

**RUSSIA:  
ARMS CONTROL,  
DISARMAMENT AND  
INTERNATIONAL  
SECURITY**

**IMEMO CONTRIBUTIONS  
TO THE RUSSIAN EDITION  
OF THE SIPRI YEARBOOK 2002**

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**Institute of World Economy and International Relations**

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RUSSIAN ACADEMY OF SCIENCES  
INSTITUTE OF WORLD ECONOMY  
AND INTERNATIONAL RELATIONS  
(IMEMO)

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## PREFACE

The Institute of World Economy and International Relations presents the third edition of *Russia: arms control, disarmament and international security*. It contains the results of the IMEMO research, published in the Special supplement to the Russian edition of the *SIPRI Yearbook 2002*. The authors of this volume analyze the on-going changes in the world security environment and assess Russian perspectives on nuclear arms control and ballistic missile defence, Russia's role in forging a 21st century Euro-Atlantic security system and in the global campaign to combat terrorism. Special consideration is given to developments in regional arms control and to Russia's defence budget for the year 2003.

The volume also includes a detailed report on the proceedings of the IMEMO workshop "ESDP and the security problems of Europe" and an account of the presentation of the Russian edition of the *SIPRI Yearbook 2001*, held at IMEMO on 25 September 2002.

An annexe containing a general review of key documents of the Russian Federation on national security, defence and arms control will assist readers who are looking for official documents.

By making IMEMO's research results accessible to foreign professional readers, and in particular to regular readers of the *SIPRI Yearbook* in English, the Institute is offering a contribution to the unbiased assessment of Russia's security needs and policies as well as of the thinking of Russian analysts on issues of national, regional and global security.

I would like to express my thanks to Dr Vladimir Baranovsky and Dr Alexandre Kaliadine who had the overall responsibility for compiling and editing this volume. My thanks also go to the members of the IMEMO staff George Bechter, Boris Klimenko, Olga Maltseva and Jeanna Shatilova, who were actively involved in the preparation of the book.

I would like to acknowledge the generous support of the Geneva Centre for the Democratic Control of Armed Forces (DCAF) that was essential to make this publication possible.

Academician Nodari Simonia  
Director  
Institute of World Economy and International Relations  
Russian Academy of Sciences  
January 2003

## ACRONYMS

ABM	Anti-ballistic missile
ABM Treaty	Treaty on the Limitation of Anti-Ballistic Missile Systems
ALCM	Air-launched cruise missile
BMD	Ballistic missile defence
BTWC	Biological and Toxin Weapons Convention
CANE	Confidence annual naval exercise
CIS	Commonwealth of Independent States
CSBM	Confidence- and security-building measure
CTBT	Comprehensive Nuclear Test-Ban Treaty
ESDP	European Security and Defence Policy
EU	European Union
FATF	Financial Action Task Force on Money Laundering
FC	Federation Council of the Federal Assembly (Russia)
FCL	Federal Constitutional Law
FL	Federal Law
FMC	Financial Monitoring Committee
FSC	Forum for Security Co-operation
G8	Group of Eight
GBI	Ground-based interceptor
GDP	Gross domestic product
IAEA	International Atomic Energy Agency
ICBM	Intercontinental ballistic missile
IMF	International Monetary Fund
INF	Intermediate-range Nuclear Forces (Treaty)
LRBM	Long-range ballistic missile
MIRV	Multiple independently targeted re-entry vehicle
MTCR	Missile Technology Control Regime
NATO	North Atlantic Treaty Organization
NBC	Nuclear, biological and chemical (weapons)
NMD	National missile defence
NPT	Non-Proliferation Treaty
OECD	Organisation on Economic Co-operation and Development
OSCE	Organisation for Security and Co-operation in Europe
PJC	Permanent Joint Council (Russia–NATO)

RF	Russian Federation
RNC	Russia-NATO Council
SCO	Shanghai Cooperation Organization
SCR	Security Council Resolution
SD	State Duma of the Federal Assembly (Russia)
SDI	Strategic Defence Initiative
SIOF	Single Integrated Operational Plan
SLBM	Submarine-launched ballistic missile
SLCM	Sea-launched cruise missile
SNF	Strategic nuclear forces
SORT	Strategic Offensive Reductions Treaty
SSBN	Nuclear-powered, ballistic missile submarine
START	Strategic Arms Reduction Treaty
THAAD	Theatre High-Altitude Area Defence
TMD	Theatre missile defence
TNF	Theatre nuclear forces
TNW	Tactical nuclear weapons
UN	United Nations
UNGA	UN General Assembly
UNMOVIC	UN Monitoring, Verification and Inspection Commission
WMD	Weapons of mass destruction
WTO	World Trade Organization



## **PART I. ANALYSES, FORECASTS, DISCUSSIONS**

1. New Russian–American strategic relations
2. Russia and international cooperation in the fight against terrorism
3. The extension of CSBM to the naval activities of the states of the Black Sea region
4. ESDP and the security problems of Europe. Proceedings of the IMEMO Workshop

## **1. NEW RUSSIAN–AMERICAN STRATEGIC RELATIONS**

Alexei ARBATOV

The May 2002 series of the highest-level meetings between Russia and the United States, Russia and NATO, and Russia and the European Union (EU) notably improved the climate of political and economic relations between the Russian Federation and the West. Prospects for closer cooperation in such areas of international security as the fight against terrorism, non-proliferation of weapons of mass destruction (WMD), and the reduction of nuclear weapons came into view.

