

Russo-Chinese Military Relations and Asian Security

Stephen J. Blank

Russia's relationship with China and their arms sales have aroused a great deal of uneasiness in Asia and the United States. Upon examination of this military relationship, one finds that Russian policy apparently is excessively dependent on China for entry into Asian security agendas. Moreover, its military sales have been used to bail out the Russian defense industry, which would otherwise face bankruptcy and the resultant collapse of Russia's armed forces. In addition, China's actual payments have apparently been relatively cheap, and have often taken the form of noncash substitutes or transfer of licenses and technology to China.

Thus, China has reaped tangible political and military gains, while Russia's gains have only been psychological and evanescent. Worse yet, many Russian military and political figures still regard China as a potential future threat and see little true gain in Russia arming it. In the overall Asian context, these fears have assumed more substance. In short, Russian policy seems all too lacking in any sense of true national interests or a strategic perspective.

Keywords: Russia; China; Taiwan; arms sales; Southeast Asia; Korea

* * *

Russia's weapons and technology sales to China have aroused a great deal of international interest because of their possible repercussions on Asian security, ranging from Korea to Southeast Asia. One way to examine those repercussions is to focus on the increased military capabilities that China hopes to gain by these sales. However, it is also profitable to focus on the Russian context of these sales, namely Russian arms sales to Asian governments

Stephen J. Blank is MacArthur Professor of Research at the Strategic Studies Institute of the U.S. Army War College, Carlisle Barracks, Pennsylvania. His latest publication is *Imperial Decline: Russia's Changing Role in Asia* (co-editor, with Alvin Z. Rubinstein, Duke University Press, 1997). The views expressed here do not represent the views of the U.S. Army, the Defense Department, or the U.S. Government.

in general. When we view these sales in this context, these sales to China and other governments become even more alarming in some respects. Certainly, we can gain a greater sense of how Russian arms impact on Asian security, both in the latter's subregional aspects and in its broader perspective.

Russian Arms Sales to China

Undoubtedly, Russo-Chinese military relations exert substantial influence on Asian states, who must adjust their policies to its quality. This bilateral relationship, the medium through which Russian and "great power" policies affect Asia, greatly influences Russo-Chinese relations with Southeast Asia and Taiwan. Ties with China and these states are also major issues in Russian policy debates.

Although officials argue that Russia's vital interests demand a strategic partnership with China, there are other sides of the story. Particular interests, like those of the defense industry, play a key role in this relationship; i.e., the defense industry depends on sales to China and lobbies strongly for China.¹ Defense industrialists have even claimed that "the active promotion of Russian armaments in the Asia-Pacific region is leading to a new balance of power taking shape there, in which the United States will no longer play the decisive role."² The Ministry of Defense (MOD) under former Defense Minister Pavel Grachev reportedly felt that China's need for military technology to keep pace with Taiwan and Southeast Asia will lead it to buy Russian systems which "could become not only a way for our hapless military-industrial complex to preserve jobs and earn money, but also the start of a long-range strategic partnership and a new balance of forces in Asia that would favor Russia."³ When General Igor Rodionov replaced Grachev in 1996, there were reports of military discussions on a formal alliance with Beijing even as Rodionov warned about a future Chinese threat.⁴ However, both states have re-

¹Stephen J. Blank, *The Dynamics of Russian Weapons Sales to China* (Carlisle Barracks, Penn.: Strategic Studies Institute, U.S. Army War College, 1997); Kent E. Calder, *Pacific Defense: Arms, Energy, and America's Future in Asia* (New York: William Morrow & Co., 1996), 38-39.

²*Krasnaya zvezda* (Red Star) (Moscow), July 2, 1996, trans. in Foreign Broadcast Information Service (FBIS), *Central Eurasia* [hereafter *FBIS-SOV*]-96-129 (July 3, 1996): 34.

³"Taiwan Crisis and Russian-Chinese Ties," *Current Digest of the Post-Soviet Press* [hereafter *CDPP*] 48, no. 11 (April 10, 1996): 11.

⁴The Ministry of Foreign Affairs soon forced him to make a humiliating and public recantation, but the speech nevertheless revealed his true feelings and those of many officers. See *Ne-*

peatedly denied (perhaps too strongly) that their relationship is an alliance or directed against any third parties. Instead, they have maintained that they enjoy a unique bilateral friendship and partnership that other states would be well advised to emulate.⁵ Clearly China has evoked much debate and confusion in Russian policy.

Arguably, on its own the defense industry could freely sell China vital military systems, or licenses for their production in China, e.g., the MOD's 1995 sale of upper-stage rocket engines and Sukhoi's 1996 sale of licensing rights for the Su-27 fighter.⁶ Because Moscow has neither devised a viable defense program, anticipated its arsenal's impending block obsolescence, nor controlled its defense industry, the latter's captains have conducted their own policies toward China and other Asian states regardless of the outcome. Given the pervasive corruption among them and military officers that prevails in arms sales, personal as well as business interests are also involved.

Analysts of Russian defense sales have been divided over this issue of state control. Pavel Felgengauer, Russia's leading defense correspondent, asserts that the number of subcontractors involved in any project and close government scrutiny indicate Russia's ability to control this area. Felgengauer can also cite recent decrees placing Rosvooruzhenie, the largest arms trading agency, and other arms sellers under direct presidential and prime ministerial control.⁷ However, other analysts, including this author, argue that while there has been considerable government control and certainly major efforts to extend it, the very fact that decrees like those concerning Rosvooruzhenie must often be repeated plus the pervasive corruption suggests many cases of unauthorized arms or technology transfers to China and elsewhere.⁸ The fact that state efforts to control arms sales began in 1992-93 also indicates the scope of the problem.

Thus, the armed services are divided. Many officers view China as a fu-

zavisimaya gazeta (Independent News) (Moscow), December 26, 1996, trans. in *FBIS-SOV-96-250* (December 30, 1996); *Krasnaya zvezda*, December 26, 1996, trans. in *FBIS-SOV-96-249* (December 27, 1996).

⁵Blank, *The Dynamics of Russian Weapons Sales to China*, 6-7.

⁶Pavel Felgengauer, "Selling Russian Arms and Transferring Arms-Building Technology to China: A Short-Term Policy with Long-Term Consequences" (Paper presented to the CAPS and RAND-CAPP Joint Conference on Foreign Military Assistance to the PRC and ROC, Oxford, England, June 27-29, 1997); and Rajan Menon, "The Strategic Convergence Between Russia and China," *Survival* 39, no. 2 (Summer 1997): 109-11.

⁷This decree was announced on August 20, 1997.

⁸Stephen J. Blank, "Russia's Clearance Sale," *Jane's Intelligence Review*, November 1997, 517-22.

ture military threat, or a state pursuing a dangerous course in Asia, and a force inhibiting the strategic modernization of Russia's Asian forces. Others see China as a lucrative partner, potential ally, and counterweight to the United States.⁹ Still, the politicians and defense industry have defeated the former, supporting "strategic" and private interests, and demonstrating how influential "clans," like the defense industry's firms and financial controllers, can use their control over state offices and assets to pursue essentially self-interested foreign policies.

Moscow's geostrategic tilt toward China has also seemed misconceived. Russian analysts have claimed that China is Russia's only true friend or even ally, that each state is the other's strategic rear, and that China supports a Russian-led integration of the Commonwealth of Independent States (CIS), opposes NATO expansion, and favors Russian inclusion in the Asia-Pacific Economic Cooperation (APEC) forum.¹⁰ Hence, it has been argued that Russia has nothing to fear from China.¹¹ Indeed, Andranik Migranyan, a member of President Boris Yeltsin's Advisory Council, told a Washington audience that Moscow would rather be Beijing's younger brother than Washington's.¹² Even though his analysis highlights shared interests in suppressing Muslim assertiveness in Central Asia, it neglects China's cold calculation of its own interests in the CIS's stability and its preference that Russia be preoccupied with the futile task of reintegrating the CIS rather than with Asia. This calculation makes Russian membership in APEC and Beijing's opposition to NATO, which is irrelevant to China's main concerns, a small price to pay for the substantial transfer of weapons, technology, and political support that Beijing craves.

However, prominent figures have contended that Russia needs China to counter U.S. pressure. Foreign Minister Yevgeny Primakov argues that Russia must oppose the United States' unipolar hegemony, obtain equality with Washington, and pursue a global great-power diplomacy, although Russia is visibly inferior in all aspects of power and its partners suspect its aims.¹³

⁹Whereas Rodionov spoke for those who are wary of Russia, Grachev evidently took a more benign view of China and was eager to sell it arms, e.g., upper-stage rocket engines.

¹⁰Remarks by Andranik Migranyan to the AUM-CATO Institute conference on U.S.-Russian relations, Washington, D.C., September 19, 1996; Vsevolod Ovchinnikov, "World Without Leaders and Led," *Rossiyskaya gazeta* (Russian News) (Moscow), January 15, 1997, Internet translation from *Johnson's Russia List*, djohnson@cdi.org.

¹¹Yevgeny Bazhanov, "To Sell Or Not to Sell Weapons to Beijing?" *Obshchaya gazeta* (General News) (Moscow), August 7, 1997, E-mail transmission from *Johnson's Russia List*.

¹²Migranyan's remarks cited in note 10 above.

¹³*Trud* (Labor News) (Moscow), June 25, 1996, trans. in *FBIS-SOV-96-124* (June 26, 1996): 18-19; ITAR-TASS, Moscow, November 19, 1996, Internet from *Johnson's Russia List*.

Nevertheless, German diplomats in Moscow now believe that an alliance and a real bilateral strategic partnership with China are conceivable.¹⁴ This and Primakov's analyses suggest that disclaimers of a bilateral alliance should not necessarily be taken at face value; indeed, in 1996 there were numerous discussions of Sino-Russian relations in the Russian media that openly invoked the word "alliance."

Obviously, this relationship means more than friendship with China against U.S. policies, although Russia's arms sales to China suggest support for China's anti-American military strategy. Russian observers have publicly discussed how arms sales like those of the Sunburn anti-ship missile (Moskit in Russian and SS-N-2 in NATO's designation), Kilo-class submarines, and Su-27 fighters, not to mention nuclear technology, could seriously threaten U.S. forces. However, they have discounted the potential threats these systems pose to Russian forces.¹⁵ In 1996, Primakov stated that friendship with China is indispensable to Russia, which resists the notion that there were winners and losers of the Cold War and that a unipolar world order should be created against Russian interests.¹⁶ On the same day, Yevgeny Afanasyev, head of the Foreign Ministry's First Asian Department, announced a virtual congruence of Russian and Chinese interests on all Asian security issues.¹⁷ Russia now evidently claims to identify with China's policies rather than with its own past policies, a trend which should arouse great concern in Asia and Washington.

Russian officials have also claimed that this strategic partnership is not intended as an alliance or bloc; when Chinese Premier Li Peng visited Moscow in December 1996, the bilateral relationship was upgraded to one of "strategic cooperative partnership." The April 1997 summit in Moscow reiterated and deepened this formulation along with the now-standard denials of any intention to cement an alliance or anti-American relationship. However, both governments have attacked hegemony, i.e., U.S. policy, and have openly attacked the United States as well. They have also announced a joint pullback of their forces of 100 kilometers from their border, a move which Grachev had resisted since it would leave Russian settlements in the area virtually defenseless.¹⁸ Apparently China has obtained material gains through pressure and ne-

¹⁴*Die Welt* (Berlin), December 30, 1996, trans. in FBIS, *Western Europe-96-251* (December 31, 1996).

