Chapter 8

Russia

The September 11 terrorist attacks accelerated Russia's cooperation with the United States. President Vladimir Putin has been trying to strengthen Russia's relations with the United States and the North Atlantic Treaty Organization (NATO) by cooperating in the war against terrorism. Some in Russia criticized his foreign policy as a unilateral effort to cozy up to the West, particularly the United States. In contrast to President Putin's high approval rating among the general public, support for him within the military has fallen.

Despite differences between the two countries, Russia's cooperation with the United States is likely to continue. In fact, a strategic partnership is being formed to cooperate in the field of energy. Improved relations with the United States are having an impact on Russia's East Asia policy. Its move to form a united front with China to restrain U.S. hegemony has taken a back seat, and its pragmatic pursuit of economic interests has become increasingly clear. It is also pursuing a policy focused on economic interests on the Korean Peninsula, and is searching for clues to improve its relations with Japan.

Mindful of lessons learned from U.S. military operations in Afghanistan, Russia has placed added importance on reforming its military to effectively deal with terrorism. In order to prepare for the threats posed by Islamic extremism and NATO's eastward expansion, the Russian military will have to focus on its southern and western regions, and scale down its armed forces in the Far East. Although Russia has tried to introduce a volunteer force in certain parts of the country to strengthen its combat readiness, this could further deepen the rift between the Putin-Ivanov leadership and other military leaders.

1. The Rule of President Putin and the Stability of Russia

(1) Domestic Stability, and the Strengthening of the Putin Administration

The situation in Russia has stabilized of late. Since taking office, President Putin pursued three objectives—strengthening the federal system, maintaining law and order, and reviving the Russian economy—that have begun to bear fruit. As seen from Moscow recovering control over outlying regions, stricter tax collection, and tackling corruption and prosecuting economic crimes, governmental function is improving. The economy is on a recovery track and the gross domestic product (GDP) in 2001 increased by about 5 percent over the previous year. The standard of living is gradually getting better, and the number of those below the poverty line has decreased.

President Putin's high approval rating (over 70 percent) is not the only factor contributing to the stability of his government. More importantly is his approach to strengthening his own regime. First, he appointed his aides to the so-called "power ministries," namely, the Defense Ministry, the Internal Affairs Ministry and the Federal Security Service. Second, he increased the number of deputies loyal to him in the Russian parliament. At present, middle-of-the-road groups—such as Unity and Fatherland-All Russia—who support President Putin, are the majority (234 seats) in the Lower House of Federal Assembly (the State Duma, 450 seats). In addition, reformist groups (48 seats), such as the Union of Right Wing Forces, tend to support President Putin (depending on the issue), so he is enjoying a stable relationship with the State Duma. The largest opposition Communist Party, and other conservatives (127 seats), are on the wane, and it is becoming harder to criticize President Putin in the State Duma. Third, he is tightening control over the mass media. He wrested control of the nation's three largest television networks from the oligarchy that had been run-

ning them, and effectively placed them under government control. He has also broadened government influence over TV and radio programming. By so doing, he may be creating a favorable environment to allow him a freer hand in pursuing his domestic and foreign political agenda. Thus strengthened, he has been able to deepen cooperation with the United States against terrorism after the September 11 terrorist attacks.

The occupation of a Moscow theater by Chechen separatist rebels in October 2002 tragically highlighted the fact that the Chechnya question is one of Russia's most serious domestic problems. In his annual presidential message to the State Duma on April 18, 2002, President Putin said that the military phase of the Chechen problem had ended, and that Russia was entering a postwar phase requiring the solution of Chechnya's social and economic problems. However, Chechen armed rebels have not been completely wiped out, and they are still resorting to guerrilla tactics, with the situation taking on the appearance of a quagmire. Moreover, the occupation of a theater in Moscow by Chechen separatist rebels showed that they were able to carry out guerrilla activity in the Russian capital itself. This also suggests the possibility that unless the Chechen problem is solved, large-scale terrorist attacks may occur anywhere in Russia. President Putin's quick mobilization of special forces to end the siege boosted his approval rating. However, the incident underlined the fact that security in the Russian capital was lax. Further, since the nerve gas used by the special forces to incapacitate the hostage takers ended up killing more than 120 hostages, it is possible that President Putin's popular support may decline. If the dispute drags on and a sense of hatred for the president's military policy sets in among the public and the military, the president's chances of reelection in 2004 may be hurt.