At the same time, since the subjects of the debate are specific agreements and tangible programs of Russia's economic, political and military integration in the West, outcome of the May diplomatic "festival" appears uncertain. Among the concrete results were the Treaty Between the United States of America and the Russian Federation on Strategic Offensive Reductions (SORT), which requires each party to reduce its strategic offensive potential to 1700-2200 warheads over the next decade, and the agreement between Russia and NATO to create the Russia-NATO Council (RNC). However, multiple uncertainties remain in these two cases as well, and this may compromise the accords and create serious tensions between the sides.

American plans to deploy a territorial nationwide BMD have not changed. US withdrawal from the ABM Treaty (essentially endorsed by the May Joint Declaration on the New Strategic Relationship Between the USA and Russia) was officially announced in June 2002. In the Joint Declaration, plans to create a territorial BMD system in the United States go hand in hand with both a treaty on deep reductions of strategic nuclear forces (SNF), and with cooperation and transparency measures in the area of missile defences between Russia and the US.

## **Nuclear deterrence after the Cold War**

In the conscience of the world community, politicians, military and scientists, the terms “Cold War” and “nuclear arms race” are as indivisible as the two sides of a medal. A final and irreversible end to the Cold War was the common allusion of the May 2002 Summit speeches and agreements (although we had been told repeatedly, since the end of the 1980s, that the Cold War was over). Official American BMD policy goes along the following logic: the Cold War is over; Russia and the US are no longer enemies—but partners, and nuclear deterrence no longer determines the relationship between them; the ABM Treaty is outdated because it codified nuclear deterrence and mutually assured destruction; this treaty can be discarded without violating the strategic stability, and national missile defence (NMD) can be built to protect from “rogue states” building missiles and weapons of mass destruction (WMD) to arm those missiles.

It must be noted that the end, *per se*, of the Cold War (a specific phase in international relations) did not predetermine termination of the development and spread of nuclear weapons. Moreover, the proverbial end of the Cold War did not guarantee nuclear disarmament. Achievement of these goals would have required immense political efforts on the part of the leading nations, but this did not come about.

During the encouraging rise in Russian–US relations (in the 1990s), when the two countries talked about partnership, integration and even possible future alliance, SNF on each side were reduced to only 6,000 nuclear warheads, in accordance with the START I Treaty and its counting rules. The number of warheads was about the same in the late 1970s, when a new surge in the Cold War followed the Brezhnev–Nixon *détente*. The START II Treaty reducing the SNF to the early 1970s level of 3,000–3,500 warheads was signed in 1993. However, the treaty never entered into force because of Russian, initially, and later American parliaments. The 1997 framework agreement on START III as regards the reduction of the SNF to 2,000–2,500 warheads was not implemented either.

It is symptomatic that, despite Washington’s statements that Russia and the USA are no longer enemies, the US operational plans and target lists for nuclear weapons have practically not changed in the 1990s. The Nuclear Posture Review of the Bush Administration recommended the reduction of operationally deployed strategic nuclear warheads to 2,200 (and providing that 3,000 warheads, now in active stockpile, are to be transferred to the inactive stockpile). This arrangement was embodied in the SORT, despite Moscow’s prior objections.

The Russian Federation (unlike the USSR, which declared in 1982 that it would not be the first to use nuclear weapons) has made the rejection of the no-first-use principle, in extraordinary circumstances, a cornerstone of its military doctrine. Russian strategic forces were, and are being,

built mainly to be able to deliver “adequate damage” in a second or launch-on-warning strike, in response to an American attack.

Publicly, Washington explains its position by the existence of strategic uncertainties. However, it is absolutely clear to all experts (2,200 warhead level and a responsive force is also the position of the Pentagon experts) that neither China, nor India, nor Pakistan, nor even the three of them together (not to mention the “threshold states”) will be able to match the American 2,200 warhead (or even 1,500) level, whatever the proliferation prediction may be. Other big nuclear powers—the UK and France—will undoubtedly continue to be the US allies. Besides, the US will retain thousands of tactical nuclear weapons (TNW), which it will be able to quickly transport to a required region. Finally, the US will have immense scientific, technical, and industrial capabilities, far exceeding the combined capabilities of the rest of the world, to build up its SNF in unforeseen circumstances.

This brings one to the conclusion that the US policy on the SNF reduction is mainly determined by nuclear deterrence, and above all, by deterrence against Russia and its SNF. 2,200 facilities of the SNF, other military forces, industrial and administrative infrastructure, as well as early warning and command systems in Russia remain on the US target lists. Thus, the strategy of deterrence determines US negotiating policies, not the other way around. All declarations to the contrary are political rhetoric, even if President Bush believes in his statements at the time.

However, the concept of deterrence is not necessarily bad. In the first place, it means that nuclear weapons are not viewed as powerful and effective means of warfare, bringing victory in armed conflicts (such views persisted in the military doctrine of the USA until the late 1950s, and in the military doctrine of the USSR for an even longer period of time. Even now this vision remains in place in both countries as regards their TNW arsenals). In accordance with the philosophy of deterrence, the enormous destructive power of nuclear weapons makes war mutually unacceptable. The fundamental assignment of nuclear weapons is to prevent their use by the other side by virtue of one’s ability to inflict unacceptable damage upon a potential aggressor.

