page of contemporary history between the two countries. The territorial issue between Japan and Russia concerning the four islands, on the other hand, is the direct result of WWII, which can be considered as the very first page of contemporary relations. This issue goes to the heart of victim consciousness in Japan. The matter is therefore highly emotional and very complex.

Second, the Sino-Soviet border dispute is more real in the sense that it

led to real warfare in 1969 and that protection of the border became the key factor in the huge influx of Chinese population into the Russian Far East in the early 1990s. Resolution of the border issue is a practical necessity. Japan on the other hand, right from the beginning of the negotiations, was completely denied the use of military force in the negotiations. The 'encroachment' of Japanese fishing vessels had not created a real security threat for Russia. More importantly, the negotiations had become a matter of face and honour for the Japanese. Neither side found little reason for a compromise solution.

Third, the role of media was totally different. Russia-China border negotiations were sometimes conducted under total secrecy. The content of the 1991 agreement was not disclosed

until 1993 (Iwashita-a, p. 25). In Japan-Soviet/Russia negotiations such secrecy was unimaginable.

The media was prepared to report everything even before a proposal had been made to the other side. Holding quiet negotiations, which was necessary if results were to be achieved, often became very difficult for both sides.

Gorbachev visited Japan in 1991 when virtually all of his foreign policy agenda had been accomplished except for Japan. His political stature in the country had been so weakened by then that the maximum concession he brought to Japan was a written acknowledgement that the four islands were the subject of the negotiations.<sup>14</sup>

In the period immediately following the demise of the Soviet Union, President Yeltsin apparently launched an unprecedented confidential concessionary proposal in the Spring of 1992, which Japan did not accept (Rozman-b, p. 6). This was followed by cancellation of his visit in the autumn. The visit eventually took place in 1993, but the negotiations then stagnated for four years. In November 1997, Yeltsin proposed the conclusion of a Peace Treaty by 2000, but an unprecedented concessionary proposal by Japan in April 1998 was not accepted by Russia.

The first year under Putin brought about probably the most promising period of negotiations, as the result of

which in March 2001 Russia acknowledged its obligation under the 1956 Joint Declaration.<sup>15</sup> Japanese negotiators' readiness to talk about the fate of the two larger islands 'without any pre-conditions' might have sent a positive sign to the Russian side, and the possibility of discussing the fate of those larger islands in earnest almost emerged. Internal turmoil in Japan, which followed immediately, virtually closed down the negotiations for another three years.

Russia's move toward a compromise was due to several reasons: Japan's insistence on the necessity of resolving this issue based on some historical facts might have led Russians to think about it; Japan's economic power as a potential partner for the development of Far Eastern economy was one incentive for Russia; Japan's political role in East Asia was another incentive, in fact Japan had already played an important role in accepting Russia as a member of the Asia-Pacific community; for Putin, relative cooling in relations with America and Europe combined with a sense of achievement in relations with China might have given him the willingness to explore the last 'unfulfilled' frontier of Russian geopolitical objectives.

As the negotiations were virtually suspended in spring 2001, what remained thereafter were just the reconfirmation of the existing rights and obligations and the identification of the scope of the negotiations. From the point of view of those who wished to exploit in full the potential of Russia-Japan relations, that situation was far from satisfactory.

In comparison to the situation in 1988, however, the present situation for Russia may not be that bad at all. Indeed, 15 years of negotiations have resulted in several positive outcomes for the Russians, even within the limited scope of the territorial negotiations. The collapse of Japan's position after 2001 might indicate that Japan will keep this issue on the agenda without really pressuring Russia; even if

Japan begins pushing Russia again for a resolution, Russia might find itself in a position of moral superiority because it was Japan which backed away for internal reasons at an important point of the negotiations. 'No-visa exchanges (1991)' and 'fishing based on trust (1998)' are contributing toward better control of the situation. But probably the greatest change which occurred in these fifteen years was that the two countries began identifying a much wider and deeper convergence of interests in both security and economies.

### Security relations

During the Cold War, Japan was invariably seen by the Soviet Union as an indispensable partner of its arch-enemy, the United States. The primary objective of Soviet policy toward Japan was therefore to drive a wedge between Japan and the US. From the Japanese side, in addition to the territorial problem, Cold War logic and the Soviet Union's persistent attempts to drive a wedge between Japan-US relations created a serious barrier against anything related to security cooperation with the Soviet Union.

