

## Security Developments in East Asia: Challenges and Opportunities<sup>1</sup>

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Security developments in East Asia were always of particular interest and concern for the Soviet Union and then for post-communist Russia if only because of the close proximity of this region to Russia's borders, but there were also larger political and security considerations. Similarly Soviet and then Russian security policies were watched closely by the regional states as they regarded them as an important, in fact a critical, factor in the regional security equation.

After the end of World War II and up to the beginning of the 1990s some of the East Asian countries chose to rely heavily on Soviet military power and protection, while others considered the Soviet Union a potential military threat or at best regarded the Soviet security strategy in the region with apprehension and deep-seated suspicion. During the cold war security developments in East Asia and the Soviet influence over them were also extremely important factors in the global Soviet–US confrontation, and it was here that the two superpowers actually fought each other—although by proxy—at least twice, in Korea and Viet Nam.

With the end of the cold war and the breakdown of the Soviet Union the security situation in East Asia changed dramatically, leaving the United States as the dominant military power there as in other parts of the world, while post-communist Russia began its strategic retreat from the region. At the beginning of the 1990s Russia withdrew its armed forces from Mongolia, effectively discontinued its defence agreements with North Korea and Viet Nam, and reduced sharply the size of its military forces on its own soil in Siberia and the Russian Far East. Partly these military reductions came as a result of international agreements (as was the case with the withdrawal of Russian ground troops along the border with China), but mostly they happened because of a deep and devastating national crisis that gripped Russia in the aftermath of the Soviet rule.

It was only a few years later that the new leadership in Russia realised that this largely chaotic retreat was highly detrimental to Russian national interests in East Asia, both politically and economically. Thus the Russian state borders in the Far East became

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<sup>1</sup> These positions are similar to those described in Joseph Nye, "The Case for Deep Engagement," *Foreign Affairs*, 74:4 (July-August 1995), pp. 90-102. However, Nye presents them as theoretical alternatives. Here, they are seen as options advocated by different participants in an ongoing policy debate in the U.S.

very insecure, allowing for a large influx of illegal immigrants, large-scale smuggling of goods and massive drug trafficking. An obvious lack of interest on the part of the federal authorities in the future of the Russian Far East helped to create a feeling of abandonment among the local population and provoked emigration from the region, while simultaneously encouraging territorial claims on Russia from some of its neighbours. And it was in East Asia that Russia came to face a very serious threat to its national security from the proliferation of weapons of mass destruction and means of their delivery. These security threats required appropriate and speedy responses. And, although any return to Soviet-style great-power policies in the region was ruled out, Russia recognised the need to re-engage itself actively in regional security politics if only in order to create a favourable international environment for the development of its resource-rich but thinly populated Far Eastern regions.

Consequently Russia set out on a course of foreign and security policy in the region that was aimed at establishing good-neighbourly relations with all the regional states and at forming closer relationships, otherwise termed constructive, creative or strategic partnership, with major regional states. As a result, by the end of the 1990s Russia managed to achieve remarkable progress in relations with China and Japan, breaking the logic of the highly controversial and sometimes openly hostile relationships that had prevailed from the 1960s to the 1980s and moving towards constructive dialogue and cooperation with them on a wide range of political and economic issues of bilateral and international importance. In South-East Asia the ASEAN member states accepted Russia as one of their 'dialogue partners', which paved the way for Russia to forge closer political and economic relationships with members of this influential regional grouping. And in 1998 Russia was admitted to APEC as a fully-fledged member, thus achieving international recognition as an equal and responsible member of the Asia-Pacific community of nations.

In sum, these events produced a positive trend in Russia's relations with its neighbours in East Asia and helped to improve Russia's positions in regional political and security affairs. They also made an important contribution to the state of regional security by significantly de-escalating tensions and resolving a number of conflicts of a political and security nature that existed between the former Soviet Union and its neighbours.