Existence of such a destructive weapon in the hands of another country represents the greatest imminent threat to national security. The only enduring guarantee of security is one’s nuclear deterrence potential—even if, for the time being, states do not view each other as enemies. Moreover, political relationship may change in a quite short time, while the strategic balance of deterrence, due to the immense complexity, cost, and physical characteristics of nuclear armaments and infrastructure, requires longer periods of time—decades—to produce a significant change.

In this sense, one may formulate a rule: nuclear powers are doomed to have mutual deterrence at the core of their strategic relations. Deter-

rence may appear in the foreground, in situations of crisis, or retire to the background of the current policies, as political climate improves, but it remains an objective reality and stands by, invisibly, at all times. As long as nuclear weapons exist, mutual deterrence will be the best variant of strategic relations between nuclear powers (especially when it is governed by a treaty framework). Despite the wealth of rhetoric of the 1990s and recent times, nothing more appealing has been offered in exchange for mutual deterrence.

As opposed to various utopian and unrealisable arrangements, a realistic alternative to deterrence—a notion of nuclear weapons as practically usable and effective problem-solving tool in armed conflicts—is far worse and more dangerous than deterrence itself. Even today, this notion remains ingrained in the strategic concepts and operational plans of the great powers in the form of a first-use policy, on both tactical and strategic levels, under certain conditions.

### **Strategic forces of Russia and the USA**

The RF completed reduction of its SNF in accordance with the START I Treaty in December 2001. There were approximately 5,000 warheads in its SNF at the end of 2001. Its land-based component possessed around 3,000 warheads, of which 1,540 were deployed on heavy ICBMs, while the remaining were deployed on rail-mobile launchers, silo-based RS-18 (SS-19), Topol-M, and ground-mobile Topol ICBMs. Approximately 1,400 warheads were deployed on four types of strategic submarines, and around 500 warheads—on 70 Tu-95 MS and Tu-160 strategic bombers.

The decisions of the Security Council of the Russian Federation, adopted in the second half of 2000 and the beginning of 2001, envision around 1,500–1,700 warheads employed by the SNF, and a smaller share for the land-based force. Thus, the structure of the Russian triad will come to resemble that of the American one.

However these plans, considering the total number of warheads and the SNF structure, cannot be viewed stable as they depend heavily upon Russia's economic resources and the perspectives of commissioning a new sea-based missile. It is possible that the air-based component, given the condition of bombers and their armaments, will be a “Potemkin village”, and any plans of modernisation for the sea-based component will linger because of the problems associated with the construction of new strategic submarines (there are no funds even for multi-purpose submarines). A new ICBM will enter into force in a distant future. Its cost will be much higher than would be the cost of fielding the tested and advanced (by world standards) stationary-mobile Topol-M ICBM.

By 2002 the US should have had no more than 6,000 warheads, according to the START I counting rules, deployed on 550 Peacekeeper, Minuteman 3M, and Minuteman 3MS ICBMs, 18 SSBNs equipped with 432 Trident I and Trident II SLBMs, and 205 B-52H, B1-B, and B-2 strategic bombers. However, the US SNF will count over 8,000 warheads, taking into account the actual number of deployed ALCMs. The US will be capable of maintaining its operational strength without particular effort.

In accordance with the new SORT treaty the US apparently plans to have 150 Minuteman 3M ICBMs with one warhead each, 14 SSBNs, equipped with Trident II SLBMs (each carrying six warheads), and 50–70 bombers declared as nuclear bombers in ten years. In this case, the number of warheads, if counted according to the START I counting rules, will exceed the allowed level of 2,200. Moreover, the US SNF reduction plan is not consistent with the START I dismantlement and liquidation procedures.

Nevertheless, according to the new treaty, all these rules only relate to the provisions of the START I Treaty, while the 1,700–2,200 warhead ceiling does not rest upon the START I counting, reduction, and verification rules.

As a result of the implementation of the two sides' current SNF development plans and the implementation of the 2002 SORT treaty, the US will gain, in 10–15 years, a multi-fold advantage over Russia in number of nuclear warheads while being far ahead in terms of most of the qualitative parameters of strategic nuclear forces and their command and warning systems (the US enjoyed similar advantage over the USSR in the beginning of 1960s and mid-1970s). The nuclear balance is determined not only by the ratio of countries' strategic warhead numbers, to be sure, but also by the comparability of their forces' combat capabilities. In this regard, the main problem is not the extensively discussed US restitution potential (ability to return 2,000–3,000 warheads from storage to delivery vehicles), but rather a capability of a disarming strike against Russia's SNF that the US will acquire when the reduction to the 2,200 warhead level has been accomplished.

The known plan regarding the structure and composition of the Russian SNF appears unfeasible, as it envisions a drastic downsizing of the land-based component, which has traditionally been the prime contributor to the country's deterrence potential, and the predominance of silo-based ICBMs (the least survivable systems) over other ground-based missiles. Even recent decisions (adopted after the US withdrawal from the ABM Treaty) to prolong the service life of some heavy ICBMs (RS-20 or SS-18) and other MIRVed (RS-18 or SS-19) ICBMs, thereby increasing the total number of warheads in the SNF by a few hundred for a number of years, will not solve the problem of survivability of the strategic forces. These silo-based missiles became vulnerable 15 years ago and will remain so under the SORT treaty, as the US counterforce systems—Trident II

SLBMs and Minuteman 3 ICBMs equipped with the Peacekeeper warheads—will not be affected. As for the decision to prolong the service life of the rail-mobile RS-22 (SS-24) missiles, their life cycle will run out before the SORT treaty is implemented. Regardless, the mobility and number of SS-24 systems are not sufficient to augment the survivability of the Russian SNF and strategic stability.