(2) Cooperation with the United States and the Domestic Situation

The Putin government's cooperation with the United States since

the September 11 terrorist attacks has not gone down well in Russia. Under the Russian Constitution, the president is able to decide Russian foreign policy. Therefore, even if President Putin

Commentary

The Chechen Problem, and the Occupation of a Theater in Moscow

In Chechnya, a republic situated in Northern Caucasus, a move to gain independence from the Russian Federation began with the collapse of the Soviet Union. Russia militarily intervened on two occasions (1994-96, and 1999 to the present) to suppress the movement. Chechen rebels have received assistance from the Islamic al-Qaeda terrorist network, led by Osama bin Laden, and carried out terrorist bombings of Russian targets as they intensified their armed struggle. Initially, the West was critical, on human rights grounds, of the Russian army's operations, but after September 11 the West supported President Putin's claim that military operations were directed against terrorism, and the criticism was toned down.

At around 9 p.m. on October 23, 2002, an armed Chechen group of 50 rebels (including 18 women), led by field army commander Movsar Barayev, launched an attack on a theater in the southeast of Moscow during a performance of "Nord-Ost," taking more than 800 hostages and demanding that Russia withdraw its army from Chechnya. At around 5:30 a.m. on October 26, special forces from the Internal Affairs Ministry stormed the theater and freed most of the hostages, killing all but three rebels. The BZ gas used by the special forces to disable the rebels wound up killing more than 120 hostages. The United States and the United Kingdom quickly issued statements in support of President Putin's actions, putting the blame for what happened on the rebels, and there are few criticisms of President Putin for his methods. Afterwards, President Putin went public with his policy to step up military action against the guerrilla war being waged by the Chechen rebels, raising the possibility of the military getting bogged down in Chechnya. The failure of the Russian government to adequately explain the type of gas it used in the raid has only served to reinforce the notion of its secretive nature.

Occupation of a Moscow theater by Chechen separatist rebels (October 26, 2002) (Reuters/Kyodo)

decided to cooperate with the United States, after consulting his advisors, there would be no procedural problems. However, in the absence of a substantial quid pro quo for cooperating with the United States, domestic support for the president would greatly suffer. In particular, should the support of the military—a critical element needed to maintain his regime—decrease, his power base would further erode. If Mikhail Gorbachev's relationship with the military during the closing years of the former Soviet Union is anything to go by, a deterioration in Russia's security, despite U.S. cooperation, could turn the military against President Putin.

In a Russian poll on U.S.-Russia relations after September 11 terrorist attacks, 35 percent said that relations had improved since the attacks, while the remainder said there had been no change or that they had worsened. One year after September 11, some Russians began to analyze whether Russia had gained anything in return for its cooperation with the United States. While international cooperation against terrorism was gathering speed, some believed, security surrounding Russia has deteriorated.

The findings may be summarized as follows:

(1) U.S. military presence in Central Asia. While Russia stands to benefit from the U.S. military presence in Central Asia, in that it checks the spread of Islamic extremism in the region, it is also feared that the U.S. presence, once tolerated, could remain indefinitely, thus eroding Russian influence in the region.

(2) The influence of NATO's eastward expansion. With NATO-Russia cooperation against the war on terrorism picking up, the NATO-Russia Council was created in May 2002. This was to serve as a framework to allow Russia a voice within NATO to address security issues of common concern—preventing terrorism and stopping the spread of weapons of mass destruction—and suggested that President Putin saw this kind of cooperation as a way to reduce the threat to Russia posed by the organization. At the NATO summit in Prague (November 2002), NATO approved the entry of three Baltic countries. If these new NATO members begin a

buildup of conventional military forces, Russia may have to rethink its military posture in response.

If Poland and Lithuania join the European Union (EU) in 2004, the Kaliningrad Region will become isolated from Russia, making it difficult for its approximately one million inhabitants to move between the region and the mainland. This is because the Shengen Treaty that permits EU residents to travel freely within the EU doesn't cover inhabitants of the Kaliningrad Region, which is part of Russia. The problem was resolved at the Russia-EU summit in November 2002, when it was agreed that the EU will issue a sim-

Chart 8-1. Countries Surrounding the Baltic Sea, and the Kaliningrad Region

plified certificate of passage for any resident of the Kaliningrad Region to travel through an EU country. However, the difficulties of sending supplies to Russian troops stationed in the region have not been solved to Russia's satisfaction, so Russia-EU tensions have not totally disappeared. One Polish military specialist thinks that if an air route can be secured between the Kaliningrad Region and Russia proper, Russia would not oppose Poland's and Lithuania's entry into the EU, even if road access is restricted. However, the possibility of NATO- or EU-Russia relations becoming strained once again cannot be ruled out.