### New security challenges and threats

However, other, no less important developments appeared in regional politics that were viewed in Moscow with increasing concern. Among them was an attempt to sideline Russia in the settlement of the Korean conflict when Russia was left out of the four-party talks on a new security system on the Korean Peninsula. Russia also met with apprehension the 1997 Revised

Guidelines for US–Japanese defence cooperation since they stipulated a possible use of Japan's armed forces in the event of an emergency in unspecified 'areas adjacent to Japan', which might include territories and countries in the immediate proximity of Russia's national borders. And, finally, Russia became particularly concerned when the USA announced its intention to establish a theatre missile defence (TMD) system in the region. Although the TMD plans were ostensibly in response to the missile programme launched by North Korea<sup>2</sup> and envisaged deployment of interceptor missiles, their launchers and radars against intermediate-range ballistic missiles, they were seen in Russia as a possible first step towards revising the Anti-Ballistic Missile (ABM) Treaty, and thus raised opposition to their implementation. Russia also came to the unhappy conclusion that its national security interests in East Asia were not being taken properly into account by some countries, the USA in particular.

Russia's official reaction to these negative developments in regional security was reflected in the text of the revised National Security Concept, one of the first major political documents signed by Vladimir Putin only a few days after he assumed the office of Russian Acting President. Analysing the major external threats to Russian national security, the National Security Concept listed among them 'attempts to undermine the status of Russia as one of the centres of influence in a multipolar world, to prevent the realisation of its national interests and to weaken its position in the world'.<sup>3</sup> The Asia–Pacific region, which includes East Asia, was singled out as one of those geographical areas where such threats to Russian security were considered to be strongest.

Russia's concerns about mounting disregard of its interests in Asia–Pacific by the USA and its allies were undoubtedly strengthened by the manner in which NATO launched the war against Yugoslavia in March 1999, as well as by the new NATO Strategic Concept adopted in April 1999, which extended the alliance's activities beyond its borders. Reflecting these Russian attitudes, the new Foreign Policy Concept of the Russian Federation adopted in July 2000 stated that Russia's initial expectations of new, equal and mutually beneficial relations of partnership being established with the West in the post-Soviet period had not materialised.<sup>4</sup>

Obviously Russia could not agree to be treated as a second-rate country even in its

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<sup>2</sup> In more general terms arguments used in USA in favour of deployment of the TMD include the need to protect allied cities, thereby making allied leaders less vulnerable to coercion, and safeguarding the basing and over-flight rights upon which a cohesive alliance or coalition depends and to protect US troops from theatre-range missiles armed with NBC weapons. Dean A. Wilkiring. "Ballistic-missile defense and strategic stability", *Adelphi paper* 334 (N.Y., May 2000), p.15.

<sup>3</sup> "Kontseptsiya natsional'noy bezopasnosti" (The National Security Concept), *Krasnaya zvezda*, 20 Jan. 2000.

<sup>4</sup> "Kontseptsiya vneshney politiki Rossiyskoy Federatsii" (Foreign Policy Concept of the Russian Federation), *Diplomatichesky vestnik*, (Aug 2000) no 8, pp.3-11.

current weakened condition, and it declared its intention to pursue an active foreign policy using the whole range of political and economic methods at its disposal. Speaking at the Moscow State Institute of International Relations (MGIMO) in September 2000, Russian Foreign Minister Igor Ivanov told his listeners that 'Russia will be consistent in upholding its national interests, and in a tough manner if necessary'. Pre-empting possible misinterpretation of his statement, however, he added that 'this approach has nothing to do with confrontation-oriented policy and by no means runs counter to our line towards Russia further playing a constructive role in democratisation of the international community and its integration into the world economy'.<sup>5</sup>

In order to achieve these goals the task was set to make a radical 'reassessment of the situation around the Russian Federation, of the Russian foreign policy priorities and of available resources for their implementation'.<sup>6</sup> In line with these principles Russian policy in East Asia was oriented, according to the new Foreign Policy Concept, to give more weight to economic considerations, including 'the need to ensure the economic growth of Siberia and the Far East'.<sup>7</sup> In practical terms this meant that the period of erratic, over-emotional and highly inconsistent foreign and security policy personified by former President Boris Yeltsin was over and that Russia intended to be governed no longer by illusions or impromptu decisions but by pragmatic and carefully thought-through national interests. The new Russian leadership also reaffirmed its intention to maintain national and international security through cooperation based on the UN Charter and principles of international law, and made clear that if other countries disregarded Russia's national interests this would certainly cause serious international tensions. In the case of East Asia with its very fragile security situation, such negative developments would not only deepen existing dividing lines in the region but also help to create new ones.