¹⁵See note 11 above and Felgengauer, "Selling Russian Arms," 7-8.

¹⁶FBIS-SOV-96-124 (June 26, 1996): 18-19.

¹⁷ITAR-TASS, Moscow, June 25, 1996, in FBIS-SOV-96-124 (June 26, 1996): 23.

¹⁸Blank, *The Dynamics of Russian Weapons Sales to China*, 17, and the comparative versions of

gotiation, while Russia's gains have been intangible, short-lived, psychological, and minimal compared to China's acquisition of Russian arms and political support. Arguably, Russia needs China more than China needs Russia, and China's preferences have driven the relationship. If this trend persists, Russia could end up supporting a primarily Chinese agenda in Asia rather than its own interests.

Equally worrisome is Russia's support for Chinese initiatives for Asia or its peddling of infeasible schemes for collective and joint security. In 1995, for example, Grachev proposed a joint Sino-Russian condominium for policing Asia.¹⁹ Russian diplomats claim the 1996 border treaty delimiting China's borders with Russia, Kazakhstan, Kyrgyzstan, and Tajikistan, and setting up confidence and security building measures, is a "nonaggression pact" or tantamount to it. Indeed, Russia signed a nonaggression pact with China in 1994 that directly contradicted its military doctrine of November 1993.²⁰ Likewise, immediately after their April 1996 summit, Russia and China offered a joint proposal for Southeast Asian security, where Russia merely followed China's lead. This plan seemed designed solely to accede to China's security desiderata and "swindle" ASEAN into accepting a "one China" policy, rather than dealing with ASEAN's concerns.²¹ Finally, the 1996 and 1997 summits' communiqué and reports showed ongoing efforts to forge a joint position on major issues of Asia-Pacific security.²²

Despite official statements to the contrary, Russian media have increasingly proclaimed the two states' alliance. After the April 1996 summit, a government source said: "Russia and China [will be] able to create a powerful economic alliance in Asia which will determine the climate on the market of the Asia-Pacific region in the future. . . . The political system favors creation of this alliance and Russia's growing role in the Chinese market in machinery and military-technical production."²³ Vladimir Kuznechevskii of the *Rossi-*

the April 1997 Sino-Russian communiqué, "Yeltsin, China's Jiang Call for 'Multipolar' World," *CDPP* 49, no. 17 (May 28, 1997): 2-4, and Xinhua Domestic Service, Beijing, April 23, 1997, trans. in *FBIS, China* [hereafter *FBIS-CHI*]-97-079 (April 23, 1997). The Russian military now allegedly claims that China acceded to Russia's position on the troop withdrawal. See *CDPP* 49, no. 17 (May 28, 1997): 4-5.

¹⁹*Izvestiya* (Moscow), May 24, 1995, trans. in *FBIS-SOV*-95-100 (May 24, 1995): 6-7; "Beijing Rejects Grachev's Alliance Proposals," *CDPP* 47, no. 20 (June 14, 1995): 22.

²⁰Open Media Research Institute (OMRI), *Daily Digest*, May 13, 1995; Xuewu Gu, "China's Policy Toward Russia," *Aussenpolitik* (English edition), 1993, no. 3:293; Xinhua Domestic Service, Beijing, trans. in *FBIS-CHI*-94-018 (January 27, 1994): 10-11.

²¹"China Offers Accord to 'Reassure' ASEAN," *Jane's Defence Weekly*, June 19, 1996, 27.

²²Xinhua Domestic Service, Beijing, April 25, 1996, trans. in *FBIS-CHI*-96-081 (April 25, 1996): 14-16; *CDPP* 49, no. 28 (May 28, 1997): 3-4.

²³Interfax (Moscow), April 25, 1996, in *FBIS-SOV*-96-082 (April 26, 1996): 17.

yskaya gazeta went further:

Who might support China in her legitimate desires to reunify Taiwan with the mainland? Who is objectively interested in supporting China's economic expansion in Southeast Asia? Nobody except Russia! . . . A "purely" military alliance is unlikely and neither China nor Russia needs it—too close a rapprochement causes strong contradictions. But objective circumstances nevertheless [have] literally pushed Moscow and Beijing toward a closer mutually advantageous cooperation not only in the economic field, but in the military field as well.²⁴

More openly, the government published or leaked a draft of Russia's national security concept in June 1996 with President Yeltsin's cover letter attached. The security concept and Yeltsin's letter advocated a policy of equidistance from all major powers as Russia concentrated on the CIS, a policy bringing China closer to Russia and distancing the United States from Russia. The concept paper openly invoked a Sino-Russian alliance, stating that Russia must attentively study different variants of cooperation with Asia-Pacific countries including China:

Such an alliance could help create a unique self-sufficient system with enormous potential for development and cooperation, and a large internal market, which would be able to conduct an independent and efficient foreign policy toward any other geopolitical systems. That is why strengthening and developing trade, production, scientific, military, political, and cultural relations with Asia-Pacific countries must be considered a major political, and above all, economic strategic task for Asia.²⁵

Primakov has often stated the congruence of Russo-Chinese views on the formation of a multipolar world in which relationships are based not on confrontation but on democratic relations between the poles, including China and Russia.²⁶ Russian and Chinese diplomats have continued to reiterate this line, but China's increasingly articulated view of multipolarity, which would dissolve the U.S. alliances with Japan and the Republic of Korea (ROK) in some larger undefined system where China checks Japan and attains equality as a hegemon with the United States in Asia, would hardly benefit Russia.²⁷

²⁴Vladimir Kuznechevskii, "CIS Countries and China in Shanghai Made a Step to a Nonmilitary Alliance," *Rossiyskaya gazeta*, June 22, 1996, in *Northeast Asian Peace and Security Network*, July 2, 1996.

²⁵Interfax, June 26, 1996, in *FBIS-SOV-96-125* (June 27, 1996): 19-21; *Rossiyskaya gazeta*, June 14, 1996, trans. in *FBIS-SOV-96-116* (June 14, 1996): 23-25.

²⁶ITAR-TASS, November 19, 1996.

²⁷*CDPP* 49, no. 17 (May 28, 1997): 2-4; *FBIS-CHI-97-079* (April 23, 1997); Banning Garrett and Bonnie Glaser, "China Works on Its Grand Design for a New Asian Security Structure," *International Herald Tribune*, June 28-29, 1997, 6; James Kyngge, "Beijing to Embrace ASEAN in Pursuit of a New Asia," *Financial Times*, August 25, 1997, 3; G. Karasin, "Russia and China: A New Partnership," *International Affairs* (Moscow), 1987, no. 3:23-29.

Therefore, many opposition voices have warned that Russia's leaders have failed to understand that China is a threat, and that Beijing has used Moscow to gain leverage and a privileged position to deal with Washington as Asia's arbiters.²⁸ Others like Rodionov have invoked the Chinese military threat. Furthermore, many Russian and Western analyses have strongly argued that projections of a full-blown economic relationship between the two countries amounting to US\$20 billion of annual trade by the year 2000 are vastly overblown and unattainable. The economic bases for an intimate relationship thus remain stunted and insufficient. Nor will structural impediments to economic partnership change in the near future, as the awarding of contracts to non-Russians for the Three Gorges project showed.²⁹ Clearly, narrowly conceived military-political interests, not broadly conceived economic and security concerns, are driving Russian policy. The open public debate over China policy in Russia is therefore not surprising.

The Russo-Chinese Relationship

China has gained much from its relationship with Russia. It no longer fears Russian military power, and can reorient its forces to Taiwan and the South China Sea. It has also gained many points of leverage throughout Russia's economy, its federal and local governments, its civilian and military bureaucracies, and its defense industry for high-quality weapons at good prices, a market for its lower-quality goods, and a source of cheap consumer goods, energy, and high-tech products. Russia has thus become China's gendarme in Central Asia, as Beijing's economic penetration has steadily grown. Lastly, Russia no longer attacks China's authoritarianism.

While weapons have been the most tangible fruit of this relationship, the bilateral relationship has also cemented a rising anti-American orientation which can only intensify if China collides with U.S. interests in East Asia. Since Chinese leaders believe the country's political system, integrity, and territories face a coordinated U.S. ideological-political threat, and retain an illiberal zero-sum view of international competition that shuns multilateral coop-

²⁸*FBIS-SOV-96-250* (December 30, 1996); Vladimir Miasnikov, "Russia and China," in *Damage Limitation or Crisis: Russia and the Outside World* ed., Robert D. Blackwill and Sergei A. Karaganov (Washington, D.C.: Brassey's, 1994), 232-33.

²⁹See the papers by Judith Thornton in the Carnegie Endowment's Project on Sino-Russian Relations.

eration (a prime virtue of liberalism in world politics), entente with Russia has weakened Washington's leverage over Moscow, Beijing, and Asia. Chinese sources attribute Beijing's ability to resist the United States and even induce Washington to improve ties with China as proof of China's victorious diplomatic strategy, which has prominently featured entente with Russia.³⁰

Interestingly, analyses of recent trends in Chinese policy have also highlighted a growing role for China's armed forces in formulating military policy and Asian security issues.³¹ Beijing has disavowed any mention of blocs or alliances, and its denials carry more conviction than Moscow's. China has bad memories of the 1950s alliance with the Soviet Union and worries that too formal a relationship would reinforce the much stronger U.S.-Japanese alliance, and cut China off from desperately needed foreign capital and investment. Asia's overt polarization would also push Southeast Asia into an anti-Chinese front with the United States, retarding the multipolar trend that China wants to foster, in which Washington's ability to impose its goals on Asia would weaken while China would grow stronger and richer in confronting potential rivals or interlocutors. China opposes a truly multilateral security system which constrains it, but prefers a balance where U.S. power gradually erodes while China's power rises to supplant it. But currently, it has suspected that the United States is coordinating efforts to contain China even as its power is declining.³²

Chinese analyses take the view that because the United States has challenged China's integrity by raising human rights issues in Tibet, taking advantage of economic and technological superiority, and supporting Taiwan, friendship and cooperation with Russia is in China's interest. Such relations, it is reasoned, would have great positive significance for establishing a fairer, more equal international order. Russian stability is also important in countering U.S. hegemony and rising Japanese militarism, as well as any internal instability. For example, a Yeltsin loss in the 1996 presidential elections would have generated great instability, if not civil war, and if civil war or unrest occurred in Siberia, it would affect Inner Mongolia and Xinjiang. Thus, the con-

³⁰*Xin bao* (Hong Kong Economic Journal), June 28, 1996, trans. in *FBIS-CHI-96-129* (July 3, 1996): 9-11; Blank, *The Dynamics of Russian Weapons Sales to China*, 23-24.

³¹John W. Garver, "The PLA as an Interest Group in Chinese Foreign Policy," in *Chinese Military Modernization*, ed. C. Dennison Lane, Mark Weisenbloom, and Dimon Liu (Washington, D.C.: American Enterprise Institute Press, 1996), 239-47; Richard Bernstein and Ross H. Munro, *The Coming Conflict with China* (New York: Alfred A. Knopf, 1997), 3-50.

