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Russia's Security Policy towards East Asia

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Introduction

In July 2008, Russia revised its *Foreign Policy Concept*—the document that expresses the principles and policies of the country's foreign policy—for the first time in eight years. The new *Concept*, however, does not alter the priorities of Russian foreign policy.¹ Regionally, Russian diplomacy will continue to focus, first, on the geopolitically vital Commonwealth of Independent States (CIS), second, on Europe, its largest trading partner, and, third, on the United States, with which it has pressing security concerns. Although Russia places less priority on the Asian region, its focus there is on China and India and on the Shanghai Cooperation Organization (SCO); only afterwards does Japan merit mention.

Traditionally, the Asian region has never ranked high as a focal point of Russian diplomacy. But for a combination of political and economic reasons—deteriorating diplomatic relations with Europe and the United States and the need to export its resources to the Asian region to sustain its economic growth—a case can be made that the center of gravity of Russia's foreign policy has begun to tilt toward Asia.² This paper outlines Russia's current foreign policy towards East Asia and examines the future of its directions.

Russia's Assertive Security Policy after Georgian Conflict

Russia's military conflict with Georgia in August 2008, and its recognition of the independence of South Ossetiya and Abkhazia were interpreted as expressions of protest leveled against the United States and European countries over the acceptance of Georgia and the Ukraine as members of the North Atlantic Treaty Organization (NATO). It was also a demonstration to the international community that Russia had stepped up its hard-line diplomacy. Its decision to take bold military action beyond its borders for the first time since the break-up of the Soviet Union was to put the international community on notice that Russia had both the intentions and the capability to take military action for the protection of its national interests.³ This action by Russia forced the international community to review its perception of Russia's diplomacy.

After Russia attacked a large number of Georgia's military bases, Russia was criticized by Western countries, which claimed that Russian counterattacks were excessive. Although the conflict itself ceased within a short period of five days, Russia's confrontational stance against the Western countries extended to the military sphere with its recognition of the independence of South Ossetiya and Abkhazia and its deployment of a brigade of Russian ground forces to both areas. In his annual address to the

Federal Assembly on November 5, 2008, President Medvedev declared that he would deploy short-range missiles to the Kaliningrad region, Russia's detached territory.⁴ The question to be considered here is what the underlying factors have been in Russia's assertive diplomacy since the Georgian conflict.

The first factor is the economy. Increases in resource exports and surges in international resource prices have resulted in a rapid recovery of Russia's national strength in the past 10 years. After Russia's economy bottomed out in the aftermath of the financial crisis of 1998, it has continued to record high growth of between 6-10 percent and posted positive growth figures for 10 consecutive years. Russia's growth is also outstanding among the eight leading industrialized nations (G8), and in 2007 its gross domestic product (GDP) recovered to the level immediately prior to the break up of the Soviet Union.⁵ Russia's gold and foreign currency reserves are the third largest in the world, following China and Japan,⁶ and immediately before the global financial crisis in September 2008, its reserves topped the combined reserves of the 15 countries of the euro zone. The Russian economy depends on mineral resource exports for almost half of its national revenue and about two-thirds of its exports. It is difficult to contend that record-high oil futures price of \$147 per barrel in New York in July and Russia's

embarking on a bold course of military action outside its borders for the first time since the break-up of the Soviet Union one month later in August are unrelated events.

However, the Russian economy has suddenly begun to slow as a result of the significant fall in international oil prices at the end of the summer of 2008, followed by the global financial crisis triggered by events in the United States in September. With plunging share prices, the outflow of foreign capital, and the negative impact on the real economy, it was as if Russia's economy, which had been heating up during the energy bubble period, had suddenly been doused with cold water. At the end of 2007, international oil prices plummeted to \$30 a barrel and the national budget for FY2009 fell into the red for the first time in 10 years. It is also possible that Russia's economy will experience a negative growth for the first time in 11 years. The sudden worsening of economic conditions is having a negative impact on Russia's assertive attitude towards the outside world.

The second factor underlying Russia's assertive diplomacy is the shaky relationship between politics and the military due to the establishment of a historically unusual tandem system that allows for the views of hardliners in the military to be reflected in Russia's foreign policy. From the end of 2007, hardliners in the military

became noticeably more vocal. Yuriy Baluevskiy, then First Deputy Minister of Defense and Chief of General Staff, appeared frequently in the media making hard-line political speeches and statements with reference to actions such as unilateral secession from the Intermediate Nuclear Force (INF) Treaty and first use of nuclear weapons.⁷ It was the military clash with Georgia that marked the start of the rise of military influence in Russia's foreign policies as a result of the significant recognition given to assertions by the military's hardliners.⁸ The gist of explanations given by persons either connected with or knowledgeable about the Russian military is that political control over the military was considerably undermined at some point during the beginning phases of the Georgian conflict.⁹