Indeed, following the US plans to build theatre missile defences in North-East Asia there was a rapid strengthening of Russia's cooperation on a number of key security issues with China, another nation that also felt that its national interests have been disregarded. In the opinion of Russian and Chinese leaders, practical implementation of the TMD plans without regard to the interests of Russia and China might lead to the existing balance of forces in the region being undermined, an escalation of international tension and a new spiral in the regional arms race. And, although Russian and Chinese leaders repeatedly stated that they did not want to forge a formal political or military alliance, they were prompted to seek closer security cooperation, progressing from the level of the acquisition by China of relatively simple Russian

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<sup>5</sup> "Russia to adopt 'tough' foreign policy in pursuing 'national interests' ", Foreign Broadcast Information service, *Daily Report—Central Eurasia (FBIS-SOV)*, *FBIS-SOV-2000-0901*, 1 Sep. 2000.

<sup>6</sup> "Kontseptsiya vneshney politiki" (note 4).

<sup>7</sup> *Ibid.*

arms (although on a rapidly increasing scale) to the import of the latest Russian weapon systems and transfers of sophisticated military technology. Thus, in addition to the earlier acquisition of Su-27 combat aircraft and anti-submarine warfare (ASW) helicopters, in 1999 China ordered about 40 Su-30K combat aircraft, the most advanced in the Russian Air Force. In the same year China received the first of two Russian Sovremenny Class destroyers equipped with modern missile and radar systems, and two Kilo Class submarines.<sup>8</sup> These acquisitions helped to modernise the Chinese air and naval forces substantially.

Apart from increasing its arms sales to China in quantitative and qualitative terms, Russia also moved to hold closer consultations with it on the latest regional and global security developments, and to formulating a common stand on some of them—from the situation in the Taiwan Strait to NATO's war against Yugoslavia. In July 2000 at their meeting in Beijing President Vladimir Putin and Chairman Jiang Zemin signed a joint Declaration containing a warning that creation of a non-strategic anti-missile defence “should not damage security of other nations, lead to creation and strengthening of closed military and political blocs, undermine global and regional stability and security”.<sup>9</sup> In the opinion of the Russian and Chinese leaders the realisation of the US TMD plans in East Asia might lead to such consequences and therefore caused their serious concerns and resolute protest.<sup>10</sup> In spite of its strong language this statement was in no way an overreaction on either Russia's or China's part to the US anti-missile defence initiative. Nor it was meant to signal a new confrontation with the USA. However, it was a resolute expression of Russia's and China's legitimate concerns about their own security. Its message to the USA was very clear: the security of one side could not be sustainable if it was built at the expense of the security of the other. It also meant that any unilateral steps on the highly sensitive issue of anti-missile defence could be counterproductive.<sup>11</sup>

In this situation bilateral and multilateral consultations among the concerned parties on the main issues of regional security in North-East Asia, including a realistic assessment of

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<sup>8</sup> *SIPRI Yearbook 2000, Armaments, Disarmament and International Security* (Oxford University Press: Oxford, 2000), pp. 352, 387, 388.

<sup>9</sup> Joint Declaration of V.V. Putin, President of the Russian Federation, and Jiang Zemin, Chairman of the Chinese People's Republic, on anti-missile defense, *Diplomateskiy vestnik*, (Aug, 2000), no.8, p.38

<sup>10</sup> *Ibid.*

<sup>11</sup> It is worth noting here that Russia and China were not the only regional states to oppose the US-sponsored TMD plans. South Korea, a close US ally, also did, as it questioned the very effectiveness of such a system since in its opinion the US missile defence system was not going to address the problems of Korean national security, and therefore would be 'ineffective' for South Korea. “US missile defense program ineffective for S. Korea, Minister tells ITAR-TASS”, *FBIS-SOV-2000-0629, Daily Report, Central Eurasia*, 29 June 2000.

