
28. The evolving security environment in Asia: its impact on Russia

Jonathan D. Pollack

I. Introduction

As the 1990s draw to a close, Russia is still in quest of a viable, fully accepted role in Asia. A daunting array of uncertainties and pressures continue to stymie full realization of its political and strategic objectives relative to the region, which is increasingly central in global politics, economics and security. Its acute economic and political vulnerabilities, the continued preoccupations of the leadership with stability in the border areas, the competing geopolitical impulses in the internal policy debate, the highly problematic status of Russia's military forces and its constrained role in Asian economic dynamics and technological development are all inhibiting factors. Russia, although an important partner for various neighbouring states intent on diversifying their political and security options, is labouring under greatly diminished strategic significance. Its ongoing domestic crisis does not make it irrelevant to regional security but it does constrain the country's policy opportunities in Asia. Russia needs, first, a fundamental political–security transformation within the region; second, a major political and economic breakthrough with one or more regional powers; and third, a profound and lasting internal transition. None of these appears likely at present.

However, Russia has been able to establish the main dimensions of its post-imperial foreign and security policy in Asia, especially during Yevgeny Primakov's tenure as Prime Minister. These include the pursuit of multipolarity as a strategic objective; non-adversarial relations with all regional powers, including security and confidence-building agreements with former political–military rivals; enhanced collaboration in energy development; and an increased role in arms sales and technology transfer, especially to China and India. None of these policies represents a strategic solution for Russia in Asia but they constitute an important set of leadership goals relative to Russia's longer-term political, economic and security interests. There are, however, inherent limits to such objectives unless Russia's ties with the major economies of East Asia are significantly broadened and deepened. At the same time, some leading Russian strategists foresee potential longer-term risks to the state's security interests in the growth of Chinese and Japanese military power.¹

¹ See, e.g. Arbatov, A. G., 'Military reform in Russia: dilemmas, obstacles, and prospects', *International Security*, vol. 22, no. 4 (spring 1998), esp. pp. 91–92.

The US–Russian political–security relationship in Asia and the Asia–Pacific region is conspicuous by its absence from this policy agenda. This is no small irony, given the extent to which the political–strategic rivalry characterized superpower relations in Asia in the past. Although Russia and the USA retain a periodic consultative role in Asia–Pacific diplomacy, the frequent divergencies between their security agendas are telling. Russia’s exclusion from deliberations related to the future of the Korean Peninsula; US efforts to deny Russia entry into the military markets of US regional allies such as South Korea; US encouragement of Central Asian energy development while playing down the Russian role in this; and the USA’s efforts to retain strategic predominance in the western Pacific all highlight the diminished position of Russia in US regional security calculations. Although the United States officially endorses an enhanced Russian role in cooperative approaches to regional security, these statements seem largely pro forma, with Russia relegated to a subordinate strategic position.² NATO expansion, although it affects Russian security interests in Asia and Asia–Pacific mainly indirectly, lends support to this conclusion.

These judgments do not suggest that Russian–US relations in Asia even remotely approach a return to the adversarial circumstances of the cold war. However, even as a diminished major power, Russia has few incentives to mortgage its long-term national security interests to the vicissitudes of US policy in the absence of greater clarity in longer-term US policy goals. These circumstances highlight the absence of common understanding between Russia and the United States on the future of Asia and their roles in it. This mutually reinforcing strategic neglect is a corollary of the larger erosion of US–Russian relations. Although senior US officials acknowledge the dangers posed by an incapacitated Russian system in which central authority is gravely weakened, both countries increasingly seem to expect less from one another.³ Even as Russian leaders chafe under their country’s diminished stature in US eyes, Russia’s acute political and economic uncertainties represent a far more urgent and pervasive concern to the leadership.

In relative terms, the potential threats to Russian security interests in Asia seem manageable, at least at present. Russia does not face a direct challenge to its core national security interests from any regional power. The resumption of non-adversarial relations with China and more recent efforts to enhance political and security relations with Japan are especially significant in this regard. The longer-term outlook, however, seems more unsettled. Although the region is not experiencing an imminent political–military crisis or active military hostilities, there are latent possibilities of strategic change that would affect the security interests and calculations of Russia as well as the United States. Beneath a veneer of common interests that seem to be largely shared by all the

² For a recent US statement on Russia’s role in regional security, see *The United States Security Strategy for the East Asia–Pacific Region* (US Department of Defense, Office of International Security Affairs: Washington, DC, Nov. 1998), pp. 41–42.

³ Israelyan, V., ‘Russia at the crossroads: don’t tease a wounded bear’, *Washington Quarterly*, vol. 21, no. 1 (winter 1998), pp. 47–65.

major powers (i.e., economic and social well-being, the unimpeded movement of goods and resources within and through the region, the prevention of a major arms build-up, the avoidance of military conflict and support for multilateral security initiatives), numerous political and strategic developments could disturb the prevailing status quo, potentially in important ways.⁴

No single factor defines the prospect of strategic realignment or of a major political–military crisis, but considered as a whole the range of issues is substantial and potentially quite worrying. In addition to the repercussions of the financial upheaval that has enveloped East Asia since the summer of 1997, these factors include: (a) the prospect of Korean reunification or of serious instability within North Korea that could spill outward; (b) the regional consequences of accelerated North Korean missile development and renewed nuclear defiance, including possible heightened pursuit of theatre missile defence (TMD) programmes in North-East Asia and an unravelling of earlier agreements seeking to forestall nuclear weapon development in the country; (c) the potential of renewed military confrontation between China and Taiwan, but with both sides possessing far more capable military forces in a future crisis; (d) the strategic implications of China’s re-emergence as a major political, economic and military power; (e) uncertainties about the future of US regional alliances (especially with Japan and South Korea) and of the US forward military presence; (f) the longer-term viability of the Association of South-East Asian Nations (ASEAN), given the growing economic divergence and political tensions evident among the member states over the past several years;⁵ (g) the ramifications of the Indian and Pakistani nuclear explosions of 1998 and of their missile programmes for Asian security, especially the prospect of heightened Sino-Indian strategic competition; and (h) by no means least, the political, economic and security consequences of Russia’s festering internal crisis.

The scale and potential consequences of these looming strategic challenges have given numerous states the incentive to preserve the status quo wherever possible, seeking to limit the risks of potential conflict while retaining alternative options should major policy reversals occur. Although acute pessimism about the future is not warranted, longer-term regional dynamics are unlikely to reflect a simple extrapolation from present realities. The economic and political vulnerabilities of various governments, mounting concerns about internal instability and leadership legitimacy in different states, domestic pressures to insulate national economies from global financial transactions and a growing preoccupation with the separate national interests of individual states are all evident, leading to a more cautious forecast in future regional politics and security. The innumerable references to stability as a paramount international goal seem to be less a characterization of a preferred future than the expression of a need to avoid major internal or international crises that would greatly dis-

⁴ For a more extended discussion of regional security and US policy, see Pollack, J. D., ‘Straddling as strategy: the United States and Northeast Asian security’, eds K. Möller and Kyongsoo Lho, *Northeast Asia Towards 2000: Interdependence Through Conflict?* (Nomos: Baden-Baden, 1999).

⁵ For the membership of ASEAN, see appendix 1 in this volume.

rupt regional peace and prosperity. Even in locations not experiencing acute political and security tensions, intensive geopolitical and geo-economic manoeuvring highlights the shifting coalitions of interest among different states as political leaders and institutional forces simultaneously compete and collaborate with one another, seeking to gain relative advantage in the process.

To explore these issues and their implications, this chapter assesses the future of international security in Asia and Asia-Pacific and the implications of various trends for Russia's position. Any assessment is subject to substantial uncertainties. Analysis must therefore identify the predominant or more plausible paths of regional security and development as well as specify how these outcomes might not transpire. A central focus is on Russian national security goals in Asia, how they have changed since the end of the cold war and how various regional actors perceive future Russian involvement in Asian security. In essence, where does Russia's potential advantage lie with respect to the region's political-strategic future and what mix of strategies and policies might be expected to advance its goals? What factors or developments might prove pivotal in the years to come and what will these imply for Russian security interests? What are the principal limiting factors that could inhibit realization of the country's objectives?

A basic definitional issue needs to be raised at the outset: What is meant by Asia? Geographic realities dictate that Russian security interests in the region turn both eastwards and southwards, encompassing relationships with China, Japan, both Koreas, India, Iran, the Central Asian republics, other neighbours such as Afghanistan, Pakistan and Mongolia, and more distant regional actors, notably the member states of ASEAN. In addition, the US role as a global power and its longer-term orientation towards Russian involvement throughout Asia will substantially influence Russian policy choices. These relationships, although reflecting the full spectrum of Russian political, economic and security interests in the Asia-Pacific region, are dominated by continental considerations; the maritime dimensions of Russian strategic interests are highly subordinate at present and seem likely to remain so for the indefinite future.