The first sign of change probably emerged in 1989 when Foreign Minister Shevardnadze stated that the Japan-US Security Treaty and Japan-Soviet Peace Treaty are compatible. And then, Gorbachev's visit to Japan changed the situation substantially. From the Japanese side, that deep sense of mistrust which prohibited any security exchanges started to melt. Policy planning talk between the two administrations, where representatives of foreign and defence policy joined from each side began in 1992 and talks at the level of defence ministries in 1996. For the JDA, Russia has gradually become one of the major dialogue partners.<sup>16</sup>

Nineteen-ninety-six became the watershed year in bringing defence exchanges to a higher level. The Japanese Director-General of the Defence Agency made the first visit of a Japanese Cabinet-level Defence represen-

<sup>14</sup> The 1956 Joint Declaration specified that the two smaller islands were to be transferred to Japan after the conclusion of the Peace Treaty, but Japan insisted also the return of the two larger islands. Since then the negotiations turned around the issue of two (smaller) versus four (including the two larger).

<sup>15</sup> In 1960 when Japan revised the Security Treaty with the USA, the USSR denied its obligations to transfer two (smaller) islands until all foreign troops were withdrawn from Japan.

<sup>16</sup> Policy planning talk has been conducted four times and defence agencies talk three times (BH2003, p. 228).

tative to Russia in the history of Japanese-Russian bilateral relations, and a Japanese MSDF escort ship visited Vladivostok after an interval of 71 years (SS, 1996-07-08). Since then ministerial visits and port visits are conducted on a regular basis.

Japan also played a key role in accepting Russia as a member of the multi-lateral community. Prime Minister Hashimoto's decision to accept Russia as a member of the G8 in Spring 1997 was an important sign of Japan's growing flexibility. In the Asia-Pacific Region, Hashimoto also played a key role in deciding to include Russia as a member of APEC in Autumn of that year.

In facing the Korean nuclear crisis from October 2002, Russia and Japan shared a common interest in not allowing the nuclearization of the Korean Peninsula. In achieving this objective, both countries found common interest in establishing the six party talks in August 2003.

But there is another side to the security issues between the two countries. Largely due to the emerging North Korean threat, Japan decided to start its TMD program. It is clear that Japan's TMD is not directed against any Russian threat and Russia seems to stay quiet vis-à-vis this new development. Does this silence really mean that Russia does not consider Japan's decision to be a part of 'bloc basis' approach, which it has so far criticised so loudly?

#### Economic relations and energy cooperation

The most conspicuous change which took place in Japan-Russia economic relations was the implementation of Japanese assistance to Russian reform. Probably because the timing of this commitment was made somewhat later than other Western countries, it

**Table 4: Japan's Assistance Committed to the Russian Federation<sup>18</sup> (\$ million, December 2002)**

Grants		
Human assistance and others	669	
Technical assistance	320	
Grant total		989
Loan Assistance		
Export Credits	1,200	
Trade Insurance	2,900	
JBIC untied loans	1,500	
Loan Assistance total		5,600
Total		6,589

might not have left a strong impression worldwide, but the assistance was the result of a political decision and organizational efforts on the Japanese part, and it ranks third in bilateral assistance after Germany and the United States (see Table 4).

Among others, Japan's assistance in dismantling retired Russian nuclear submarines is one of the key projects which will contribute to greater security in the region. In June 2003, an agreement was signed for the implementation of this project.<sup>17</sup>

Despite government efforts in assisting Russian reforms and enhancing trade and investment, Japanese business stayed cautious in becoming closely involved in Russia at a time when its economic system was in chaos. The trade figures are shown in Table 5. Japan ranks only as Russia's 14<sup>th</sup>-largest trading partner in 2001. The low figure of Russia's imports (Japan's exports) may be showing this caution in particular.