³²Wang Jisi, "The Role of the United States as a Global and Pacific Power: A View from China," *Pacific Review* 10, no. 1 (1997): 1-18.

fidence-building measures and five-power border treaty of April 1996 that were formalized in the 1997 summit aim to prevent that contingency, and sharply contrast with the renewed U.S.-Japan Joint Declaration, which Chinese officials and analysts believe aims to erect a newly militarized and anti-Chinese system in Asia.³³ Beijing has perceived a more tangible threat than other governments, especially as other Asian states have built up their armed forces, notably naval, air, air defense, and C³I forces.³⁴

In order to keep pace militarily, Beijing has benefited from Russian and other Western purchases. Russian weapons have filled the void prompted by the termination of Western arms transfer programs to Beijing after the 1989 Tiananmen Square massacres. China has been able to reverse-engineer weapons or obtain licenses, e.g., for the Su-27, and remarket its own, cheaper, version of these systems, which may eventually drive Russia out of the market. As China's economic position improves and Western sellers return to it, it can obtain technological compensations apart from actual weapons. In the meantime, it has made sense to buy arms from Russia, whose producers are desperate and prices are cheap; China has thus successfully acquired many weapons and technologies on favorable terms. More recently, it has used the trade surplus it has obtained from Sino-American trade to finance arms deals.³⁵ Since Russia is determined to monopolize trade in Russian weapons to China and crowd out competitors like Israel in upgrading older systems as well as selling newer ones, but cannot dictate terms to China, a symbiotic relationship has taken root and is steadily growing.

China has also found Russian weapons particularly appealing because barter deals are available. Russia has acted to save its defense industry by selling the systems that China most covets: combat aircraft, dual-use low-orbit satellites, heavy weapons like main battle tanks and surface-to-air missiles, surface naval vessels with anti-ship missiles, nuclear technologies, and submarines.³⁶ China's strong interest in these weapons and technologies, plus its stock of what it has already bought, strongly suggest that its goal is building an integrated air and naval force to gain control of the air and sea areas around China and deny them to U.S. forces. Certainly, its military purchases from

³³FBIS-CHI-96-129 (July 3, 1996): 9-11.

³⁴Ibid.

³⁵Pavel Felgengauer, "Russia Too Busy Arming China to Care About Consequences," *St. Petersburg Times*, July 14-20, 1997, from *Johnson's Russia List*; Blank, *The Dynamics of Russian Weapons Sales to China*, 26.

³⁶Ibid., passim.

Russia and other states seem directed to those ends.³⁷ They also suggest Moscow's support for China's military strategy, which will probably grow even as Russia sells more and more arms across Asia.

Alexei Arbatov recently revealed that the Defense Ministry has told producers it cannot buy their wares until 2005, when Russia hopes that its situation will be stabilized enough to enter the next round of conventional procurement. Until then, they have been given a free hand to sell any and all conventional systems *without government export controls*. Indeed, they must do so to obtain the income needed for R&D for 2005.³⁸ Inasmuch as arms sales are now supposed to fund military reform as well as the defense industry, and probably political operations like election campaigns, the pressure to sell anything abroad—even state-of-the-art systems—will surely intensify. The implications are clear: a fight for markets and a likely arms race will occur throughout Asia, which would only lead to further militarization of all Asian security relationships, e.g., China and ASEAN. As far as Russia is concerned, China would take precedence over ASEAN in this contest for obvious strategic reasons, but the strategic outcomes could be dangerous for everyone concerned.

This likely trend corroborates Chinese analysts' contention that increased Asian arms acquisitions, defense spending, and the diversification of Asian offensive arsenals will impel continuing Chinese rearmament. Furthermore, the drive for high-quality weaponry with the latest technology means that Asian military spending will remain high. Since states are seeking weapons with rapid-response capabilities and high-quality systems that can intervene in local and regional conflicts, China must follow suit. But it faces a quandary, as weapons' improved performance and growing sophistication entails greater costs. As China's arms buyers have little discretion due to tight budgets for weapons spending, China, on principle, will avoid excessive reliance and dependence on any one buyer. Therefore, states who overtly buy non-Russian arms confront a situation where weapons' unit costs are skyrocketing. But Russia must sell all its surplus weaponry embodying "cash content."³⁹

³⁷The numerous articles in Russia's general and specialized press on Chinese military strategy indicate a fully professional estimate of what China is aiming for and the nature of its capabilities and strategy. Thus, this information is hardly inaccessible to the government.

³⁸Arbatov's remarks were made to the Fifth Annual Naval Postgraduate School Conference on Russian Defense Decisionmaking, Monterey, California, March 25-26, 1997.

³⁹See *Shijie jingji yu zhengzhi* (World Economy and Politics) (Beijing), February 1996, no. 1, trans. in *FBIS-CHI-96-123* (June 25, 1996): 2-7, which lays out how China sees the global arms market and the place of its acquisitions from Russia in that framework.

China can therefore drive hard bargains with Russia and covertly engage its plants. China also realizes that the world arms trade depends on international cooperative ventures for advances in the most prominent technologies: aviation, space flight, and electronics. Producers compete among themselves to sell to new markets or break into existing ones, which benefits buyers like China, who can obtain high technology and offsets more easily in this kind of marketplace.⁴⁰

The Russian connection has therefore brought China substantial military-technological, economic, and political benefits that clearly seem to outweigh Russia's gains. But what gains have either or both states made in relation to Taiwan and Southeast Asia? And what gains or losses in security have been derived from this relationship?

Russian Policy Toward Southeast Asia and Taiwan

Southeast Asia evidently plays a marginal role in Russia's Asian interests, which focus on Northeast, South, and Central Asia. Studies on Southeast Asia's relations with the great powers barely note Russia or observe that Russia is only important because its fleet remains in Cam Ranh Bay in Vietnam and it can sell weapons cheaply.⁴¹

While Russia has finally gained membership in ASEAN Regional Forum (ARF), it remains unclear what it hopes to gain from it. Apart from supporting China's futile proposals, it has shown little interest in the region apart from arms sales or from using it as a platform, as in the 1997 ARF meetings, from which to attack the United States.⁴² In 1993, the Council of Ministers' Department of Foreign Economic Relations reported that for years to come, Russia "will hardly be able to play a significant role in the system of international economic relations of the entire region, and its priorities will be basically concentrated in the directions of Northeast Asia."⁴³ Here Moscow wrote

⁴⁰Ibid.

⁴¹Mohammad Jawhar Bin Hassan, "Southeast Asia and the Major Powers," *Pacific Review* 8, no. 3 (1995): 508-10; Pushpa Thambipillai, "Southeast Asia, Russia, and the Ex-Soviet Republics: Expanding the Links," *Contemporary Southeast Asia* 16, no. 1 (June 1994): 93-107; for a Russian confirmation, see *Izvestiya*, March 11, 1997, trans. in *FBIS-SOV-97-070* (March 14, 1997).

⁴²*Obshchaya gazeta*, August 1, 1997, trans. in *FBIS-SOV-97-217* (August 5, 1997).

⁴³*Krasnoe znamya* (Red Banner) (Vladivostok), August 19, 1993, trans. in *FBIS, Central Eurasia, FBIS Report-93-129* (October 6, 1993): 48.

off Southeast Asia as an economic and political partner, and it has not substantially changed this assessment as its economic reform has stagnated. There is also little discernible interest in the Southeast Asian "model."

Still, there are signs of a growing Russian interest in Southeast Asia. Recently Russia applied for associate membership in ASEAN, and achieved membership in its Post-Ministerial Conference, the ARF. Leading Russian officials have also called for "open regionalism" at APEC and Russian membership there.⁴⁴ But we cannot yet discern a coherent strategy or a vision of Southeast Asian security in Moscow's foreign and trade policies, apart from the fashionable rhetoric of multipolarity.

Even arms sales policies, in which Russia has shown a growing interest, seem detached from a larger strategy or vision of reform other than rescuing its defense industry.⁴⁵ Russia's forthcoming sale of Su-30 fighters and Hi-17 helicopters to Indonesia demonstrates this: it sells this fighter to Indonesia and India, despite the fact that China is a likely military opponent for both states, and Russia's own air force cannot get it. Worse yet, Russia wants to sell Indonesia submarines which will be used to defend the Spratly Islands, presumably against China, its best friend and partner in Asia.⁴⁶ Even more oddly, Russian firms are offering helicopters to Taiwan.⁴⁷ Arms sales clearly cannot compensate for this incoherent policy toward Southeast Asia, nor is it likely that Russia will reverse its partiality for China and choose ASEAN over China, despite these bizarre gambits. Although it is now in the ARF, Russia apparently has offered little to regional security, though it could certainly help erode it by continuing in this direction.

Consequently, the only coherent trend has been toward increasing Moscow's share of the lucrative regional arms market. Russian arms producers are willing to satisfy customers' "most stringent tastes" and their interests coincide with those of Southeast Asia, which is expected to spend US\$50 billion up to 1998 on modernizing arms.⁴⁸ Clearly there is something to this assessment, but it will hardly enhance Russia's role as a provider of security to the

⁴⁴See the interview with Deputy Foreign Minister Grigory Karasin in *Rossiyskiye vesti* (Russian News) (Moscow), December 19, 1996, trans. in *FBIS-SOV-96-246* (December 23, 1996).

⁴⁵Stephen J. Blank, "Playing with Fire: Russian Arms Sales to Southeast Asia and the Korean Peninsula," *Jane's Intelligence Review*, April 1997, 174-78.

⁴⁶Nikolai Novichov and John D. Morrocco, "Indonesian Sale Could Expand Russian Prospects in Region," *Aviation Week & Space Technology*, August 18, 1997, 33; Gregor Ferguson and Pyotr Yudin, "Russians Target Indonesia as Sub Market," *Defense News*, August 18-24, 1997, 3, 20.

⁴⁷Barbara Opall, "Copter Builders Chase Taiwan Market," *Defense News*, August 18-24, 1997, 1, 20.

⁴⁸*Rossiyskaya gazeta*, May 13, 1996, trans. in *FBIS-SOV-96-094* (May 14, 1996): 19.

region. Southeast Asian states already face a visible threat in China's military buildup and truculent behavior. Whether or not an Asian arms race is taking place, many preconditions for one already exist, notably in naval and air weaponry, air defense, and command and control systems that are used either for power projection or for defense.

Therefore, many members of ASEAN have shown interest in buying submarines, signifying their concerns over sea lanes, communication channels, and interests. China's overt naval buildup and strategy have entailed denying a steadily widening perimeter of naval defense around China to would-be rivals in order to ultimately convert to a sea control strategy in key strategic waters. Many of ASEAN's major international waterways could soon come under China's air and naval umbrella.⁴⁹ Russia has visibly aided this process, e.g., by recently selling China two Sovremenny-class destroyers and "Sunburn" anti-ship missiles. The latter is designed to counter U.S. AEGIS-equipped ships, crippling the United States' ability to monitor maritime aerial environments, and can also strike other surface ships. Since China can also reverse-engineer this missile, it has gained perhaps the most feared and unstoppable of Russia's many anti-ship missiles, not to mention the Sovremenny destroyers' heavy complement of anti-air missiles.⁵⁰ Moreover, Russian sources are now publicly discussing selling the even more deadly and unstoppable new SS-N-35 Yakhont missile.⁵¹ Since Russian sources have been open in discussing the Sunburn's capabilities, and have not hesitated to sell it to a potential future enemy, this sale is prime evidence of Russian support for—or reckless disregard of—China's sea denial strategy toward the United States and other major Pacific powers (including Russia). In effect, the strategy entails denying aerial and maritime superiority to the United States and other states in the Western Pacific, and creating a theater where China can move and act freely and project power over greater distances than before.⁵² Southeast

⁴⁹For recent comprehensive studies of Chinese military developments, see Hwang Byong-Moo, "Changing Military Doctrines of the PRC: The Interaction Between People's War and Technology," *Journal of East Asian Studies* 11, no. 1 (Winter-Spring 1997): 221-66; articles in *The China Quarterly*, no. 146 (June 1996); and Lane, Weisenbloom, and Liu, *Chinese Military Modernization*.