Asia, however, encompasses a very wide array of regional and subregional dynamics, each with its own characteristics. This chapter concentrates on the larger determinants of Asia-Pacific security in the future. This leads to a predominant focus on relations between major powers, especially in North-East Asia.

However, a narrow concept of national power and interest would obscure some of the larger political and strategic factors that will shape the region in the years to come. International security as seen by all regional states is no longer automatically dominated by military considerations. There is a growing interconnectedness between the region's political, economic and security dynamics. This will have an important bearing on Russia's longer-term prospects in Asia.

To place these issues in their fuller context, the implications of the disintegration of the Soviet Union and the passing of the old security order must be examined first.

II. The legacy of the cold war

Political–military developments in the Asia–Pacific region over the past decade highlight a mix of accommodation, paradoxes and continuing questions. From the standpoint of regional security, perhaps the most positive trend has been the sharp reduction of major strategic rivalries in most of continental Asia. This has been a direct outgrowth of the political transition in Russia, the country's greatly diminished regional military profile and its parallel efforts to achieve normal, non-adversarial relations with all neighbouring states.⁶ Without such changes it would have been impossible for Russia to make major foreign policy breakthroughs, notably with China and South Korea but also potentially with Japan. The diminished military component of Russia's Asia policy also reflects the loss of a globalist impulse in Russian security strategy as well as Russia's giving up the Soviet Union's long-standing efforts to undermine or automatically oppose the US regional military presence. As a result, much of Russia's military power in the region is a diminishing asset, since these capabilities no longer serve a global strategy and since the Russian state can no longer afford to maintain high rates of operational readiness of these forces.⁷

The US military presence

Despite these changes, US force deployments in the region remain substantial. US regional deployments have been reduced by about one-third from mid-1980s levels and US defence policy makers repeatedly assert that the United States will retain approximately 100 000 military personnel in East Asia.⁸ Thus, notwithstanding the end of the Soviet–US global strategic rivalry, the United States deems it prudent to retain major military forces in the region to reinforce and selectively enhance its bilateral security alliances and to sustain a vigorous and visible profile in multinational military exercises, including new activities that extend to Central Asia.

The proximate explanations for maintaining a substantial US regional military presence are twofold: first, undiminished concern about peace and stability on the Korean Peninsula; and, second, the need to ensure the capacity to project military power within and through East Asia to other regions of vital strategic

⁶ An earlier but still very useful overview is contained in de Nevers, R., International Institute for Strategic Studies, *Russia's Strategic Renovation*, Adelphi Paper no. 289 (IISS: London, July 1994). See also Harada, C., International Institute for Strategic Studies, *Russia and North-East Asia*, Adelphi Paper no. 310 (IISS: London, July 1997). For an assessment focused primarily on the transformation of Sino-Russian relations, see Bazhanov, Ye., 'Russian perspectives on China's foreign policy and military development', eds J. D. Pollack and R. H. Yang, *In China's Shadow*, CF-137-CAPP (RAND Corporation: Santa Monica, Calif., 1998), pp. 70–90.

⁷ For relevant data highlighting the sharp reductions in nearly all categories of Russian military power deployed in Asia and the Pacific over the past decade, see *East Asian Strategic Review, 1997/1998* (National Institute for Defense Studies: Tokyo, 1998), p. 164.

⁸ See most recently *The United States Security Strategy for East Asia–Pacific Region* (note 2), esp. pp. 1, 9–12. The 100 000 level comprises only those forces forward deployed by the United States in the Pacific; the actual number under the operational command of the US Pacific Command based in Honolulu is c. 300 000.

interest. Unless there is an appreciable change in US global strategy or a major reduction in the level of military tensions on the Korean Peninsula, it remains very unlikely that these policies and deployments will undergo significant reappraisal in the near term. Although many observers question whether it will prove possible for the United States to maintain its regional presence on an open-ended basis, there are at present no conspicuous pressures either within the region or in the United States to compel the USA to reassess these arrangements. Over time, the United States may see less need to be as visibly and fully deployed in Asia and the western Pacific, and some in the region could ultimately challenge the legitimacy of and need for the US military presence, but this day has yet to arrive.

Regional attitudes towards the US military presence are shaped by latent but widespread concern about maintaining a tolerable power equilibrium in Asia and Asia–Pacific. Concerns about security threats deriving from the Soviet–US global strategic rivalry have been supplanted by worries about the prospect of potential turbulence and realignment in the regional balance of power. Even as many countries appear discomfited by its strategic predominance in a ‘sole superpower’ world, the United States is still viewed by most as a largely benign great power. For good measure, regional actors have ample incentive to encourage vigorous US regional involvement, in view of the USA’s dominant position in global commerce, finance and technology. If this US involvement were to diminish significantly, many fear the prospect of heightened regional rivalries, including a potential strategic competition between China and Japan, instability of various kinds and the possibility of local power imbalances that could result in armed conflict.

The options of the regional states

These circumstances appear to dictate a three-part strategy for many regional states: (a) enhanced support for the US military presence or US military operations in the region; (b) upgraded regional or subregional security arrangements to reduce the risks of military rivalry or overt hostilities; and (c) continued defence modernization as a hedge against adverse or unanticipated developments in the regional or local security environment. Although the prerequisites for enhanced multinational security collaboration are partly evident in some subregions (notably in South-East Asia), few national leaders are prepared to entrust their fundamental national security interests to such nascent possibilities. Thus, notwithstanding a near-term need to defer some military acquisitions as a consequence of the Asian financial crisis, the longer-term trend towards enhanced military capabilities persists, in particular capabilities that will enable new types of military operations and more extended military reach.

The multilateral security approach

Although most regional actors offer obligatory support for collaborative security approaches, these sentiments do not seem to be deeply rooted. In North-East Asia, despite a burgeoning array of non-governmental and quasi-governmental security dialogues and various bilateral declarations and understandings, there is barely even the semblance of a regional security structure. Latent suspicions and conflicts of interest, many focused on the potential for heightened strategic tensions between China and the United States and between China and Japan, are never far removed from bilateral relations among these major powers. There remains an extraordinary concentration of military power in the area, with no state prepared to impose significant restraints on plans for indigenous defence development. At best, multilateral initiatives remain exploratory and do not significantly inhibit the autonomous pursuit of national security goals.⁹ The possibility of major hostilities persists on the Korean Peninsula and in the Taiwan Strait and all actors potentially involved in a future crisis are developing more advanced weapons and intelligence capabilities. In the case of the US–Japanese alliance, routinely characterized by US officials as the linchpin of US regional defence strategy, both governments are committed to enhancing their capabilities to collaborate in the event of future regional crises, creating suspicions on the part of other states that see themselves as the unspoken target of such plans, most notably China.¹⁰

Threats to regional security

Not all potential conflicts fit within the context of past planning scenarios. Unresolved disputes over territory and control of sea-based resources constitute longer-term security concerns for which regional states are now quietly but unmistakably preparing. The relationship between China and the maritime nations of South-East Asia offers some instructive examples, despite China's political and economic accommodation with its smaller neighbours over the past decade.¹¹ Although China intermittently signals a readiness to set aside disputes over sovereignty in favour of joint resource development, most of its initiatives seem largely devoid of operational significance. By contrast, the border and security- and confidence-building agreements signed between China, Russia and the Central Asian republics (including limitations on military deployments, establishment of demilitarized zones and advance notification of military exercises) constitute much more tangible accomplishments and attest to important political and security changes.¹²

⁹ Kyung-Won Kim, 'Maintaining Asia's current peace', *Survival*, vol. 39, no. 4 (winter 1997/98), pp. 52–64.

¹⁰ See chapters 20 and 21 in this volume.

¹¹ See, in particular, Austin, G., *China's Ocean Frontier: International Law, Military Force and National Development* (Allen and Unwin: St Leonards, Australia, 1998).

¹² Anderson, J., International Institute for Strategic Studies, *The Limits of Sino-Russian Strategic Partnership*, Adelphi Paper no. 315 (IISS: London, Dec. 1997), esp. pp. 38–45.

Manoeuvrings among the parties involved in maritime disputes are qualitatively different. Various rivals are beginning to augment their air and naval capabilities in ways that could increase their capacity for unilateral action or for conveying tacit threats to enforce specific claims. Much recent attention has focused on the South China Sea, where China asserts sovereignty over strategically located maritime domains.¹³ Given the continental focus of Russian strategy, such maritime disputes do not directly impinge on Russia's main security interests. On the other hand, China's increasing reliance on maritime encroachment creates a worrying precedent for all states, especially should future Chinese actions preclude negotiated outcomes.