Should the 2000-2001 decisions be implemented, the balance of deterrence potentials, that is, the effectiveness of guaranteed retaliatory actions, will be out of reach. Moreover, the planned structure of the Russian SNF will profoundly undermine stability in situations of crisis. Having absorbed a disarming strike, the Russian SNF, with minimal survivability, will not be able to overcome an attacker's BMD and air defence systems with necessary effectiveness. After a tangible loss has been inflicted upon the Russian SNF by a high-precision conventional weapon attack, more than 90% of the stationary ICBMs could be defeated with one or two nuclear warheads. The Russian sea-based SNF has traditionally been weaker than its American counterpart both in terms of its number of warheads, and, more importantly, in terms of its technical ability to implement enough submarines to combat patrol routes, survivability, reliability of communications, and other characteristics.

The condition of Russia's air-based nuclear force is no better. It is not possible, in principle, to compensate for downsizing in the mobile land-based component with enhancement of the strategic bomber force, even if one takes into account a probable US strategic BMD. The North American air defence system leaves small chance for this. Moreover, the resources available for maintaining combat readiness in Russia's heavy bombers—given the enormous resources required for the network of airports, refuelling aircraft, crew training, losses in conventional wars and other factors,—make the role of the ALCM-equipped aircraft in nuclear operations nearly negligible. All Russian forces other than ICBMs—submarines and bombers carrying 1,000 warheads total—will be predominantly concentrated in a few bases, and easily destroyable by twenty or so enemy warheads.

A SNF structure, poorly suited for a retaliatory strike, provokes both an attacker and its potential victim to deliver a pre-emptive strike in situations of crisis and thus undermines the very principle of nuclear deterrence and strategic stability. With the end of the Cold War, the US would have been unlikely to spend significant resources (as it had previously) on its counterforce potential (ability to destroy hardened silos and command facilities, air and naval bases, ground-mobile strategic missiles and facilities) against the Russian SNF. However, if Russia reduces and restructures its nuclear forces unilaterally in a manner that lowers their survivability, the US will likely continue to target the Russian SNF, and American counterforce potential will increase without any cost to the US. The exis-

tence of counterforce potential implies, in force of operational logic, a pre-emptive strike.

Of course, since the end of the Cold War, the likelihood of a nuclear war between the US and the Russian Federation is negligibly small, and old methods of calculating strategic balance appear anachronistic. However, while acknowledging the need to modify these methods, we cannot agree that they should be completely discarded. Firstly, since big nations will maintain large nuclear arsenals for a foreseeable future, there is no other adequate system of calculating strategic balance other than the system of mutual deterrence. Secondly, the rejection of this system would make meaningless the entire concept of strategic stability, including negotiations and negotiated reductions of offensive and defensive weapons. And thirdly, even if the likelihood of nuclear war between the US and the RF is negligible in the political sense, its exclusion in the military-technical sense should be the strategic goal through strengthening of strategic stability.

Surely, the end of the Cold War allows for a lowering of the criteria of predetermined damage, and discarding of the most unlikely and threatening scenarios initiating war (for example, the scenario of a completely sudden attack). But the more liberal the attitude to external quantitative indicators, the stricter the requirements for optimising the command system and the structure of the Russian SNF, their survivability, reliability, and flexibility in response to different variants of the evolution of strategic balance and costs—especially given that perspectives of the treaty regime and negotiating process in this area are quite uncertain.

The anticipated evolution of the US–Russian strategic balance will make it impossible for the Russian SNF to implement tasks assigned to them by the military doctrine, both in terms of deterring a nuclear attack and maintaining a convincing capability of using nuclear weapons first to deter large-scale conventional aggression. Under the current reduction and restructuring plan, in 10–15 years the Russian SNF will only be able to deter a US nuclear aggression and have a minimum second-strike capability.

Even this capability will be disabled if the US deploys a BMD system, capable of intercepting around 100 warheads. The Russian SNF will surely be able to penetrate almost any US BMD system in the first strike, but the US and its allies will guarantee Russia's destruction with the use of survived forces. Russia's ability to overcome a missile defence system with a launch-on-warning strike will appear quite problematic due to the planned reduction of the primary tool of such an operation—ground-based ICBMs,—and in light of relative degradation of command and warning systems. For the same reason, reliance on this concept increases the risk of accidental war, especially in a multi-nuclear-power world.

The MIRVing of single-warhead Topol-M ICBMs is the most often-discussed asymmetric response to the deployment of an American BMD



system, and, apparently, the one implied in the calming statements of the Russian political and military leadership. However, given the planned restructuring of the SNF, this “simple” way is, in reality, not so straightforward. Firstly, MIRVing of a limited number of silo-based missiles (70–80 in ten years, in present-day rates) does not solve the problem of vulnerability against American counterforce potential, but does make these missiles an attractive target. Secondly, the provisions of the START I Treaty, which Russia and the United States obliged to honour under the SORT treaty of 2002, prohibit the testing and deployment of single-warhead ICBMs in MIRVed variant without changing the size of missiles (“new type of ICBM rule”) until the end of 2009. This will significantly increase the cost of a modified ICBM system, effectively forcing Russia to create a new missile and a new launch pad. The START I Treaty does not allow the deployment of new SLBM systems in ground-based variant, forcing Russia to develop a practically new missile to replace Topol-M.