(3) Reducing strategic nuclear forces. In May 2002, the Russian and American heads of states signed a new treaty concerning the reduction of strategic nuclear weapons that allows the United States to stockpile scrapped nuclear warheads. The United States compromised and agreed to sign the treaty, but the treaty was not really a compromise because it has not led to a reduction of nuclear warheads.

(4) Possible Russian economic gains in return for cooperating with the United States. The key issue here is whether or not part of Russia's debt to the West will be written off. Some U.S. and NATO officials believe that removing the Taliban from Afghanistan (whom Russia considered a threat due to their connection to Chechen rebels) was of major benefit to Russia, and that Russian debt to the West should not be written off. Although Russia formally joined the Group of Eight (G8), it is yet to join the World Trade Organization (WTO), of which it wants to be a member.

President Putin decided to cooperate with the United States immediately after the September 11 attacks, and said that his decision was in line with Russia's national interests. However, the opinion that Russia's national interests have been damaged has been gaining ground over the past year. Some point out that military support for President Putin—considered to be his main source of power—and Defense Minister Sergei Ivanov has decreased to only about 20 percent.

2. Cooperation with the United States and Russian Policy toward East Asia

(1) Post-September 11 U.S.-Russia Cooperation and Its Outlook

U.S.-Russian cooperation that emerged after September 11 has served the interests of both countries. Russia wanted to strengthen its relations with the United States and Europe; the United States needed Russia's help in carrying out antiterrorist operations in Afghanistan.

For Russia, a closer cooperation with the West in the war on terrorism has two purposes. First, a stronger economic relationship with the West is indispensable to the revival of its economy. Second, Russia's cooperation will blunt Western criticism of its military actions in Chechnya. Prior to September 11, the West was highly critical of Russia's human rights abuses in the Chechen conflict. Afterward, though, the West sympathized with Russia's claim that its operations were antiterrorist in nature, making it easier for Russia to continue. There is no disputing the fact that positive cooperation extended by Russia in the war on terrorism had a hand in changing the attitude of the Western countries on Chechnya.

Likewise, Russia's cooperation was important to the United States for the following two reasons. First, in order to gain the cooperation of Central Asian countries to secure military bases there, Russia's understanding was necessary because of its strong influence in the region. Second, since the United States had no contact with the Northern Alliance, the Taliban's most powerful adversary, it needed Russia, its largest supporter, to act as an intermediary.

U.S.-Russia cooperation also extends into the field of energy. In a *Wall Street Journal* interview in February 2002, President Putin alluded to the uncertainty of having to rely on the conflict-prone Middle East region for oil, and stressed the importance of Russia becoming a source of oil. This implies that Russia wants to strengthen its relations with the West by striving to become a steady source of energy, which coincides with U.S. interest to diver-

sify its energy sources. At a May summit in Moscow, the United States and Russia agreed to cooperate with each other in a wide range of areas, including energy. In early July, Yukos, Russia's second largest oil company, made the first shipment of oil to the United States. Lukoil, Russia's largest oil company, and Tumenoil, its fourth largest, also plan to export oil to the United States. Anticipating a demand increase for its oil, Lukoil is planning to build an oil terminal in Murmansk, bordering on the Barents Sea, and Yukos is willing to participate in the construction project. Considering the supply of oil to the United States through a Pacific route, Transneft, a state-owned company that specializes in building pipelines, is studying the feasibility of laying a pipeline to the port of Nakhotka in Russia's Far Eastern region.

Despite these signs of growing cooperation between the United States and Russia since the September 11 terrorist attacks, there are problems in which the interests of the two countries do not necessarily converge, as President Putin has admitted. Russia has built a relationship of its own, and seeks to promote economic cooperation, with Iraq, Iran, and North Korea, countries labeled by the United States as constituting "an axis of evil." The United States is critical of this Russian policy, and there is a backlash in Russia against this U.S. attitude. The United States is planning to attack Iraq as part of its war on terrorism, but Russia opposes this. Victor Ozerov, chairman of the Defense Committee of the Upper House (the Federation Council) of Russia, for one, expressed concern that while international unity was a must in war against terrorism, a U.S. attack threatened to sow division in the voluntary coalition of states that formed after the September 11 attacks. Given the grumbles in some sections of the Russian leadership over the lack of tangible rewards from the United States for Russia's cooperation after September 11, it is unclear whether Russia will continue to strengthen its cooperation with the United States.