When Georgia launched an attack in the late evening hours of August 7, 2008, President Medvedev was away in Moscow on holiday, Prime Minister Putin was attending the opening ceremony of the Beijing Olympics, and the commander of the armed forces was absent from the local headquarters. For the Georgian side, the timing was ideal for making a move. It appears that the Russian side did not expect Georgia to ignore the international custom of suspending hostilities during the Olympic Games and launch an attack at this time. It has been indicated that Russia's decision-making was

significantly delayed until the introduction of an emergency system at the National Security Council held at 15:00 hours the next day, August 8. There also seems to have been a problem in communication between President Medvedev and the local commander.¹⁰ After Prime Minister Putin was informed by then President Bush at the opening of the Beijing Olympics that Russian armed forces had taken SS21 short-range missiles into Georgian territory, Putin hurried back from Beijing to the local headquarters in the Republic of North Ossetiya-Alaniya adjoining Georgia. It seems that Prime Minister Putin was concerned that the military was launching missile attacks arbitrarily. Even in his position as prime minister, Putin was directly informed of the progress of battles from the local commander at the headquarters and is believed to have given orders to the troops to launch a counterattack.¹¹ It seems that the Russian armed forces anticipated a military scenario where Tbilisi, the capital of Georgia, would fall and it would take custody of President Saakashvili. However, Prime Minister Putin is said not to have allowed even the destruction of the pipelines.¹²

Although one cannot go so far as to say that the Russian military was out of control in the Georgia conflict, it can be said that the intentions of the military were plainly evident in its excessive counterattacks.¹³ As was evident in the problem with Chechnya,

because of the rise of terrorism as a new threat, the role and influence of the military, whose original duty was to ward off threats to the country, has been greatly diminished. In this instance, a military conflict outside the country provided the perfect opportunity for the military to demonstrate the importance of its existence, and it seems to have spared no effort in its response in the Georgian conflict. After the conflict in Georgia, the intentions of the military were clearly reflected in Russia's diplomacy, such as the decision to station a brigade of ground forces each in Ossetiya and Abkhazia after Moscow recognized their independence and the significant delay in the withdrawal of military forces from Georgian territory despite a political decision calling for an immediate withdrawal of troops. In his annual address to the Federal Assembly, President Medvedev also announced that Iskander short-range missiles would be deployed to the Kaliningrad region as a countermeasure in response to the deployment of MD missiles to Europe by the United States.¹⁴ This was exactly what the hardliners of the Russian military had been insisting upon for some time.

The third factor underlying Russia's assertiveness is the perception held by politicians and the military that the unilateralism of the United States is in relative decline and that Russia is in a position to take a hard-line policy towards the United States to a

certain extent. First of all, there are signs that the influence the United States once had over former Soviet regions is fading. The so-called “color revolution,” which Russia believed had the backing of the United States, did not eventuate in Uzbekistan and Belarus, and US military forces were compelled to withdraw from Uzbekistan in November 2005. After this, Uzbekistan signed the Treaty of Alliance Relations with Russia, and strengthened its orientation towards Russia including a return to the Collective Security Treaty Organization (CSTO) spearheaded by Russia in June 2006.

After the conflict in Georgia, Russia’s relations with the United States and Europe fell to their lowest point, with President Medvedev declaring that Russia was not afraid of another Cold War. The hard-line view towards the United States seemed to be gaining momentum. There were two reasons for this. First, the United States had been a proponent of expanding NATO membership to Georgia and the Ukraine, and, second, the United States had provided military assistance to Georgia under the pretext of deploying troops to Iraq. *The Military Doctrine*, a new military strategy document, is currently in the process of being revised. According to Russian military experts, the significant delay in the revision of the document is due to Russia’s inability to settle on a medium- to long-term national military strategy because it cannot determine the direction

of the power relationship between Russia, which is strengthening its hard-line diplomatic stance, and the United States, whose unilateralism is on the decline.¹⁵

Deterioration of the Strategic Environment surrounding Russia

The recovery of pride in Russia as a great nation comes from a growing economy riding a surge in energy exports. This increased confidence is leading Russia to pursue an independent path in foreign policy and is generating tensions with Europe and the United States. On March 28, 2007, Russia's Ministry of Foreign Affairs released its first-ever *Survey of Russian Federation Foreign Policy*,¹⁶ in which the principal theme is "a strong Russia." Vladislav Surkov, then deputy chief of staff for ideology in the Presidential Executive Office, is widely credited for creating the concept of "sovereign democracy." In a speech before the Russian Academy of Sciences in June 2007, Surkov stated that criticisms about a deficit of democracy in Russia are an exercise in political deception by the West and have as their objective the weakening of Russia's state institutions and defense capabilities and the gaining of control over Russia's natural resources by undermining the country's autonomy.¹⁷

This confrontational stance toward the West by the Putin administration is being

amplified by Russian wariness about the building of military infrastructure in countries bordering Russia in the wake of the eastward expansion of the NATO. Russia clearly perceives that its strategic environment is deteriorating in Europe. In a speech at the Munich Conference on Security Policy given on February 10, 2007, then President Putin sharply criticized the “unilateralism” of the US and made clear his suspicions about the heightening military threat to Russia posed by NATO’s enlargement to the East.¹⁸ Russia believes that Europe’s eastward expansion will result in countries with an extremely critical attitude toward Moscow—East European states and the Baltic nations—joining NATO or the EU, which would negatively affect Russia’s status in the eyes of Europe. In a poll conducted by the All Russia Center for the Study of Public Opinion on May 31, 2007, respondents were asked to identify which five countries they believed to be the most hostile or unfriendly toward Russia. In descending order, beginning with the country receiving the most responses, the result was as follows: Estonia, Georgia, Latvia, the United States, and Lithuania.¹⁹