One area, however, has constantly attracted Japanese business interest: energy and natural resources. Since the 1970s, Japan had been engaging in the exploitation of Siberian coal, gas, oil and timber resources. One project stands out today: the Sakhalin continental shelf oil and natural gas project. It began in 1975 and was estimated to include 2.5 billion barrels of oil and 421 billion cubic metres of gas, at an estimated cost of \$15 billion. It was regrouped in 1993 with SODECO (Japan), EXXON and a Russian consortium; Sakhalin Two began in 1991 with an estimated figure of 1 billion barrels of oil and 392 billion cubic metres of gas and the development cost of \$6 billion to \$10 billion. Marathon, McDermott, Mitsui, Mitsubishi, Shell and Russian Petroleum are involved (Green, p. 159). Although Sakhalin One started earlier, in the 1970s, Sakhalin Two is making faster progress.

In 2003, the consortium of investing companies (Sakhalin Energy) decided

**Table 5: Russia-Japan Trade (from Russian sources, billion dollars) (Kasai, p. 74)**

	1992	1995	1996	1997	1998	1999	2000	2001
Total	3.4	4.0	3.9	3.9	3.0	2.7	3.3	3.2
% of whole	3.5	3.2	3.0	2.8	2.6	2.6	2.4	2.3
R. Exports	1.7	3.2	2.9	2.9	2.2	2.2	2.8	2.4
R. Imports	1.7	0.8	1.0	1.0	0.8	0.5	0.6	0.8

<sup>17</sup> <http://mofa.go.jp/mofaj/area/russia/kankei.html> 2004-02-14



**Exercise FOREST LIGHT 99 was the first time U.S. Marines trained with Japanese Ground Self-Defense Force (JGSDF) infantrymen in Japan. About 500 troops from each country took part in ten days of bilateral training**

(Foto: U.S. Marines Corps; collectie: IMG/KL)

to make a \$10 billion investment in the second phase of the project and Japanese electric companies concluded long term LNG contracts so as to import LNG from Sakhalin Two for 20 years beginning in 2007 (JMOFA).

#### *Angarsk oil*

Another project which is attracting considerable interest is Angarsk oil mentioned above. Japan came up with a proposal to establish a 3,900 km-long pipeline between Angarsk and Nakhodka across the northern part of Lake Baikal to transport 1 million B/D with an overall cost of \$5 to 8 billion (JMOFA). This pipeline would enable Russia to export oil to all the countries along the Pacific Rim. 'For Russia, it is a choice of inland Asia or engagement with the Western Pacific. This will allow Russia to export oil not only to Japan, also it will open markets to Korea, Southeast Asia, even the West Coast of the United States'. Toyohisa Kohzuki, director of

the Russia division in Japan MOFA argues (NYT, 2004-01-23).

The strategic benefit to Russia of the establishment of the pipeline looks substantial. The pipeline would give a boost to economic development in Eastern Siberia. It creates a powerful economic bond not only with Japan but also with all countries on the Pacific coast. Considering China's interest in the Daqing route, however, a difficult and delicate balancing of strategic and economic interests emerges.

The Russian government made a Cabinet decision in May 2003 to make the Nakhodka route its major line and the Daqing route a branch line. But the real issue is whether the oil reserves in Angarsk would be sufficient to cover the demand of both the Nakhodka and Daqing routes. Whatever the choice, thanks to the East Siberian oil pipeline, Russia now has an opportunity to make an impor-

tant strategic decision which could affect the geopolitical situation of East Asia.<sup>18</sup>

#### **Unresolved problems**

Again, in the ARF 2003 Paper, Russia-Japan relations are exclusively mentioned in commending their 'positive dynamics in bilateral relations between the leading regional powers.' Having dynamic economic relations through energy cooperation, steadily increasing exchanges and contacts in the defence community, following a 'wait and see' attitude in the territorial negotiations, all make current security relations with Japan rather comfortable for Russia.

On a long-term basis, however, Russia is still a country which the Japanese are not really fond of. The Northern Territorial problem is still

<sup>18</sup> [http://www.mofa.go.jp/mofaj/area/Russia/shien/s\\_jiseki.html](http://www.mofa.go.jp/mofaj/area/Russia/shien/s_jiseki.html) 2004-02-28



unresolved, and Japan's growing sense of self-assertiveness could become a source of anti-Russian feeling. Already a group of politicians, ex-ambassadors, and opinion leaders sent a letter of warning to Prime Minister Koizumi not to mislead Russia into thinking that Japan had shelved the territorial problem (Hakamada).

Thus with some dark clouds on a very distant horizon, with Japan's economic power still among the largest in the world and its growing self-assertiveness in global matters of peace and security, Japan continues to be the third geopolitical concern for Russia.