It should be noted that the START I Treaty does not prevent the US from reducing its SNF to the 2,200 warhead level primarily through downloading and storing. The requirement to limit the number of downloadable warheads by 1,200 (as well as the requirement to replace the post-boost vehicle if more than two warheads are being removed from a missile) will apply, under the terms of the SORT treaty, to the START I provisions, but not to the reductions to the 1,700–2,200 warhead level. The highest virtue of the START I Treaty lies in its comprehensive inspection and verification system, which will allow Russia to closely watch the status of the American SNF and the process of their reduction to the level agreed in the SORT treaty through 2009.

However, as long as Moscow knows the status of the American SNF, it will not have the right to accuse the US of violating the SORT treaty, since neither the reduction timetable (the US only gave Russia its unilateral plan, which is not legally binding), nor counting rules, nor weapons elimination and dismantlement procedures exist. This is all the more alarming since the SORT treaty expires on the date the reductions to the 1,700–2,200 warhead level are to be completed by 31 December 2012. This is another “novelty” in the strategic negotiating practice.

Undoubtedly, the Russian SNF will be able, with sufficient confidence, to deter other great powers. However, the UK, France, and probably China will, for the first time in history, acquire significant counterforce capabilities against the Russian SNF. Naturally, the Russian strategic forces will have absolute deterrence potential against “threshold states” if, of course, their behaviour is conditioned by the classical philosophy of rational deterrence.

There is no doubt that the issues of nuclear deterrence, strategic balance, and START/ABM negotiations, contrary to the Cold War years, no longer occupy the foreground of the political relations between the two

powers. The problems of international terrorism, non-proliferation of WMD and ballistic missiles, regional conflicts, energy cooperation, and economic relations between Russia and the US, and the West in general are today's top issues. However, mutual nuclear deterrence is, and to all appearances will remain in the foreseeable future, the quintessence of strategic relations between the two powers, regardless of the role of the above-mentioned issues in the bilateral relations. In the best case scenario, it will be a latent ("dormant") deterrence, but with the sharpening of contradictions, it may "wake up" and return to the foreground of relations, influencing the correlation of military forces and capabilities, behaviour in situations of crisis, and even the very likelihood of military conflict and its escalation into a nuclear war. Therefore, contrary to all of Washington's official statements, NMD will have great influence on the US-Russian strategic relationship, especially in light of the expected quantitative and qualitative changes of balance of their offensive SNF.

In order for deterrence to stop determining the essence of their relations, nuclear powers must not merely cease being enemies, but must become full-fledged allies. Military operational plans, target lists and flight missions of ICBMs, SLBMs and bombers are indicative of the presence or absence of deterrence, not summit declarations and toasts.

Meanwhile, the projected 2,200-1,500 warhead level, given its expected qualitative characteristics, in ten years may turn out to be the worst of all options. On the one hand, such balance implies predominant targeting of one another by the US and Russia and, combined with other conditions, will stand in the way of developing an allied relationship. On the other hand, qualitative parameters of the balance will predetermine its low stability and high strategic tension (in the sense of incentives for pre-emptive strikes) in situations of political tension.

Theoretically, both sides would be better off if Russia either maintained a force equal to that of the US in the sense of assured absence of US disarming capability, or brought the level of its nuclear forces to that of the UK and France, and pursued a military and political alliance with the US and NATO and corresponding security guarantees.

The problem will not disappear by itself. Only through radical and coordinated steps in the areas of START/BMD and military-political relations between Russia and the US (Russia and NATO), steps that have not yet been taken, will it be possible to change the situation. "The liberalisation" of the START/BMD regime and of the reduction process on the grounds of irrelevance of mutual deterrence may bring us to the opposite result of growing misapprehensions, uncertainty, tension, and could put this problem back into the focus between the two countries.

The unwillingness to stand by the ABM Treaty and to conclude a new full-scope START III treaty should be explained not by the end of relations based on mutual deterrence, but by America's loss of interest in

negotiations in light of Russia's mistaken decisions on unjustified reductions and on qualitative restructuring of its SNF. However, there is more to the matter. New threats capable of changing the nature of US–Russian relations, security priorities, as well as approaches to the BMD issue are appearing, and will continue to do so in the foreseeable future.

### **Other nuclear and “threshold” states**

The position on nuclear deterrence and the need to defend against missile threat from “threshold states” (“rogue countries”) serve as *raison d'être* for the US' NMD quest.

We have every reason to suppose the worst-case contingency that, by 2015, a number of nations could acquire nuclear weapons, other WMD, and long-range means of their delivery. There are more than ten countries, besides Israel, India, and Pakistan, with this potential, including, among others, Iran, Iraq, Libya, Egypt, Saudi Arabia, Turkey, North Korea, Japan, and Taiwan.

There are approximately 12 types of ballistic missiles, capable of reaching other countries (including Russia), and that are being developed, produced, and deployed in the “Third World” countries.