(2) U.S.-Russia Cooperation and China-Russia Relations

Russia's growing cooperation with the West following September 11 may cause East Asia to lose importance in its foreign policy. This might be seen from President Putin's annual message to the Federal Assembly on April 18, 2002, in which he laid out Russia's main foreign policy objectives: strengthening the integration of Russia into the Commonwealth of Independent States (CIS); developing a cooperative relationship with the West; and continuing a dialogue with the West on the strategic stability of the world and the expansion of NATO toward eastern Europe—yet he did not mention one word about his East Asian policy. Up until now, Russia gave top priority to strengthening its strategic relationship with China in its East Asian policy, seeking to check the drift of international relations toward a unipolar world centering on the United States, and wanting to build a multipolar one. However, given the improvement in its relations with the United States, it is only natural that China's importance declines. In July 2002, Russian Foreign Minister Igor Ivanov stated it is more in Russia's interest to cooperate with the West than with Asia, and that the main threat it perceives is neither the United States nor NATO but one that lurks in the Caucasus mountain region, Central Asia and the border with China.

However, in his annual message, President Putin stressed that Russia's foreign policy should emphasize reaping economic benefits for its ailing economy. Accordingly, China will remain a significant economic partner even if it takes a back seat as a strategic partner to the United States. The total dollar value of trade between Russia and China in 2001 increased by about 33 percent from the year before, to an all-time high of $20 billion, a large portion of which was cross-border trade. The volume of cargo that crossed the Sino-Russian border increased 28.6 percent in 2001, to 13 million tons. Russia's weapon exports to China, also, have been increasing. In January 2002, Russia signed an agreement with China to export two *Sovremenny*-class destroyers (Type 956EM), worth $1.4 billion.

In addition, they started negotiations in May 2002 for the export of eight *Kilo*-class submarines, Clab ship-to-ship missiles (SS-N-27) for the subs, 40 Su-30MKK multipurpose fighters, and S-300PMU2 surface-to-air missiles.

Russia's major objective in increasing weapon sales to China is to earn hard currency to develop its defense industries, but also it seeks to strengthen its security. Russia's sparsely populated Far Eastern region lags behind developing natural resources and building a social and industrial infrastructure. Residents in this region fear that what they are seeing is a "peaceful expansion" by China, with its overwhelmingly large population, into their resource-rich territory. Actually, the number of Chinese who moved to this region in 2001 increased 10 percent over the previous year, to 3.4 million. In addition to this, there are illegal intruders from China. Throughout the 1990s, prompted by a sense of threat over China's possible territorial expansion, Russia had taken confidence-building measures in the border area. In fact, Russian military specialists viewed China as a potential threat and after September 11, Foreign Minister Ivanov and other key government officials voiced such concerns. Prominent on the shopping list of weapons China purchased from Russia in 2002 are naval weapons. By promoting the expansion of Chinese naval power, Russia seems to be trying to

Table 8-1. Population Change in Russian Regions Bordering China

(in thousands of persons)

	1991	1992	1993	1994	1995	1996	1997	1998	1999	2000
Federation's entire Far Eastern Region	8,057	8,032	7,900	7,788	7,625	7,505	7,421	7,336	7,252	7,160
Primorsk Kray	2,299	2,309	2,302	2,287	2,273	2,255	2,236	2,216	2,197	2,174
Khabarovsk Kray	1,631	1,634	1,621	1,608	1,588	1,571	1,557	1,546	1,534	1,518
Amur Region	1,074	1,075	1,063	1,056	1,041	1,038	1,031	1,023	1,015	1,006
Jewish Autonomous Region	220	221	319	218	212	210	207	205	203	199
Chita Region	1,330	1,329	1,314	1,306	1,299	1,295	1,287	1,277	1,269	1,259

Note: As of January 1 of each year.
Source: Goskomstat Rossii, *Regiony. Rossii 2000* (Moskva Goskomstat 2001), pp.31-32.

induce China to shift its attention from their common border to the sea.