concrete challenges and threats to this security and the working out of mutually acceptable responses to those threats, became absolutely indispensable. Even though Russia continued to stay firm on the issue of strategic stability and preservation of the core provisions of the ABM Treaty, it was prepared for a reasonable compromise on issues of non-strategic missile defence. As is known, in September 1997 Russia and the US signed several documents related to the ABM Treaty which contained demarcation criteria between strategic and non-strategic/tactical missile defence systems. In April 2000 the Russian Duma ratified these documents as an inalienable part of the ABM Treaty. Also, at the meeting of the Russian and US presidents in early September 2000 in New York within the framework of the UN Millennium Summit it was stated that both sides were ready to expand their cooperation in the sphere of non-strategic anti-missile defence and would consider specific measures to implement such defence.<sup>12</sup> However deep concerns continue to remain in Russia about a possible use by the US of some of the components of tactical missile defence systems for strategic purposes. Thus, the proposed US TMD system in East Asia envisages deployment of high-altitude Navy Theatre Wide (NTW) system which, in the opinion of Russian experts, can be used also in a strategic anti-missile defence system.

Another group of arguments regarding the US-sponsored TMD system in East Asia is connected with the format of a dialogue with the US on its deployment. Indeed, consultations on strategic stability between Russia and the USA, which have been held regularly already for some time have without doubt helped both sides to clarify both sides' views on a wide range of strategic security issues, including cooperation to limit the proliferation of missiles and missile technologies on the global as well as regional levels. Without questioning the need to continue such bilateral Russian–US consultations, they might be substantially more effective if, for instance, China and Japan were invited to join them. Such a change in the format of consultations would reflect the fundamental changes in international and regional security after the end of the cold war that were characterised by the end of bipolarity in international relations. On the one hand, the new format of consultations on East Asian security issues, including the proposed TMD, would reflect the growing role of China and Japan in East Asian security affairs and would help to directly address their national interests and concerns. On the other, it would help to work out collective political and security measures to counter potential threats, including nuclear ones, from irresponsible and adventurist parties and international terrorists.<sup>13</sup>

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<sup>12</sup> "Russian–US presidents issue statement on strategic stability initiative", *FBIS-SOV-2000-0906, Daily Report, Russia*, 6 Sep. 2000.

<sup>13</sup> For arguments in favour of expanding the format of consultations on ABM-related issues see, e.g., Tsygichko, V., and Piontkovsky, A., "Dogovor po PRO: nastoyashchee i budushchee (ABM Treaty: its present and future)", *Voennaya mysl*, no. 1 (Jan./Feb. 2000), pp. 6–13.

So far the US is still in the initial stage regarding the deployment of advanced-capability TMD systems in East Asia, although some elements of these systems in the form of PATRIOT missiles and its derivatives are already in place there, as, for instance, Modified Air Defence System (MADS) in Taiwan, while deployment of land and sea-based low-altitude systems similar to PATRIOT PAC-3 and Navy Area Defence may start in a few years.<sup>14</sup> Also the US has put off a final decision on implementing a limited national missile defence system.<sup>15</sup> Therefore time for reaching an understanding between the countries concerned on the issue of theatre missile defences in East Asia has not run out yet. But regional and global security situation may indeed deteriorate considerably if the US finally decides to proceed with its plans of deploying the TMD system in East Asia disregarding legitimate concerns and objections of other countries. A constructive alternative to this negative scenario should be sought through a negotiation process involving concerned members of the international community. One of the possibilities already suggested by Russia for Europe but which may be also considered for application in East Asia is the creation of a collective non-strategic missile defence system. Its elements may include: (a) joint evaluation of missile proliferation as well as of possible missile threats; (b) the creation of a joint early-warning centre that would record all sanctioned missile launches and provide timely information about those launches that may be regarded as suspicious and potentially dangerous; (c) working out collective or coordinated responses to potential missile threats; (d) deployment of common boost phase interceptors.<sup>16</sup>

### Resolution of the Korea problem

Although the USA's plans to create a TMD system in East Asia and involve Japan and Taiwan in it have become probably the most visible and most contentious issue in regional security affairs, they are far from being the only ones causing concern in Moscow. East Asia, second only to Europe in the size of the armed forces deployed there by regional as well as extra-regional states, continues to be plagued by regional conflicts, such as those on the Korean Peninsula or around the Taiwan Strait. Stability in East Asia continues to be challenged by numerous territorial disputes in its different subregions, from North-East to South-East Asia. Obviously, unless these conflicts can be resolved and existing tensions de-escalated, no substantial and sustainable improvement in the regional security environment can be expected.

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<sup>14</sup> See "Report to Congress on Theatre Missile Defense Architecture Options for the Asia-Pacific Region," US Department of Defense, April 1999.

