

Chapter 7

Russia

In August 1999, as the Russian leadership perceived greater threats from domestic separatist and Islamic fundamentalist forces amid the deteriorating Chechen situation, Russian forces mounted a military campaign to eliminate the terrorists in Chechnya. The Chechen operation, which was directed by Prime Minister Vladimir Putin, strengthened his position as a candidate for president.

In the area of foreign policy, the Russian Federation was preoccupied with the Kosovo crisis. Russia regarded the bombing of Yugoslavia by North Atlantic Treaty Organization (NATO) forces as a manifestation of the U.S.-centered “unipolar world order” in international relations. From this point of view, Russia has intensified its criticism of the United States and NATO, and has attempted to strengthen strategic cooperation with China and India.

NATO’s air campaign against Yugoslavia has prompted a general review of Russia’s military policy. Work is now under way to review the National Security Concept and draw up a new Military Doctrine. An emerging consensus in the Russian leadership calls for efforts to rebuild the mobilization readiness of the Russian armed forces. However, the modernization of equipment is not necessarily making progress for economic reasons, although there are moves to increase defense spending. Organizational reform of the armed forces and troop reductions is continuing.

1. Duma Election and Resignation of President Yeltsin

(1) Deterioration of the Chechen Situation, and the Rise of Prime Minister Putin

On August 8, 1999, armed groups of Chechen fundamentalists invaded neighboring Dagestan, leading to the further intensification of Islamic fundamentalist activities in Chechnya. On August 31, a bomb allegedly planted by Chechen Islamic fundamentalists exploded in central Moscow. The incident led to a series of explo-

sions elsewhere in Moscow and in southern Russia. Over 300 persons were killed in these incidents.

President Boris Yeltsin dispatched Russian troops to Chechnya with the aim of eliminating the Islamic fundamentalist terrorists there. Prime Minister Vladimir Putin, who directed the military operation, won a high reputation for his strong action against terrorism. As a result, his popularity as the leading presidential candidate increased rapidly among the Russian people. The military operation in Chechnya can be seen as an attempt to deflect public attention from the money laundering scandal — aides to President Yeltsin were suspected of misappropriating some of the funds the Russian government had borrowed from the International Monetary Fund (IMF). The Chechen situation clearly had a positive effect on the Yeltsin administration in the sense that it allowed the leadership to maintain the initiative in domestic politics.

(2) Progress in the Reorganization of Political Forces

Political forces in Russia have moved toward union and reorganization since 1998 with a view to victory in the State Duma election scheduled for December 1999. In December 1998, Yuriy Luzhkov, mayor of Moscow, created the political bloc "Fatherland" and thus started an early election campaign. Moves toward reorganization gained momentum among the political forces centering Fatherland. In August 1999, "All Russia" led by Mintimer Shaimiev, president of the Russian republic of Tatarstan, a political bloc of heads of federal constituents, decided to merge with Fatherland. The new political bloc "Fatherland-All Russia" was formed, and made Yevgeniy Primakov, who had been dismissed as prime minister in May, its head. This was in effect a coalition of two influential presidential candidates — Luzhkov and Primakov. Also in August, the Agrarian Party, a leftist group, decided to join Fatherland-All Russia. As a result, an influential center-left coalition came into being.

The Communist Party of the Russian Federation, which has a nationwide network of chapters with a total of about 500,000 mem-

bers, had the solid support of organized voters. However, the party leader Gennadiy Zyuganov, who had little influence over financial magnates and major media organizations, fell behind in fund-raising and campaigning. In addition, with the Agrarian Party breaking ranks, the Communist Party failed to form a broad-based leftist coalition. As for the other forces, Yabloko, headed by a moderate, former First Deputy Prime Minister Grigoriy Yavlinskiy, the more radical Union of Right-Wing Forces led by former Prime Minister Sergey Kiriyenko and former First Deputy Prime Ministers Anatoriya Chubais and Boris Nemtsev, and the ultraright Liberal Democratic Party of Russia were all expected to win seats in proportional representation constituencies.

While the political forces jockeyed for position, President Yeltsin made all-out efforts to maintain the initiative in domestic politics. In particular, Yeltsin attempted to block the formation of Fatherland-All Russia and thereby undercut Luzhkov's influence. Luzhkov, who confronted Yeltsin aides over control of financial groups, intensified his criticism of the Yeltsin administration. Yeltsin masterminded a plot, using Prime Minister Sergey Stepashin, to drive a wedge between Luzhkov and heads of federal constituents. The failure of the plot presumably prompted Yeltsin to dismiss Stepashin.

On August 9, Yeltsin appointed Putin, secretary of the Security Council and director of the Federal Security Service, as prime minister, and declared Putin to be his successor in the next presidential election. As deputy chief of the Presidential Administration, Putin has experience in local policy affairs. The Putin appointment reflected Yeltsin's intent to tighten control over the federal constituents. As such, it clearly pointed to a tightening of internal security against a backdrop of the deteriorating situation in Chechnya and Dagestan.

On October 13, the election bloc "Unity" representing the ruling party was formed. It comprised more than 30 heads of federal constituents with Sergey Shoigu, minister of civil defense, emergency

and natural disaster relief, serving as its head. In spite of its late start in campaigning, Unity succeeded in expanding voter support in a short period, thanks partly to the announcement of support by Prime Minister Putin.

As a result of the State Duma election held in December 19, Unity won 23.32 percent of the vote in the proportional representation (PR) constituencies, coming a close second after the Communist Party, which gained 24.29 percent. According to the December 29 announcement by the Central Election Commission, Unity captured a total of 72 seats in the PR and single-seat constituencies. As a result, Unity became the second-largest party, surpassing Fatherland-All Russia (67 seats), although it trailed far behind the Communist Party, which won 113 seats.

The strong showing made by Unity, for which Prime Minister Putin had expressed support, established his reputation as the leading presidential candidate. On December 31, President Yeltsin, in a bid to ensure Putin's victory in the presidential election, resigned, six months before his term expired, and appointed Putin as acting president.