(3) Russia Eyeing Economic Interests on the Korean Peninsula

It appears that the Putin government seeks to actively get involved on the Korean Peninsula, and is pursuing a policy based on long-term economic gain, with signs suggesting Russia's desire to export weapons to both Koreas. It was reported that Russia signed, on August 12, 2002, a pro forma agreement with South Korea to export $534 million worth of weapons, including the search-and-rescue helicopter KA-32. On August 23, a summit between Russia and North Korea was held in Vladivostok, at which North Korea supposedly asked for military assistance, including the supply of modern weapons (Su-30 fighters and T-80 tanks), but with North Korea's outstanding debt to Russia, no progress has been made. When visiting the Far Eastern region of Russia, Chairman Kim Jong Il of the National Defense Commission of North Korea toured the Sukhoi Airplane Production Plant in Komsomolsk on Amur, suggesting North Korea interest in strengthening its air force. An article in the *Itar-Tass*, immediately after the Russo-North Korean summit, reported that North Korea's military equipment has become increasingly obsolete, and that advanced weapons such as MiG-29s accounted for less than 5 percent of its arsenal. This report seems designed to give the impression that even if Russia exports a number of weapons to North Korea, it would hardly pose a threat to its neighbors.

Also of importance is linking the Trans-Siberian Railway to the trans-peninsula railway of Korea. After the Russo-North Korean summit,

Chairman Kim Jong Il of the National Defense Commission of North Korea inspects a Russian aircraft plant (August 21, 2002) (Kyodo Photo)

President Putin revealed that they had discussed the possibility of linking these railways. Russia hopes that if freight traffic can be increased via the Trans-Siberian Railway—a result of a possible link—it stands to gain economically in the future. When viewed from the security standpoint, linking the railways would also be beneficial to Russia, as increased freight traffic shipments would spur the economic development of the Far East region and promote the construction of a proper infrastructure. This would not only stem the population outflow but very likely lead to a population influx. Russia's concern is that unless the population drain can be stopped, its Far East region will become sparsely populated, and Chinese might move into the resource-rich region on a large scale.

(4) Stalemated Relations with Japan

Japan-Russia relations remain stalemated, with no immediate signs of improvement. With cooperation between Russia and the West having grown stronger since September 11, Russia is less expectant of receiving economic aid from Japan. Due to confusion within the Foreign Ministry, Japan failed to hammer out an effective policy to improve its relations with Russia. Differences between the two countries become even sharper on the question of the Northern Territories. After a Japan-Russia foreign ministerial meeting in February 2002, Japan announced that the two countries had agreed to parallel discussions by dividing the issue into two parts—the question of returning the Habomai and Shikotan Islands, and the question of the title to the Kunashiri and Etorofu Islands—though vehement opposition arose in Russia. On March 18, the lower house of the Federal Assembly held a public hearing on the Northern Territories, and adopted a resolution stating that no territorial problem existed between Russia and Japan, urging President Putin and the Russian government to take a firm stand on the issue.

Russia is rediscovering the strategic importance of the Northern Territories. Army General Anatoliy Kvashnin, chief of the general

staff, visited the Far Eastern Military District in April 2002, and toured Etorofu Island on April 12. The *Military Thought*, Vol. 4, 2002, a military-theory magazine of the Russian Defense Ministry, carries an article stressing the strategic importance of the Northern Territories. The author mentioned the following three significant points: (1) the Kurile Islands extend Russia's defense area by several hundred kilometers and secure the command of the sea and air near the Sea of Okhotsk; (2) the loss of the Northern Territories would separate the Pacific Fleet into two isolated units, resulting in a decrease in its strategic nuclear capability, and the defense of the Kamchatka Peninsula would be weakened, undercutting the effectiveness of the air defense system of the Far Eastern region of Russia, making it easier for an enemy to approach the shore of the Sea of Okhotsk; and (3) if Japan secures the Northern Territories, they could become a bridgehead that threatens the security of Russia. However, this stance is not confined to the Northern Territories, suggesting that Russian military leaders oppose any concession to a foreign country that puts Russia's security at risk. This is similar to the military's resentment of NATO's eastward expansion, and of the military presence of U.S. forces in former Soviet republics to fight the war on terrorism.

The dispute over the Northern Territories notwithstanding, there is a good possibility that Russia will want to improve relations with Japan in the long run. Solid economic relations with Japan are essential to the development of Siberia and the Far Eastern region, key areas for Russia's economic revival. Development of this region is crucial to Russia's security by stemming the outflow of people and helping to build and improve a local infrastructure. In order to derive economic benefit from linking its railway with North Korea's, the North's economy must be revived, so Russia wants Japan to provide North Korea with economic assistance. Russia is cooperating on the improvement of Japan-North Korea relations and hoping to reap various economic benefits.

3. The War on Terrorism and Military Reform

(1) Assessment of Military Operations in Afghanistan, and the Russian Armed Forces

Russia learned important lessons from U.S. military operations against the Taliban and al-Qaeda in Afghanistan.