### **Korean Peninsula**

During the Cold War, the Soviet Union developed relations with the North exclusively and did not maintain any relations with the South. The Sino-Soviet split cast a complex shadow on the relationship between the Soviet Union and North Korea, however. There had been a natural expectation in China that North Korea would support it in the growing Sino-Soviet rift: historical ties between China and Korea go back centuries; the Chinese thought Maoist ideology should have been considered the mainstay of socialism and not Khrushchev's revisionism; and China had fought together with the North during the Korean War.

North Korea basically followed this path but it also followed a policy of equidistance between the two socialist giants, so that it would not be unduly subordinated to China. The Soviet Union appreciated this policy, but at the same time, it also became increasingly uncomfortable because of North Korean totalitarian-militarism and its peculiar paternalistic society.

<sup>19</sup> China and South Korea established diplomatic relations on 24 August 1992.

In this complex situation, Kim Il Sung visited Russia in 1984 after an absence of 17 years and received a new assistance package from the Soviet Union, including missile development technology. North Korea's reluctance in being pressured by China to follow a more open economic policy and Russia's fear of seeing North Korea drifting toward US-China prepared the ground for this visit (Koizumi, p. 109). But Gorbachev's *perestroika* policy substantially alienated North Korea more than Chinese 'reform and opening' policy.

The Krasnoyarsk speech was made in the situation when relations with the two Koreas, one in a low key and one still virtually non-existent, were at a crossroads. North Korea was just mentioned in the context of improved relations with the South, whereas South Korea was explicitly mentioned with some positive evaluation regarding possible development of economic relations.

#### **Relations with South Korea develops**

Relations with South Korea changed dramatically after the establishment of diplomatic relations on 30 September 1990. 'In 1991-96, the average annual growth rate of Russian exports to South Korea was 40-45 percent, and by 1997, the turnover was \$1.8 billion' (Supian & Nosov, p. 91). In the security area, exchanges at the level of Ministers of Defence began at the end of the 1990s (BH2003, p. 54).

South Korea, despite its initial commitment of a \$3 billion economic package and visible efforts by business circles in expanding investment and trade to Russia in the middle of the 1990s (Rozman-a, p. 211, p. 213), did not bring about major assistance to the Russian economy during its most difficult time of transition. Viktor Pavliatenko indicates that this limitation is due to 'Russia's economic problems and Seoul's disillusionment with the loss of Russian influence on Pyongyang's policy' (Pavliatenko, p. 35). This positive but moderate



trend of relations with South Korea basically continues.

#### **Relations with North Korea, from downhill to uphill**

Relations between the Soviet Union/Russia and North Korea were much strained after the establishment of SU-South Korea diplomatic relations. It is not difficult to assume that North Korea was profoundly offended by the unilateral opening of the relationship at a time when North Korean relations with Japan or the United States were far from advancing.<sup>19</sup>

In 1992, North Korea stopped servicing its debt to Russia which totalled \$4 billion. The turnover of trade decreased from \$311 million in 1992 to \$85 million in 1997 (Supian & Nosov, p. 93). Perhaps Russia was most offended by the fact that the first



**The Japanese Maritime Self-Defense Force (JMSDF) destroyer Haruna (left) receives an underway fuel replenishment along with the carrier USS Kitty Hawk during Keen Sword 99**  
 (Foto: U.S. Navy; collectie: IMG/KL)

stok. Putin seems to have had two clear strategic objectives in attending these meetings.

The first objective was to introduce greater 'accountability' to North Korean missile development. Putin's statement in Okinawa that North Korea might reconsider its long-range missile development programme if any other country would assist with North Korean satellite projects attracted worldwide media attention. Given Putin's preoccupation with minimizing American TMD initiatives, it makes sense for Russia to contain the North Korean missile program as much as possible.

*Linked railroads*

The second objective was to gain greater leverage in influencing the major course of actions in the Korean Peninsula. The traditional carrot of oil and weapon sales could be one avenue (Rozman-a, pp. 212-213). Another approach is to engage in projects that have geopolitical importance for Russia as linking and evolving North-South railroad with the Russian Trans-Siberian railroad. In that matter, however, Russia has had a formidable competitor from the very beginning, China. Following the North-South summit meeting between President Kim Dae Jung and Leader Kim Jong Il, the two Koreas had already agreed to link their railway lines between Seoul and Sinuiju, which is a border town on the North Korean frontier with China (BH2002, p. 49).