2. Opposition to the U.S.-Centered “Unipolar World Order”

(1) The Kosovo Crisis and Russia's Foreign and Military Policies

NATO's air campaign against Yugoslavia, which lasted 78 days from March 24 to June 9, 1999, has had significant effects on the foreign and military policies of Russia. Following the outbreak of the Kosovo crisis, deep disagreements developed between the United States and NATO, on the one hand, which were prepared for the use of force — though they regarded it as the last resort — and Russia, on the other, which insisted on a peaceful solution. In fact, after NATO launched air raids in late March, relations between them deteriorated significantly. In March, NATO accepted

Poland, the Czech Republic and Hungary as new members and, in April, adopted the new “Strategic Concept,” which approved the use of force outside the NATO region. Thus NATO has continued active moves in post-Cold War Europe.

Russia, which regards these moves — a NATO offensive, in other words — as its security concerns, is preoccupied with how to deal with these moves. In the area of foreign policy, Russia has explored ways of strategic cooperation with China and India in order to check the United States and NATO. At the same time, it attaches importance to securing stability in the strategic environment east and south of Russia. As for military policy, Russia has embarked on a general review of defense policy, including a review of the National Security Concept, the Military Doctrine — these are official government documents adopted in 1997 and 1993, respectively. The former defines the basic direction of Russia's national security policy and the latter, military policy — and the nuclear strategy. The reform policy of Defense Minister Igor Sergeev places priority on future investment for military construction, such as research and development, even at the expense of immediate mobilization readiness. This policy is beginning to meet criticism from within the armed forces.

(2) Russia's Foreign Policy: Goals and Limits

The major goal of Russia's foreign policy is to change the U.S.-centered “unipolar world order” and build a multipolar world order. The question for Russia is how to maintain its status as a major power in the international community. To this end, Russia aims to strengthen strategic cooperation with China and India.

On March 30, 1999, in his annual message to the Federal Assembly, President Boris Yeltsin said that building a multipolar world order is a major foreign policy goal of Russia, thus accentuating a posture of opposing the U.S.-centered unipolar world order. Regarding the Kosovo crisis, President Yeltsin said that attempts to resolve it through use of force are unpardonable, and empha-

sized the need for the United Nations to continue playing a central role in the resolution of international and regional security problems. Thus Yeltsin strongly criticized NATO for using force against a sovereign state outside the NATO region without the endorsement of U.N. Security Council resolution. In the annual message, Yeltsin also said that Asia represents one of the preferential and promising areas of Russian foreign policy, and mentioned the importance of Russia's participating actively in multilateral consultative mechanisms in the Asia-Pacific region, such as the Asia-Pacific Economic Cooperation (APEC), and of its strengthening bilateral relations with China, India and Japan.

However, notwithstanding the strong stance Russia has taken in the presidential message and in its criticism of the United States and NATO, Russia has reasons to maintain good relations with the United States and NATO. First, the Russian economy is in such a serious condition that it cannot possibly survive without IMF loans. From the economic point of view, therefore, relations with the United States are important. Second, the idea of creating a strategic triangle among Russia, China and India, an idea proposed in December 1998 by the then Prime Minister Yevgeniy Primakov during his visit to India, as a counterweight to the U.S.-centered unipolar world order, has been rejected by the other two prospective members that attach importance to relations with the United States.

Thus, Russia's intentions to strengthen strategic cooperation with these countries in awareness of the United States and NATO have made little headway, contrary to its expectations. Consequently, Russia's cooperative relations with Western countries remain important from the standpoint of national security. During his prime ministership, Sergey Stepashin assigned top policy priority to the lifting of the loan freeze that the IMF imposed on Russia at the time of its economic crisis in the summer of 1998. During his visit to the United States beginning July 26, 1999, immediately before being dismissed from office, Stepashin discussed

the loan question in talks with U.S. leaders and secured an IMF agreement to lift the freeze. The Stepashin visit can be seen as a Russian signal of its desire to improve relations with the United States.

(3) Continued Strengthening of Cooperation with China

Russia continues to attach greater importance to relations with China than to any other bilateral relations in East Asia. Igor Ivanov, minister of foreign affairs, has expressed the view that Russia and China share the goal of building a multipolar world order and that the two countries must strengthen their strategic partnership to prevent a situation in which the United States imposes its ideas on other countries. Ivanov visited China June 1–3, 1999, and reaffirmed the strengthening of the strategic partnership in talks with Chinese leaders.

President Boris Yeltsin and Chinese President Jiang Zemin conferred August 25 in Bishkek, the capital of Kyrgyzstan, where a five-nation summit meeting of China, Russia, Kyrgyzstan, Kazakhstan and Tajikistan was held August 24–25. At the Sino-Russian summit the two leaders agreed to strengthen the strategic partnership between the two countries and criticized the United States for trying to establish a world order in its own interests. President Yeltsin made an unofficial visit to China on December 9–10 for talks with President Jiang and other Chinese leaders. The two agreed to strengthen the strategic partnership between the two countries.