⁵⁰Bill Gertz, "Pentagon Says Russians Sold Destroyers to China," *Washington Times*, January 10, 1997; "China Expands Reach with Russian Destroyers," *Jane's Defence Weekly*, January 15, 1997, 6; Duncan Lennox, ed., *Jane's Strategic Weapons Systems* (Couldson: Surrey, September 1996), issue 22. It should be noted that this sale came only three months after Russian sources denied that the Sovremenny was for sale.

⁵¹ITAR-TASS, August 7, 1997, in *FBIS-SOV-97-219* (August 7, 1997).

⁵²Hwang, "Changing Military Doctrines of the PRC," 239-42; Paul Godwin, "Force Projection and China's National Military Strategy," in Lane, Weisenbloom, and Liu, *Chinese Military*

Asian failure to counter this threat by modernizing defenses in naval, air and anti-airassets, submarines, and electronic warfare essentially would mean surrender.

The apparently serene U.S. reaction to this and other large-scale arms sales to China bespeaks an atmosphere of drift and confusion in U.S. policymaking, or at least seems to signal the same to ASEAN. These perceptions have reinforced ASEAN states' ever-present fear of a receding U.S. strategic umbrella. Thus, in the wake of the Spratly crises of 1995 and the Taiwan Strait crises of 1995-96, they must take a stronger, albeit still nonconfrontational, stand against China. Overt security cooperation with Australia involving Manila, Washington, Tokyo, and even London, and the reinvigorated U.S.-Japanese alliance show signs of growth with the implicit aim of blocking China. And ASEAN, at its 1996 ministerial meetings, adopted a stronger, more united line against China's unilateral efforts to redraw its borders and convert the South China Sea into a "Chinese lake."⁵³ Since then, there have been several more Chinese objections against Vietnam and the Philippines' claims to the Spratly Islands; unless and until ASEAN unites against it, it will keep probing on this issue. Only if ASEAN's unity holds and its cooperation with nonmembers like the United States and Australia grows will China be unable to ignore the economic-political-military risks it runs. For instance, Vietnam, the Philippines, and ASEAN's strong diplomacy were clearly instrumental in forcing China to retreat from its encroachments into Vietnam and the Philippines' territorial waters in March-May 1997.⁵⁴

For these reasons, a relatively high level of regional tension and competitive modernization is likely. While some believe that the improved quality of ASEAN forces and the likelihood of greater foreign backing might allow ASEAN to deter China for some time, China's size and the possibility of Russia's continued support may ultimately prove decisive.⁵⁵ Naturally, this grow-

Modernization, 88-97. For a contrasting view, see Chong-Pin Lin, "The Power Projection Capabilities of the People's Liberation Army," *ibid.*, 100-124.

⁵³David B. H. Denoon and Wendy Frieman, "China's Security Strategy: The View from Beijing, ASEAN, and Washington," *Asian Survey* 36, no. 4 (April 1996): 428-30; ASEAN Secretariat, Internet, July 24, 1996, in FBIS, *East Asia* [hereafter *FBIS-EAS*]-96-144 (July 26, 1996): 4-5; Joe Leahy, "Round One to Rangoon," *Far Eastern Economic Review* [hereafter *FEER*], August 1, 1996, 14-15; Barbara Opall, "ASEAN Counters China Territorial Claims," *Defense News*, July 29-August 4, 1996, 4, 50; "Australia-Indonesia Agreement on Maintaining Security" (Official text issued in Canberra, December 14, 1995); *Business World* (Manila), January 4, 1996, in *FBIS-EAS*-96-003 (January 4, 1996): 47-48; Robert Karniol, "Australia, South Korea Hold First Security Talks," *Jane's Defence Review*, July 24, 1996, 11.

⁵⁴"Drawn to the Fray," *FEER*, April, 13, 1997, 14-16.

⁵⁵Felix K. Chang, "Beijing's Reach in the South China Sea," *Orbis* 40, no. 3 (Summer 1996): 353-74.

ing market has beckoned to Russian arms sellers even as Russia has materially aggravated ASEAN's security dilemmas.

Russian Arms Sales to ASEAN States

Russia's eager offers of weapons to Southeast Asia showcases its arms sales policy's fundamental mindlessness, and faulty, if not false, underlying rationale. These arms sales have been driven by the military industrial complex's needs and by the government's ambitions to be an Asian power. Typically, Russian officials have viewed the area as a priority market for their arms sales, estimate the potential for sales in the billions of dollars, and probably have overrated Russia's ability to undersell rivals.⁵⁶ Thus, apart from the new Indonesian deal, Russia has sold MiG-29s to Malaysia and Vietnam, offered them to Thailand, and reportedly received expressions of interest from Seoul and Manila. It has also offered warships to the Philippines, while Malaysia has been testing T-72 main battle tanks and may order them. While Thailand apparently turned down the offer of the planes, MiG-29 sales to Malaysia represent a breakthrough to the region upon which Moscow is trying to build. Moscow has also offered Malaysia MiG-35 helicopters, with the deal featured in a long-term joint study group set up to review, make proposals, and identify areas of mutual long-term cooperation. There is also an offset agreement to identify areas of technology transfer in the next decade,⁵⁷ and subsequent upgrades are under discussion.

The Malaysian deal has made Southeast Asia a priority area for Russian arms exporters who are pursuing all manner of deals with regional governments, even though the latter have tried to negotiate payment in kind, e.g., rice or palm oil, rather than in scarce hard currency. In principle, Russia is—or at least, has been—ready to consider such deals, as in Malaysia, even though this undercuts the logic of gaining supposedly fabulous returns from arms sales or

⁵⁶*Bangkok Post*, April 9, 1997, in *FBIS-EAS-97-068* (April 9, 1997); Pyotr Yudin, "Moscow VPK MAPO States Lofty Export Goals," *Defense News*, March 17-23, 1997, 20; Stephen J. Blank, *Challenging the New World Order: The Arms Transfer Policy of the Russian Federation* (Carlisle Barracks, Penn: Strategic Studies Institute, U.S. Army War College, 1993), 61; Sergei Kortunov with a commentary by Alexei Arbatov, "Russian Aerospace Exports," in *The Arms Production Dilemma: Contraction and Restraint in the World Combat Aircraft Industry*, ed. Randall Forsberg, CSIA Studies in International Security, no. 7 (Cambridge, Mass.: MIT Press, 1994), 103-9.

⁵⁷Blank, *Challenging the New World Order*, 61-63; Interfax, January 22, 1996, in *FBIS-SOV-96-015* (January 23, 1996): 27.

funds with which to support pressing domestic agendas. In November 1994, Deputy Foreign Minister Aleksandr Panov announced impending arms sales with Indonesia, Thailand, Vietnam, and other states, in addition to Malaysia. Although the sales were never publicly consummated, they indicated Moscow's strong interest in this market. Former Deputy Prime Minister Oleg Soskovets, a friend of the defense industry, told reporters that "Southeast Asia is a region of much interest to Russia. We will supply whatever order placed by our customers, except for nuclear weapons." Russia has also reestablished contacts with Cambodia through a memorandum of understanding, including provisions for arms sales estimated at US\$30 million and military training. Burma has discussed arms sales with Russia, and Russia is also assiduously wooing Laos, the Philippines, and Thailand; the latter two countries have shown interest in aircraft, especially the MiG-29 fighter.⁵⁸ Still, as of this writing, there have been no reports of contracts, except for a deal with Vietnam for six Su-27 counter-air fighters for US\$200 million.⁵⁹

Russian sales have not been confined to aircraft or to one state. Malaysia may order more than sixty T-72 tanks, and Indonesia also reportedly considered the T-72 and other systems even before the new fighter deal. Thailand's army showed great interest in Russian helicopters, and its navy considered buying Russian submarines. In addition, President Fidel Ramos of the Philippines recently concluded a trip to Russia to discuss arms deals.⁶⁰ Southeast Asian governments have also regarded Russian technology highly: Malaysia's Defense Minister Syed Hamid has expressed interest in obtaining Russian computer, aerospace, and laser technologies, rather than the heavy metals that Russia offered.⁶¹

Russia's offer of offsets to China and India could open the way to such transfers in Southeast Asia's very competitive market. Russian officials know that in this area, they must compete with other high-tech producers of aircraft,

⁵⁸Blank, "Playing with Fire," 175-76; *The Nation* (Bangkok), December 1, 1995, in FBIS, *Arms Control-95-007* (May 1, 1996); *Segodnya* (Today) (Moscow), October 25, 1994, trans. in *FBIS-SOV-94-207* (October 26, 1994): 11-12.

⁵⁹"Su-27s Revitalize Hanoi's Forces," *Jane's Defence Review*, May 20, 1995, 3.

⁶⁰*Ibid.*; *Izvestiya*, November 12, 1994, trans. in *FBIS-SOV-94-220* (November 15, 1994): 4; Robert Karniol, "Russians Reestablish Cambodian Contacts," *Jane's Defence Review*, February 4, 1995, 10; ITAR-TASS, February 21, 1995, trans. in *FBIS-SOV-95-037* (February 24, 1995): 11; *Krasnaya zvezda*, March 11, 1995, trans. in Joint Publications Research Service, *Military Affairs-95-012* (March 21, 1995): 36-38; ITAR-TASS, October 13, 1995, 38; *Segodnya*, December 14, 1995, trans. in *FBIS-SOV-96-028-S* (February 9, 1996): 15-16.

⁶¹*Krasnaya zvezda*, December 6, 1995, trans. in FBIS, *Military Affairs* (hereafter *FBIS-UMA*)-95-248-S (December 27, 1995): 52.

tanks, ships, anti-aircraft, anti-tank systems, and submarines. Thus, Russia has offered not just individual platforms, but whole complexes, together with facilities for surveillance, control, the preparation of firing data, and communications facilities without ruling out possible sales of technology for the production of these types of weapons. Nor has it rejected joint projects, scientific research, and experimental design work in the client's interests, or the creation of new types of weapons at clients' suggestion.⁶² Indeed, it has already sold some state-of-the-art platforms or technologies that its own troops do not have, e.g., the Su-30.⁶³

As Russia focuses on arms sales to Southeast Asia, it is determined to find ways to offer customers any advantageous terms and strongly promote its systems.⁶⁴ Certainly Southeast Asian militaries welcome the chance to buy quality systems at cheaper prices, provided they get the after-sales service needed to keep planes operational. This particularly applies to Thailand, and Russia has evidently offered it access to modern space technology within a short period of time, including the use of Russian communications, relay, observation, and navigation satellites under long-term lease conditions; creation of Thai national spacecraft based on existing Russian models; a Russian-based automated ground control complex; joint spacecraft construction; technology transfers in the field of spacecraft management; the use of Russian launch vehicles, including light, medium, and heavy rocket carriers which could include ICBMs (and which suggests they may be transferred as well to China); and the use of Russian cosmodromes.⁶⁵

Such offers demonstrate Moscow's long-term interests in selling Southeast Asia arms despite propagandistic proposals by former Foreign Minister Andrei Kozyrev at earlier ASEAN meetings, in which he proclaimed multilateral guidelines for arms exporters, collective security plans, and improved bilateral relations to restore the Russian position in Southeast Asia, all to little avail.⁶⁶ Since Russia remains a marginal player otherwise, arms sales may remind or persuade ASEAN members that Russia is a major Asian player to be

⁶² *Finansovye izvestiya* (Financial News) (Moscow), February 13, 1996, trans. in *FBIS-SOV-96-031* (February 14, 1996): 18-19.