Russia believes that the deployment of a missile defense system in Eastern Europe by the United States will be a new destabilizing factor in regional security. Plans by the United States to deploy missile interceptors in Poland and a phased-array radar system

in the Czech Republic were reported by the press in May 2006 and immediately drew sharp opposition from Russia. Although the United States has repeatedly explained that the deployment is not aimed at Russia, the Russians believe that it is self-evident that their country is being targeted by the plan. Moscow therefore views this planned deployment of MD systems as a breach of faith by Washington and as a new move by the United States to augment its military power in Eastern Europe, at a time when Russia is reducing its military presence in Europe, including by withdrawing forces from Georgia and Moldova as required under the Conventional Forces in Europe Treaty (CFE Treaty). Foreign Minister Sergey Lavrov has strongly criticized this planned move, saying that these kinds of unilateral actions by the United States will generate new schisms in Europe.²⁰

President Putin also responded immediately to this move by the United States. In his Annual Presidential Address on April 26, 2007, he criticized NATO for not strictly observing its obligations under the CFE Treaty and announced that if there were no clear progress on treaty implementation, Russia would declare a moratorium on its observance of the treaty.²¹ In June discussions were held with NATO on this issue but yielded no satisfactory response for Russia. At a US-Russia Summit meeting held on

June 7, Putin proposed that a radar site deployed in Gabala, Azerbaijan be jointly used. The US withheld a response, saying that it would carefully consider the Russian proposal. Discussions on the issue were to continue thereafter between the two countries. On July 14, 2007, Putin signed a decree suspending the Russian Federation's participation in the CFE Treaty. NATO expressed regret over Russia's decision, describing it as "a step in the wrong direction," but stated it hoped to engage Moscow in constructive talks on this issue.²²

Today, US-Russian relations have a dual structure. On the one hand, there is a clash of interests in areas of traditional security, such as NATO's eastward expansion, the deployment of missile defense systems in Europe, and the Georgian conflict. On the other, there is cooperation in dealing with nontraditional security-related threats such as international terrorism perpetrated by the forces of Islamic radicalism and the spread of weapons of mass destruction. Since the terrorist attacks of 9/11, cooperation on matters of nontraditional security has expanded and deepened, culminating in the US-Russia Strategic Framework Declaration signed at the US-Russia Summit in April 2008. While it is undeniable that the Georgian conflict has caused relations between the two countries to skid seriously into conflict, both countries are at the same time seeking ways to

cooperate in the peaceful use of atomic energy, as shown by the US-Russian Civilian Nuclear Cooperation Agreement that was made a part of the Strategic Framework Declaration. If this agreement comes into force, it will result in further cooperation between the United States and Russia on nuclear technology and will enable Russia to handle the reprocessing of spent nuclear fuel from the United States. The US government, in the wake of the Georgian conflict, considered annulling this agreement as a way to sanction Russia. However, the Bush administration chose instead to freeze further work on the agreement until the new administration took office. From the perspective of nuclear nonproliferation, the United States values cooperation with Russia on nuclear energy and there were no signs of either country pushing their disagreements beyond the point of no return on this matter. The United States has its hands full with its military campaigns in Iraq and Afghanistan and Moscow clearly recognizes that these commitments leave Washington with little capacity to oppose it on this nontraditional security issue.

The United States plans to deploy interceptor missiles in Poland and to construct a radar station in the Czech Republic. The United States explains that the missile defense system will be necessary to defend against the threat of missile attacks from Iran

and other nations. Russia, however, is vehemently opposed to the system, saying that while it recognizes that the system does not pose an immediate threat, future expansion and improvements to the system globally would threaten its security. Moreover, the first Strategic Arms Reduction Treaty (START)-I, signed in 1991, is set to expire at the end of 2009. For the United States and Russia, finding a way to maintain a framework of arms control and arms reduction following the expiration of START-I has become a major issue. As these problems illustrate, there are a multitude of pressing issues that must be dealt with by the two nations. But because of the overwhelming military advantage held by the United States, Russia does not want to get into a military showdown with the United States. Instead, while adopting a mixture of hard-line and conciliatory actions toward the United States diplomatically, it is waiting for the Obama administration's move.