The probability of use of nuclear weapons in the Middle East over the next 15 years can be estimated as average or high. At the same time, the probability of involvement of leading nuclear powers in conflict is high. Israel's “underground” nuclear potential serves as a serious rationale for both open and clandestine plans of Iran, Iraq, and Saudi Arabia. Meanwhile, a hypothetical abolition of Israel's nuclear potential would not eliminate all existent proliferation incentives in the region, but could possibly augment them.

As with the case of Iran, Iraqi and Saudi Arabian programs, in addition to their opposition to the USA and Israel, are stimulated by regional competition, and in the future may be reoriented against Russia. US–Russian contradictions and the absence of cooperation on regional issues increase this threat. Creation of a NMD in the US will not have a direct affect on nuclear and missile proliferation in the region, just as coordination of Russian and American BMD interests and agreement to conclude a new START treaty will be irrelevant.

The creation of a joint NATO–Russian TMD system would limit incentives of the region's nations to develop nuclear weapons and missiles. In case of anti-western reorientation of its regime, Saudi Arabia, as well as Iran and Iraq will probably try to develop and arm intercontinental-range missiles.

In the Far East Japan's incentives to accumulate military and technical capabilities and eventually acquire its own deterrence potential are

strengthened by the Chinese nuclear build-up. However, as long as Japan has a strong political-military alliance with the US, it will not materialise its potential. Demonstration of missiles and nuclear weapons by DPRK, its attack against South Korea, or Chinese attack against Taiwan, coupled with the non-interference of the US, would most likely force Japan to cross the line. North Korea is consistently developing its missile program with the aim of achieving strategic range; it already has chemical weapons and military nuclear program.

A US strategic NMD system could not help Japan's security. However, deployment of an American TMD, including sea- and air-based boost-phase defence systems to defend South Korea, Taiwan, and Japan against short and medium range Chinese and North Korean missiles would significantly weaken Japan's incentives to acquire its own means of nuclear deterrence. The probability of a direct use of nuclear weapons in the region over the next 10–15 years could be estimated as low or average. At the same time, there is a high probability of involvement of leading nuclear nations, such as China and the US, in conflict.

Pakistan's nuclear and missile potential is likely to become the biggest threat to Russia in South Asia in the near future, given that, until recently, Pakistan supported Islamic extremism and the Taliban, while Russia is showing increasing antagonism towards such movements and has traditionally close ties with India. An aggressive fundamental group may well come to power in Pakistan (especially in case of a new war with India, destabilisation in Afghanistan, or an onset of chaos in the region caused by an American military campaign against Iraq or Iran). In such a case, Pakistan long-range nuclear-armed missiles will represent a direct threat to Russia and the USA.

Presently, neither India nor Pakistan is alarmed by American strategic BMD plans. However, the US withdrawal from the ABM Treaty will most likely serve as an incentive for China to build up its nuclear forces. India will view such development as a threat and take countermeasures. Pakistan, falling behind India in all aspects of power, will in turn expand its nuclear potential.

The probability of the use of nuclear weapons in South Asia over the next 10–15 years appears high; however, the probability of direct involvement of leading nuclear nations is quite low. At the same time, the threat of proliferation of nuclear technologies, material and expertise from Pakistan is considerable. Particularly pressing is the threat of acquisition by international terrorist organisations, such as the Taliban, of technologies, material, and expertise.

The Chinese nuclear triad consists of approximately 220 delivery vehicles and 250 warheads, including 118 ground-based missiles with ranges from 3,000 to 13,000 km, one missile-carrying submarine with 12 SLBMs on board commissioned in 1989, and 120 aircraft. Until now, the Chinese

leadership did not plan a sharp nuclear and missile build-up. Average estimates of the Chinese programs demonstrate that by 2010 the Chinese nuclear triad may be deploying around 300 warheads, by 2020—around 350. New ground-based missiles are expected to account for most of this growth.

However, in case of deployment of a territorial BMD in the US, Chinese programs may be radically reconsidered. China's nuclear and missile potential allows for an increase of the number of warheads to 1,000 by 2020. This will significantly change the strategic situation for China's immediate neighbours—Japan and India—as well as for the USA and Russia. In light of Moscow's plans to unilaterally reduce its SNF, China may match or even exceed Russia's nuclear potential.

It must be noted that a build-up of Chinese long-range capabilities will have a far greater affect on the strategic relations between China and Russia than on those between Russia and the US, since China will, for the first time, acquire the ability to target key administrative and industrial facilities and centres of political and military leadership in the European part of Russia. While since the end of the 1960s Beijing could consider the Chinese medium-range systems (threatening the USSR's installations in Siberia and the Far East) as deterrence against the Soviet conventional forces, in the future Chinese LRBMs might be viewed as deterrence against the Russian first-use of nuclear weapons. As stated previously, Russia's military doctrine allows for the first-use of nuclear weapons in response to a large-scale conventional aggression in situations critical for Russia's national security. At the same time, in 10–15 years the Chinese conventional forces will most likely be dominating the border zone, not least because of transfers of military equipment and licenses from Russia.