The largest near- to medium-term anxieties remain focused on the Korean peninsula. To be sure, the Russian role in Korean security has diminished in recent years and Russia has few incentives to become embroiled in any prospective crisis there; but the possibility of internal disequilibrium in the North and the external consequences this could trigger would directly affect Russian political and security interests. Efforts to negotiate a new bilateral treaty to supplement the now lapsed 1961 treaty of alliance underscore Russia's effort to retain a voice and role in future peninsular security without committing itself to automatic support for North Korea.¹⁴ The acute privation and vulnerabilities of the North Korean regime, even as it enhances its longer-range missile programmes and threatens to resume its development of nuclear weapons, underline the latent possibilities of acute instability on the Korean Peninsula and the risk of a hugely destructive armed conflict.¹⁵

The incentives for drawing North Korea out of its defiant isolation seem self-evident, but the country's pre-eminent concern with national survival has dictated a complex mix of policies, including appeals for unconditional humanitarian and economic assistance, continued threats of retaliation directed against US and South Korean forces and extraordinary demands for compensation in return for ambiguous pledges of restraint in future North Korean military development. Although some observers believe that North Korea is simply intent on extracting maximal concessions as its bargaining power dwindles, the circumstances on the peninsula remain volatile and worrying.

Perhaps no factor in Asian security contributes more immediately to sustaining the US military presence in East Asia than acute concern about the future behaviour of North Korea. The consequences of any serious rupture of the status quo and the need to manage potential spillover effects would inescapably concern Russia as well as other neighbouring states. However, even as Russian diplomats reaffirm a continued interest in longer-term outcomes on the peninsula, Russia at present is not remotely able to assume a role commensurate with

¹³ See, e.g., Swinnerton, R., 'The strategic environment and arms acquisitions in South-East Asia', eds B. Gill and J. N. Mak, *Arms, Transparency and Security in South-East Asia*, SIPRI Research Report no. 13 (Oxford University Press: Oxford, 1997), pp. 25–47.

¹⁴ According to Russian diplomats, agreement on a draft treaty on interstate relations was reached in early 1999 with the formal signing of a treaty being expected in the late spring of 1999.

¹⁵ For an extended analysis, see Pollack, J. D. and Chung Min Lee, *Preparing for Korean Unification: Scenarios and Implications*, MR-1040-A (RAND Corporation: Santa Monica, Calif., 1999).

its past involvement. Should unification happen, however, it would reconfigure regional strategic patterns in a major way, an issue which is examined below.

Thus, a focus on immediate threats to regional peace and stability obscures the political and strategic transitions that will shape the relations and interests of the major powers in 21st-century Asia. Russia's prospects for pursuing a credible omni-directional role will depend on the incentives of various regional powers to work with it towards complementary strategic ends. These, in turn, will derive from the capabilities and national strategies of different states and the congruence of both with longer-term Russian security interests.

To address these considerations, attention needs to turn to the potential patterns of political and strategic alignment within Asia and what these could imply for Russian policy options over the coming decade.

III. Potential patterns of alignment in Asia and Russia's strategy

Russia's view of its long-term interests in Asia is predicated on the expectation of a continued diffusion of political, economic and military power in the region, with particular emphasis on the roles of China, India and Japan. It is no easy matter to reconcile the national interests of these three. In view of China's larger military forces and defence potential, its strategic independence and its capacity to shape security in all Asia's main subregions, there will probably be a tendency over the longer term among China's neighbours to balance Chinese power.

However, Russia's primary focus in Asia in the near to medium term must be to reconstitute its economic and political power and to ensure the security of its borders, reinforcing the need to reduce sources of potential instability and political-military threat. With China, which until well into the 1980s remained an avowed adversary of the Soviet Union intent on frustrating its geopolitical goals across Asia, Russia has resumed a substantial arms transfer relationship after a three-decade hiatus, paralleling a more long-standing relationship with India. Russia's predominant policy goals in Asia over the coming 10 years assume an essential complementarity of interests with Asia's major powers, although the agendas with each of the three will necessarily vary. This fundamental strategic judgment has overcome the unease, especially in military circles, about the risks these policies (in particular with China) could pose to Russian interests.

A larger Russian strategic calculation is that Asia's major powers have an incentive to ensure that no single country (meaning the United States) enjoys unquestioned political-military dominance. Russia clearly hopes to restrain the unilateral exercise of US military power, an objective also shared by China and India. However, all major powers have their separate agendas and interests in relation to the United States. For Russia, this agenda means reducing its economic vulnerability and ensuring support from Western governments and multi-lateral lending institutions. It also means cuts in and the modernization of

Russia's beleaguered conventional forces, with an enhanced reliance on the nuclear forces to uphold the state's vital security interests. Despite the strident opinions expressed in nationalist political circles, Russia has no incentive to revert to an adversarial logic in US–Russian relations, since this would greatly complicate its future security requirements at a time of acute domestic uncertainty and pervasive resource constraints.¹⁶

By characterizing multipolarity as an appropriate and realistic strategy for Russia in Asia, the leadership hopes to fulfil national goals in the region and beyond while limiting the country's military requirements. This is also expected to enhance the incentives for neighbouring powers to collaborate with Russia economically as well as politically. It is true that there is no single Russian interest, and the diversity of political and institutional goals within the Russian Federation as well as within China, India and Japan seems self-evident. The goal is to establish sufficient coherence and direction in Russian policies to define a centre of gravity in relations with all three states. Equally important, Russia seeks to ensure that its policies with each are maintained on a simultaneous, independent basis, that is, that no relationship will be conditional on the status of ties with either of the other powers. Over the longer run, this could prove one of the largest challenges to the credibility of Russia's Asian strategy.

Relations with China

Among Asia's three major powers, the most substantial changes in Russian policy of the past decade have been with respect to China. Profoundly different international conditions have allowed the longer-term normalization process initiated in the 1980s to reach fruition. Since the early 1990s, China and Russia, despite the differences in the internal paths they chose in the aftermath of the dissolution of the Soviet Union, have achieved major political and strategic breakthroughs, including ongoing consultations among senior political and military leaders, border demarcation agreements and security accords, enhanced technical and institutional collaboration and the resumption of a substantial arms transfer relationship.¹⁷

Although both governments officially subscribe to the concept of a 'strategic partnership' initially proposed by Russian President Boris Yeltsin in April 1996, the concept is subject to different meanings and expectations. Chinese officials have characterized the relationship with Russia in much more positive terms than that with either the United States or Japan, with emphasis on the greater degree of equality and trust, including the quality and regularity of senior leadership exchanges.¹⁸ Russian officials have attached greater impor-

¹⁶ Ball, D. Y., 'Russia's strategic view: reduced threats, diminished capabilities', *Jane's Intelligence Review*, Nov. 1998, pp. 8–10. For additional discussion of Russia's potential defence requirements over the next decade, see Arbatov (note 1), esp. pp. 88–94.

¹⁷ For a very useful overview, see Anderson (note 12).

¹⁸ See the comments of former Chinese Prime Minister Li Peng to Russian journalists during his Feb. 1998 visit to Moscow. *Xinhua*, 18 Feb. 1998, in British Broadcasting Corporation, *Summary of World Broadcasts*, FE/3157 (21 Feb. 1998), pp. G2–3. Asked by a Russian reporter to explain the differences

tance to these ties: at times Chinese leaders, including President Jiang Zemin, have failed to make any reference at all to the strategic partnership.¹⁹

It also seems plausible that both leaderships see their respective characterizations of bilateral relations as an indirect signal of the status of their respective relations with the United States. However, China's consistent reluctance to subscribe to a more explicit and potentially encumbering concept of the relationship reflects a deeper aversion to overly binding ties with any external power. Chinese policy calculations seem straightforward and sensible: China is able to reap tangible strategic gains without imposing significant costs on its room for manoeuvre with other states. It thus enjoys an increased latitude that Russia, given its weakened security and economic position, has neither the incentive nor the capability to contest.

The gains to both countries are clearly evident. Neither any longer confronts the need to plan actively for possible military action against the other and neither seems overly concerned by the prospect of collusive understandings with a third party at the expense of the other's vital interests. Relative to the needs and circumstances of both states, this constitutes substantial 'strategic convergence'.²⁰

Major question marks persist, however, beginning with trade ties. Russian officials remain deeply disappointed by the economic results generated by the relationship. In April 1996, in a display of excessive exuberance at the outset of the strategic partnership (which also coincided with an especially tense atmosphere in Sino-US relations following US carrier deployments during China's military exercises opposite Taiwan), President Yeltsin put forward the goal of increasing their bilateral trade to a value of \$20 billion per year by the year 2000. This target, although acknowledged by both states, has proved wildly unrealistic: official two-way trade has yet to surpass the 1993 peak of \$7.6 billion.²¹ The reimposition of tighter controls on border trade during 1994 had already somewhat curtailed trade. Trade data also failed to capture what (until Russia's financial meltdown of August 1998) had been increasingly vigorous 'vendor trade' or 'shuttle trade' undertaken outside formal channels.²²

between China's strategic partnerships with Russia and with the USA, Li observed: 'China and Russia have established an equal and trustworthy strategic partnership toward the 21st century, whereas China and the United States will devote their efforts to establishing a constructive strategic partnership'. Author's italics. See also 'Joint statement on the results of the Chinese-Russian high-level meeting', Xinhua, 23 Nov. 1998, in *Summary of World Broadcasts*, FE/3393 (25 Nov. 1998), pp. G1-3.