⁶³ David Mussington, *Understanding Contemporary International Arms Transfers*, Adelphi Papers, no. 291 (1994): 35.

⁶⁴ *FBIS-EAS-97-068* (April 9, 1997).

⁶⁵ *Bangkok Post*, April 1, 1997, in *FBIS-EAS-97-063* (April 2, 1997).

⁶⁶ "Russia Wants Military Cooperation with ASEAN," *Radio Free Europe/Radio Liberty, Research Report* 1, no. 32 (August 14, 1994): 45; Kyodo, Tokyo, July 25, 1994, in *FBIS-EAS-94-142* (July 25, 1994): 14.

welcomed into APEC and other organizations as such, and thus would be a wedge opening Moscow's political offensive to gain a lasting status in South-east Asia.

Still, Russia's policy carries obvious risks. The logic of selling high-performance planes and modern platforms to ASEAN, China's most likely regional enemy, fundamentally contradicts the logic of far greater arms sales to China. Russia may have to choose between customers in a crisis, and it would probably favor China although officials regard China as Russia's likely enemy in a conventional theater war. In any event, inciting regional tensions and military capabilities by profligate sales to China, ASEAN, and India contradicts support for enhancing Asian security by confidence-building measures, collective security proposals, etc.

The antinomies and contradictions of these arms sales have reduced Russian policy objectives to making a quick buck, seizing arms markets, and becoming an Asiatic presence via arms sales. Even Kozyrev's proposals for a charter of arms sales to ASEAN aimed mainly to insinuate Russia into the area and restrict U.S. arms sales, not to enhance regional security.⁶⁷ As long as Russia continues its policies, it will be unable to escape from its self-made impasse in Asia, or find a strategy for doing so.

ASEAN is divided over the impact of Russian policy. A Thai report opined that Russo-Chinese entente enhances ASEAN's leverage vis-à-vis the major powers and gives them more access to ASEAN's discussions. Closer ties with China will supposedly help Russia draw closer to ASEAN and defend Asian positions on human rights and the "Asian way." This report also lauded Russia's proposals for Southeast Asian security and nuclear-free zones. Thus, ASEAN can now play a broader regional role and better balance the great powers.⁶⁸ However, while this evidently is a minority view that vastly overestimates Russia's desire and ability to play a great and independent role in Southeast Asia, it surely reflects Southeast Asia's new ability to play off Russian and U.S. suppliers and bargain for better terms when buying arms.⁶⁹

Singapore's reaction to Sino-Russian relations appears to have been more cautious. *The Straits Times* conceded that there is a danger that the United States might be excluded from Asia, which would disturb ASEAN.⁷⁰

⁶⁷Ibid.

⁶⁸*The Nation*, December 30, 1996, in *FBIS-EAS-96-251* (December 31, 1996).

⁶⁹Raymond Bonner, "U.S. Selling Missiles It Once Banned," *New York Times*, January 23, 1997, 4.

⁷⁰*The Straits Times* (Singapore), Internet Version, January 10, 1997, in *FBIS-EAS-97-007* (January 13, 1997).

It later pointed out the absurdity of a policy that sells arms to states like China who might ultimately threaten Russia.⁷¹ This view implies a well-founded concern that Russo-Chinese policies may herald a new insertion of great-power rivalries into ASEAN, which is precisely what it was set up to resist.

Russia and Taiwan

Russia's relations with Taiwan only began in 1991, and to Beijing's satisfaction, they have been limited to frameworks it approves.⁷² Russia recognizes Taiwan as part of China, supports Beijing's reunification program, and confines its relationship with Taiwan to economics, not military or political support. This trend reverses "adventurism," e.g., the incautious talk of arms sales to Taiwan that initially appeared in the wake of the Soviet Union's collapse and led to the 1992 announcement of economic-cultural commissions linking Moscow and Taipei.⁷³ In late 1992, President Boris Yeltsin decreed a one-China policy, the unofficial nature of all contacts with Taiwan, and banned the use of ROC state symbols and visits by officials above the rank of vice-minister.⁷⁴

Although there has periodically been talk of Russian arms sales to Taiwan or the purchase of these weapons through intermediaries, most prominently the highly rated S-300 anti-missile system (SA-10 or SA-12 in Western terms), such speculation has seemed very fanciful, given the Russo-Chinese relationship. However, this has changed recently, as Russia apparently offered Taiwan frigates (which Taipei seriously considered buying) and apparently is offering the Su-37, the "fighter of the future," to Taiwan. Indeed, the Russian media has complained that Taiwan has not bought diesel submarines from Russia.⁷⁵ The strength of the Sino-Russian relationship makes similar reports of Russian firms offering helicopters, frigates, or fighters to Taiwan seem bizarre, but they fit with the picture of an unbalanced Asian policy portrayed

⁷¹Ibid.

⁷²Peter M. Ivanov, *Russian-Taiwanese Relations: Current State, Problems, and Prospects of Development*, Occasional Papers/Reprints Series in Contemporary Asian Studies, 1996, no. 2.

⁷³Ibid., 34-37. Adventurism is Ivanov's term.

⁷⁴Ibid., 37-38.

⁷⁵*Zili wanbao* (Independence Evening Post) (Taipei), April 18, 1996, trans. in *FBIS-CHI-96-082* (May 15 1996); *Izvestiya*, April 30, 1996, trans. in *FBIS-SOV-96-084* (May 22, 1996); AFP, Hong Kong, September 29, 1997, in *FBIS-CHI-97-212* (September 29, 1997); *Segodnya*, May 19, 1997, trans. in *FBIS-UMA-97-121-S* (May 19, 1997).

here. However, for the most part, although rogue operators may sell Taiwan some systems, there will be few such occurrences as long as Russia and China remain close.

Russo-Taiwanese relations remain at the level of unofficial and commercial contacts, with Peter Ivanov discerning three trends in Russian approaches to Taiwan. The first implicitly accepts Beijing's claims on Russian friendship as outweighing any benefits Taiwan can offer and results in Russia refusing to provoke Beijing. A second trend seeks to maximize commercial opportunities and ways to improve ties with Taipei while not recognizing it, realizing that such relations are hardly anomalous today. The third view sees a dawning change in the ROC's status and recommends Russia to move with the trends and upgrade relations with Taiwan.⁷⁶ Ivanov argues that the second trend toward neutrality in the Taiwan-China issue is gaining ground, but Beijing's importance to Moscow makes his assessment seem overly optimistic.⁷⁷ Even as mutual trade grows, Russo-Taiwanese relations have little weight in Russian foreign policy and are a "third rail" in Sino-Russian ties.

Russo-Chinese Military Ties and China's Neighbors

How has China's growing relationship with Russia affected its policies toward ASEAN and Taiwan? Or, has Russia made a difference in Chinese policy toward these areas? Arguably, Russia's policies have eroded security in Southeast Asia and around Taiwan, but to China's benefit rather than Russia or other Asian states'. Russian ties to China have affected these states primarily in military and political affairs. On the one hand, Russia's competition in arms sales with the United States and other governments offers ASEAN members much more leverage vis-à-vis all sellers, as they can force prices down or obtain more concessions on offsets and other aspects. Moreover, Russian participation in the ARF allows ASEAN to engage Russia directly rather than through Beijing. On the other hand, however, Russia's clear support for China poses serious dilemmas for ASEAN and Taiwan.

Although China still has massive difficulties in using and assimilating any foreign military technology, Russian military support for China greatly augments Chinese military capabilities and bolsters China's military strategy.

⁷⁶Ivanov, *Russian-Taiwanese Relations*, 61-68.

⁷⁷*Ibid.*, 68.

U.S. naval analysts believe that in China's 1995-96 operations against Taiwan, despite all its shortcomings, it did things that were hitherto believed to be beyond its capabilities. Surely, Russian nuclear assistance has increased China's strategic capabilities, as Russia has transferred control and guidance technology to China for its Dongfeng missiles.⁷⁸ Russia's military support for China could later encompass intelligence cooperation, e.g., sharing of satellite intelligence on foreign naval movements, or joint space projects.⁷⁹ Politically, Russia could support China and remain "neutral" should China again use force against Taiwan or in the Spratlys.

The two principal dangers of the Sino-Russian relationship for Taiwan and ASEAN are long-term military support for contingencies that could begin around 2005, and Russia's political and economic support for a Chinese-led sphere of influence in Southeast Asia. Military support already exists through the stable long-term Russo-Chinese arms relationship. Russian arms manufacturers view China as a bonanza regardless of strategic consequences, and the Russian government's poor record of control over arms sales demonstrates this.⁸⁰ Southeast Asia, China, and Taiwan have been directly affected by Russia's loss of control over arms sales because they can buy more arms at cheaper prices than would otherwise be the case. In the meantime, China's rising military capabilities also increase the risks facing Russian and other Asian armed forces.

Past sales, present discussions and sales, and future projects, coupled with Arbatov's warnings above, show how China's "wish list" exactly matches the defects in the PLA's navy and air force which prevent military takeovers of the Spratly Islands and Taiwan.⁸¹ As Russian officials concede that China's military expansion could threaten Russia, they claim that exports have been limited mostly to older defensive weapons in order to maintain at least a ten-year gap between Chinese and Russian military modernization.⁸² However, this claim is specious. Past sales show that we cannot distinguish between

⁷⁸See note 8 above; "Top Secret Arms and Nuclear Deals," *Asia Times*, June 30, 1997, from *Johnson's Russia List*; Bill Gertz, "Russia Sells China High-Tech Artillery," *Washington Times*, July 3, 1997, 1.

⁷⁹This possibility was raised by former Ambassador Charles Freeman at the ONI conference on Chinese Naval Strategy, Leesburg, Va., July 11-12, 1996.

⁸⁰Blank, *The Dynamics of Russian Weapons Sales to China*, 6-7. It was only discovered this year that the Ministry of Defense under Grachev had made illegal arms sales worth almost a billion dollars to Armenia in its war with Azerbaijan.

⁸¹Blank, *The Dynamics of Russian Weapons Sales to China*, 9-12, 21-23, 37-40.

⁸²*Sankei shimbun* (Tokyo), April 25, 1996, trans. in *FBIS-CHI-96-083* (April 29, 1996): 13-14.

defensive or offensive systems and operations in Chinese programs and purchases. Moreover, past and present Russian sales have not demonstrated that Russian officials can maintain across-the-board technological superiority vis-à-vis China. Economic and criminal pressures at home for sales are too great both at the central and regional levels, particularly in Russia's Far Eastern provinces. Moreover, the defense industry's determined resistance to reform means that it can survive only by subsidies and exports, which has been confirmed by Arbatov's observations. China's purchases have reinvigorated this reactionary sector of Russia's economy, forcing it to depend on Beijing for its survival. As there will be no state controls until 2005 over sales, this sector and the pro-China policy will flourish to the exclusion of other considerations.