First, Russia realized once again the importance of air power in modern warfare. During the Afghan operations, Russia witnessed the accuracy and devastating power of high-tech weapons, such as medium- and long-range cruise missiles, fired from the sea and air, and stealth military aircraft like the F-117A and B-2. According to Russian military specialists, where these weapons are concerned, U.S. capability is overwhelming. It is estimated that the U.S. Navy will have 198 surface vessels and 107 submarines carrying a total of 4,000 cruise missiles by 2003. It is also believed that the U.S. Air Force, equipped with 800 to 850 cruise missiles, will have the ability to carry out long-range bombing. Russia's experience fighting armed Chechen rebels made it aware that Russian weapons trail far behind in the field of precision guidance, and U.S. air power in Afghanistan made Russia even more painfully aware of the laggardness of its armed forces. The performance of U.S. reconnaissance and combat helicopters also caught the eye of Russian military leaders, and the ability of most of these to operate around the clock in any weather presents Russia with a challenge. Russia has the latest type of helicopters, such as the Mi-8MTKO and Mi-24BK1, but their numbers are few, and most are not able to carry out night sorties or operate in bad weather.

With the U.S. display of aerial might in Afghanistan thus demonstrating how far Russian air power has to catch up—a situation that has come about because of crippling financial restraints—Russia recognizes the urgent need to strengthen its air force as one of its most pressing military reform objectives. According to Defense Minister Sergei Ivanov, the number of training hours air force pilots spent each year was less than 20 percent of the mini-

mum required to maintain their skill, and almost half of the air force's fleet has been in service more than 15 years, with inadequate maintenance. Seeking to remedy the situation, the government has increased its defense budget for fiscal 2003 by 26 percent over 2002, and defense contracts rose 32 percent in 2002 over the previous year. In particular, air force-related contracts doubled. In August 2002, Defense Minister Ivanov revealed that his ministry planned to develop and test new types of fighters in 2006 and 2007, beginning production by 2010, as well as replacing 20 percent to 25 percent of military aircraft with newer types by 2005. His actions were in response to Air Force Commander in Chief Vladimir Mikhailov's firm request that advanced aircraft, such as the Su-30 fighter and the Tu-214 transport, be introduced into the air force.

Su-30 fighter (*Jane's Defense Weekly*, reproduced with permission of Jane's Information Group)

Second, Russia is trying to incorporate lessons from the U.S. ground operations in Afghanistan to learn how to better deal with terrorism, specifically the following two points: (1) unlike conventional warfare in which troops face off against each other, modern warfare requires the constant and rapid movement of troops, since the battlefield includes mountains, cities, and residential areas; and (2) a diverse style of combat, including, among others, surprise attacks, sabotage and terrorist tactics, rear-mounted attacks, nighttime attacks by small groups, ambushes, snipers, and destruction of roadways to block troop transport. In order to effectively deal with this, it is essential to improve troop mobility, and to properly train for reconnaissance, searches, surveillance, surprise attacks, interdiction, and removal of harassment and sabotage.

Given the above, Russia must direct its efforts to reform its military in the following manner: First, its standing army has to coop-

erate and integrate with special troops from the Internal Affairs Ministry and the Federal Security Service, because it is impossible for ground forces alone to carry out special operations against terrorists. Second, the current conscription system should become voluntary instead. Instilling sophisticated professional skills in personnel is one of the most important ways to improve the combat capability of troops, and a voluntary system would also boost their morale.

(2) The First Step toward a Professional Military

As a first step to achieving the military's main reform objective—"building a high-caliber, efficient and compact army"—President Putin decided in March 2002 to introduce a volunteer system, to be phased in during the coming years. In his annual message to the Federal Assembly on April 18, President Putin stressed the ongoing necessity of military reform, and called a volunteer system one of the program's top priorities. Based on this decision, the Defense Ministry began introducing, on a trial basis, a volunteer system into the 76th Airborne Division in Pskov, northwest of Russia, and is considering a three-stage shift. During the current first stage (ending in 2004), the Defense Ministry began the 76th Airborne Division trial, and at the same time drew up a plan that will be carried out during the second stage (ending in 2011). The third and final stage is defined as a process of refining and completing the program, though the date has yet to be decided. With the trial phase under way, the number of army personnel is being steadily reduced. At the end of January 2002, Defense Minister Ivanov announced that a total of 91,000 people (of the quota) had left the military in 2001.