<sup>15</sup> The situation may change radically under the Republican administration of President George W. Bush.

<sup>16</sup> For more on the proposed collective non-strategic missile system, see Russian Foreign Minister Ivanov's press conference of 9 June 2000 in *Diplomaticheskyy vestnik*, no. 7 (July 2000), pp. 94–100.

To achieve these goals regional states need to build up a sufficient level of mutual trust. This task is seriously complicated by the absence of effective regional multilateral mechanisms of conflict resolution. The only multilateral security dialogue in the region—the ASEAN Regional Forum (ARF)—is limited in its functions to conflict prevention and confidence-building measures and lacks any mechanisms for dispute settlement.<sup>17</sup> Besides, as the ARF, established in 1994, was designed by its ASEAN forefathers to address security problems primarily, although not exclusively, in South-East Asia, it needed to be supplemented by extra channels of multilateral dialogue that would focus on security issues in other parts of East Asia, including North-East Asia.

Being particularly concerned with the security situation in the areas close to its national borders, Russia displays a natural interest in other countries' initiatives on creating a security forum on North-East Asian issues, including the Korean settlement.<sup>18</sup> Judging from this perspective, such positive experience in establishing confidence-building measures in the region as has been accumulated by such multilateral 'track II' dialogues, as NEACD (the North-East Asia Cooperation Dialogue), should not be lost sight of. But in addition to supporting such or similar multilateral security forums Russia also favours rendering active and resolute assistance to those positive trends that have emerged recently in regional political and security affairs and may greatly facilitate achievement of safe and stable environment in this part of Asia.

In this regard the current changes in relations between the two Korean states, initiated by the historic summit meeting of the two Korean leaders in June 2000, are undoubtedly one of the most fundamental factors influencing both the present state and the future of North-East Asian security. The warming of interstate relations on the Korean Peninsula now makes a military conflict there increasingly unlikely and creates particularly favourable conditions for an eventual peaceful Korean unification. It would be pointless at this stage to speculate when this unification will happen and what concrete forms it is going to take. What is clear, however, even now is that when unification actually takes place it will result in the emergence of a vibrant Korean state with a population of over 70 million people and a powerful industrial and technological base, and its policy will become a highly influential factor in regional affairs. It is therefore in the basic interests of Korea's neighbours not only to assist the Republic of Korea (ROK) and the Democratic People's Republic of Korea (DPRK) in their national reconciliation but also to help the Korean nation and its political elites, both in the North and in the South, to establish a new unified state that will be prepared to live peacefully and

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<sup>17</sup> For a very perceptive analysis of advantages and limitations of the ARF, see Leifer, M., "The ASEAN Regional Forum: a model for cooperative security in the Middle East", Canberra, 1998.

<sup>18</sup> For persuasive arguments in favour of establishing a North East Asia Security Forum see, for instance, Bonnie D. Jenkins "Prospects for a conventional arms reduction treaty and confidence-building measures in Northeast Asia," *INSS Occasional Paper* 34. August 2000.

constructively with its regional counterparts.

Rising to this task, the new Russian leadership found it highly expedient to give a new start to Russia's relationship with both Korean states. This policy approach to Korean affairs included as one of its priorities efforts to restore the relationship with the DPRK, which had been seriously undermined during the 1990s. As a result, in February 2000 Russia and the DPRK concluded the bilateral Treaty of Friendship and Cooperation. In July President Putin visited North Korea and held extensive talks with North Korean leader Kim Jong-Il on a wide range of issues, including the future of the DPRK missile programme. During these talks Putin reiterated Russia's position in support of Korean national reconciliation and in perspective—in favour of reunification of Korea provided it was based on inter-Korean agreements without any external interference.