There are four other notable cases of visits by high-ranking Russian officials to China. They are Grigoriy Karasin, deputy minister of foreign affairs (March 13–14); Victor Chernomyrdin, presidential special envoy to Yugoslavia (May 10–11); Adm. Vladimir Kuroyedov, commander in chief of the navy (May 22–28); and Iliya Klebanov, deputy prime minister (in charge of munitions industry) (August 26–28). In particular, Chernomyrdin, who made the visit immediately after the accidental bombing of the Chinese Embassy

Table 7-1. Major Exchanges of Visits between Russia and China

1997	
April 22–26	President Jiang Zemin visits Russia. Signs a Joint Declaration on a Multipolar World and the Formation of a New World Order.
June 26–28	Prime Minister Viktor Chernomyrdin visits China. Signs eight agreements, including Agreement on the Establishment and Organizing Principles of Regular Meetings of Heads of State.
Aug. 26–Sept. 3	Liu Huaqing, vice chairman of the Central Military Commission, visits Russia. Holds talks on matters related to military-technical cooperation, including licensed production of the Su-27.
Nov. 9–11	President Boris Yeltsin visits China. Confirms in a joint statement that all the problems related to the demarcation of the Russia-China state boundary in the eastern part have been settled.
1998	
Jan. 22–26	Andrey Kokoshin, secretary of the Security Council, visits China. Holds talks on strengthening bilateral cooperation in the military field.
Feb. 17–18	Premier Li Peng visits Russia, holds talks on trade expansion, and international issues, including the Iraqi problem.
July 14	Prime Minister Sergey Kiriyenko visits China. Holds talks on questions related to the development of trade and economic relations.
Oct. 21–24	Defense Minister Igor Sergeev visits China. Agreement was reached on the expansion of military-technical cooperation.
Nov. 22–25	President Jiang Zemin visits Russia. Confirms in a joint statement that all the field works for demarcation of the western part of the Russia-China state boundary have been completed.
1999	
Feb. 24–27	Premier Zhu Rongji visits Russia. Signs 11 agreements aimed at strengthening cooperation in trade/economics, science /technology, energy and other fields.
March 13–14	Deputy Foreign Minister Grigoriy Karasin visits China. Holds talks on matters related to Japan-U.S. joint technological research on BMD.
May 10–11	Presidential Special Envoy to Yugoslavia Chernomyrdin visits China. Holds talks with Premier Zhu Rongji, Vice Premier Qian Qichen and others on the NATO's air campaign against Yugoslavia.
May 22–28	Commander in chief of the Navy, Adm. Vladimir Kuroyedov visits China. Holds talks on the bilateral military-technical cooperation, the Kosovo problem and other international issues.
June 1–3	Foreign Minister Igor Ivanov visits China. Criticizes the NATO's air campaign and demands an immediate halt to the military action.
June 7–15	Gen. Zhang Wannian, vice chairman of the Central Military Commission, visits Russia. Holds talks on the strengthening of the bilateral military-technical cooperation.

Aug. 26–28	Deputy Prime Minister Iliya Klebanov visits China. Holds talks on the strengthening of the bilateral military-technical cooperation.
Aug. 25	President Yeltsin holds a separate meeting with President Jiang Zemin on the sidelines of a five-nation summit meeting of Russia, China, Kazakhstan, Kyrgyzstan and Tajikistan. Agreement reached on further developing the bilateral "strategic partnership." President Yeltsin alleges that the United States is trying to establish a world order in its own interests.
Oct. 2–6	Adm. Mikhail Zakharenko, commander of the Pacific Fleet, visits China. Russia and China conduct their first bilateral naval exercise.
Dec. 9–10	President Yeltsin visits China. Holds talks with President Jiang Zemin and others. Agreement was reached on strengthening the strategic partnership.

Sources: Data from relevant issues of the *Diplomaticheskii vestnik*, and Russian newspapers.

in Belgrade, held talks with President Jiang Zemin, Premier Zhu Rongji and Vice Premier Qian Qichen, on the two countries' responses to the bombing of Yugoslavia. In these meetings, they concurred that the bombing must be stopped to pave the way for a solution to the problem. Adm. Kuroyedov, in a meeting with Fu Quanyou, chief of the General Staff, discussed the question of expanding military exchanges and military technology cooperation between the two countries. They conferred on the question of Japan-U.S. technology research on ballistic missile defense and agreed to oppose the project.

From China to Russia visits were made by Premier Zhu Rongji (February 24–27) and Zhang Wannian, vice chairman of the Central Military Commission (June 7–15). Zhu conferred with President Yeltsin, Prime Minister Primakov and others. Questions of bilateral cooperation were discussed at a series of meetings. There the two countries reaffirmed their intention of building relations from a strategic perspective and signed 11 documents. At the Yeltsin-Zhu meeting it is reported that the two discussed the question of purchasing Su-30MK multirole fighters from Russia.

The visit to Russia by the military delegation headed by Gen.

Zhang Wannian, vice chairman of the Central Military Commission, was the first since the delegation led by Liu Huaqing, vice chairman of the Central Military Commission, visited that country from August to September 1997. It is believed that the purpose of the Zhang delegation was to promote military-technical cooperation between the two countries. This is suggested by two facts. First, the delegation visited, among other sites, the Komsomolsk-na-Amure Aviation Production Association, the Sukhoi fighter manufacturing plant in the Russian Far East. Second, Nikolai Mikhailov, the first deputy defense minister who was in charge of the munitions industry and arms exports, accompanied the delegation on the Far Eastern tour. According to the central organ of the Ministry of Defense, *Krasnaya zvezda* (June 16), the Chinese delegation observed the state of readiness at the plant with a view to placing large-volume orders concerning the production of advanced fighters. This is thought to indicate that preparations are under way to conclude contracts for the introduction of Su-30MK multirole fighters.

From October 2 to October 6, the missile cruiser *Varyag* and the missile destroyer *Burny* commanded by Adm. Mikhail Zakharenko, commander of the Pacific Fleet, paid a goodwill visit to Shanghai in commemoration of the 50th anniversary of the establishment of the diplomatic relations between Russia/Soviet Union and the People's Republic of China (PRC) and the 50th anniversary of the founding of the PRC. On these occasions the Russian ships conducted the first bilateral exercise with vessels of the PLA Navy. One of the Russian ships that participated in the exercise was the *Sovremenny*-class missile destroyer scheduled for deployment in the PLA Navy in or after 2000. During the bilateral exercise it is thought that the Russian side intended to stimulate a Chinese desire to purchase more missile destroyers of the same class by demonstrating their outstanding performance to the PLA Navy.