¹⁹ Sun Shangwu, 'Jiang: summit to be a success', *China Daily*, 24 July 1998, p. 1. Jiang in discussions with then Russian Foreign Minister Primakov noted China's 'fixed policy to develop a long, stable and good-neighbourly friendship with Russia . . . We are willing to undertake joint efforts and coordinate closely with Russia to bring a healthy and stable Sino-Russian relationship into the 21st century'. There was no reference to the strategic partnership.

²⁰ For a persuasive interpretation along these lines, see Menon, R., 'The strategic convergence between Russia and China', *Survival*, vol. 39, no. 2 (summer 1997), pp. 101-25.

²¹ Anderson (note 12), p. 33; and 'Still most awkward partners', *The Economist*, 9 May 1998, p. 21.

²² For a more extended discussion of trade data and trends, see Ogawa, K., 'Deepening Sino-Russian ties and trade', *JETRO China Newsletter*, no. 131 (1997), pp. 14-19. Some estimates of Sino-Russian shuttle trade, focused principally on the supply of Chinese consumer goods for the Russian market, are as high as \$2 billion per year. Interview by the author with an official of the Russian Foreign Ministry, Moscow, Mar. 1998.

A more fundamental political grievance underlies these limited trade ties, reflecting Russia's continued marginalization among the dynamic regional economies. Bearing in mind Russia's daunting economic vulnerabilities and the major efforts it has made to conciliate China's long-standing security grievances, officials in Moscow probably expected political compensation through important economic agreements with China, especially large-scale industrial and infrastructure projects in which Russia believed it enjoyed comparative advantage. With a few partial exceptions, these anticipated benefits remain either notional or wholly unrealized, highlighting China's unwillingness to make major commitments to projects where the economic or technical benefits are problematic. Many of the industrial enterprises in China built with Soviet assistance, for example, are enormous drains on central and provincial financial resources; despite the state's readiness to provide open-ended subsidies to sustain these plants, they represent highly questionable priorities for technical upgrading or for new investment.²³

Given the scale and scope of China's looming infrastructural needs, it is possible that Russian firms will in the longer run secure a larger share of development projects, especially in the energy sector. Construction of two VVER-1000 light-water nuclear reactors in Jiangsu Province has been initiated, augmenting separate uranium enrichment projects already in operation. Depending on the results, Russia hopes to undertake the construction of two more reactors. Atomic Energy Minister Yevgeny Adamov has emphasized the highly advantageous terms on which these projects have been undertaken, including a low rate of interest on loan repayments and Russia's readiness to accept partial compensation in barter trade.²⁴ Nuclear energy development is clearly a market niche in China for Russian industry, although China seems intent on distributing these projects among an array of major suppliers.

The question for Russian industrialists is whether comparable long-term projects can be secured in other areas of Chinese economic need. Results to date are not encouraging, most notably Russia's failed bid to supply power generators for the Three Gorges Dam project, which (in the words of the Chinese Ambassador to Russia) 'failed to meet the requirements'.²⁵ The failure to sell Russian commercial aircraft to the Chinese civil aviation sector—not a single transport aircraft has been sold to China in nearly three years—reveals equivalent problems, even when such transactions are broached on highly advantageous terms to Chinese customers.

Russia's 1998 financial crisis is certain to compound the reluctance of Chinese firms or government entities to undertake major collaborative projects unless the financing arrangements are fully guaranteed and the activities and products entail unquestioned advantage for all parties involved. The longer-

²³ Lardy, N. R., *China's Unfinished Economic Revolution* (Brookings Institution: Washington, DC, 1998), esp. chapter 2.

²⁴ ITAR-TASS, 24 June 1998, in *Summary of World Broadcasts*, FE/3264 (27 June 1998), p. G6.

²⁵ The ambassador's comments are cited by Johnson, I. and Liesman, S., 'Sino-Russia summit: all talk, no action', *Wall Street Journal*, 7 Nov. 1997.

term possibility of large-scale collaborative energy projects, including the construction of major oil and gas pipelines and joint energy development projects in Siberia, fits very much in this context.²⁶ Given its projected energy requirements in the next century, China is intent on diversifying its future supply relationships so as to minimize over-reliance on any single source. Russia is potentially an important participant in this, but it is far from alone. Given Kazakhstan's clear incentive to reduce its economic and political dependence on Russia, Chinese companies are already important entrants in Kazakh energy development, having outbid rivals for controlling interest of several major oilfields in western Kazakhstan. Turkmenistan also looms as a potentially significant partner of China.²⁷

The broad outlines of long-term Sino-Russian energy collaboration are already in place. China and Russia have signed agreements pledging them to joint development of Siberian gas fields and construction of an oil pipeline from Irkutsk to north-eastern China, at an estimated cost of \$10 billion.²⁸ The prospects of such ambitious undertakings will depend on the active participation of multinational lending consortia and a programme for a region-wide energy infrastructure, in which Japan and South Korea represent highly important participants. The logic of such undertakings seems incontestable, but the obstacles and uncertainties remain substantial. Thus, at the end of the century, the fuller economic and technological potential of Sino-Russian relations remains largely unrealized.

In view of the somewhat modest economic results to date, bilateral collaboration continues to be dominated by arms sales, negotiations over weapon co-production, and ancillary scientific and technological assistance from Russia to China.²⁹ This assistance leaves many observers concerned about the looming imbalance in the Sino-Russian relationship. Arms collaboration has proved essential to cementing political-security ties between the two governments and military establishments, but a bilateral relationship that is 'carried' too much by these interactions will engender growing suspicions about their longer-term strategic implications. It could also erode the somewhat tenuous bureaucratic consensus within Russia favouring such transactions should the results of these programmes appear overly risky to longer-term Russian security interests. It is true that these transactions, while reflecting in their scope and scale a qualitative transformation in relations unimaginable a decade ago, have proceeded somewhat unevenly, but this is partly because of the complex and frequently

²⁶ For an excellent overview, see Christoffersen, G., 'China's intentions for Russian and Central Asian oil and gas', National Bureau of Asian Research, *NBR Analysis*, vol. 9, no. 2 (Mar. 1998).

²⁷ For more extended treatment, see Christoffersen (note 26), esp. pp. 5-6, 24-27. See also Ottaway, D. B. and Morgan, D., 'China pursues ambitious role in oil market', *Washington Post*, 26 Dec. 1997, pp. 1, 35; and Andrews-Speed, P., 'China in petroleum politics', *Far Eastern Economic Review*, 14 May 1998, p. 37.

²⁸ Christoffersen (note 26), p. 21.

²⁹ It is unclear whether and how weapon transactions are incorporated in government trade data, but they clearly comprise a substantial component of Sino-Russian economic interactions.

sensitive character of such deals and the protracted, contentious negotiations involved.³⁰

This chapter does not aim to reconstruct the history or results of the arms supply relationship, but instead identifies some of the main considerations and calculations governing these transactions.³¹ The resumption of an arms supply relationship reflects the inescapable convergence of needs on both sides. Following the imposition of sanctions by Western governments after the 1989 Tiananmen Square incident, China no longer had a realistic possibility of consummating some major weapon agreements either with the United States or with European defence firms. Although some of these constraints have eased over time (witness, in particular, Israeli involvement in various Chinese development programmes), the fundamental reality is inescapable. Russia represents the only realistic source of finished weapon systems and of large-scale technical assistance to China across a broad spectrum of military needs, notably those focused on the enhancement of Chinese air and naval power. Chinese modernization programmes are also concentrating on sub-systems and software that can be acquired from additional sources, but there is a demonstrable need for more advanced military hardware to replace weapon systems that cannot meet China's future military requirements.