Now that the defense minister has identified a rapid reaction force as its main objective, it is natural to shift to a volunteer system, and to seek professional and motivated personnel. Seen in a different light, this shift suggests the seriousness of the many problems facing the military. First, evasion of conscription is rampant

and shows no sign of ending, and the Defense Ministry has difficulty in recruiting servicemen. Russian males between 18 and 27 are required to serve in the military, but avoid doing so through educational deferments, poor health, and bribery. Second, the prestige of the Russian military has fallen, creating a bad image among the public. According to a recent poll, about 50 percent of the respondents consider military service very undesirable, and 65 percent of those aged under 50 and 70 percent under 30 favor a volunteer system. Third, due to the budgetary constraints, the government has not paid adequate salaries to servicemen. As a result, their morale has plummeted, and crimes—theft and the illegal sale of various materials—have multiplied. According to a report by Chief of the General Staff Anatoliy Kvashnin, during the first quarter of 2002 alone, crimes by military personnel increased to more than 5,600. Seeking to improve the situation, President Putin instructed his government to double military pay by January 1, 2003. Some critics contend that the servicemen's real income has not increased, even after being doubled, because their special tax credits have been taken away. Low morale has also taken a toll on the military's combat capability. Therefore, it is not surprising that these problems caused President Putin to realize the difficulty of maintaining the present conscription system.

However, the trial introduction of a volunteer system was controversial soon after it began. In support of it are groups like the Union of Right Wing Forces of the lower house of the Federal Assembly, which organized, in April 2002, demonstrations to abolish the draft. Yet nationalist groups, such as high-ranking military officers and the Liberal Democratic Party, argued that a volunteer system would undermine the capability and prestige of the military for the following two reasons. As the Ministry of Economic Development and Trade acknowledged, the cost of completely switching the 76th Airborne Division to a volunteer system is estimated at 2,670 billion rubles (approx. $85 billion), and at this rate, the cost for the entire armed forces would be prohibitively high.

Second, due to Russia's geographical vastness and the complexity of its defense problems, opponents questioned the wisdom of creating an "efficient and high-caliber compact army" using a volunteer system. According to their argument, in the event of an emergency, a large number of reservists will have to be called into service, which requires there to be a large number of ex-conscripts. With several high-ranking military officers openly critical of a volunteer system, the possibility exists for a serious rift developing between the Putin-Ivanov leadership and the military brass.

(3) Military Priority on the Southern and Western Regions

Russia's military, for the time being, will be directed toward responding to threats from Islamic extremists in the south, and from NATO's eastward expansion. It will have to respond to any emergency by improving the rapid reaction capability of its armed forces.

Chart 8-2. Chechnya and Its Neighboring Countries

The Chechen conflict is a typical separatist struggle in the border areas of Russia that Russia fears could have a domino effect in Northern Caucasus. Russia is concerned that the whole of Central Asia could be destabilized if regimes are undermined by the spread of Islamic extremism; hence, if these regimes can be made secure, the spread of Islamic extremism and its expansion into Russia can be deterred. Therefore, military cooperation between Russia and Central Asia is consistent with Russia's security interest.

The Pri-Volga-Ural Military District and the Northern Caucasus Military District are considered important militarily for dealing with the threat of Islamic extremism. The former, bordering Kazakhstan, performs the important role of strengthening security cooperation with Central Asia. In this regard, the CIS rapid reaction unit, created in August 2001 and composed of troops from Russia, Kazakhstan, Kyrgyzstan, and Tajikistan are closely connected with those in the Pri-Volga-Ural Military District. Russia's 201st Motorized Division, stationed in Tajikistan to defend its border with Afghanistan, is under the jurisdiction of the Pri-Volga-Ural Military District. A motorized battalion, composed of a tank and artillery unit, was created within this division, and these together constitute a Russian part of the CIS rapid reaction unit. The battalion is conducting combat training following a list of training subjects prepared by Ground Force headquarters. Ground Force Commander-in-Chief Nikolai Kormil'tsev revealed that a special training center had been set up in the Pri-Volga-Ural Military District, since the commander felt it was important to draw on the experience these troops had had under his command during the operations against terrorists in Chechnya. According to Kormil'tsev, servicemen trained at the center will be stationed in Chechnya.