Russia as an Energy Supplier to East Asia

Taking advantage of the tightening supply of energy on international markets, Russia has shifted its foreign policy to a more aggressive stance. By utilizing the energy exports that are fueling its economic growth as a strategic lever, Russia has shown a tendency to use energy to exert diplomatic pressure. Russia temporarily suspended

the supply of natural gas to Ukraine.²³ The state-run gas company Gazprom notified Ukraine that it would be hiking the price of natural gas from \$50 per 1,000 cubic meters, which it charged former republics of the Soviet Union, to \$230, the price it charged European countries. However, as Ukraine did not accept this, Russia cut off its supply of gas on January 1, 2006. The natural gas had been shipped to Ukraine through a pipeline that carried 80 percent of the natural gas that EU countries imported from Russia. Although Russia had suspended the supply of gas to Ukraine, the latter continued to draw gas from the pipeline – with the result that the Russian gas reaching Italy and France decreased by 25 and 30 percent, respectively.²⁴

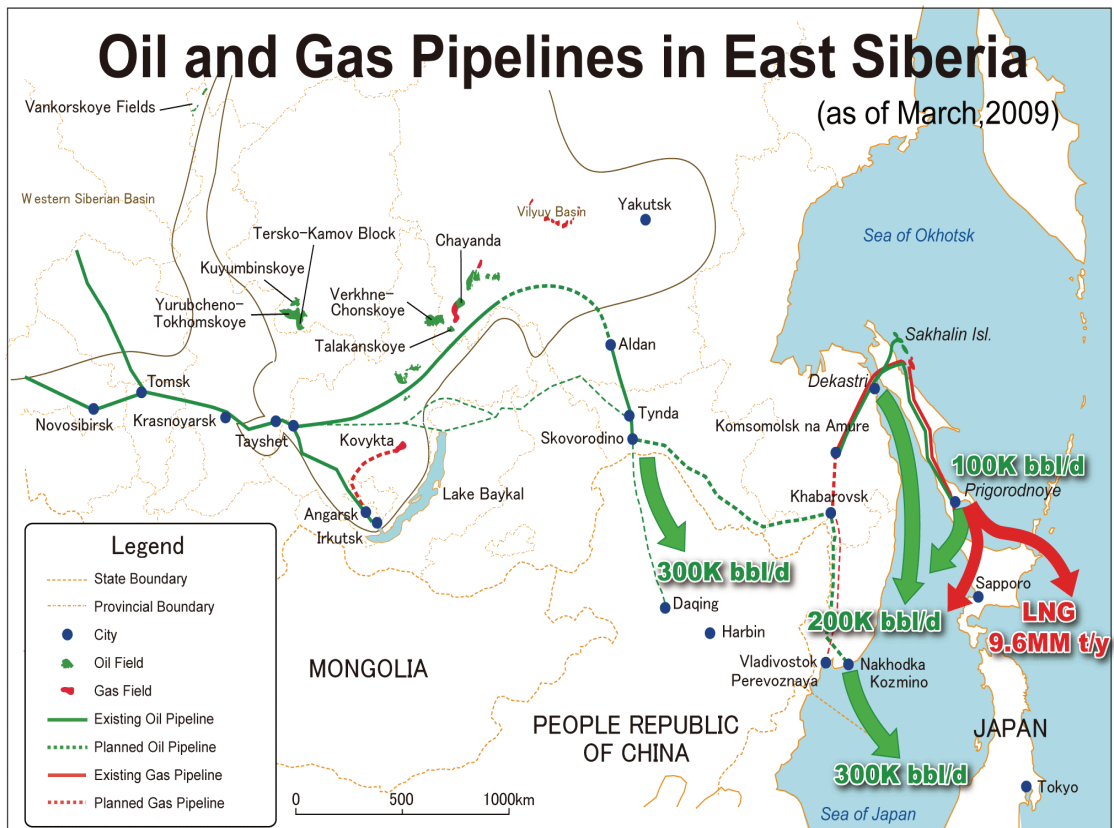
In the background to Russia's natural gas price hike vis-à-vis Ukraine is the Orange Revolution there that had given birth to a pro-Western government in Kiev, distancing itself from Moscow. Ukraine has joined GUAM (Georgia, Ukraine, Azerbaijan, and Moldova), which is seeking to be integrated into Europe with the help of Western countries, is a member of the Community of Democratic Choice (CDC) established by nine Baltic and East European countries in December 2005, and has been admitted to the European Union (EU) and the NATO. Further, it has indicated its wish to secede from the CIS. From the Russian viewpoint, Ukrainians are the same Eastern Slavic

people as themselves and Ukraine provides Russia with a base for its Black Sea fleet, not to mention the gas pipelines to European countries running through it. It is this strategic importance of Ukraine that seems to have prompted Russia to flex its energy-based diplomatic muscles and try to dissuade the country from defecting from Russia. Russia hiked the price of its natural gas not only for Ukraine but also for the three Baltic states, as well as for Armenia, Georgia, and Belarus. Russia's resource diplomacy has thus been extended to all former Soviet-bloc countries. Russia's action in cutting off natural gas to Ukraine has seriously undermined its credibility as a resource supplier.²⁵

The ripples raised by Russia's resource diplomacy have spread to the East Asian region. On September 18, 2006 the Russian government suspended the Sakhalin-2 project, an oil and natural gas development project in which Japan's leading trading firms have sunk huge sums of money, on the ground that the environmental protection measures taken by its developers were inadequate. Work on the construction of the Sakhalin-2 project was 80 percent complete. Tokyo Electric Power Company, Japan's largest would-be importer of Sakhalin natural gas, had already signed a long-term agreement to import 1.5 million tons of liquefied natural gas (LNG) a year over the next

22 years from 2007.²⁶ A delay in the development project would not only hamper the supply of energy to Japan but also derail Japan's energy policy aimed at weaning itself away from its heavy dependence on the Middle East and at diversifying its sources of energy.