The above is particularly disturbing for two reasons. First, China has accelerated the pace of its acquisitions, military spending, and commitment to high-tech military scenarios since the 1996 Taiwan Strait crisis.⁸³ While an imminent strike against Taiwan or the Spratlys is unlikely, China's relentless buildup of capabilities, threatening actions, and rhetoric should inspire great caution. Second, China's high propensity to use violence since 1949, its revisionism, its geostrategic location in an area of contested borders, and its deep suspicion of and rivalry with Japan and the United States, plus the substantial question marks hovering over its ruling regime's durability, could each or all facilitate violent regional destabilization as China grows stronger and/or more unstable.

However, these facts hardly make a violent strike in the South China Sea or against Taiwan imminent or inevitable. The military gains from such a strike are dubious, since it is unclear whether China could quickly achieve lasting possession of the Spratly Islands or Taiwan, but its political losses would be certain, decisive, and quick to appear. Its carefully structured regional balance, in which other countries' fear of its power is balanced with acquiescence to its policies due to the economic benefits it offers, would subsequently fall apart. There would be a rush to form an anti-China bloc supported by Tokyo and Washington that would contain China for a long time.

Even if one does not believe that China has or will soon accept liberal multilateralist views of Asian and international relations, China is not likely to confront the great powers directly over the Spratlys in the near future, considering the shock of the U.S. response in the 1996 Taiwan Strait crisis. Nor

⁸³Personal communications from Ross Munro and Richard D. Fisher, Jr. of the Heritage Foundation.

is an outright attack against Taiwan likely in the next five to eight years unless Taiwan declares independence, something it may well do and which no Chinese government could allow to happen with impunity. Consequently, the Chinese military and government to some degree have lost the strategic initiative on this issue. That initiative now rests with Taiwan who is beyond Beijing's and Moscow's control, and possibly not fully under Washington's control either. For this reason alone, caution, not the reckless provision of arms, is needed in East Asia.⁸⁴

However, China's continued political and military encroachments in the Spratlys and pressure against Taiwan, Japan, and the United States seem aimed at creating a basis for future moves. This process suggests Chinese "salami tactics," wherein China tries to cut off an island or two at a time while professing its intention to negotiate. Thus, a fight/talk strategy to test the will or means of Southeast Asian states to resist China's encroachments seems to be taking shape. Chinese power, backed by Russian political or military support (arms and technology transfers, political support in the UN and elsewhere, intelligence sharing, etc.) would be instrumental for such a long-term strategy. With Russian support, China may make raids, as in 1995, or use its political-economic pressure to "pick off" ASEAN members one by one, but a massive show of force is probably not imminent. On the other hand, the growing militarization of regional relationships suggests possible future military encounters within ten to twenty years.

Russia's military support for China's burgeoning capabilities has led all of China's potential targets—Taiwan, ASEAN, Japan, South Korea, and even Australia—to increase their individual defense capabilities, mutual strategic cooperation, or defense ties with Washington. Despite many denials of the notion of an Asian arms race, these states are all enhancing their air, air defense, naval, submarine, and C³I capabilities, all of which would be engaged against China in maritime theaters in a potential conflict. However, no government in the region thinks it can or should take on China unaided; this explains the importance that ASEAN attaches to the U.S. presence and its refusal to adopt provocative anti-Chinese postures. None of this has been lost on China, and its sense of potential constraints from a superior political-military coalition may explain some of the more mellow tone recently adopted by Beijing regarding a comprehensive test ban treaty, intellectual property disputes, and rela-

⁸⁴This conclusion became clear from the discussions at the CAPS and RAND-CAPP conference, Oxford, June 27-29, 1997.

tions with Washington.

Given the complexities of the Taiwan and Spratly issues, Russia's political support for China could deadlock the ARF, making Southeast Asia a target of great-power rivalry again, which is precisely what ASEAN and the ARF have intended to prevent. In addition, China has not been inclined to bargain seriously in a multilateral forum. Its tactics, despite its alleged concessions to multilateralism, appear to be contradictory and animated by a strategy where it seemingly negotiates, but simultaneously makes ever larger claims and seizes territories to create negotiating "facts."⁸⁵

Though many states claim all or part of the Spratly Islands, have acted to reinforce their claims, and resisted submitting their claims to a neutral international arbiter or mediator, only China has repeatedly resorted to force. China's rationales for its aggressive policies have explicitly invoked the concept of *Lebensraum*, which has triggered many alarm bells abroad.⁸⁶ Although China apparently consented to discuss multilateral sovereignty claims to the islands in July 1995 at the annual ARF meeting, spokesman Shen Guofang repeated China's demand for bilateral talks among the claimants, and asserted China's indisputable sovereignty over the islands and their adjacent waters. He also rejected the participation of any outside power, either Japan or the United States, in future discussions about the Spratlys, a posture which belied earlier claims of a breakthrough.⁸⁷ China has also maintained that acknowledgment of its sovereignty could then precede multilateral or bilateral discussions about how best to develop China's assets, obviously an unacceptable position.⁸⁸ This position has undermined confidence in China's formal or tacit acceptance that sovereignty over the islands is contested and thus negotiable.

Indeed, China has hardened its stance. In April 1996, it warned Conoco against plans to develop territories for oil searches with Vietnam.⁸⁹ In May, it

⁸⁵Several commentators suggest that this may indeed be China's strategy. See Jonathan D. Polka, "Designing a New American Security Strategy for Asia," and Amitav Acharya, "ASEAN and Conditional Engagement," both in *Weaving the Net: Conditional Engagement with China*, ed. James Shinn (New York: Council on Foreign Relations Press, 1996), 118-19 and 223-29, respectively.

⁸⁶"Treacherous Shoals," *FEER*, August 13, 1992, 14-17.

⁸⁷See the collection of reports in *FBIS-CHI-95-146* (July 31, 1995), and *FBIS-EAS-95-146* (July 31, 1995) from the annual ASEAN conference in Indonesia that year; and Zhongguo tongxunshu, Hong Kong, August 6, 1995, trans. in *FBIS-CHI-95-151* (August 7, 1995): 7-8.

⁸⁸*Ibid.*

⁸⁹AFP, Hong Kong, April 11, 1996, in *FBIS-CHI-96-072* (April 12, 1996): 7; Xinhua Domestic Service, Beijing and AFP, Hong Kong, April 17, 1996, both in *FBIS-CHI-96-076* (April 18, 1996): 4; Xinhua, Beijing, April 18, 1996, in *FBIS-CHI-96-077* (April 19, 1996): 2; Amy

presented Manila with a map extending China's territorial claims in the South China Sea, as it did with Indonesia in regard to the Natuna Islands in 1995. The 1996 map extended China's "baseline" claims over the Paracel Islands that Vietnam and Taiwan also claim, inflating China's potential maritime sovereignty by 700 percent. China also claimed a 2,000-mile exclusive economic zone (EEZ) from the new baseline as stipulated in the UN Convention on the Law of the Sea (UNCLOS) that China conveniently announced it would abide by on the same day it published the map.⁹⁰ Moreover, the statement unilaterally redrew Taiwan's baselines in order to consolidate China's legal claims to Taiwan.

In March 1997, China sent ships into Vietnam's territorial waters to deter it from exploring for oil in the South China Sea, and explored for oil within those waters, thereby renewing its claim to the area.⁹¹ In April, it tried to land on an island claimed by the Philippines, but only strong diplomatic protests from both Vietnam and the Philippines and ASEAN induced China to retreat.⁹² Evidently China has sought only bilateral talks, not only due to its historical suspicions about multilateralism, but also because it then could bring its weight to bear on individual states and frustrate a common ASEAN posture. Its dubious negotiating offers thus seem to be ploys which could delay resolution of the Spratlys issue while it grows strong enough to enforce its claims.

Indeed, China has not ruled out force, even including a nuclear attack on Taiwan. As Lyman Miller writes:

Within this equilibrium, Beijing has declared its readiness to use force against Taiwan only if the "one China" principle is threatened by a declaration of independence by Taipei or by foreign intervention. To reject the use of force within territory over which it claims sovereignty is to limit and, ultimately, deny sovereignty. Consequently, the right to use force entails a question of legitimacy.⁹³

Russia's political support for China has thus restored superpower rivalry to Southeast Asia despite ASEAN's best efforts. In June 1996, China offered ASEAN a declaration of relations which Russia presumably agreed to, and would consolidate ASEAN-China ties to maintain regional and global stabil-

Schwartz and Matt Forney, "Oil on Troubled Waters," *FEER*, April 25, 1996, 65. The repeated strong attacks on Vietnam underscore China's determination not to renounce sovereignty over these contested islands.

⁹⁰Kyodo, Tokyo, July 23, 1996, in *FBIS-EAS-96-142* (July 24, 1996).

⁹¹See note 54 above.

⁹²*Ibid.*

⁹³Lyman Miller, "Discussion," in *Chinese Divide: Evolving Relations Between Taiwan and Mainland China*, ed. Jimmy W. Wheeler (Indianapolis Ind.: Hudson Institute Press, 1996), 75.

ity. In the declaration, it was stated that Sino-ASEAN relations should be governed by the UN Charter, China's five principles of peaceful coexistence, and ASEAN's treaty of amity and cooperation and international law.⁹⁴ "Differences and disputes" would be settled by friendly means, without using force or the threat thereof, and all sides would relate on a state-state basis despite their differences. While there is a provision for economic relations, the key point commits everyone not just to peace and independence but to a "one China" policy.⁹⁵ This proposal and China's diplomatic campaign have transparently sought to isolate Taiwan from ASEAN. Noticeably absent are references supporting a Southeast Asian nuclear-free weapons zone and mentions of the Spratly Islands, important concerns for ASEAN. These factors have aroused considerable suspicion about China's motives.⁹⁶

Paradoxically, China has just signed an Asia-Pacific confidence-building arrangement where it agreed to publish more information on its defense policies.⁹⁷ Some see this concession as a major step justifying ASEAN's policy of engaging China and soft-peddling overt criticism of its actions.⁹⁸ The question of transparency in defense policy has bedeviled Chinese policy analysts and policymakers because its absence encourages suspicion of the worst possible Chinese intentions, fueling an atmosphere that poisons Asia's mutual relationships. Transparency in defense policy is a key issue for ASEAN and foreign analysts; if China can fully and actively participate in mutual confidence and stability building measures processes, everyone—including Russia, Taiwan, and ASEAN—benefits. But it will clearly take a long time to obtain transparency, and Russia's support for China's capabilities, strategy, and policies ensures that transparency will not be forthcoming anytime soon, a trend which certainly does not advance regional security.

Taiwan

Taiwan has become a more likely potential flashpoint of international conflict, given Beijing's obsession with reunifying China, its fear of "infect-

⁹⁴See note 21 above.

⁹⁵Ibid.

⁹⁶Ibid.

⁹⁷Lawrence E. Grinter, "Southeast Asian Security into the 21st Century: Emerging Patterns and Challenges," *Korean Journal of Defense Analysis* 8, no. 2 (Winter 1996): 136-37; "Interview with Dr. Tony Tan, Deputy Prime Minister and Minister for Defence, Republic of Singapore," *Armed Forces Journal International*, January 1997, 36-38.