For a military establishment whose factories and facilities have for decades proved largely unable to meet China's conventional defence needs, the availability of Russian advanced combat aircraft, transport aircraft, helicopters, surface-to-air missiles, destroyers, anti-ship missiles, submarines, tanks and aircraft engines has been a great breakthrough and an unparalleled opportunity. Even more important, licensed production in China of major weapon systems (beginning with the project to produce up to 200 Su-27 fighters in Shenyang) seems likely to extend to collaborative research and development (R&D) projects, with China over time shifting the balance away from finished systems and local assembly and towards increased transfer of know-how.³²

The Russian side of the arms supply ledger has received far less attention than have the results of Russian sales for China's military modernization. To many in the cash-starved defence industries, the prospect of an open-ended arms sales relationship with China must seem a virtual lifeline. Without large orders from China and from India, production in important weapon factories would be at a virtual standstill. However, although senior officials are mindful of these considerations, the process as a whole is subject to close scrutiny

³⁰ For a helpful overview of the negotiating process, focused on the early years of these transactions, see Felgengauer, P., 'An uneasy partnership: Sino-Russian defense cooperation and arms sales', eds A. J. Pierre and D. Trenin, *Russia in the World Arms Trade* (Carnegie Endowment for International Peace: Washington, DC, 1997), pp. 87–103.

³¹ Media coverage of the arms sales relationship is frequently unreliable, with a tendency to present rumour and speculation as consummated transactions or completed deliveries. For more considered summaries, see Menon (note 20), pp. 109–15; and Anderson (note 12), pp. 69–73.

³² Novichkov, N., 'Russia and China tighten links on military projects', *Jane's Defence Weekly*, 19 Aug. 1998, p. 3. See also ITAR-TASS, 22 Oct. 1998, in *Summary of World Broadcasts*, FE/3366 (24 Oct. 1998), p. G3.

and review: the sluice-gates are far from totally open.³³ A more worrying concern is the erosion of control over the activities of individual scientists no longer employed by Russian R&D institutes, some of whom have made their expertise available to China as economic conditions within Russia have become ever more desperate. (This same concern extends to numerous other countries as well.³⁴) Despite the unease of many Russian officials with a large-scale arms supply relationship with China, an array of imperatives seem all but certain to sustain this relationship in the years to come.

Under the prevailing circumstances, there is evident agreement within the Russian political and defence leadership that the risks in such a relationship can be managed. There are clear limits to what Russia is prepared to sell, to what China is able and prepared to spend and to the terms of the transactions themselves; and Russian defence specialists are keenly attentive to limits in the absorptive capabilities of the Chinese defence industries. Although China will continue to press for higher levels of technology and know-how transfer, Russian enterprises involved in these transactions are seeking to retain control of proprietary technologies, especially in areas where the Chinese have been unable to achieve scientific and production breakthroughs of their own. This retention of specific core technologies (for example, engine technologies) helps guarantee a long-term supply relationship for core components, locking the Chinese into open-ended cooperation with Russian defence enterprises. Russian officials therefore believe that, notwithstanding the grievous conditions in their own defence industries, they can define the basic parameters of this supply relationship.

There is another, more worrying prognosis, for reasons that encompass arms sales but go well beyond them. Unlike India, the other major customer for advanced Russian weaponry, China is a former adversary. Many Russians recognize that they are dealing with China from a greatly disadvantaged position, and this could entail ever larger consequences should the balance of power between the two continue to shift in China's favour. It is not necessary to subscribe to the xenophobic views of the provincial leaders of the Russian far east to appreciate their resonance with local populations.³⁵

All the same, the operative assumption of the central leadership is that China is neither capable of nor intent upon exercising hegemonic influence in Asia and that Russia can find effective means to accommodate to a more powerful China. Russia and China also voice a shared commitment 'to create conditions to prevent various big countries from expanding existing military and political alliances or establishing new ones, and from practicing confrontation or various forms of mutual containment, and to enable them to give up their attempts to

³³ See, *inter alia*, the essays in Pierre and Trenin (note 30); and Sergounin, A. A. and Subbotin, S. V., *Russian Arms Transfers to East Asia in the 1990s*, SIPRI Research Report no. 15 (Oxford University Press: Oxford, 1999), chapter 3.

³⁴ For a revealing account, see Hoffman, D., 'Idled arms experts in Russia pose threat', *Washington Post*, 28 Dec. 1998, p. 1.

³⁵ For a well informed and balanced assessment, see Lukin, A., 'The image of China in Russian border regions', *Asian Survey*, vol. 38, no. 9 (Sep. 1998), pp. 821–35.

carve up the sphere of influence in various regions'. In addition, as neighbouring states, they face common cross-border problems related to 'all forms of organized lawless activities'. As sprawling multi-ethnic systems, they have shared needs 'in containing national separatism and religious extremism'—a threat that may well be growing.³⁶

In the final analysis, the realities of geography, shared economic and political needs and complementary geopolitical concerns have again led Russia and China to collaborate, but with Russia having a far weaker hand. Such asymmetries mean that the longer-term sustainability of this relationship remains to be seen.

Relations with India

Russia's relations with India since the end of the cold war exhibit more continuity than its ties with China. The operative strategic context of the relationship and the rationale for Russian–Indian political–security collaboration are, however, now very different. During the 1970s and first half of the 1980s, Russia and India made common cause on the basis of shared antagonisms towards China and a parallel need to create a balance against potential US encroachment in South Asia. Some Indian leaders were uneasy about a highly interdependent relationship with the Soviet Union, especially in view of the Soviet occupation of Afghanistan, but India's options were limited. The USSR was highly solicitous of India's defence needs and much more attentive than the United States to Indian strategic concerns. Even as India sought to diversify its sources of advanced weaponry and defence technology, the USSR remained its predominant supplier. As India's efforts at indigenous weapons development either floundered or failed, the Soviet Union became ever more integral to Indian plans for military modernization. India also remained mindful of Soviet interests, even as it warily eyed the USSR's reappraisal of its foreign policy goals during the latter half of the 1980s.

Some of the implications of the revised policy for India have only become fully apparent since the dissolution of the Soviet Union. Despite the incentives of both countries (especially Russia) to retain a close relationship, the presumed complementarity of interests has declined somewhat in recent years. Over the course of the 1990s, Russia has given more weight in its Asia strategy to its ties with China and increasingly with Japan. This has meant a diminished place for India in Russian policy calculations. Russia's cumulative security commitments to India, especially in weapon sales and technology transfer, ensure that a major erosion in relations remains a remote prospect. Within these parameters, however, there is growing evidence that the two states depend less automatically on one another. India in particular is seeking to reduce its strategic dependence on Russia, as evidenced by the nuclear explosions in May 1998 and its avowed pursuit of a minimal nuclear deterrent.

³⁶ All the above quotations are drawn from 'Joint statement on the results of Chinese–Russian high-level meeting' (note 18), pp. G2–3.

This strategic repositioning does not prefigure a decisive shift in their political–military relations for the simple reason that neither state wants to risk alienating the other. The impetus for change at present emanates more from India than from Russia. India, increasingly apprehensive about China’s growing economic and military power, is also very likely perturbed by Russia’s growing accommodation with China and especially its readiness to assist China’s military modernization. India’s larger intention is to enhance its own strategic standing in the eyes of the United States, a goal that continues to elude it.

Indian policy makers acknowledge that Russia’s strategic significance has diminished in this emergent calculus. As argued by Jaswant Singh, previously senior adviser on defence and foreign affairs to Prime Minister Atal Bihari Vajpayee and now Minister of External Relations, ‘in the aftermath of the cold war . . . the Soviet Union’s successor, Russia, has considerably less prestige. Inevitably, the previously existing alliance between India and the former USSR has eroded’.³⁷ This is the operative context in which India is seeking to diversify its strategic options. Indian defence planners believe that a more autonomous defence capability, including a declared, operational nuclear weapon programme, will prove essential to establishing a credible strategic position in relation to China, as well as ensuring Indian dominance over Pakistan.³⁸ India assumes that it can pursue this new strategy without imposing major costs on its existing ties with Russia. The question, therefore, is whether Russia perceives any need to adjust its own strategies in the light of the changes in Indian policy.

The answer is that its long involvement will continue. At one level, India’s effort to realize a larger nuclear weapon capability could complicate Russia’s efforts to enhance its political and security ties with both China and India simultaneously. It is less certain, however, that Russia judges an Indian nuclear capability as intrinsically destabilizing; if anything, Russia may well have concluded that India’s nuclear option was unlikely to remain indefinitely dormant. India’s explosions elicited predictable disapproval from the five declared nuclear weapon powers, including calls for India and Pakistan to agree unconditionally to the 1968 Non-Proliferation Treaty (NPT) and to the 1996 Comprehensive Nuclear Test-Ban Treaty (CTBT). (The latter possibility seems real enough, but the former seems non-negotiable, given that neither country is prepared to join the NPT with the status of a non-nuclear weapon state.) Russia, however, has no incentive to stigmatize India for its decision, especially in view of longer-term Russian strategic objectives with India.

On his visit to New Delhi in December 1998, Prime Minister Primakov reiterated Russia’s intention to sign a ‘declaration of strategic partnership’ with India at a bilateral summit meeting scheduled for 1999; he also signed an agreement governing long term military–technical cooperation to 2010³⁹ and broached the

³⁷ Singh, J., ‘Against nuclear apartheid’, *Foreign Affairs*, vol. 77, no. 5 (Sep.–Oct. 1998), p. 48.