In East Asia, Russia attaches paramount importance to its relations with China. Bilateral relations have improved significantly, particularly in the area of energy cooperation. Russia is looking for a ten-fold increase in its oil exports to East Asian countries from the present 3 percent to 30 percent over 10-15 years.²⁷ There is a congruence of interest between Russia, seeking to increase its energy exports to Asia, and China whose demand for energy has been rising sharply in recent years. The China-Russia Joint Statement adopted in 2006 says, "Energy cooperation is a key element of the strategic partnership" between the two states, and their leaders vowed to increase the supply of Russian energy to China by laying new oil and natural gas pipelines. In addition to a pipeline now under construction between Eastern Siberia and Skovorodino, which is on the border between the two countries, Russia plans to build two gas pipelines between Siberia and China capable of transporting 60-80 billion cubic meters a year and to start the full-scale supplying of natural gas to China from 2010.²⁸



Source: Japan Oil, Gas and Metals National Corporation (JOGMEC)

The Russian government's order to suspend the Sakhalin-2 project was extended to other energy development projects in the region including the Sakhalin-1 project, in which Japanese firms were also participating. Behind these abrupt decisions was the government's desire to revise the unfavorable terms and conditions of the production sharing agreements (PSA) it had signed with foreign firms in the 1990s, and

reorient energy development in Siberia and the Russian Far East on terms advantageous to Russia. In the case of the Sakhalin-2 project, controlling interest was transferred to Gazprom in December 2006 from foreign firms. In Japan some express worries that the new stance Russia has taken could affect the development of oil fields in Eastern Siberia and the construction of oil pipelines reaching the Pacific coast of Russia, in both of which Japan takes a keen interest.

Complicated Security Relations between Japan and Russia

The energy cooperation between Japan and Russia is expanding and Japan's dependency on Russian energy is growing. Japan has already begun importing crude oil produced in Sakhalin and LNG from the island in March 2009. Russia and Japan are also promoting cooperation in the peaceful use of atomic energy, amid what some call a "Nuclear Renaissance," in which nuclear energy is making a comeback globally amid heightened environmental concerns, soaring oil prices, and the certainty of resource depletion in the future. In February 2007, Japanese and Russian leaders agreed to begin negotiations aimed at forging a Japan-Russia nuclear agreement. In March 2008, Toshiba, a major designer and builder of nuclear power plants, signed an agreement with

Russia's state-owned nuclear power company Atomenergoprom (Atomic Energy Power Corporation) to begin assessing the possibility of establishing a cooperative relationship.

Russia is the world's largest provider of uranium enrichment services and is currently constructing the International Uranium Enrichment Centre in Eastern Siberia. If a Japan-Russia nuclear agreement becomes a reality, it would pave the way for Japan to contract with Russia for enrichment and reprocessing of its nuclear fuel. Japan's Toshiba Corporation and Russia's Atomenergoprom have signed a general framework agreement under which they will explore collaboration in the civil nuclear power business²⁹ and both governments have signed a Japan-Russia Agreement for Cooperation in the Peaceful Uses of Nuclear Energy when Prime Minister Putin visited Japan in May 2009.³⁰

At the same time, some have begun to express skepticism about Russia's reliability as an energy supplier, citing moves within the country to bar foreign investors from participating in energy development projects, its suspension of natural gas supplies to Ukraine, etc. But Japanese dependency on Russian energy is still limited, so it would still be desirable for Japan and Russia to build a mutually complementary relationship in the energy field. Such a relationship would enhance Japan's energy security by

contributing to the stability and diversification of its energy sources, while also promoting the structural stabilization of Japan-Russia relations overall.

While Japanese-Russian relations have advanced considerably in the economic sphere, including energy, it is a different story when it comes to national security. Russia, increasingly suspicious of US intentions, has repeatedly been sending its strategic bombers near the airspace of Europe, Japan, and other US allies. In August 2007, Russia resumed regular strategic bomber patrols, and Russian aircraft now reach the airspace of the UK, Japan, Guam, Alaska, and other regions, sometimes necessitating the scrambling of warplanes. The Russian Air Force's Tu-95 and Tu-22M strategic bombers, along with the Russian Navy's Tu-142 long-range maritime patrol planes, increasingly fly the "Tokyo Express" route, which takes them southward along the Pacific side of the Japanese archipelago. On February 9, 2008, a Tu-95 strategic bomber violated Japanese airspace over the island of Sofugan on the southern end of the Izu Island chain and Japan scrambled 24 Self-Defense Force F-15s and other warplanes.³¹ This violation of Japanese airspace was the first such incident in thirty-three years, the previous one occurring in 1975, when two Tu-95s entered the airspace between Shikinejima and Kozushima. Also on February 9, 2008, a Tu-95 flew low over the

super-carrier USS *Nimitz*, which was sailing in the western Pacific Ocean. The *Nimitz* scrambled its carrier-based aircraft in response.