⁹⁸Ibid.

tion" from Taiwanese democracy, and its sense of growing power that has nonetheless been frustratingly constrained by the United States and its allies. The following facts enhance the danger: Taiwan's movement for independence, strong agitation in the Chinese military for action against Taiwan, the arms race on both sides, a major Chinese debate about policy toward Taiwan that apparently began after the 1996 crisis, China's upgraded pace of military acquisition, China's efforts to subvert the U.S. political process, the escalation implicit in the crisis itself where China used missiles and threatened international waters in peacetime, and Taiwan's critical position in China's succession struggle.⁹⁹

The 1996 crisis also exposed China's heavy-handed belligerence and belief that it only needed to launch a blockade in order for Taiwan to crumble. This crisis strengthened Taiwan's drift to independence while exposing China's weakness and neo-imperial mentality, as well as Asia's uncertainty about challenging Chinese actions against Taiwan.¹⁰⁰ Thus, it has again fallen to Washington to stabilize the situation, but it is very unclear if this is possible. As Michael Mazarr writes:

Two respected China experts have referred to the need for "a realistic *modus vivendi* on Taiwan that would at once respect Chinese sovereignty, uphold a one-China policy, and recognize Taiwan's growing role in the world. The sad fact of the matter, however, is that *no such solution exists*. There is no way to ensure that Taiwan is absorbed into China and that it becomes more independent at the same time.¹⁰¹

Other complications include the weakness of China's leadership, which is obliged to pander to an inflated, self-centered, "middle kingdom" nationalism, the armed forces, and Beijing's announcement that after absorbing Hong Kong it has a schedule for incorporating Taiwan and new economic tools for putting pressure on it.¹⁰² If China attempts to replicate its Hong Kong policies in Taiwan, it will provoke an explosion across Asia. Yet Beijing seems oblivious to this fact and its implications vis-à-vis Hong Kong, or Hong Kong's implications for Beijing's overall Asian policies. Furthermore, every reference to the United States as a guarantor of an Asian order has aroused China's ire

⁹⁹Richard D. Fisher, Jr., "China's Missile Threat," *Wall Street Journal*, December 30, 1996, A12.

¹⁰⁰Xinhua Domestic Service, Beijing, January 29, 1997, trans. in *FBIS-CHI-97-021* (January 31, 1997).

¹⁰¹Michael J. Mazarr, "The Problem of a Rising Power: Sino-American Relations in the 21st Century," *Korean Journal of Defense Analysis* 7, no. 2 (Winter 1995): 13.

¹⁰²See note 100 above; Julian Baum, "Bargaining for Position," *FEER*, September 5, 1996, 14-15.

because China believes it is the guarantor of Asia, though it is not a Southeast Asian state as such (notwithstanding its parallel claims that it is such a state through ownership of the Spratlys).¹⁰³ The U.S. presence as security guarantor has obstructed Chinese expansion, irked Chinese pride, and brought home China's inferiority as a military-political hegemon in Asia. Contrary to much American wishful thinking, China long ago concluded that the U.S. military presence in Asia is an obstacle to its ambitions which should preferably be phased out.¹⁰⁴ Yet Beijing also knows that this presence is currently indispensable in restraining Japan, North Korea, and Russia. Thus, its resentment and frustration over being denied its "place in the sun" has grown but cannot be fully expressed, even as it becomes stronger. Psychologically, this is a recipe for an explosion of rage, which is not a hopeful prospect.

The fundamental issue is not whether or not the United States will defend Taiwan, or whether Taiwan or China has operational superiority, a question for which there are advocates on each side. Rather, everything hinges on the unknown: a rising Chinese state with a massive propaganda drive to overcome "a century of shame," a secretive tradition and outlook, a strong historical animus against multilateralism, a deeply inbred unilateralism, growing military power abetted by Russia and others, a tradition of miscalculation in the habitual recourse to force, and the most unsentimental, coldest brand of Realpolitik.

And yet, Taiwan has the initiative which China cannot control but to which it must reply. If Taiwan attempts to break free before China has reached a new status quo, it will certainly provoke another conflict. But even if Taiwan does nothing, can China resist the temptation to show itself in the worst imperialist light as it grows stronger? Can China resist Taiwan's democratizing impulses and remain stable? The fact that these questions cannot be answered definitively, yet somehow must be answered if policy is to be formulated and implemented, underscores the dilemma in analyzing China's potential for contributing to either a cooperative or tense Asian security process. This fact also reveals how Russia's excessive partiality to China fuels that instability. Russia might again be dragged into a contest over Taiwan on China's behalf that puts it at risk of collision with Washington. Is this really in Russia's interests?

¹⁰³Bernstein and Munro, *The Coming Conflict with China*, 20.

¹⁰⁴Ibid.; Kyodo, Tokyo, April 8, 1997, in *FBIS-CHI-97-098* (April 9, 1997).

Russian Arms Sales to North and South Korea

Much the same can be said for Russia's arms sales policy to South and North Korea, which shows the absence of a strategic concept and approach to regional security issues. Here, too, domestic factional rivalries and the clash of rival lobbies have played a pivotal role in the shaping of Russian policy, and Russia's arms sales could further aggravate local tensions.

Arms transfers to the Democratic People's Republic of Korea (DPRK) have been a longstanding Soviet policy; sales to the ROK began under Mikhail Gorbachev when Moscow offered both the MiG-29 and MiG-31 to the ROK, the former at lower-than-usual prices, in return for ROK consumer goods in April 1991.¹⁰⁵ There also were bilateral atomic energy cooperation talks. Since then, defense cooperation with the ROK has grown with economic-political cooperation. In August 1992, Seoul announced its desire to supply facilities related to commercializing the Russian defense industry, and stated that it was considering buying some defense industries as joint ventures. By October it announced ventures in lasers, aerospace, advanced materials, electronics, and genetic engineering. The two states' defense industries' associations set up scientific and discussion links to review joint projects. ROK firms particularly sought to import aerospace technology, including composite materials for aircraft. Limited purchases of fighter jets or tanks for training were also envisaged because support and maintenance concerns outweighed Russian price advantages. Moreover, their technology was not advanced enough for intense aerospace cooperation. Soon the ROK was considering the purchase of MiG-29s, mines, torpedoes, tank ammunition, and SA-6, SA-8, and SA-16 missiles.¹⁰⁶

By February 1993, Li Din Ke, Samsung's chief designer of the Institute of Advanced Technology, claimed Moscow was willing to sell both space and even nuclear technology, confirming South Korean interest in acquiring ways to reproduce fissionable materials. Soon afterwards, it was announced that an ROK consortium would build the Almaz S-300 PMU anti-tactical ballistic missile system and its associated search/acquisition/command/tracking radar under license; production would help counter the DPRK's SCUD Model B/C ballistic missile. South Koreans have visited secret defense factories and were optimistic about Russian prospects, while Russia is happy to have an eco-

¹⁰⁵Blank, *Challenging the New World Order*, 62.

¹⁰⁶*Ibid.*

conomic relationship with Seoul for its own sake, and as a sign to Tokyo of what it loses by not normalizing relations with Moscow.¹⁰⁷

However, this relationship has a darker side that applies to North Korea. By mid-1992, Russian officials openly stated they would not supply Pyongyang with weapons systems or technical assistance for military purposes, and that Moscow opposed Korean nuclearization. By the summer, Russian observers reported Seoul's belief that the Soviet-DPRK treaty of 1961 was moribund, which was apparently confirmed by Yeltsin afterwards.¹⁰⁸ Russian analysts further noted that Russia's interests included stability on the peninsula, coordinated freezes of weapons supplies, curtailing third country military activities around the peninsula, and U.S. withdrawal to match inter-Korean progress in confidence building. Yet, they also admitted that Russia still supplied weapons to the DPRK due to treaty commitments, tradition, and the lack of an inter-Korean accord on restricting weapons imports on both sides. When Yeltsin came to Seoul in November 1992, he denounced the 1961 treaty with North Korea, strongly suggesting that Russia would no longer honor the pledge to defend the North in a war, cut off military aid to it, and "impose political pressure" on Pyongyang to stop its nuclear weapons program.¹⁰⁹ The DPRK Foreign Ministry in turn denounced Yeltsin, and revealed that in July 1993 Moscow had said the treaty would remain "effective on a full scale." Moreover, it was stated that Russia had proposed to commercialize their bilateral military relationship.¹¹⁰

Since then, as the crisis has progressed, Russia has steadily backtracked. Influential factions and government policy have persuaded the government to improve ties with the DPRK, and Moscow now states that it wants to resume political discussions and sales of spare arms to North Korea to gain leverage and improve its claim that it is the best mediator between the two Koreas.¹¹¹ In 1994, Moscow hoped to advance its own Asian agenda through the medium of an eight-power conference involving the UN, the International Atomic Energy Agency (IAEA), North and South Korea, Japan, China, and the United States, but the proposal was rejected because it was seriously at odds with To-

¹⁰⁷Ibid., 64-65.

¹⁰⁸Ibid., 65.

¹⁰⁹Ibid.

¹¹⁰Ibid.

¹¹¹Stephen J. Blank, *Russian Policy and the Korean Crisis* (Carlisle Barracks, Penn.: Strategic Studies Institute, U.S. Army War College, 1994), 13-15; *Northeast Asian Peace and Security Network*, July 5, 1995.

kyo's, Seoul's, and Washington's interests. By mid-1995, Russia appeared unable to decide whether or not to conclusively repudiate the 1961 treaty with North Korea, and a year later, the treaty had not been formally disavowed although there were reports of the negotiation of a new treaty, much to Seoul's discomfiture.¹¹² Even though Moscow has denounced the treaty and offered a new one, neither it nor Pyongyang seems ready to take the final legal steps to bury it.

Indeed, in 1995 it became clear that Moscow was upgrading its relationship with Pyongyang and was attempting to do the same with Seoul to regain leverage and gain legitimacy as an interlocutor in Korea, something that it failed to accomplish during the 1993-94 nuclear crisis.¹¹³ Likewise, Russia admits that some factions in the government want to sell arms to the DPRK and claim a perfect right to do so. Furthermore, in 1995 a South Korean paper reported that Russia did not in fact renounce arms sales to North Korea in 1992 and 1994. Rather, as long as the ROK considers buying Russian weapons in place of Russia's unpaid debts, Russia will not sell to the North.¹¹⁴ Finally, recent reports of covert arms shipments by Kazakhstan to North Korea strongly suggest that Moscow-based defense industries and possibly Russian politicians are using the Russo-Kazakh customs union that prevents both states from stopping each other's merchandise as it crosses each other's soil as a cover for politically sensitive arms exports.¹¹⁵ Thus, the factional struggle over Korea policy has continued, and epitomizes Russia's larger paralysis in devising a viable Asian strategy.

In effect, Russia tried to blackmail Seoul in 1994-95, saying it would not receive its debts unless it took Russian weapons. Second, if Seoul did not accept this offer, Russia hinted that it might consider selling to North Korea. At the same time, Russian elites strongly believed that they could drive a wedge into the U.S. monopoly on ROK arms purchases.¹¹⁶ Thus, Russia had both financial and political motives for its approach to South Korea, with the latter comprised of both domestic factional infighting and considerations of international politics. Undoubtedly, Russia's threat also had some effect on Seoul,

¹¹²Tsuneo Akaha, "Russia and Asia in 1995: Bold Objectives and Limited Means," *Asian Survey* 36, no. 1 (January 1996): 103.