³⁸ For a detailed assessment by a senior Indian defence specialist, see Dutta, S., ‘China’s emerging power and military role: implications for South Asia’, eds Pollack and Yang (note 6), pp. 91–114.

³⁹ For a text of the communiqué issued at the conclusion of the Primakov visit, see ITAR-TASS, 22 Dec. 1998, in *Summary of World Broadcasts*, FE/3418 (24 Dec. 1998), pp. A3–4.

possibility of a Chinese–Russian–Indian ‘strategic triangle’ to ensure ‘greater stability, not just in the region, but in the entire world’.⁴⁰ His suggestion, although very much a trial balloon, lacking operational content, confirmed his continued belief that all three states share an interest in informally seeking to constrain US strategic dominance. Rather than diminishing the importance of this Russian strategic interest, India’s overt activation of its nuclear weapon programme may have reinforced it, although neither it nor China exhibits much enthusiasm for the idea of a strategic triangle.

The agreement on long-term military cooperation entailed more immediate security implications. Replacing an earlier agreement that was due to expire in 2000, it ensures that Russia will remain the predominant supplier of advanced weapon systems to India for the foreseeable future. According to reports in the defence industry press, Russian–Indian weapon collaboration over the coming decade is intended by India to be increasingly characterized by joint development projects rather than purchase agreements, including anti-tactical ballistic missile systems, upgrades of the MiG-21 fighter aircraft, continued production of the Su-30 multi-role fighters already entering the Indian Air Force inventory, surface-to-air missiles, upgrades of T-72 tanks and purchase of T-90 tanks. Russia has also reportedly given India its assurance that it will not sell any weapons to Pakistan, although this cannot be confirmed.⁴¹

These agreements will both continue ongoing programmes and encourage new ones. On his visit Primakov also signed a memorandum of understanding (MOU) to transfer the *Admiral Gorshkov*, a medium (45 000-ton) aircraft-carrier commissioned in 1987, to the Indian Navy. The transfer would be contingent on India paying for the costs of refurbishing the ship (damaged in a fire in 1994) and refitting it for use by Indian aircraft and helicopters. One estimate suggested that the costs for the total project might reach \$700 million.⁴²

The unambiguous signal from these and other ongoing transactions is that Russia will remain the principal provider for the conventional military needs of a nuclear-armed India. Indeed, other reports suggest that Russia (despite its commitment to non-proliferation) continues to be involved in activities that appear to be linked to the Indian strategic weapon programme, notably a naval missile project (variously reported as a ballistic or cruise missile but capable of underwater launch) and assistance with the planned nuclear-powered submarine that would be capable of carrying nuclear-armed missiles.⁴³ The Su-30, a very advanced aircraft, gives India a long-range nuclear capability.

⁴⁰ ‘Primakov seeks “strategic triangle”’, *International Herald Tribune*, 22 Dec. 1998.

⁴¹ This summary draws principally on Bedi, R., ‘India to sign new 10-year defence deal with Russia’, *Jane’s Defence Weekly*, 1 July 1998, p. 16. Bedi’s account accords closely with reporting from other sources.

⁴² This account draws on Bedi, R., ‘Russia offers to make a “gift” of *Gorshkov* to the Indian Navy’, *Jane’s Defence Weekly*, 20 Jan. 1999, p. 5. Reports of the transfer of a carrier to India have appeared with some regularity in the press over the past 5 years, and Russian officials continue to press India for a final decision. PTI News Agency, 5 May 1999, in *Summary of World Broadcasts*, FE/3527 (6 May 1999), p. A3.

⁴³ Myers, S. L., ‘Russia helping India extend range of missiles, aides say’, *New York Times*, 27 Apr. 1998, p. 1; and Sullivan, K., ‘Indian nuclear sub plan reported’, *Washington Post*, 27 June 1998.

Thus, although the Indian and Pakistani nuclear explosions have reconfigured the South Asian strategic landscape, the full consequences are yet to be seen. Russia probably recognizes the inevitability of India and Pakistan both weaponizing their capabilities, although it may hope that they will keep such operational capabilities in reserve rather than fully deployed. Russia clearly has no interest or incentive to see their strategic rivalry increase the risk of crisis and war. However, by dint of its long involvement with and assistance to India, Russia will continue to be enmeshed in South Asia's complex strategic interactions, as India in particular seeks to fashion a role that it deems appropriate to its larger power ambitions. How Russia seeks to influence and adapt to this process and whether it proves able to collaborate meaningfully with other major powers to contain the potential consequences will reveal much about its capacity to address some of the risks inherent in a genuinely multipolar Asia.

Relations with Japan

The Russian–Japanese political–security relationship has long been one of the major anomalies in the Asia–Pacific region. More than five decades after the end of the Pacific War and nearly a decade after the dissolution of the Soviet Union, Japan and Russia have yet to sign a peace treaty and their dispute over the southern Kuril Islands (called the Northern Territories in Japan) persists unresolved. The potential for economic relations between them has remained comparably underdeveloped. This extraordinary record of missed opportunities reflects divided leadership politics, ideological rigidities, the veto power of specific political and bureaucratic constituencies, and mutual security suspicions. This history has been extensively analysed elsewhere.⁴⁴ Notwithstanding the seeming incentives on both sides, the possibilities for a true normalization of interstate relations have long remained unfulfilled.

Yet relations are far from frozen. Incrementally but inexorably, actions by both sides have transformed the character of the bilateral relationship, including, albeit quietly, their security relations. At the ‘no-necktie’ summit meeting held in Krasnoyarsk in November 1997, then Japanese Prime Minister Ryutaro Hashimoto and President Yeltsin pledged to sign a peace treaty before the year 2000.⁴⁵ Given what still seem to be irreconcilable differences over national sovereignty, this particular goal may yet prove elusive. By mutual consent, however, the larger bilateral relationship is no longer held hostage to the territorial dispute. As a consequence, the end of adversarial relations is palpable, albeit, in the absence of a peace treaty, not yet complete.⁴⁶ In the longer run,

⁴⁴ For a valuable rendering of this history, with particular attention to the Gorbachev era, see Gelman, H., *Russo-Japanese Relations and the Future of the US–Japan Alliance*, MR-168-AF (RAND Corporation: Santa Monica, Calif., 1993).

⁴⁵ On the summit meeting and the prospects for the bilateral relationship as a whole, see Togo, T. (Japanese Ambassador to Russia), ‘Japanese–Russian relations: a breakthrough into the 21st century’, *Far Eastern Affairs*, no. 1 (1998), pp. 8–22.

⁴⁶ Menon, R., ‘Japan–Russia relations and North-east Asian security’, *Survival*, vol. 38, no. 2 (summer 1996), pp. 59–78.

Russian–Japanese accommodation might enable a more differentiated approach to Asian security, unencumbered by the ‘hardy perennials’ that long seemed insuperable obstacles to constructive bilateral relations.

These possibilities have emerged at a time when Japan and Russia have both been relegated to subordinate political and strategic roles within East Asia. Given the pervasive attention to developments on the Korean Peninsula and the latent potential of a longer-term Sino-US strategic rivalry, the positions and contributions of Japan and Russia as the region’s other major powers seem eerily ill-defined. Japan has been generally depicted as a strategic appendage to the United States and Russia is usually treated as a lapsed superpower. These characterizations trivialize both countries and their capacity to define their respective political and security interests. They also discount the possibility for Japan and Russia to define strategic identities unencumbered by many of the traditional terms of reference in regional security. This latter consideration represents the larger opportunity for Japan and for Russia. The outcome of this process will reveal a good deal about the capabilities of both states and their capacity to navigate treacherous political waters. This seems a particular challenge for Russia in view of its acute internal problems.

Although largely unspoken by both leaderships, the pursuit of closer Russian–Japanese relations is occurring in the shadow of the major political and security transitions in Asia discussed above. However, the enhancement of the relationship is not a function of collusive understandings achieved at the expense of third parties, especially China. Rather, both states are seeking to circumvent or at least play down the implications of their growing accommodation for their respective relations with China. Somewhat ironically, Russia’s accommodation with Japan highlights the continued value of bilateral understandings at a time when efforts to achieve regional norms seem pervasive. Yet this seems wholly appropriate to the circumstances: the horse must come before the cart. A credible Russian–Japanese relationship is an essential condition of and complement to a viable regional political and security order in which both countries play a full part.