The initial results of these Russian foreign policy initiatives were quite encouraging as they helped Russia to re-establish itself as an important player in Korean affairs and act as a responsible and friendly partner to both the DPRK and the ROK. Kim Jong-Il's statement during the negotiations with Putin that the DPRK might stop its missile programme if it received outside assistance in launching its satellites for peaceful space research also undoubtedly contributed to the larger process of regional and global security.<sup>19</sup>

This statement of Kim Jong-Il took many foreign politicians, security analysts and military planners by surprise and they initially cast serious doubt on it. However, Kim Jong-Il's proposal looked sensational only at first glance; it was, in fact, a hard bargaining offer addressed to the West and typical of the North Korean policy of brinkmanship that had been successfully tested by Pyongyang in 1994 when the US–DPRK agreement was reached in Geneva. Under that agreement, in exchange for ending its nuclear development programme North Korea would receive supplies of fuel oil and international assistance in building light-water reactors to fight its serious energy shortages. Then in September 1999 North Korea and the USA reached another agreement by which, in exchange for North Korea suspending its long-range ballistic missile programme, the USA agreed to ease or remove certain economic sanctions imposed on North Korea. Now once again the North Korean leadership seems to want to trade a complete halt of its missile programme for international assistance in high technologies and diplomatic recognition from the USA and other developed countries, thus finally breaking its diplomatic isolation and economic embargo in the West.

For the purposes of this analysis it is important to underline that by launching his proposal Kim Jong-Il made the USA's TMD plans in East Asia largely irrelevant and offered a good opportunity to resolve the problem of the DPRK missile programme through negotiation by political and economic methods. Nor should it be overlooked that by proposing to link its

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<sup>19</sup> *Krasnaya zvezda*, 25 July 2000.

space research programme to the use of rockets owned by other states the DPRK leadership sent a signal to the outside world assuring it of the peaceful character of this programme.

Obviously no one expects to place excessive trust in or believe blindly a mere statement of the North Korean leadership, even if it was made at the highest political level. But at least now there appeared a real opportunity to take the North Koreans at their word and try to reach with them a comprehensive and verifiable agreement on a permanent halt the DPRK's long-range ballistic missile programme. Important steps in this direction were made during a landmark visit of Vice Marshal Jo Myong-rok, vice chairman of the DPRK National Defence Commission to the USA in October, 2000, followed later the same month by an equally important visit of US Secretary of State Madeleine Albright to Pyongyang. Although no concrete US-DPRK agreements on the DPRK missile programme were reached at that time the meetings between top political leaders of the USA and DPRK raised strong hopes for a negotiated solution of this problem. When and if this goal is achieved, a much safer and predictable security environment will be established in East Asia.

#### The Russian–Japanese territorial dispute

In contrast to regional conflicts, such as the one on and around the Korean Peninsula, which by definition affect the security interests of many countries and invite a combination of bilateral and multilateral efforts to resolve them, the numerous territorial disputes between East Asian states or between them and their neighbours are mostly of a bilateral nature (with the obvious exception of the South China Sea dispute). This, however, does not make them potentially less disruptive for regional security or easy to resolve.

This paper will deal with the current political and security implications of only one of such disputes—that between Russia and Japan over the ownership of the Iturup, Kunashir, Shikotan and Habomai islands, otherwise known in Russia as the Southern Kuriles and in Japan as the Northern Territories. This dispute has gone on for most of the time since the end of World War II, marring Soviet–Japanese relations and even now remains the main, in fact the only, obstacle to finalising the normalisation of relations between Russia and Japan and to concluding a long-overdue peace treaty between them. For Japan the conclusion of a peace treaty means above all the final resolution of the territorial problem with Russia on the basis of the re-establishment of Japan's sovereignty over the Southern Kuriles. In Russia the same event is interpreted as the recognition by both sides of the need to put their bilateral relationship on a firm basis of long-term partnership, the key element of which is close economic cooperation. Thus, in preparing for the conclusion of a peace treaty, Japan puts the emphasis on the territorial aspects of this document, while Russia insists on signing not merely a peace treaty but a 'treaty of peace, friendship and cooperation' which will have much broader implications for

their future relationship. The two sides also demonstrate different attitudes to the issue of demarcation of the Russo-Japanese border in the area surrounding the Southern Kuriles. The Russian side—for obvious domestic reasons—argues in favour of shelving the demarcation issue for future negotiations and letting the text of the proposed treaty only confirm their resolve to tackle the issue. The Japanese side—for its own and no less valid domestic reasons—maintains that the national borders must be agreed before a peace treaty can be signed, while the timing of the return of the islands can be left for future negotiations.