Unlike Russia, the USA will be able to maintain a powerful disarming potential against China for a long time (backed by the Trident II system and SLCMs). This potential, coupled with a probable NMD, will provide the US with an unquestionable nuclear superiority and a potential of “extended deterrence” (not to mention the fact that the Chinese conventional forces will not threaten American territory). With respect to defending Taiwan, Japan, and South Korea, the USA will be able to rely upon growing conventional forces of its allies, American Air Force, Navy, and TMD.

In comparison with the Cold War period, the centre of gravity of the nuclear stand-off in a multi-polar nuclear balance may shift from the US–USSR/Russia axis to the US–China axis. Likewise, as time goes by, the main channel of negotiations on limitation of strategic offensive and defensive weapons, together with all of its political consequences, will be the one between Washington and Beijing, while Moscow's role and influence will become marginal. However, since a build-up of the Chinese forces will cause Russia's growing concern, trilateral negotiations—among Russia, China, and the US—on limitation of SNF and equal levels for certain components of SNF cannot be left out of consideration.

France and the UK have stable nuclear and missile programs. France's aspiration for an independent nuclear policy may remain in place for a long time and even intensify in case of disagreements over the US policy on deployment of a territorial BMD. The UK's nuclear policy will be tightly linked with that of the US in the areas of SNF and BMD.

In case of coordinating the US and French NMD positions in the framework of NATO, a stronger coordination of the SNF programs of London and Paris, in the context of European integration, is probable through the coordination of strategic concepts, operational plans, target lists, and later, through the unification of early warning and command systems. It is quite possible that the FRG and other EU countries may join the process of decision-making in the areas of development, financing, and use of European SNF. This process will be accelerated if relations between the West and Russia worsen. In case of financial limitations and the planned restructuring of the Russian SNF, the European nuclear forces will be comparable to those of Russia in terms of the overall quantity. With respect to combat readiness and combat capabilities of survivable forces, the European forces may considerably surpass the Russian SNF in the future. Over time, this may create incentives for separate negotiations on limitation of the Franco-British and Russian SNF.

Simple accession of the UK and France, as well as of China, to the US–Russian negotiating process is not likely, even if the negotiating process does resume in some form. The USA does not need to negotiate with its NATO allies; France and the UK will not be interested in limiting their forces in response to a limitation of the Chinese SNF that are not targeting Europe.

Nuclear terrorism is a unique and poorly studied problem. It appears, however, that access of terrorist groups (either national or international) to nuclear weapons will become more probable in the future. “Threshold states”, or nuclear countries with unstable regimes, could be the main source of these weapons (e.g. nuclear weapons could travel from Pakistan to Afghan Talibs and further). Incidentally, ballistic missiles are the least suitable delivery means from terrorists' point of view. Also, it would be easier for terrorists to acquire chemical and bacteriological weapons and means of radiological contamination than to obtain nuclear weapons. Use of the former would also be easier.

It is obvious that none of the traditional methods—nuclear deterrence, BMD and air defence, conventional forces, high-accuracy weapons—are effective in combating such threat. Deeper cooperation of national law-enforcement and anti-terrorist agencies, strengthening of the WMD non-proliferation regime, and tightening of national and international controls over dual-use technologies and dangerous materials constitute undoubtedly appropriate countermeasures.

At the same time, Russia becomes more vulnerable than does the United States. Firstly, “threshold” and other states with missiles and

WMD will be much closer geographically to Russia than to the United States. Secondly, Russian economic potential for modernising and expanding its BMD is much more limited. Thirdly, nuclear weapons of “threshold” and other states would be more prone to accidental or unauthorised launch, theft or ecological catastrophe. Fourthly, Russia does not have allies among nuclear countries, and is unlikely to have any in the future. This means that all present and future nuclear powers (with the exception of India) could hypothetically be viewed as potential opponents to Russia and source of threat to its national security.

### **American BMD as a response to new threats**

It appears that, behind the veil of rhetoric, the policy of the Republican leadership is determined by several considerations. Apart from the inertia of pre-election obligations and traditional Republican adherence to the idea of missile defence (let us recall Richard Nixon’s Safeguard program and Ronald Reagan’s SDI programs), a key role in Washington’s approach to this issue belongs to the US new post-Cold War position in the world. The issues of nuclear and missile proliferation and the rise of China’s military and political power do, indeed, occupy greater slot in the US security priorities. However, Russia has not left the vision of American strategy completely.

Washington is hiding something significant about the “missile threat” from “threshold states”. Not that it fears an unprovoked and suicidal attack from these countries (for which a “suitcase bomb” and other means of delivery—not missiles—could be used). The truth is that the United States intends to use force in situations of crisis similar to the 1991 Persian Gulf War. The existence of missiles in the enemy nations would deter the use of force by the United States. If a disarming strike against the missile bases of “rogue states” does not eliminate all targets, a BMD system will defend the US against a limited retaliatory strike.

There is even more vagueness with respect to the statements about China. Forecasting the rise of tensions with and competition against the Asian giant in the coming decades, the USA is trying to postpone the day that Beijing acquires a full-fledged deterrence potential against Washington. The United States would like to maintain its disarming capability against China’s missiles, in combination with a BMD, to defend against a weakened responsive strike. Merciless strategic logic, which worked against the USSR in the 1960s when the USA was advancing the Nike-X and Sentinel ABM programs, works here too. The Sentinel program was already partly aimed at China at that time.

The final decision on the deployment of a strategic BMD system in the US has not yet been adopted. However, its probable structure appears

quite determined—a multi-layer system defending against missiles of all ranges, from tactical to intercontinental, in all phases of missile flight.