According to an announcement by the Joint Staff Office, the Japan Air Self-Defense Force had to scramble its interceptor fighters in response to foreign aircraft approaching Japanese airspace 307 times in fiscal 2007; in addition to exceeding 300 scrambles for the first time in 14 years, this number was 68 more than the previous year. Just in terms of the number of such emergency responses, the number of times Japan scrambled fighters in 2007 approached the level last seen immediately after the demise of the Soviet Union. Of those incidents, approximately 82 percent were in response to Russian aircraft, while roughly 14 percent were against Chinese planes.³² A number of reasons could be cited for the increase in strategic bomber patrols by Russia, including increased flight training time for the Russian Air Force due to larger defense budgets and the commencement of action by Russia to restrain the United States militarily in response to deteriorating US-Russian relations.

Besides strongly opposing the deployment of US missile defense systems in Europe, Russia is also growing increasingly wary of Japan's efforts to build a ballistic missile defense system (BMD) in East Asia. Thus, the deterioration of US-Russian

relations is having an impact on diplomacy in East Asia. In his April 2008 meeting with Saito Takashi, Chief of Staff of the Joint Staff, then Chief of the General Staff Baluevskiy expressed concern that Japan's BMD would be integrated in the future with the United States' global missile defense system. In his visit to Japan in November 2008, Minister of Foreign Affairs Sergei Lavrov stated in a speech in Tokyo that Russia would closely monitor Japan's BMD, a system that it considered to be a part of the United States' global missile defense system. In addition, at the China-Russia Foreign Ministerial Talks held in Beijing in December, both countries confirmed their shared concerns about the missile defense system being advanced in Europe and East Asia.³³ Expressions of concern from Russia about Japan's BMD had previously been confined to statements made by military personnel; but as the US-led missile defense plans in Europe move forward, high-ranking Russian government officials have also begun to express similar concerns.

Security Orientation Eastwards by Strengthening the SCO

Geographically, Russia straddles Europe and Asia. Thus, while the strategic environment surrounding Russia in Europe has deteriorated, Russia has accelerated its security orientation eastwards to Asia by strengthening the Shanghai Cooperation

Organization (SCO) ties revolving around a Russia-China strategic axis. In this sense, European security is closely related to Asian security in the Eurasian arena.

The SCO is a multilateral regional cooperation framework established in 2001 by six countries: Russia, China, Kazakhstan, Tajikistan, Kyrgyzstan, and Uzbekistan, with four countries (Mongolia, India, Pakistan, and Iran) sitting as observers. The total area occupied by SCO member states is about three-fifths of the territory of Eurasia, with a population of about a quarter of the world's total. While the SCO languished in relative obscurity after its conception and the gaze of the world was diverted by the events of September 11 2001, more recently the SCO's activities have prompted increased scrutiny by the United States and its regional allies in Eurasia. The SCO caused a furor in 2005, when it adopted a containment posture against the United States by issuing a statement calling for the withdrawal of US military bases from Central Asia. The same year, the SCO invited Iran into the organization as an observer member and conducted Sino-Russian joint military maneuvers. Russia seems to be attaching greater importance to the SCO as a vehicle for multilateral regional cooperation. It perceives its surrounding strategic environment to have worsened with the expansion of NATO and the occurrence of "color revolutions" in former Soviet-bloc countries.

Russia's involvement in the SCO seems to be strategically motivated. At a meeting held in Dushanbe, Tajikistan in 2000, the Shanghai Five took up the issue of the observance of the ABM Treaty in an attempt to restrain the United States, which had tried to terminate the treaty and move toward the deployment of missile defenses. Subsequent to its decision to cooperate with the United States in the fight against terrorism, Russia did not consult with China through SCO channels. For example, no such consultation took place prior to Russia's consent to the stationing of US troops in Central Asian countries immediately following the September 11, 2001 terrorist attacks in the United States. This suggested a weakening of Russia's commitment to the SCO. However, after Russia's strategic cooperation with the United States on security issues began to waver in 2004, it has changed its stance, attaching greater importance than before to the SCO's multilateral mechanism. Specifically, the October 2004 Sino-Russian joint declaration explicitly set out to make the development of the SCO a priority for Chinese and Russian foreign policies and a number of SCO research centers were established at Moscow State University and other research institutes. In addition, a July 2005 summit declaration called for the United States to set a specific schedule for its withdrawal from its bases in Central Asian countries,³⁴ and Iran was admitted into the

organization as an associate member. In August 2005, China and Russia carried out joint military maneuvers within the framework of the SCO, triggering an emergency in the Taiwan Strait.

In June 2006, the SCO held a summit meeting in Shanghai to commemorate the fifth anniversary of the organization's founding.³⁵ President Putin, President Hu Jintao, and the presidents of four member countries of Central Asia and observer countries (Iran, Mongolia, and Pakistan) participated. The president of India, an observer country, refrained from attending the meeting himself in deference to India's relations with the United States. Instead, he sent the Minister of Oil and Natural Gas. The heads of state attending the meeting acknowledged that the SCO had entered a new phase of development and ratified ten documents including "the Declaration on the Fifth Anniversary of the SCO." China proposed the adoption of a long-term treaty of good neighborliness, friendship, and SCO cooperation. Russia proposed the creation of an SCO energy club with Iran offering to facilitate the meeting of energy ministers in Tehran. Russia is hoping to secure for itself a leadership role in the SCO over China's head by creating SCO joint military forces just like the CSTO's Russia-led Collective Rapid Development Force. For Russia, the SCO is a useful vehicle for pushing a multi-polar

objective without provoking a bilateral confrontation with the United States and an important tool for arresting and reversing the deterioration of its strategic environment in Europe.