The issue was taken up for discussion again during President Putin's official visit to Japan in September 2000, revealing only that both sides have so far failed to reach a mutually acceptable agreement on the issue. The Russian side declined Japan's latest proposal whereby Russia would cede sovereignty of the Southern Kuriles but retain administrative control over them over a period of a phased return to Japan. Japan, in turn, rejected a Russian proposal that the two countries sign an interim treaty of peace, friendship and cooperation and leave the territorial issue to be resolved later. What should not be overlooked, however, is that in spite of this largely predictable failure the Russian–Japanese summit recorded a number of positive results in bilateral relations in connection with the territorial dispute, including the expansion of humanitarian contacts and the building up of joint economic activity around the disputed islands. Both sides noted that an earlier agreement for cooperation in catches of live marine resources in the areas surrounding the islands and arrangements for exchange of visits between Russian residents of the islands and Japanese citizens under simplified procedures were being successfully implemented. During the summit meeting both sides also agreed to continue the negotiation process on sovereignty over the islands in the framework of their joint ministerial commission on concluding a peace treaty and in the subcommittee on border delimitation.

In spite of the importance of the territorial dispute, the Russian–Japanese summit was not limited to discussing that one issue. On the contrary, its agenda was rich with other political, economic and strategic issues of bilateral and international importance. One important part of this agenda was military cooperation between Russia and Japan, reflecting, in the words of Colonel-General Valery Manilov, first deputy chief of the General Staff of the Russian Armed Forces, 'serious plans and intentions of both Russian and Japanese military to develop such cooperation'.<sup>20</sup>

In sum, Russian–Japanese relations seem to have reached a stage where the territorial issue, although still a major irritant, has ceased to dominate and block them, thus allowing both sides to move on to other important issues in their bilateral relations and to coordinate

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<sup>20</sup> "Manilov: Russian, Japanese military agencies to cooperate", *FBIS-SOV-2000-0831, Daily Report, Russia, Northeast Asia*, 31 Aug. 2000.

their policies on larger international issues, including nuclear disarmament and promoting strategic stability at global and regional levels. This does not mean, of course, that the territorial issue is taken off the agenda of Russian–Japanese negotiations or that it has lost its importance. It was confirmed at the Tokyo summit that the leaders of Russia and Japan would continue to advance their talks on a peace treaty and on the settlement of the territorial problem. However, it will be counterproductive for the state of Russian–Japanese bilateral relations in general and for the outcome of the territorial dispute in particular if the previous practice of setting artificial time limits for concluding a peace treaty is reinstated. Obviously, the basis for a resolution of the territorial dispute can only be a compromise. Public opinion in both countries should be prepared for this kind of solution, but it will take time. Any attempt to revert to radical uncompromising attitudes on this issue or to rush a solution can only set back the process of resolution of the territorial dispute.

#### Russia's next security priorities in East Asia

The main conclusion to be drawn from the current tendencies in the political and security environment in East Asia is that the security situation there has improved radically since the end of the cold war. Nevertheless, in spite of these positive changes there is still lack of trust among the regional countries. In order to create a more healthy and cooperative atmosphere a comprehensive system of regional security needs to be established that will include coordinated measures of a political and economic nature and will be aimed at prevention, management and resolution of existing as well as emerging conflicts and disputes in the region. It is in Russia's basic national interests to facilitate the establishment of such a system and to contribute to the creation of corresponding mechanisms to ensure its effective functioning.

As was stated above, the preservation of peace and stability in East Asia will remain high on Russia's national security agenda. It intends to protect its national interests in the region primarily by political means and has no plans to increase the Russian military presence in any form in the area. Moreover, as part of its military reform, by the year 2003 it plans to radically reduce the size of its armed forces—from 1.2 million to 850 000 servicemen. The reductions—across the whole country — are to include c. 180 000 servicemen in the Land Forces, 50 000 in the Navy and about 40 000 in the Air Force.<sup>21</sup> As it was stated during Russian Defence Minister Igor Sergeev's visit to Japan in November 2000, in the framework

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<sup>21</sup> Also it was announced by the Russian Security Council after its meeting on November 2000 chaired by President Vladimir Putin that 130 000 civilian staff and 105 000 troops from units not under the Defense Ministry jurisdiction, including Interior Ministry troops, will be cut over the next five years. *RFE/RL Newslines*, vol.4,no.219, part 1, November 10, 2000.