Both countries, however, are acutely aware of their respective relations with China. In this sense, the fuller development of Russian–Japanese relations has important implications for longer-term political and security alignments within the region, even if they remain unacknowledged by either country. For many years China could pursue its power and national security goals without appreciable attention to how its actions might influence Russian–Japanese ties. Should relations between Russia and Japan continue along their current path, this will be far less the case in the future. Without credible Russian–Japanese ties, China’s capacity to shape the future East Asian political and security order would be far less constrained. With the fuller establishment of these relations, the prospects of genuine multipolarity in Asia increase accordingly.

Both countries have also remained mindful of US interests and of the centrality of the US–Japanese alliance in regional politics and security. It would have been next to impossible for Japan to pursue meaningful defence ties with

Russia had Russia not dispensed with the Soviet Union's time-honoured strategy of seeking to undermine US–Japanese security ties at every turn.

Russian–Japanese security relations, initiated during then Foreign Minister Yukihiko Ikeda's visit to Moscow in March 1996, have proceeded steadily ever since, encompassing a broadening set of consultations, security and confidence-building measures, ship visits and formal ministerial exchanges. Many of these activities are without historical precedent, including during tsarist Russia.⁴⁷ When former Defence Minister Igor Rodionov visited Tokyo in May 1997, he made clear that Russia no longer either opposed the US–Japanese alliance or objected to the efforts then under way to enhance Japan's contributions to US regional security through modification of the Guidelines for US–Japan Defense Cooperation.⁴⁸ These acknowledgements made it possible for Japan to advance with Russia without detriment to its core security links to the United States. However, this development was not intended to signal automatic concurrence with all dimensions of US–Japan security cooperation. Underlining this point, Russian Defence Minister Igor Sergeyev during a visit to Beijing in October 1998 asserted that the potential development of a US Theater Missile Defense (TMD) programme in which Japan collaborated 'could upset the balance in the region [and] could increase rather than decrease tension'.⁴⁹

Irrespective of particular policy differences, the logic of a more fully developed Russian–Japanese relationship is now in place. It presumes far more substantial economic ties, with particular attention to the energy sector and infrastructural development, a much more diversified set of political and institutional linkages and mutual concurrence on security policies in the region. In regard to the latter, defence officials in Moscow have emphasized to Japan that 'Russia does not plan to [further] reduce its military forces based in the Far East . . . the present size is optimal and meets the interests of Russia's national security . . . The Defence Ministry [reaffirms its] negative attitude to the idea of a US–Japanese anti-missile system in the region'.⁵⁰ Thus, Russian defence policy makers have sought to define the broad parameters within which they expect to operate with Japan in the years to come.

The larger issue is what longer-term political investment both states are prepared to make in bilateral relations, assuming that the major political obstacles (related to the territorial dispute and the signing of a peace treaty) are resolved, circumvented or overtaken by events. Prime Minister Keizo Obuchi has committed Japan again to the policy breakthroughs achieved during Hashimoto's tenure of office and various elements of a diplomatic compromise, if not a grand bargain, seem discernible, subject to the vagaries of internal politics in both countries. The establishment of a new ruling coalition in Japan appears to

⁴⁷ Harada (note 6), pp. 57–58.

⁴⁸ The author is indebted to Harry Gelman for this point. On the Guidelines for US–Japan Defense Cooperation, see also chapter 22 in this volume.

⁴⁹ Sergeyev's remarks are cited in ITAR-TASS, 22 Oct. 1998, in *Summary of World Broadcasts*, FE/3366 (24 Oct. 1998), p. G2.

⁵⁰ The above remarks, attributed to Russian Defence Ministry sources, are cited in Interfax News Agency, 11 Nov. 1998, in *Summary of World Broadcasts*, FE/3383 (13 Nov. 1998), pp. E1–2.

enhance the prospects of advancing the Eurasian strategy initially proposed by Hashimoto in July 1997.⁵¹ In this regard, Ichiro Ozawa, now returned to a position of political influence in the ruling coalition, was in the early 1990s among the most important advocates of a major Japanese initiative towards Russia, including a substantial economic package as an inducement to Russia to reach a satisfactory settlement of the territorial dispute.⁵² Russian observers have also noted that ‘Japan is the only great power that again renders the Russian Federation [financial] assistance on a bilateral basis, not through the International Monetary Fund’.⁵³

The intensive manoeuvrings between Moscow and Tokyo may represent movement towards a diplomatic end-game leading to a peace treaty and resolution of the territorial dispute, in which larger economic aid commitments would undoubtedly be part of a package. Despite their inability thus far to achieve a definitive breakthrough, both states have reiterated their desire to see a formula that both can accept. It seems clear that Russia would prefer an outcome that de-links the territorial issue from the peace treaty, whereas Japan continues to insist that a territorial understanding must be resolved either in tandem with the treaty or prior to it.⁵⁴

The coming months will test whether Japan and Russia can achieve the larger political breakthrough that has so long eluded them. Failure to achieve a comprehensive outcome might slow forward movement but is unlikely to reverse it. The directions in Russian–Japanese relations seem clear, underscoring the possibilities for a larger accommodation in the years to come. Such developments highlight the continuing shifts in regional relations that seem likely to define Russian political, economic and security interests in Asia in the next decade.

To examine these possibilities further, some of the potential future contours of Asian development and security must be considered.

IV. Alternative security scenarios

In the final analysis, regional security and stability will be event-driven. Although a single chapter cannot capture the full range of possibilities, it is useful to speculate on alternative possible outcomes in the region and what these might imply for Russia’s potential political–security role. That said, Russian internal developments constitute an important variable in any longer-term estimate. A weaker, more vulnerable Russia will find itself buffeted by forces that it is unable to influence in effective or sustained ways. By contrast, a recovering Russia will by definition possess a wider range of policy options.

⁵¹ Hashimoto’s speech undoubtedly had a major effect on Russian policy makers. For a summary of the speech’s salient aspects, see Togo (note 45), pp. 8–12.

⁵² For a detailed discussion of Ozawa’s 1991 initiative, see Gelman (note 44), pp. 21–26.

⁵³ Golovnin, V., *Izvestiya*, 16 Oct. 1998, summarized in Northeast Asia Peace and Security Network (NAPSNET), *Daily Report*, 21 Oct. 1998, URL <<http://www.nautilus.org/napsnet/dailyreport.html>>.

⁵⁴ See the remarks of Deputy Foreign Minister Grigory Karasin during his Dec. 1998 visit to Tokyo. ITAR-TASS, 9 Dec. 1998, in *Summary of World Broadcasts*, FE/3407 (11 Dec. 1998), p. E1.

The following discussion is intended more for analytical than for predictive purposes.

Scenario One: incremental change and no crisis

The first scenario assumes relative continuity in prevailing conditions and relationships, including the capacity of major powers as well as smaller states to avoid a large-scale crisis within the region. It assumes that all states (principally because of their separate but compatible interests in resumed economic growth and political stability) continue to pursue their external policy goals without resort to war. A region that avoids either crisis or polarization would reflect the growing diversity of national strategies among the Asian states, entailing a mix of cooperation and limited competition. Although different states would have incentives to retain hedging options in the event of adverse political or military developments, pursuit of these options would not dominate their security planning. Changes in the overall distribution of power would continue, but it would prove possible to accommodate such changes within an existing (or somewhat modified) set of political and security understandings. Most of these understandings would remain bilateral, especially among the major powers, but there would be a certain pull towards enhanced multilateralism as well. This relatively benign forecast would probably include greater consultation on regional security and a slow evolution towards a modified regional security order. Over time, the dominance of US-led security arrangements would be somewhat less evident, although the US regional security alliances would almost certainly persist.

An outcome entailing incremental change and no crisis would on balance prove favourable to Russian regional interests. Russia would presumably have secured a more credible relationship with Japan, but without forgoing or playing down its links with China. Japan and South Korea would probably have moved somewhat in the direction of more balanced relations with their Asian neighbours in the security sphere, that is, even if their bilateral alliances with the United States continued there would be increased movement towards their continental neighbours. This would probably open the door to a more lasting and more effectively integrated Russian involvement in regional economic and energy development.

Scenario Two: greatly enhanced regional accommodation

The second scenario posits a larger transformation within Asia, with particular emphasis on much more substantial regional and subregional integration. In the political–security sphere, it assumes transitions on the Korean Peninsula and between China and Taiwan that would sharply diminish or eliminate the risks of war. An increased regionwide normalization of relations would also entail a shared commitment to developing new security arrangements, in which all states would participate. For example, should Korean reunification come about, this would have a powerful effect on the character of the US peninsular and

regional presence, on US alliances with both Korea and Japan, and on Korea's diplomatic and security strategies. It would provide a far clearer opportunity for all regional actors to recalibrate their predominant strategic orientations, including the balance between maritime and continental interests.⁵⁵

This scenario also assumes largely collaborative relations between China, India and Japan, including the minimization of latent strategic rivalries. (In all likelihood, it would also incorporate India and Japan becoming permanent members of the UN Security Council.) The presumed driving element in this more optimistic regional outcome would be economic, with reinvigorated growth in South-East and North-East Asia helping fuel more rapid development in states that presently lag behind. The incentives for amply heightened regional energy collaboration would be evident across a full spectrum of energy options and technologies. The region would not exclude external powers, but an Asian identity (or multiple identities) would be increasingly manifest, reducing the present dependence on the United States as a region-wide 'security manager'.