¹¹³Shim Jae Hoon, "Both Sides Now," *FEER*, November 30, 1995, 28-29.

¹¹⁴*Northeast Asian Peace and Security Network*, July 5, 1995; *FBIS-EAS-95-194* (October 5, 1995): 62.

¹¹⁵"Kazakhstan Exports Arms to North Korea," *Jane's Intelligence Review* and *Jane's Sentinel Pointer*, July 1996, 10.

¹¹⁶*Izvestiya*, February 24, 1996, trans. in *FBIS-SOV-96-040* (February 28, 1996): 12.

for in 1995 South Korea accepted Russian weapons against uncollectible debts of US\$1.47 billion. Russia also stated it would provide US\$457 million in arms and raw materials, of which approximately US\$210 million is for weapons and the balance for raw materials and civilian helicopters.

Russian weapons to be sold include T-80U tanks, the BMP-3 IFV, the portable Metis-M anti-tank missile, and the portable IGLA (or SA-16 "Gimlet"), low altitude, surface-to-air, anti-air missile. As in other cases of Russian arms sales, Russia is giving South Korea weapons—the T-80U tank—that are state of the art. The *Minsk* aircraft cruiser and several hundred T-54 and T-55 tanks have been sold to the ROK for scrap, and several hundred Russian military specialists also work for South Korean firms. More recently, South Korea has discussed buying Su-27 and Su-35 fighters and more BMP's. In 1996, Russia revealed that a T-80U tank battalion will join ROK forces, and ROK officers are taking training courses in Russian military academies. South Korea is also considering importing S-300 tactical missile defenses which Russia is selling for about US\$400,00 each, or two-thirds of the U.S. "extortionate" price. Russian sources estimate South Korea is looking to buy US\$2.5 million of air defense systems like the S-300, which are pushing to break the U.S. arms sales monopoly. South Korea and Russia are also examining options for joint cooperation in dual-purpose materials, new materials, biotechnology, controlled nuclear reactions, shipbuilding, and marine technology, as proposed by South Korea.¹¹⁷ Finally, in August 1996 Moscow announced that as part of its swap of arms for debts to South Korea, it was transferring helicopters and enriched uranium.¹¹⁸ Given Seoul's earlier efforts to go nuclear, this deal should raise some eyebrows in Asia, especially in North Korea. As with similar sales to China, it apparently has not occurred to Russian elites that such sales and transfers will inevitably have strategic repercussions and affect regional strategic balances, not necessarily in Russia's favor.¹¹⁹

While Russia understandably wants to reinstate itself in the settlement

¹¹⁷Ibid.; *Northeast Asian Peace and Security Network*, August 12, 1996; Blank, *Challenging the New World Order*, 64-65; Anton Zhigulsky, "Russian Court S. Korea with Technology Transfer, Arms," *Defense News*, October 9-15, 1995, 13; Robert Karniol, "Russian Tanks Used in Part to Pay off Loan," *Jane's Defence Weekly*, May 13, 1995, 3; *Maeil kyongje simmun* (Seoul), June 17, 1995, trans. in *FBIS-EAS-95-117* (June 19, 1995): 73; ITAR-TASS, October 16, 1995, in *FBIS-SOV-95-200* (October 17, 1995): 27; *SISA Journal* (Seoul), May 4, 1995, trans. in *FBIS-EAS-95-086* (May 4, 1995): 30-31.

¹¹⁸*Northeast Asian Peace and Security Network*, August 7, 1996.

¹¹⁹Felgengauer, "Selling Russian Arms,"; Andrei Kortunov and Andrei Shumikhin, "Russia: Changing Attitudes Toward Proliferation of Missiles and Weapons of Mass Destruction," *Comparative Strategy* 15, no. 2 (1996): 163-67.

of the Korean question, its policy has hardly been an unequivocal success in this area, either. Neither Seoul nor Pyongyang wants Moscow involved in the four-power peace proposal involving them, Washington, and Beijing that U.S. President Bill Clinton and South Korean President Kim Young Sam proposed in April 1996.¹²⁰ There can also be little doubt that the earlier urge to distance Moscow from the DPRK and the reports of arms and technology transfers to Seoul, including nuclear technology, fed the DPRK's alarm about its international position. In turn, that alarm contributed to its threat to leave the nonproliferation regime and accelerate nuclear and missile programs that threatened the South, U.S. troops, Japan, Russia, and China. Under these circumstances, one therefore wonders what significance the transfer of enriched uranium to South Korea has had for North Korea.

Evidently Moscow has had second thoughts about its former exclusive inclination to South Korea, which was a mistake as a long-term policy, as the nuclear crisis showed. Tilting exclusively to Seoul gained Moscow nothing in 1993-94 from either Korean capital, and it accordingly has sought to regain its influence in the North, even to the point of entertaining arms sales if North Korea can pay. Indeed, some in the Russian government are ready to sell the arms if they have to subsidize the purchase themselves.¹²¹ But then how will they explain the arms sales to South Korea, not to mention Japan and the United States?

Russia claims to have no choice if it is to have influence in North Korea, although its efforts to date have gotten nowhere. Still, this reversal is another victory for the military-industrial complex and opponents of conversion who probably sympathize with the DPRK's anti-American posture. But it also is another case of how a rash policy of arms sales has diminished Russian and Asian overall security in return for marginal gains and higher risks. As long as Moscow cannot decide about its relationship with Pyongyang and arms sales, it will continue to fail at making an economic mark in Asia. The continuing pursuit of arms sales to relieve debt rather than successful investment policies at home will only further marginalize Russia's standing in Asia as an economic partner while weakening its military capability at home. Certainly, Russia has failed to please both Pyongyang and Seoul.

¹²⁰In "Expectation of Meat Soup and Silk Clothing," *CDPP* 48, no. 16 (May 15, 1996): 24; The Internet, *Digital Choson ILBO WWW*, May 9, 1996, in *FBIS-EAS-96-092* (May 10, 1996): 33-34.

¹²¹See note 113 above and OMRI, *Daily Digest*, April 15, 1996.

Russian arms sales are also relevant to Korean issues in that its burgeoning arms sales to China, with no visible regard for regional security, have heightened Seoul's concerns and encouraged a growing fear that China will be a major challenge to the ROK's security in the future.¹²² This would especially be a concern if China either passively transfers weapons to North Korea or actively supports it in a crisis.¹²³ Thus, concerns about the reliability of America's future posture and the growing naval arms race that Russia has helped fuel have led Seoul to seek greater naval capabilities to protect its coasts and sea communication lanes, and develop a limited but upgraded blue-water navy capability.¹²⁴

Conclusions

The most basic impact of the Sino-Russian entente is that it has introduced another military-political layer of great-power rivalry into the Southeast Asia, Korea, and Taiwan regions. Russian arms sales have clearly: (1) fueled regional arms races; (2) threatened to cause conventional and nuclear proliferation; (3) eroded regional stability and security; (4) opened Russia to the possibility of attacks from states like North Korea or China, or economic-political retaliation from the United States; and (5) undermined domestic reform and demilitarization. Moreover, claims about huge receipts have been false, as Russia only received US\$1.9 billion in 1992, US\$2 billion in 1993, and US\$2.7 billion in 1994. Despite claims of tremendous improvement, 1995's figure was, at best, only US\$3.5 billion. While estimated sales in 1996 were US\$7 billion, the gains from arms sales have come at the expense of reforming the defense industry for domestic competition and production.¹²⁵ Russia has also often made deals in return for subsidies or even barter, as did the USSR; thus, financial goals have neither been effectively nor consistently defended. Finally, effective state control over conventional and nuclear trans-

¹²²Peter Hayes and Stephen Noerper, "The ROK-U.S. Alliance: Who Benefits? An Impartial View," in *The U.S.-ROK Alliance in Transition*, ed. Taw-Hwan Kwak and Thomas L. Wilborn (Seoul: Institute for Far Eastern Studies, Kyungnam University, 1996), 49.

¹²³*Ibid.*, 51.

¹²⁴*Ibid.*, 51-52.

¹²⁵Andrei Bouchkin, "Russia's Far Eastern Policy in the 1990s: Priorities and Prospects," in *The Making of Foreign Policy in Russia and the New States of Eurasia*, ed. Adeed Dawisha and Karen Dawisha (Armonk, N.Y.: M. E. Sharpe, 1995), 73; Kevin P. O'Prey, *A Farewell to Arms? Russia's Struggles with Defense Conversion* (New York: The Twentieth Century Fund, 1995).

fers has been weak and corruption is endemic.

The issue is not whether Russia may not sell arms abroad for currency or have its own viable military industry. Rather, its policy's rationale and the expected gains have been so disproportionate to the truth that they suggest that its progenitors' ulterior aim is aborting or inhibiting the demilitarization of Russia's economy, foreign policy, and domestic politics. Arms sales threaten Russia, its clients or friends, and put major international interlocutors at real risk from North Korea and China. Russian arms could easily also become the weapon of choice in substantial redistributions of naval power against U.S. and even Russian interests, e.g., in the Gulf or Pacific Ocean. Finally, the dangers involved in the lack of control over transfers of nuclear technology must be grounds for the greatest concern. Yet, arms sales advocates have loudly demanded more sales to China, the Middle East, Gulf states, Libya, Iraq, Syria, former Warsaw Pact members, South Korea, Brazil, and South Africa. Indeed, in 1996 Russian officials virtually granted India a free hand to buy anything it wanted, and are increasingly prone to offer offsets, technology, know-how, and state-of-the-art systems for cash.¹²⁶

Likewise, to the extent that a Sino-Russian alliance has developed under the guise of strategic partnership, ASEAN and Taiwan must both strengthen Asia's hitherto limited multilateral cooperation and seek foreign guarantees to restore the balance. Otherwise, ASEAN, Taiwan, and the United States will probably move apart, either toward China or to the United States. However, the Sino-Russian relationship also poses hard questions for Russia. Exactly what Chinese goals harmonize with Russia's need for peace and stability in Asia and for commercial rather than militarized outcomes there? How far can Russia support China's growing military power without either being menaced itself, or being dragged into China's conflicts? While there has been a debate on these issues, evidence suggests a closer relationship between the two insecure governments transcending mere normalization and commercial ties. Yet this relationship's present trajectory is based not only on a mutual need for stability, but on the private interests of uncontrolled arms traders, an apparently visceral rejection of the United States, and a return to old thinking about international relations. The lack of a policy toward Southeast Asia consistent with a concept of Russian national interest for this and other parts of Asia cannot inspire confidence.

¹²⁶VivekRaghuvanshi, "Russia Invites India to Shop for Arms," *Defense News*, March 11-17, 1996, 10.

In addition, while China proclaims the centrality of peaceful economic development in its policy, it has frequently lied about its true goals and resorted to force to achieve them. China's policy and rhetoric also show a taste for military aggrandizement. To the extent that Russia and China join together in an escalating strategic partnership, their mutual strategic irresponsibility could easily feed off each other's programs and policies. It is not accidental that Russian arms sales have pushed other countries into competitive arms buying, if not an arms race. If this strategic irresponsibility continues to characterize both states' relationship and policies, it will force other Asian states and the United States to react accordingly. Militarization and bloc polarization, not commerce, could then come to characterize Asian relationships. Nobody benefits from this situation, but given Russia's weakness in Asia, it stands to lose the most. Surely Russia has greater interests than being China's card in regional and global relationships, but does Moscow know that?