That line is a natural future connection to link the Korean Peninsula with the Chinese market. Russia had contemplated the establishment of a different railroad linked to the Russian

nuclear crisis in 1993 and 1994 was handled and resolved by America alone, and that Russia was entirely left out even to the extent that it could not join the KEDO operation.

Pavliatenko argued in his article that there were no sound reasons for the gathering of four parties in 1996: America, China, North and South Korea. The fact that the four parties are those which actually participated in the 1950-53 Korean War is not sufficient to create this format. Pavliatenko's rejection of that format shows the frustration of Russian intellectuals that Russia was being left out of key decisions regarding the fate of the Korean peninsula in the 1990s (Pavliatenko, p. 35) completely.

**A new treaty**  
 Towards the end of Yeltsin's presiden-

cy, Russia and North Korea began to remedy the situation: Russia intended to stay relevant in the decision-making process concerning important security issues related to the peninsula; North Korea wanted to break its isolation. In 1995, Russia proposed a new Treaty of Friendship and Good Neighbourly Cooperation to replace the old Treaty of Friendship, Cooperation and Mutual Assistance signed in 1961. The new treaty was initialled in March 1999 and signed in February 2000 (Koizumi, p. 110).

President Putin took considerable initiative to move the relationship forward. He visited North Korea just prior to the Okinawa Summit in July 2000. Kim Jong Il reciprocated with his 24-day train trip to Moscow in July-August 2001. The third meeting was held in August 2002 in Vladivo-

Trans-Siberian railroad from Pusan (Rozman-a, p. 213) or from Seoul through Wonsan, a port located on the east coast of North Korea (Koizumi, pp. 111-112). The China and Trans-Siberian lines are not mutually exclusive; to the contrary, they should be complementary. Considering the limited amount of resources in North Korea, however, if Russia wants an early establishment of a Siberian linkage, then there is a dire need for Russian investment and active cooperation with the North. Vladimir Volkov writes: 'Hence Putin's statement in Vladivostok in August 2002 that Russia must help in constructing a Trans-Korean rail network, if only because China would do it otherwise' (Volkov, p. 2).

#### *Diplomatic game*

It is interesting to note that the uphill development in Russia-North Korea relations exactly coincided with North Korea's rather remarkable diplomatic success during this period, including, historic North-South Summit Meeting in June 2000, three consecutive China-North Korea Summit Meetings in May 2000 (Beijing), January 2001 (Shanghai) and September 2001 (Pyongyang); diplomatic recognition by major European countries in 2000 and 2001<sup>20</sup> and finally Prime Minister Koizumi's visit to Pyongyang in September 2002. These events show that not only President Putin, but his counterpart Kim Jong Il has been playing a skilful diplomatic game, in search of regime preservation, economic development and the end of isolation.

#### *Nuclear weapons*

In October 2002, however, when North Korea's intention to possess nuclear weapons was revealed, everything that had been achieved by North Korea up to that point collapsed. Putin's effort in introducing greater transparency over the Korean missile program also disintegrated.

<sup>20</sup> Italy and the UK in 2000, the Netherlands, Belgium, Spain, Germany, Luxemburg, Greece and the European Union in 2001.

The United States first reacted harshly to this open violation of the framework agreement demanding squarely the dismantling of the nuclear program in a verifiable manner, while rejecting any negotiations before North Korea fulfilled its obligation. But after the war in Iraq ended and North Korean talks still faced a deadlock, the American administration gradually accepted some kind of multilateral talks.

Given the extreme danger which an attack would cause to the security of the Korean peninsula and surrounding countries, a negotiated settlement was desirable. A multilateral approach was compatible with the declared American position that America as such would not negotiate with North Korea unless and until North Korea proves that it has observed all international obligations. A multilateral approach was also conducive for letting the surrounding countries bear the burden of negotiating with, and convincing, North Korea. Thus by summer 2003, Japanese newspapers were filled with possibilities to hold three (US, North Korea, China), four (plus South Korea) or five (plus Japan) party talks. Very few reports indicated a possibility of six-party talks, including Russia.