The Russian moves to strengthen strategic cooperation with China, no doubt, have been spurred by the Russian opposition to

NATO's eastward expansion and its bombing of Yugoslavia, and to the national missile defense program of the United States. Needless to say, Russia is promoting arms exports to China, particularly sales of Sukhoi fighters, primarily from the viewpoint of making economic gains. At the same time, however, such Russia's arms exports to China seem to reflect the following strategic thinking in a segment of Russia. First, it is held that in order to change the U.S.-centered "unipolar world order," it is necessary to strengthen non-U.S. polars and that, for that purpose, the modernization of the Chinese military power is essential. Second, it is maintained that Russia is about 20 years ahead of China in military technology and that sales of advanced weapons to China do not pose threats to Russia as long as Russia continues its research and development. In other words, Russia's increasing arms exports to China are said to reflect Moscow's considerations for its own security, as well as its concerns about relations with the United States.

(4) Russia's Efforts to Mend Relations with North Korea

Russia is aiming to restore its influence in the Korean Peninsula by improving relations with North Korea. Russia, which is seeking to tear down the U.S.-centered "unipolar world order," believes that it must change the situation in which the United States holds overwhelming influence in the peninsula. Russian influence in the peninsula declined because, as Russia perceives, in the early period of the Yeltsin administration, Russia placed too much emphasis on relations with South Korea under a pro-Western foreign policy and thus neglected relations with the North.

Beginning in 1996, Russia pursued a foreign policy of expanding good-neighbor relations with all states under Foreign Minister Yevgeniy Primakov, who later became prime minister. As part of this policy, Russia has since continued efforts to mend relations with North Korea. These moves are designed to change Russia's completely pro-South Korea policy in the Korean Peninsula in

favor of a balanced policy that gives equal weight to South and North Korea.

One pending issue in relations with North Korea was that of concluding a new bilateral treaty to replace the Treaty on Friendship, Cooperation and Mutual Assistance, which expired in September 1996. Grigoriy Karasin, deputy minister of foreign affairs, visited Pyongyang from March 15, 1999, following a trip to Beijing and, on March 17, initialed the Russia-DPRK Treaty of Friendship, Good-Neighborliness and Cooperation. The fact that the treaty does not include a security guarantee clause is said to be a major change from the old treaty. During a stopover in Beijing en route home, Karasin expressed a desire to resume military and border exchanges with North Korea. If the new treaty does not include a security guarantee clause, it follows that Russia does not need to increase its force levels in the Far Eastern Military District.

As for relations with South Korea, Russia intends to maintain working relations with emphasis on economic cooperation. From January 24 to January 26, Hong Soon Young, minister of foreign affairs and trade, made an official visit to Russia for talks with Foreign Minister Ivanov. At the meeting Ivanov expressed Russia's strong interest in developing economic relations with South Korea, which, he said (acknowledged as), was playing a major role in securing stability in East Asia.

During an official visit to Russia by President Kim Dae Jung of South Korea from May 27 to May 30, the two countries discussed ways to develop economic relations in the near future. The Russian side positively evaluated the efforts being made by the Kim Dae Jung administration for the "reduction of tension and establishment of durable peace" in the Korean Peninsula, and expressed support for the administration's North Korea policy of "contacts and productive dialogue," saying that realization of that policy "would promote consolidation of peace and stability not only in the Korean Peninsula, but also in the entire region."

(5) Japan-Russia Relations and Progress in Defense Exchanges

Relations between Japan and Russia have improved rapidly since 1996. The governments of the two countries are continuing efforts toward concluding a peace treaty in 2000. From February 20 to February 23, 1999, Foreign Minister Ivanov visited Japan, and from May 28 to May 30 then Foreign Minister Masahiko Koumura visited Russia. Russia has expressed concern about the growing moves to strengthen the role of the Japan-U.S. alliance in Northeast Asia following the enactment of the bills related to the Guidelines for Japan-U.S. Defense Cooperation. Russia, along with China, has intensified its criticism of Japan-U.S. joint technology research on ballistic missile defense. However, defense exchanges between Russia and Japan have made steady progress in parallel to improvements in Russo-Japanese relations.

In 1999, Japan and Russia produced the following specific results in bilateral relations. From April 14 to April 15, Adm. Mikhail Zakharenko, commander of the Pacific Fleet, visited Japan for talks with senior Defense Agency officials. In addition, Zakharenko made observation tours of the National Defense Academy, the Maritime Self-Defense Force (MSDF) Yokosuka Base and other facilities. From Japan, meanwhile, from August 15 to August 19, Hosei Norota, then minister of state for defense, paid an official visit to Russia and, on August 16, conferred with Defense Minister Sergeyev. The meeting took up security issues in Northeast Asia, including the North Korean ballistic missile issue and security dialogue/defense exchanges between Japan and Russia. The two defense ministers agreed to promote security dialogue and defense exchanges, and signed a memorandum on building a foundation for further development of dialogue and exchanges between the Defense Agency of Japan and the Ministry of Defense of Russia. The document covered 10 items, including the continuous implementation of reciprocal visits between ranking officials of the Defense Agency and the Ministry of Defense, the implementation