The second scenario would also afford major economic and political opportunities for Russia. Its comparative advantage would derive from Russia's resource potential and its geographic linkages to all the subregions of continental Asia. Russia would therefore assume a more credible Eurasian identity—not to the exclusion of relations with Europe or with the United States, but with a more balanced allocation of resources and policy commitments. This would be evident within Russia as well as in Russia's external strategies. In relative terms, this would assure Russia a more credible, diversified political–security role than it would possess under the first scenario, enabling a larger rebuilding of Russian national power and the greater fulfilment of Russian political and security objectives.

Scenario Three: a destabilized Asia

The third scenario is much more pessimistic. It assumes a longer and much less certain economic recovery in East Asia, potentially further depressing regional oil markets. Acute internal economic problems would lead to political instability in one or more states and various leaderships would resort increasingly to nationalism as a legitimating device, very likely triggering increased military rivalries and interstate tensions in various zones of potential conflict. Religious or ethnic instability, much of it having implications across national borders, could increase significantly without neighbouring states having effective means to prevent it or manage its consequences.

The most important implication of this scenario would be an increasing reliance on military power, quite possibly extending to major crises or wars. In East Asia, this could include crises on the Korean Peninsula and in the Taiwan Strait; in South Asia, it could result in a fourth Indo-Pakistani conflict, but this time against the backdrop of nuclear weapon capabilities in both states; in Central Asia, a range of potential ethnic or separatist conflicts might prompt

⁵⁵ For a more extended discussion, see Pollack and Lee (note 15).

external interventions. This scenario might also extend to growing signs of nuclear or near-nuclear proliferation, and the still latent Sino-Indian strategic rivalry might become overt. Should continental Asia seem increasingly unstable and conflict-prone, there could well be an increasing differentiation between the continental and maritime domains—that is, between Asia and Asia-Pacific. The prospects of regional political, economic and security collaboration would be gravely undermined.

The third scenario would prove an unmitigated disaster for Russia's political and economic opportunities in Asia. Russia could easily find itself embroiled in a range of conflicts and strategic rivalries, possibly resulting in renewed polarization in one or more subregions. The possibilities for Russia to pursue an omni-directional policy would plummet and for some domestic political coalitions the temptation to employ military power would also increase. (By contrast, the prospects of acute regional crisis might under some circumstances afford Russia a potential role in conflict management, in conjunction with the United States and other powers, but this seems largely conjectural.) The inescapable conclusion is that a weaker, destabilized region would represent a serious setback for Russia's hopes for stable internal development and for participating in the creation of a viable regional security order.

This also underscores the essential (if often under-appreciated) connections between the region's future and Russia's longer-term economic and political prospects. These issues are briefly examined below.

V. The Russia factor in Asian security: some tentative conclusions

Even in greatly weakened political and strategic circumstances, Russia by dint of geography, history, resource potential and strategic interest retains a pivotal role and identity in Central, South and East Asian security. A credible, longer-term security order in Asia cannot be realized without Russia being included. Although some states are now paying less heed to Russian security interests, given the country's diminished strategic position, inattention or outright exclusion of Russia would be needless and highly imprudent.

However, a credible longer-term Russian role in Asian and Asia-Pacific security will ultimately depend on political and economic stability and institutional coherence within Russia, and this still seems a very distant prospect. In the absence of these, Russia will, unavoidably, remain in a highly disadvantaged political and strategic position, arriving at agreements more out of weakness than out of considered long-term judgment. These incapacities combined with sharp internal divisions, including those between central and regional leaders, may find Russia incapable of realizing potential policy breakthroughs when such possibilities do materialize. Relations with Japan offer an especially telling example. Such breakthroughs will of course also depend on the actions of others; all too often, Japan has proved incapable of a politically imaginative strategy.

Although case-by-case developments may advance some of Russia's main foreign and security policy goals, instability in Russia will reduce the opportunities and possibilities for larger accomplishments. This suggests a still tentative forecast for Russia's role in multilateral energy and economic development, without which the links between Russia's east and west will remain tenuous. If failure to achieve this development leads to ever larger shifts in the regional balance of power to China and other neighbouring states, Russia's pursuit of strategic collaboration with China may prove illusory and could entail longer-term security risks for Russian interests.

It is nonetheless possible to hypothesize a Russia linked more integrally to Asia as a whole, assuming an enhanced regional position as a more stable, prosperous major power. This would include pursuit of non-adversarial relations with all its neighbours, freedom from instability or threat along any of its borders and far fuller integration with the economies of East Asia. These in turn would facilitate credible strategic understandings with the United States and other major powers, while also permitting an appropriate level of Russian military capabilities in the region.

Such prospects are at present still largely unrealized, reflecting Russia's intense domestic preoccupations, the deterioration and demoralization of its armed forces, and the leadership's inability to establish the longer-term directions of national security strategy, including the balance of Russian interests to the east, west and south.

These weaknesses and vulnerabilities are highly unlikely to prove transitory. Quite apart from these internal constraints, Russian policy makers will need to respond and adapt to a larger set of strategic realities.

First, the predominant (although by no means exclusive) arena of major-power competition, conflict and cooperation in Asia over the past 50 years has been East Asia, especially North-East Asia, and this is unlikely to change. Although developments in Central and South Asia (for example, a more powerful and assertive India) could reduce North-East Asia's predominance, by virtue of its material, military, technological and human resources it will almost assuredly persist as Asia's centre of strategic gravity in the next century. Given the realities of distance, demography and national development, this places Russia (and the Russian far east) at a pronounced disadvantage. Compensatory steps in infrastructural investment and economic integration will be essential if Russia is to satisfy regional strategic interests commensurate with its pursuit of enhanced major-power status.

Second, the character of the Asian security environment will be increasingly determined by factors intrinsic to the region, rather than reflecting the role of extra-regional powers. As the region's power grows, the United States will need to compensate for its geographical distance by enhanced commercial and institutional linkages as well as by the application of advanced technologies in as yet unforeseen ways, but it will also have to adapt to inescapable strategic realities. The determining factors seem likely to include: (a) the role of China and Japan as major powers and the extent to which their pivotal strategic

relationship proves collaborative, competitive or overtly adversarial; (b) the implications of major political and strategic change between China and Taiwan and on the Korean Peninsula, and whether such change occurs peacefully or by the use of force; (c) the ability of regional states to regulate and stabilize their military activities and deployments, including the deployment of strategic missiles and nuclear weapon capabilities; (d) East Asia's capacity to sustain its rapid economic growth and technological development both in regional and in global terms; and (e) the rate, directions and security consequences of regional military modernization.

Russia will also be affected by each of the above considerations, but it will attempt within the limits of its capabilities to shape crucial policy outcomes, especially where it may possess potential comparative advantage. Russia will seek to remain linked to political-strategic developments throughout East, Central and South Asia. Its success will be highly contingent on its own institutional and economic evolution. Thus, some potential involvements could prove more a distraction and a drain on resources than an opportunity to enhance the credibility of Russian power and policy. Although it will be impossible to ignore potential threats posed by instability in various contiguous areas, the fundamental test for Russian policy will be to keep any prospective direct threats to its national security as limited as possible. This will very likely be determined substantially by political and diplomatic actions rather than by military means, although the former possibilities will also depend on the credibility of the state's military capacities.

In assessing Russia's potential role in Asian security, much will depend on how its leaders apportion their capabilities relative to: (a) the possibilities of military conflict; (b) the potential for other forms of crisis (economic, political or social); and (c) the prospects of multilateral collaboration. The credibility of Russian power and policy will further depend on whether major bilateral relationships between Russia and its neighbours are embedded both politically and economically and whether Russian policy seeks largely to exploit momentary opportunities as opposed to developing more durable approaches to diplomacy and conflict management. As in so many areas of Russian policy, there is neither certainty nor predictability about the shape of things to come.

We thus need to return to where we began. Russia clearly hopes to recoup much of its diminished influence, stature and regional presence over the next decades, but this challenge in no way resembles those of the cold war. Russia needs to achieve a more meaningful and more balanced application of the political, economic and military resources at its disposal. However, the expectations of its neighbours will depend substantially on its domestic evolution and the way in which it approaches and articulates its larger political and strategic interests. These concerns may seem less relevant at a time of acute economic turmoil and political uncertainty. However, without attention to such longer-range goals, the forecast for Russia in Asia will remain tentative and potentially very troubled, with the consequences for regional stability and security equally unsettled.