On August 16, 2007, an SCO Council of Heads of State was held in Bishkek, the capital of Kyrgyzstan.³⁶ This SCO summit convened in conjunction with a nine-day joint “Peace Mission 2007” conducted within the framework of the SCO, which began on August 9. The leaders adopted the Bishkek Declaration and also signed a treaty known as the Agreement on Long-Term Neighborly Relations, Friendship, and Cooperation between SCO Member States,³⁷ which had been proposed by China.³⁸ In the preamble of the treaty, the signatory nations express recognition that today’s challenges and threats to security are global in nature and that cooperation will be essential in order to deal effectively with them. The preamble also calls on the member states to take measures to strengthen neighborly relations, friendship, and cooperation.³⁹ At the same time, the preamble contains a statement to the effect that the treaty is not aimed at any single country or organization, which clearly is an attempt by the signatories to say that United States was not the target of the treaty.⁴⁰

The SCO, which was originally created to build mutual trust between Central

Asian countries, has often changed its objectives to tackle issues as broad ranging as energy and defense depending on the shifting aspirations and interests of its member and observer countries. These countries are indeed supporters of a multi-polar counter-balance to US unilateralism, but they do not share a common military purpose. In addition, the interpretations of the core principles of the SCO – terrorism, separatism, and extremism – are greatly at variance with one another. It is therefore unlikely that SCO members would band together in an anti-Western military coalition in the near future. The risk, rather, is that the SCO may run adrift from its original objective as member countries become ever more tempted to utilize the organization as a means of promoting their own narrowly defined political objectives.⁴¹ Currently, the SCO is becoming more political than practical.

Limitation of the Russia-China Strategic Partnership

In August 2005, China and Russia held their first-ever bilateral joint military maneuvers, dubbed the “Peace Mission 2005,” in which 1,800 Russian and 7,000 Chinese troops took part. China suggested the idea of holding war games and paid for almost all the costs.⁴² Initially, Russia had insisted that the maneuvers be held in the

Xinjiang Uygur Autonomous Region, but the Chinese advocated instead Zhejiang Province, which lies close to Taiwan. Russia, however, did not play up the Taiwan issue and the Shandong Peninsula was eventually agreed as the venue. The maneuvers also included military representatives from all other SCO members and observers, but non-SCO countries were not invited. Initially, Russia only intended on sending around 200 ground troops and air corps personnel, but China pushed Russia to include naval units as well. Russia's participation included ground troops from the Far Eastern military district, units from the 76th Airborne Division in Pskov, Pacific Fleet infantry units, Tu-95MS strategic bombers, Tu-22M3 bombers, Su-27SM fighters, Su24M2 bombers, a large anti-submarine ship, a large amphibious assault landing ship, a destroyer and a diesel-powered submarine.⁴³

The total number of troops was greater in scale and scope than any other past joint anti-terrorism drill. It would appear that in these war games, the Russians were showing off their new arms systems in order to secure sales to China. From the Chinese perspective, "Peace Mission 2005" provided an opportunity to understand Russia's leading military tactics and tri-service combined operations. From the Russian perspective, the military drill offered a chance to deepen their understanding of Chinese

People's Liberation Army (PLA) capabilities. According to a senior officer of the Russian General Staff, while the PLA now possesses some modern Russian-made military equipment, its level of military skills and readiness are not as high as the Russians would have expected.⁴⁴ He noted that different PLA troop units participated in separate phases of the maneuvers and a high number of Chinese soldiers were killed and injured in accidents. After the exercises, Russia nevertheless gained confidence in enhancing military cooperation with China by selling more arms and promoting future joint exercises.

In 2007, Russia carried out two joint anti-terrorism exercises within its borders. One was an exercise with the SCO codenamed "Peace Mission 2007" and conducted within the framework of the SCO in the Volga-Ural Military District on August 9-17.⁴⁵ Russia, China, Kazakhstan, Kyrgyzstan, Tajikistan, and Uzbekistan participated. Russia was represented by approximately 2,000 troops, eight Su-25 fighters, twelve Mi-24 attack helicopters, twelve Mi-8 transport helicopters, and six Il-76 transport aircraft.⁴⁶ Also participating from Russia were the units of permanent readiness of the Thirty-fourth Motorized Rifle Division from the Volga-Ural Military District, one paratrooper company from an airborne brigade, Ministry of Interior troops, and border service units of the Federal Security Service (FSB). China's force comprised more than 1,600 troops,

six Il-76 MF transport aircraft, eight JH-7A bombers, 16 JG-9W helicopters, 24 Mi-17 helicopters, and 200 combat vehicles.⁴⁷ In addition, two parachute companies from Kazakhstan and Tajikistan participated, as did a special-task platoon from Kyrgyzstan.⁴⁸ In the final stage of the exercise, airborne units and troops from participating countries took part in field training exercises, which were observed by participants of the SCO summit meeting, held at the same time.