Table 7-2. Major Defense Exchanges between Japan and Russia

High-level exchanges	April 1996	Defense Minister Hideo Usui visits Russia.
	May 1997	Defense Minister Igor Rodionov visits Japan.
	Jan. 1998	Administrative Vice Defense Minister Masahiro Akiyama visits Russia.
	May 1998	Adm. Kazuya Natsukawa, chairman of the Joint Staff Council, visits Russia.
	Dec. 1998	Gen. Anatoliy Kvashnin, chief of the General Staff, visits Japan.
	April 1999	Adm. Mikhail Zakharenko, commander of the Pacific Fleet, visits Japan.
Unit-level exchanges	Aug. 1999	Defense Minister Hosei Norota visits Russia.
	July 1996	Destroyer <i>Kurama</i> visits Vladivostok to participate in a naval review commemorating the 300th anniversary of the Russian Navy.
	June 1997	Destroyer <i>Admiral Vinogradov</i> of the Pacific Fleet visits Tokyo.
	July 1998	Destroyers <i>Kurama</i> and <i>Yamagiri</i> visit Vladivostok to participate in Russian Navy Day festivities. First bilateral search and rescue exercise was conducted with Russian destroyers in the northern Sea of Japan.
	Sept. 1999	Destroyer <i>Admiral Pantereyev</i> of the Pacific Fleet visits Yokosuka. Second search and rescue exercise was conducted with MSDF destroyers off Boso Peninsula.
Consultations by bureau director-generals/deputy director-generals and equivalents	Held twice: Dec. 1996 and March 1997	
Annual meeting to review the status of implementation of the 1993 Japan-Russia agreement on prevention of incidents on and over the high seas	Held five times: Dec. 1994, Feb. 1996, Jan. 1997, Jan. 1998 and Feb. 1999	
Japan-Russia defense research exchanges between the National Institute for Defense Studies and the Center for Military-Strategic Studies	Held 10 times: Feb. 1993, Sept. 1993, March 1994, Feb. 1996, Sept. 1996, Feb. 1997, Oct. 1997, Feb. 1998, Oct. 1998 and Feb. 1999	

Other exchanges: The National Institute for Defense Studies sends student group of its Regular Course for the first time to Russia for field trip.

Sources: Data from the Defense Agency, *Boei Hakusho* [Defense White Paper] (Tokyo: Ministry of Finance Printing Bureau, 1999) and other references.

of dialogue between the Joint Staff Office and the General Staff, the continuation of reciprocal port visits and the implementation of bilateral exercises. Following his visit to Moscow, Defense Minister Norota visited Vladivostok for an inspection of the Pacific Fleet.

Furthermore, from September 16 to September 20, 1999, the missile destroyer Admiral Pantereyev of the Pacific Fleet made a goodwill visit to Japan and entered Yokosuka Base. On September 20, following the completion of goodwill events at Yokosuka, the Admiral Pantereyev and the MSDF destroyers Murasame and Hatakaze conducted the second Russo-Japanese bilateral search and rescue exercise

in waters 90 kilometers east of the Boso Peninsula. Russia's continuing defense exchanges with Japan seem to reflect a belief that improvement in relations with Japan is instrumental to the stability of the strategic environment in Northeast Asia.



Adm. Mikhail Zakharenko, commander of the Pacific Fleet of Russia, meeting with Adm. Kosei Fujita, chief of staff of the Maritime Self-Defense Force of Japan (April 12, 1999)

3. Moves to Review Defense Policy

(1) The Kosovo Crisis and Its Impact upon Threat Perception

Russia's strategic direction divides into three regions, namely, Europe, the south Region and the Far East. In the past several years, Russia has not perceived any imminent threat in Europe, although it has been concerned over NATO's eastward expansion. The most serious security threat to Russia has been thought to come from domestic separatism, which was seen to threaten the integrity of the state of Russia, and from regional ethnic conflicts within the Commonwealth of Independent States (CIS), which were considered likely to spill over into Russia itself. Consequently, the most imminent threat to Russia in this sense has been assumed to exist in the south where various ethnic conflicts, notably the one in Chechnya, have occurred. The deterioration of the Chechen situation since August 1999 has reminded the Russian leadership of the internal threat to security.

However, NATO's air campaign against Yugoslavia has made Russia revive its strong perception of threats from Europe. The large-scale strategic command-post exercise, ZAPAD 99, that was conducted from June 21 to June 26, 1999, was based on the assumption that NATO forces invaded territory of Russia and Belarus, and that the two countries took joint actions to repel the invasion forces. Incidentally, zapad means "west" in Russian. That exercise, directed by Defense Minister Sergeyev and participated in by about 50,000 military personnel, was the largest in scale since the end of the Cold War.

The National Security Concept approved by President Yeltsin in December 1997 emphasized that "the threat of large-scale aggression against Russia is virtually absent in the foreseeable future." Now, however, Russia is in the process of formulating a new National Security Concept and a new Military Doctrine in the belief that threats to its security have increased at home and abroad.

(2) Armed Forces Reform and Readiness Problem

Since 1998, Russia has promoted reform of the armed forces with a view to the 21st century. The reform is aimed at creating, a smaller in size, but modern, efficient and mobile force. The current Russian concept of military buildup calls for the completion of organizational changes, such as the shift from the present quadri-service system to the tri-service system and the consolidation of the military districts, in the period up to 2005. An equipment replacement program for the armed forces is to start in or after 2005.

The personnel strength was reduced to 1.2 million by the end of 1998. As for organizational reform, the Air Defense Force and the Air Force were integrated in 1998; in the case of the Ground Force, the Siberia Military District and the Trans-Baikal Military District were integrated. Furthermore, an organizational reform program appears to be under way to reduce the number of military districts to six through the integration of the Volga Military District and the Ural Military District. The integration of the military districts has expanded the operational and strategic command of the military district headquarters, thus enabling the headquarters to command such paramilitary units as the Frontier Force units, interior troops, railway troops in its geographical area of responsibility.

Defense Minister Sergeyev has been promoting reform of the armed forces, holding the position that threats of large-scale aggression against Russia have diminished and that conditions conducive to the implementation of drastic military reform have been created. Sergeyev's reform drive is aimed at enhancing the combat readiness and capability of the Russian forces by optimizing their organizational structure and personnel strength, and by improving equipment and training. But rebuilding the state of readiness, though an original aim of the reform, has been sacrificed because of Russia's poor economic status. However, the Kosovo crisis and NATO's adoption of the new Strategic Concept have raised voices at home calling for the rebuilding of mobilization readiness.