#### *A double disaster*

For Russia it was a double disaster. North Korean nuclearization brought about serious destabilization of the situation in the Korean Peninsula. Although the nuclear weapons might not be directed at Russia, nuclear weapons in the hands of a despotic and eccentric ruler were not in the Russian security interest. Furthermore, if any denuclearization talks took place without Russian participation, Russia again would become irrelevant in determining a security matter which directly touches upon Russian geopolitical interests. There is no doubt that many unreported behind the scene contacts took place.

Thus on 31 July 2003 it was none other than the Russian Foreign Ministry which officially announced that



**Secretary of Defense Donald H. Rumsfeld is greeted by Ambassador Purnell and Minister of Defense Kodir Ghulomov as he arrives in Uzbekistan in February 2004. Rumsfeld is visiting the Southwest Asia area to visit troops deployed to the region and to meet with local civilian and military leaders**

(Foto: U.S. Department of Defense, J. Morrison Jr.; collectie: IMG/KL)

North Korea accepted the format of six-party talks to discuss the issue of nuclear development (AS, 2003-08-01). Since then Russia has become an integral member of the six-party talks. Russia's position was clear to strongly urge the dismantling of any nuclear weapons from the peninsula and to urge that these objectives should be achieved by negotiations and dialogue.

#### *Future challenges*

We may conclude that the Russian position now in relation to the Korean peninsula looks much more comfortable than 15 years ago. Russia has normal relations with South Korea and a role to play in influencing North Korea, both bilaterally and through the six-party talks. Thus the ARF 2003 Paper just describes that the Korean nuclearization issue is the most destabilising element in the region and states that 'Russia cannot accept both the perspective of nuclearization of the Korean peninsula and solution of the DPRK nuclear issue by force'. Based on this reasonably comfortable security situation, Russia has several worthwhile challenges. To play a use-

ful role in overcoming the North Korean nuclear issue is a challenge. Another challenge is to deal with growing Chinese political and economic influence over the peninsula. Though historically and geographically China has always been much closer to the Korean Peninsula than Russia, Russia may be facing tough competition on such issues as the rapidly developing economic ties between China and South Korea, or railroad construction to link the North-South Korean Railroad with Europe. Korea thus remains the fourth area of geopolitical concern for Russia.

### Conclusion

All in all, Russia's security position in East Asia does not look bad at all.

Russia is not facing any major security threat in East Asia, as it had faced in the United States or China during the Cold War days. In relation to the greatest current security threat in the region, North Korean nuclearization, Russia is well incorporated into the regional common efforts to block it.

In this relatively comfortable situation, if one summarises mid-to-long term security concerns for Russia in East Asia, three observations could be made.

- First, from Russia's geopolitical perspective, the United States still emerges as the central concern for Russia. In addition to such thorny issues as the MD program, the War in Iraq, Russian autocratic democracy, the sheer military, political,

and economic power of the United States compel it to maintain this concern. But Russia-US relations are best looked at from global perspectives, from Atlantic, Middle Eastern and Pacific points of view.

- Second, from regional perspectives in East Asia, it is China to which Russia has natural reasons to pay close attention from its geopolitical security concern. For the time being, what Russia and China have achieved in the past decade in resolving territorial demarcation, establishing a cooperative scheme in Central Asia such as SCO, developing a steady channel of arms trade, and taking a common position toward MD are rather remarkable. But China's growing economic and diplomatic power cannot go unnoticed. Economic projects in energy, railroad, and trade could result in competition with other partners in the region, such as Japan and Korea. Situations in Central Asia, Mongolia and the Russia-China border might, if the present cautious direction on both sides fails to continue, be another potential area of future tension.

- Third, Japan and Korea could play an important role for Russia in striking a good geopolitical balance in the region. Present relations with these countries are not bad, and Russia has good reasons to continue the current policy. But in the mid-to-long term perspectives, both Japan and the two Koreas may become important for Russia to strike a good balance vis-à-vis growing influence of China. Real consolidation of relations with Japan through the resolution, even on a step-by-step approach, of the territorial problem could strengthen foreign policy leverage for Russia. Since Korean instability does affect Russian security, the current nuclear crisis and future uncertainty regarding unification give Russia further incentives to play a constructive role in matters related to the Peninsula.

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