of this reform Russia intends to cut down its armed forces in the Far Eastern regions of the country by over 20%. 170 military units (100 in Siberia and 70 in the Russian Far East) will be cut down completely and 340 more will be radically reduced in size.<sup>22</sup> It was also stated that from 1996 to 2000 the strength of Russian armed forces in the Far East was reduced by 24 thousand troops.<sup>23</sup>

As its relations with its neighbours in East Asia continue to improve Russia does not foresee any immediate direct military threats to its national security coming from the region. Nevertheless the unresolved tensions on the Korean Peninsula and in the Taiwan Strait will call for additional and timely political efforts on behalf of the Russian Government as an escalation of those tensions may pose serious security problems for Russia. The US TMD deployment plans will continue to be another source of security concerns in Moscow. Dealing with these security challenges and concerns will, no doubt, be an integral and important part of Russian foreign and security policy in the region in the foreseeable future.

They will certainly not be the only ones: for instance, the so-called unconventional security threats of a criminal nature, such as drug trafficking, the large-scale smuggling of goods or the illegal arms trade, are growing in importance in East Asia in general and along Russia's borders in particular. The National Security Concept recognised these threats as very grave, linking them to 'escalation of activities of the transnational organised crime as well as of international terrorist organisations'.<sup>24</sup> Along with security measures taken or planned to fight these threats at the national level, Russia will need to expand cooperation on these issues with its neighbours, both bilaterally and on a multilateral basis. The Shanghai Forum, which was established in 1996 and of which Russia is a member along with China and three Central Asian states (Kazakhstan, Kyrgyzstan and Tajikistan), declared fighting international terrorism to be one of its basic goals. With Uzbekistan acquiring observer status in the Shanghai Forum in 2000 and Mongolia reportedly considering joining it shortly as another full-fledged member, the role of this organisation in maintaining peace and security both in Central Asia and in the northern part of East Asia is likely to become more visible and prominent in the foreseeable future, thus contributing to the creation of a new and safer international order in this part of the world.

Another group of unconventional security threats facing Russia is connected with current demographic changes in and around the Russian Far East and Siberia—on the one hand the continuing reduction in the size of the already very small Russian population in these regions, and on the other growing illegal immigration from the neighbouring states. If these processes are not stopped and reversed Russia may find itself in a fundamentally different security

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<sup>22</sup> *Krasnaya Zvezda*, December 2, 2000.

<sup>23</sup> *Ibid.*

<sup>24</sup> "Kontseptsiya natsional'noy bezopasnosti" (note 3).

situation as early as within the next decade or two. Recognising this threat President Vladimir Putin spoke in July 2000 about an urgent need to offset it by launching a crash economic programme for the development of the Russian Far East and Siberia.<sup>25</sup>

Vladimir Putin was, of course, not the first Russian leader to speak about the need to develop the resource-rich Far Eastern areas of Russia, but he was the first to realise that Russia may lose them, and rather sooner than later, not because of any sinister foreign scheming or because of real or rather imaginary separatist tendencies generated inside the region but because of the fact that even the basic needs and requirements of the local population were almost completely disregarded for years by the federal authorities, because of a dramatic shortage of new investments in the regional economy, and because of the breakdown of law and order leading to a steep increase in criminal activities. In order to normalise economic and social conditions in the region and as a result to radically improve the present demographic situation there, the Russian federal authorities will need to undertake a complex economic and resettlement programme. Without discussing its possible aspects and priorities one can only underscore that creation of an attractive investment climate for domestic and especially for foreign investors should be one of its core elements. These investors, especially the ones from neighbouring East Asia, may become strongly motivated to invest in the Russian economy if only because of the rapidly growing deficit of energy resources in many East Asian countries, China and Japan in particular, and the availability of rich deposits of oil and natural gas in the Russian Far East (Kamchatka and Sakhalin) and eastern Siberia. Their interest in the development of energy resources in these areas may become one of the focal points in East Asian regional politics as early as in the next decade. A positive outcome of such developments may become a growing economic interdependence between Russia and its East Asian neighbours, which will in turn facilitate their cooperation on political, security and other issues.

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<sup>25</sup> Kozyrev, D., "Putin postavil vopros" (Putin raised a problem), *Nezavisimaya gazeta*, 21 July 2000.