At the May 12, 1999, news conference following a Security Council meeting, Security Council Secretary Putin said that the present National Security Concept, which does not anticipate an armed invasion of Russia, must be reviewed. In addition, Army Gen. Anatoliy Kvashnin, chief of the General Staff, led a campaign to rebuild the combat readiness of the Russian forces. The Security Council, at a meeting held October 5, adopted the new National Security Concept, which was referred to the Federal Assembly for deliberation. At the meeting it was emphasized that in order for a state to strengthen the capability of its armed forces it must make sufficient fiscal efforts.

The Kosovo crisis and the military campaign in Chechnya have created a common perception within Russia's military leadership on the need to restore the readiness of the Russian forces. There are moves to increase defense spending. On May 19, 1999, the then Prime Minister Stepashin said that the defense budget for 2000 should be increased to 3.5 percent of gross domestic product. In a similar vein, his successor, Prime Minister Putin, said on October 27, 1999, during a visit to the Far East that it was essential for Russia to strengthen its military power to meet the growing threats at home and abroad. Referring to the 2000 defense budget, Putin said it should be increased by 57 percent over the year before to 146 billion rubles. Since the start of the military campaign in Chechnya the view has gained ground that equipment should be augmented to deal efficiently with terrorism. The Putin statements clearly show consideration for the demands of the armed forces.

(3) Nuclear Deterrence Strategy Reinstated

On April 29, 1999, a closed meeting of the Security Council was held. According to the *Krasnaya zvezda* (April 30), the central organ of the Ministry of Defense, the meeting discussed Russia's nuclear deterrence strategy and approved plans for the development and employment of non-strategic nuclear weapons. Although Security Council Secretary Putin said that the meeting was not re-

lated to the Kosovo problem, it is apparent that the session was held against a background of the NATO bombing of Yugoslavia.

Regarding strategic nuclear forces, it is reported that the closed meeting decided on measures for the service-life extension of the Delta-III-class nuclear-powered ballistic missile submarines (SSBN) and the intercontinental ballistic missiles (ICBM), and decided to review the role of tactical nuclear weapons. There is a view within the Russian leadership that NATO's air campaign against Yugoslavia was carried out because Russia's strategic nuclear forces did not exert their deterrent effect. According to some reports, the closed meeting decided from this point of view to give tactical nuclear weapons a new role as deterrent force.

Russia is in the process of formulating a new Military Doctrine, a draft of which was carried in the *Krasnaya zvezda* dated October 9. The draft cites "the expansion of military blocs and alliances" as "a major external threat" to Russia, thus clearly taking the position that NATO's eastward expansion is a military threat to Russia. In addition, the document emphasized the importance of nuclear forces, saying that Russia reserves the right to use nuclear weapons not only in response to use against Russia and its allies of nuclear weapons and other weapons of mass destruction, but in response to large-scale aggression with the use of conventional weapons, in critical situations for the national security of Russia and its allies.

Russia finds itself unable, for economic reasons, to renew and replenish conventional weapons on a large scale. Consequently it has to rely on its nuclear forces to play a major deterrent role. However, since the strategic nuclear force is in danger of becoming obsolete, the reliance on the tactical nuclear force seems to reflect Russia's current predicament.

(4) Proposed Plan to Unify Russia's Strategic Nuclear Forces

The proposed plan to establish a unified command of strategic deterrent forces, announced by Defense Minister Sergeyev in

November 1998, has created discord within the Ministry of Defense. The plan aims to maintain the combat capability and security of strategic nuclear forces at high levels, and at the same time to ensure the shift of the Russian forces to the tri-service system by placing the nuclear triad, namely, the ICBMs, the submarine-launched ballistic missiles (SLBM) and the strategic bombers, under a unified command.

The plan was first opposed by the General Staff headed by Gen. Kvashnin. This is because the proposed unified command is bound to weaken the authority of the General Staff. The plan is opposed also by some high-ranking members of the Defense Ministry, including First Deputy Defense Minister Nikolay Mikhailov. The Navy and the Air Force oppose the plan, which would deprive them of control over their nuclear forces. The defense minister's plan is supported only by the Strategic Missile Force commanded by Col. Gen. Vladimir Yakovlev.

Regarding the SLBM, the Russian Navy is trying to maintain the present system of deploying SLBMs in the Northern Fleet and the Pacific Fleet. However, if the retirement of obsolescent SSBNs continues and if new SSBNs are not put into service, the SSBN force in the Far East may well be reduced eventually to almost zero. Assuming that the proposed plan to establish a unified command of strategic nuclear forces will make headway, the Strategic Missile Force side, which supports the integration of SLBMs under a unified command, will likely promote measures toward unification over the head of the navy. This is because the proposed unified command is likely to be dominated, as should be expected, by officers from the Strategic Missile Force. The navy, which opposes the proposed unified command, would like to keep the SLBMs under its command. The future of the SLBM depends partly on how this plan develops.

(5) Impact of the Reform on the Russian Forces in the Far East

Troop reductions have been made in the Russian forces in the Far East in parallel to troop reductions in the Russian armed forces in general. In 1989, the Russian ground force in the Far East included 43 divisions with some 390,000 troops. In the period to 1998, the numbers of divisions and troops were reduced to 15 and about 190,000, respectively. The Pacific Fleet had about 100 principal surface combatants and about 140 submarines in 1989, but in the next 10 years to 1998 their numbers were cut to 45 each. As to air force, the Soviet Union maintained about 2,430 combat aircraft in 1989 in the Far East; by 1998, the number dropped to about 900.

Three reasons may be given for the troop reductions in the Far East. First, the deterioration of the Russian economy made it difficult to maintain the same force level as before. Second, with the ending of the Cold War the strategic significance of the Pacific Fleet as the counterweight to the U.S. naval presence in the Pacific and Indian oceans decreased. Third, closer relations with China reduced the necessity of guarding against that country.

Notwithstanding the major troop reductions, moves to maintain war potential and readiness have been discernible. In June 1998, Headquarters of the Unified Command in the Northeast of Russia was established in Petropavlovsk-Kamchatskiy. The purpose of this organizational change was to improve efficiency through the integration of the fleet and the 25th Corps based in the Kamchatka Peninsula. In September 1998, an Oskar-II-class cruise missile submarine moved to the area from the Northern Fleet.