It is generally believed that Russian initiative led to both “Peace Mission 2007” and that the holding of exercises in areas close to Europe was intended as a check on NATO.⁴⁹ However, the SCO is still not a monolith. Relations are complex between China and Russia, the two major powers in the organization. As the influence of the SCO expands, glimpses of an intra-organizational leadership struggle between the two countries have emerged. This is because China is averse to the idea of linking two organizations that have different purposes: the SCO, whose goals are primarily political and economic integration, and the CSTO, whose goals are military and political.⁵⁰ However, some Russian sources suggest that the real reason for the opposition is that Chinese leaders believe that this kind of military integration would dramatically increase Moscow’s role in the military affairs of the two organizations.⁵¹ Although leadership of

the SCO still rests in the hands of China, militarily Russia continues to have an advantage over China in terms of military technology and operational capabilities. Currently, the Russian Ministry of Defense and General Staff are collaborating with other agencies to develop “A Concept of Cooperation in the Military Arena” for the defense agencies in SCO countries. This is an effort to deepen the collaborative activity between the SCO and the CSTO through counter-terrorism measures.⁵² These conflicting agendas between Russia and China, the former seeking to take military leadership in the SCO and the latter seeking to expand the influence of the SCO in Central Asia, raise the possibility of a deepening schism between the two countries within the SCO in the future.

For China, Russia’s stance with respect to strengthening the alliance between the CSTO and the SCO is not necessarily a welcome development. Although China values the SCO as a multilateral framework for stronger economic cooperation, it is not overly keen on the idea of the organization being used to strengthen military cooperation. Central Asian countries, on the other hand, are caught in between Russia and China. While they consider cooperation with both to be vital for energy and terrorism issues, they are wary about undue influence from either country. That is to say, there are differences

between what Russia wants to achieve in terms of strengthening the SCO and what other members of the alliance want to achieve. So it remains to be seen whether Russia's efforts to strengthen the CSTO-SCO alliance will succeed, and whether the long-term cooperative relationships stipulated under the Agreement on Long-Term Neighborly Relations, Friendship, and Cooperation between SCO Member States will proceed as planned.⁵³

Conclusion

While Russia's East Asian diplomacy will continue to center on its strategic cooperation with China, which it views as the most important country in the region, Russia has also begun to search for its own brand of diplomacy in East Asia as its national power has recovered and as American unilateralism has declined. Although outwardly Russia and China continue to play up the honeymoon aspects of their relationship, their growing rapprochement has in recent years hit a ceiling; the highpoint was in 2004, when they agreed on the complete demarcation of their mutual border. The China-Russia strategic partnership has been a mixture of the strategic need to restrain the United States on the one hand and, on the other, utilitarian interests, such as

weapons and energy exports. But the Georgian conflict demonstrated that Russia is beginning to take increasingly independent actions strategically and as it does so its motivation to cooperate strategically with China in restraining the United States declines. At the SCO Summit Meeting held in Tajikistan's capital of Dushanbe on August 28, 2008, China and the four Central Asian nations who are also members of the SCO expressed understanding of Russia's actions in the Georgian conflict but stopped short of supporting its recognition of the independence of South Ossetiya and Abkhazia. Besides Russia, only the Central American country of Nicaragua now recognizes the independence of those two regions.

Russia's avowed strategic partnership with China is reaching the ceiling because of the two countries' differences including over energy and arms cooperation. Regarding the utilitarian aspects of the relationship, which revolve around weapons and energy exports, this too is problematic as weapons exports by Russia to China plunged by around 60 percent year-on-year in 2007 and as no new contracts for the sale of large weapons systems have recently been signed.⁵⁴ Observers point to a number of factors that may be contributing to this situation: the major Russian weapons systems have already been sold to China; there is increasing caution within Russia about exporting

arms to China in view of the likelihood that China will emerge as a military power in the future; Russians are increasingly rejecting the idea of selling weapons to China when these weapons end up as copied versions sold to third-party countries; etc. In terms of energy exports as well, problems have begun to arise. When President Medvedev made his state visit to China in May 2008, both countries failed to bridge their differences on export prices for energy and also made no progress on problems surrounding the construction of the China branch pipeline of the Eastern Siberia-Pacific oil pipeline. For strategic reasons, Russia had previously given China preferential treatment on arms and energy exports. It is beginning to change this external stance, and, in terms of energy cooperation, now appears more eager to strengthen its relationship with Japan and South Korea. Russia is also losing strategic motivations to enhance the Moscow-Beijing strategic ties or the SCO framework in order to check the US unilateralism in Eurasia.⁵⁵

As discussed above, geopolitical changes surrounding Russia and its economic recovery are making Russia an independent strategic player in the Asian strategic environment. Accepting the deterioration of the western strategic environment, the limitation of the further integration of the CIS and the totter of Moscow-Beijing strategic

ties, Russia has just started to look toward East Asia, especially Japan and Korea, as new energy markets by hosting the Asia-Pacific Economic Cooperation (APEC) summit to be held in Vladivostok in 2012.

Notes

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