From March 11 through March 18, 2002, in the Pri-Volga-Ural Military District, a command and staff exercise was conducted under Colonel General Baranov, commander of the district , involving approximately 2,000 men. The internal army of the Ministry of Internal Affairs, the Federal Security Service, and Railway troops

Chart 8-3. Military Districts of Russia

also participated in this exercise to coordinate operations. Colonel General Aleksandr Baranov believes that the Pri-Volga-Ural Military District performs an extremely important role in defending Russia's southern border, and plans to continue the exercise even in the face of future fiscal constraints. Behind his thinking lies his experience with Commander-in-Chief Nikolai Kormil'tsev who emphasized the importance of improving the level of his units. When Kormil'tsev was commander-in-chief of the Siberia Military District, he became convinced of the effectiveness of his approach in strengthening the education and training of his units. At that time, he formulated a unified system to educate and train his troops, and had carried out a series of exercises focused on improving the skills of permanent-readiness units (regimental level).

Faced with NATO's November 2002 decision to admit three Baltic republics, Russia is expected to rethink its military strategy relating to the Leningrad Military District. According to Defense

Minister Ivanov, the entry of three Baltic countries into NATO—though not signatories of the Conventional Forces in Europe Treaty (the CFE Treaty)—is likely to increase the military threat to Russia. The maximum number of forces allotted to the Soviet Union under the 1990 CFE Treaty was redistributed among those countries participating in a conference of former Soviet republics in May 1992, with the exception of the three Baltic countries, which did not take part. Accordingly, the three possess an extremely small number of conventional military forces. In theory, NATO could increase conventional military forces in the three Baltic countries after joining NATO, without worrying about the CFE Treaty's maximum limit, so Russia is worried about their possible buildup of conventional arms. Russia, therefore, made the following two proposals to NATO: (1) cancel out any increase in the conventional military strength of these three countries by a corresponding decrease in other NATO countries; and (2) if NATO rejects the first proposal, it should approve a corresponding increase in Russia's conventional military strength. The latter was designed to allow Russia to fortify its Leningrad Military District bordering the three Baltic countries. If Russia, however, cannot increase its conventional military strength on a large scale, it will have to improve the ability of its Leningrad Military District to rapidly deploy to border areas in case of an emergency. It is no coincidence that Russia began its trial volunteer system with the 76th Airborne Division, located in Pskov in the Leningrad Military District. Future Russia-NATO negotiations on this problem may reverse the good relations Russia has built with NATO following the September 11 terrorist attacks. (See Chart 8-1: Countries Surrounding the Baltic Sea, and the Kaliningrad Region)

For the time being, Russia may have no choice but to adopt a military strategy that prioritizes its southern and western regions. What effect might this have on the Russian armed forces in its far eastern region? Some take the view that Russia is in no financial shape to deploy its troops evenly along its 17,000-kilometer border

stretching from China through Mongolia, Central Asia, and Caucasus. Russia has been seeking military stability by reducing its forces and by strengthening confidence-building measures. However, as long as Russia feels threatened and has to deploy major units in strategically important fronts (its southern and western borders), Russia's policy to secure military stability in the Sino-Russian border regions is expected to continue in the coming years.

At the same time, Russia has been consolidating and reducing its Pacific Fleet because of the country's economic situation. Although President Putin referred to the necessity of Russia's navy actively defending its national interests in the oceans of the world, building such a navy remains a goal for the future, albeit a difficult one given Russia's financial state. With a view to economizing, Defense Minister Ivanov wants to consolidate and reduce the number of naval bases, domestic and overseas, and in May 2002, he ordered the Russian navy to withdraw from Camranh Bay Base in Vietnam. He also mentioned the need to consolidate the bases on the Pacific coast, in Vladivostok and Kamchatka, and said that he would implement important structural reform of the Pacific Fleet by 2005. This suggests the possibility of scrapping outdated naval vessels and aircraft, disbanding several units, and further organizational downsizing or consolidation already being carried out in the name of military reform. In August 2002, President Putin toured the Pacific Fleet in Vladivostok, and told Admiral Viktor Fyodorov, commander of the Pacific Fleet, that he would seek to increase the navy's budget to enable it to modernize its equipment. However, he was referring to the Russian navy as a whole, not specifically to the Pacific Fleet. Some believe that senior Defense Ministry officials want to deploy the navy's main vessels to the Northern Fleet stationed in Murmansk, which has an efficient infrastructure. It is possible that the Pacific Fleet's main role may be to defend the area along the Pacific shore, and Russia's ocean interests, which Defense Minister Ivanov has repeatedly mentioned.

There are also signs that Russia's shipbuilding program is emphasizing the building of small vessels suitable for coastal activities. Yet this is not to say that there are no long-term plans to strengthen the Pacific Fleet. When Defense Minister Ivanov visited the Pacific Fleet in November 2002, he revealed that Russia was planning to conduct large-scale exercises in the Sea of Japan, the Sea of Okhotsk, and the Bering Sea in 2003.