Furthermore, from March 29 to April 4, 1999, a strategic command-post exercise was conducted in the Far Eastern Military District. This exercise, directed by Col. Gen. Viktor Chechevatov, commander of the Troops of the Far Eastern Military District, brought together not only units of the Far Eastern Military District, the Pacific Fleet and the air force but paramilitary units, such as the interior troops, Frontier Force units and railway troops. The exercise was conducted on the assumption that a con-

flict developed between states in the Asia-Pacific region bordering on Russia and that powerful forces of a country potentially hostile toward Russia invaded Primorskiy territory. As such, the exercise was aimed chiefly at improving coordination among participating units. In an evaluation of the exercise Chechevatov said it had proved the high quality not only of operational and combat training, but of planning and collaboration among the “power ministries,” which have their own armed organizations. Preparations for this exercise were complete in December 1998, but the fact that it was conducted immediately after the start of NATO’s air strikes on Yugoslavia indicates that it was carried out in awareness of the NATO’s operation. This is evident in the remark by Chechevatov that the exercise had demonstrated that the Russian forces are powerful and have sufficient capability to meet threats.

In addition, the exercise is notable in that the S-300PMU1 surface-to-air missile system was used for the first time to destroy ground and surface targets. Russia positions the S-300 surface-to-air missile system as a promising arms export item. In view of the fact that in the world arms market this system is competing for customers with the Patriot of the United States, it is thought that the exercise was intended to demonstrate the superiority of the Russian system over the rival U.S. system.

4. Russia’s Arms Exports and East Asia

(1) East Asia as an Arms Export Market

Russia, which is trying to expand arms exports to various countries to rebuild its weapons industry, attaches importance particularly to arms sales to China, India, South Korea and Southeast Asian states. These moves to promote arms exports are aimed chiefly at pursuing economic gains, but they reflect Russia’s strategic intentions.

Arms exports to China and India are an integral part of strategic cooperation with these countries to build a multipolar world order.

Moves to export arms to South Korea represent an attempt to change the United States’ monopolistic position in the weapons market in South Korea. Arms exports to Southeast Asian states are aimed at securing a large share of the weapons market, which is believed certain to expand in the future although it has temporarily shrunk as a result of Asia’s economic crisis. At the same time, it can be said that arms sales to these countries reflect the thinking of the Russian leadership that an increase in the number of states having Russian weapons systems will lead to the expansion of Russia’s political influence. Russia’s weapons exports bear watching continuously from the viewpoint of the East Asian security.

(2) Arms Exports to China

Russia’s arms exports to China have contributed partly to the modernization of the Chinese navy and air force. It is pointed out that more than 90 percent of the arms imported by China since 1992 are from Russia. Thus China and Russia have close ties in the area of weapons.

Regarding military aircraft, Russia has exported 50 Su-27 fighters. In July 1996, Russia signed a contract with China on granting China a license to produce 200 Su-27s. In December 1998, China produced the first two of the fighter under this contract and is gradually increasing production in subsequent years. Beginning in 2002, China plans to produce 15 fighters annually. It is reported that more than 100 Russian engineers are cooperating in the licensed production program. Furthermore, the two countries have continued negotiations to conclude a transaction contract on the Su-30MK, the improved version of the Su-27. It is said that agreement has already been reached for Russia to sell 40 Su-30MK fighters at the total price of \$2 billion.

As for submarines, Russia is under contract with China to export four Kilo-class submarines. The first two (Type EKM 877) of these were delivered in 1995. The remaining two (Type EKM 636) are the improved version of Type EKM 877 and are said to have about the

Table 7-3. Russia's Major Arms Exports in Recent Years

Destination	Weapons	Volume ^a	Transfer (Contract) Year
China	Su-27SK fighter	50	1992–1996
	Su-30MK multirole fighter	(40+)	(1999)
	<i>Kilo</i> -class submarine (Type EKM 877)	2	1995
	<i>Kilo</i> -class submarine (Type EKM 636)	2	1997–1998
	<i>Sovremenny</i> -class missile destroyer	(4)	(1996)
	S-300PMU (SA-10C) surface-to-air missile system	4	1993–1997
	3M80E <i>Mosquito</i> (SS-N-22) ship-to-ship missile	(34)	(1998)
India	MiG-29 fighter	(24)	(1999)
	MiG-29K carrier-based fighter	10	1995
	Su-30MK multirole fighter	8 (40)	1997 (1996)
	<i>Kilo</i> -class submarine (Type EKM 877)	1 (2)	1997 (1997)
	<i>Kilo</i> -class submarine (Type EKM 636)	(2)	(1997)
	T-90 main battle tank	(200)	(1999)
	S-300V (SA-10G) surface-to-air missile system	(24)	(1998)
South Korea ^b	BMP-3 infantry fighting vehicle	10	1996
	T-80U main battle tank	33	1997–1998
Vietnam	Su-27SK fighter	12	1995–1997
Malaysia	MiG-29 fighter	18	1995

Sources: *Nezavisimaya gazeta*, December 26, 1996, p. 6; *Finansovye izvestiya*, July 31, 1997, p. 1; *Nezavisimaya gazeta*, July 31, 1997, p. 2; *Izvestiya*, August 6, 1997, p. 3; *Izvestiya*, August 7, 1997, p. 3; *Nezavisimaya gazeta*, August 27, 1999, p. 1; *The Military Balance* 1998–1999, pp. 150–152, 170–174; *UN Register of Conventional Arms*, 1997, 1996, 1995, 1994, 1993 and 1992 editions; Stuart D. Goldman and Robert G. Sutter, *Russian-Chinese Cooperation: Prospects and Implications*, Congressional Research Service (CRS) Report for Congress, January 27, 1997, pp. 6–7; Alexander A. Sergounin and Sergey V. Subbotin, “Sino-Russian Military-Technical Cooperation: a Russian View,” in Ian Anthony, ed., *Russia and the Arms Trade* (Stockholm: Stockholm International Peace Research Institute, 1998), pp. 194–216; “India Boosts Armour Forces with T-90s Buy,” *Jane’s Defence Weekly*, December 23, 1998, p. 6; “Naval Spirit Must Rise,” *Jane’s Defence Weekly*, May 5, 1999, p. 32; and “Russia Enters Asia-Pacific Lucrative Defence Market,” *Asian Defence Journal*, No. 5, 1997, pp. 46–47.

^aFigures in parentheses indicate number of weapons contracted for.

^bWeapons transfers to South Korea were made as part of Russia’s debt payments to South Korea.

same level of silence as the improved Los Angeles-class attack submarine. Russia is under contract to export four *Sovremenny*-class missile destroyers. The first of these has been completed at a shipyard in St. Petersburg, and preparations are under way to deliver it to China as of the end of 1999. Currently the second vessel is under construction. These destroyers are said to be equipped with ship-to-ship missiles, 3M80E *Mosquito* (SS-N-22), which are capable of penetrating air defense of a U.S. carrier battle group. The 3M80E, which has a range of some 110 kilometers and a speed exceeding Mach 2, flies at altitudes of 15 meters to 14,000 meters and is difficult to be detected by radar. Furthermore, the 3M80E is said to surpass Taiwan-made ship-to-ship missiles in range and performance. Consequently, it is believed to have a considerable military impact on Taiwan.

While exporting these weapons systems, which will strengthen China’s naval and air power, Russia has not sold any tanks and other armored fighting vehicles to China because these ground weapons, if employed in a concentrated manner in Russo-Chinese border areas, could threaten the defense of Siberia and the Russian Far East. This means that Russia continues to harbor a sense of threat toward China. Thus Russian arms exports to China reflect the strategic thinking that Russia should strengthen the strategic partnership with China as the counterweight to the U.S.-centered unipolar world order while avoiding China’s military power posing a threat to Russia.

(3) Arms Exports to India

In Asia, Russia attaches great importance to relations with India, as well as China, as seen in the proposed “strategic triangle” concept with China and India. In Russia’s pattern of military-technical cooperation, India is treated on the same footing as China. For example, the *Krasnaya zvezda* dated June 16, 1999, said that military-technical cooperation with China and India is indispensable to Russia.

In December 1998, during an official visit to India by Prime Minister Primakov the two countries signed a memorandum of understanding on the sale of the aircraft carrier Admiral Gorshkov to India. Reportedly, India had harbored a strong desire to purchase the Russian carrier to create a two-carrier force, including the one it had in its possession. Some analysts point out that, from the viewpoint of expanding arms exports to India, Russia has made the carrier sale conditional on the sale of carrier-based MiG-29K or Su-33 fighters.

In March 1999, Defense Minister Sergeyev visited India for talks with his Indian counterpart George Fernandes on bilateral military-technical cooperation. During the visit, Sergeyev was accompanied by representatives from Russia's major arms manufacturers, indicating that Russia attaches importance to arms exports to India. The two defense ministers discussed the question of upgrading the Soviet- and Russian-made weapons in India's possession, and the sale of Russian-made weapons to India. At the meeting, Defense Minister Fernandes expressed India's interest in new weapons purchases, including S-300PMU1 surface-to-air missile systems, T-90 main battle tanks and Ka-30 helicopters, and emphasized the need to promote the transfer of the Su-30MK fighters contracted for and to improve the 170 MiG-21bis and MiG-29 fighters in India's possession.

(4) Arms Exports to Other Countries

Russia has made active moves to export arms to South Korea. As a way to pay part of its debt to the South Korea totaling about \$1.8 billion, Russia has proposed to deliver two or three Kilo-class submarines (Type EKM 636). In addition, during a visit to the country in September 1999, Defense Minister Sergeyev proposed the delivery of Su-27 fighters, also as a means of partial debt payment. Russia has delivered weapons such as T-80U main battle tanks and BMP-3 infantry fighting vehicles to South Korea in the form of debt payment in kind. At the moment, however, there are no other transactions.

Russia has, since 1993, also made vigorous attempts to sell weapons to countries whose weapons markets have been monopolized by the United States and European countries. Russian moves in the South Korean weapons market reflect this trend. Russia's proposals to deliver Kilo-class submarines and Su-27 fighters are intended to expand its future share in the country, which is a highly promising weapons market.

Russia has attempted to expand its political influence on Southeast Asian states by increasing the number of countries that possess its weapons systems. However, due to the Asian currency crisis, Indonesia and the Philippines halted weapons imports from Russia.

In these circumstances, military-technical cooperation with Vietnam has made some progress. In October 1998, Defense Minister Sergeyev visited Vietnam for talks with Defense Minister Pham Van Tra. The defense ministers signed an agreement on military-technical cooperation and agreed to establish a working study group on weapons supply. In July 1999, Defense Minister Pham Van Tra visited Russia for talks with Defense Minister Sergeyev. The two ministers signed an agreement on military and military-technical cooperation. During the visit Phan Van Tra visited a number of weapons manufacturers in Russia.

At present, the Russian Navy's use of Vietnam's Cam Ranh Bay base is a pending issue between the two countries. Vice Adm. Viktor Patrushev, deputy chief of the Main Staff of the Navy who accompanied Defense Minister Sergeyev on the trip to Vietnam, expressed the belief that Cam Ranh Bay base is of critical importance to securing Russia's naval presence in the Asia-Pacific region and enabling intertheater movement of Russian ships. Russia is considering supplying weapons to Vietnam in exchange for the use of the base. Russia has exported 12 Su-27SK fighters to Vietnam. If Russia's arms exports to Vietnam expand in the future, it will bring changes to the military balance in Southeast Asia.