Depending on the effectiveness of BMD components, two or three BMD deployment sites on US territory would suffice for the defence against 10 to 20 warheads from the “threshold states”. Air- and sea-based boost-phase interceptor systems could, in theory, augment territorial BMD to defend against such countries as Iran and DPRK.

Boost-phase defence systems—unless they are space-based systems belonging to a more distant future than the next 10–15 years—will not be effective against China’s SNF. However, sea-based TMD systems can intercept medium- and short-range missiles in the terminal phase of flight to defend Taiwan and Japan. China’s deterrence potential against the US may be negated in 10–15 years if the US deploys five or more BMD sites and acquires a capability of shooting down up to 50 warheads. It is implied that against the bulk of the Chinese SNF, the US will maintain highly effective counterforce potential in combination with anti-submarine and air defence systems.

Whether a new American BMD will be effective against Russia’s SNF depends on the realization of Russia’s unilateral SNF reduction and restructuring plan, primarily, and on the US technological headway in the area of BMD. Certainly, if an BMD architecture, planned to be in place in 10–15 years, gives the US a realistic capability to discriminate decoys and intercept at least a hundred warheads, then the US will have a capability of fending off Russia’s weakened second strike.

If Russia’s sea-based component becomes dominant in the triad, boost-phase defence systems will be inefficient against Russia’s SNF (except sea-based ABM systems on American aircraft carrier groups deployed in the Russian SSBN patrol areas). In any case, the US will need 10 or more BMD deployment sites in the continental United States and at least two echelons (GBI and THAAD). Such variants will surely be incorporated in the Single Integrated Operational Plan (SIOP), irrespective of the statements coming from Washington today, provided, of course, that the US–Russian relations based on mutual deterrence are preserved.

### **The BMD and SORT diplomacy**

The preservation of certain limits on ABM systems is required to sustain the stability of the US–Russian mutual nuclear deterrence. New threats and the end of the Cold War force a fresh look at the existing formulas of strategic stability and the ABM Treaty.

The 1972 ABM Treaty did indeed appear to be a cornerstone of the regime and process of regulation of strategic offensive arms in the 1970–90s. The treaty embodied a pragmatic compromise under which the USSR



limited the build-up of its ballistic missiles and the US stopped the Safeguard ABM program. At the same time, the terms of the treaty took account of those systems which both sides were deploying at that time—the USSR was deploying a system around Moscow, and the US was fielding a system near its ICBM base in North Dakota—and allowed each country to have two ABM deployment sites (the 1974 Protocol allowed each country to have one site). Art. XIV of the treaty allowed each party to propose amendments to the treaty, and Art. XV allowed each party to withdraw, with six-month notice, if the treaty came into contradiction with the party's supreme interests.

In other words, the formula of stability does not exclude a defensive component. Up until the 1990s, the USSR maintained and perfected the country's costly air defence system that was aimed primarily against the US strategic aviation, although, according to the logic of stability, defence against bombers is as harmful as defence against ballistic missiles. Because the Soviet air defence system could not intercept cruise missiles, in the 1970–80s Moscow made the limitation of these systems one of its most important START negotiation tasks. Why, one may ask, did Moscow assign itself a costly task of defending against aerodynamic delivery vehicles, if defence against ballistic missiles was considered unrealistic and was limited by the ABM Treaty? The answer is the dominating agency interests, all-embracing secrecy, and deficit of rationality in the Soviet military policy and force development, quite a bit, of which Russia has inherited and in some cases has even amplified.

During the past thirty years, and over the coming decade, only one country has had and will have a deployed combat-ready strategic BMD system—the USSR and its successor Russia. However, from the viewpoint of the logic of strategic stability, this system, as well as the terms of the ABM Treaty the system complies with, is quite absurd. The two countries should not have had any ABM systems aimed against each other in the first place. A minimum of a “thin” defence of the entire territory, rather than an individual region is required to defend against attacks from other nuclear countries and accidental launches.

From the viewpoint of the stability of deterrence, the general capability of a BMD system to fend off greater or smaller portions of a responsive strike is important, not the permitted number of deployment sites or interceptor-missiles. In this regard, there is a huge preponderance of offensive weapons over defensive ones in the US–Russian balance. Under certain conditions, this prevalence can be retained for the future, along with a defensive potential against missile threats from other countries.

In 2000–2001, the USA proposed amendments to the ABM Treaty, lifting limitations on testing. However, the US was hardly seeking a compromise. Otherwise, in exchange for concessions in the area of strategic of-

fensive forces, the US could have acquired concessions from Moscow in the area of ABM. Rather, Washington's main aim was most likely a justification for complete rejection of the ABM Treaty. Russia's unyielding position, given that it did not have arguments for a serious bargain, played into Washington's hands.

Russia's demands to reduce the SNF to a lower level (1,000–1,500 warheads) were rather justified in the post-Cold War environment. However, demands that the delivery vehicles be eliminated along with the reduction of warheads were both unrealistic and ill founded because of the long remaining service life of the US systems and a strategic stability principle recommending the lowering of the warhead-to-delivery system ratio. It would have been better to insist on new counting and verification rules that would have made the return of warheads to delivery vehicles a more time-consuming and open process. It would be useful to propose serious verifiable warhead dismantlement measures. In the meantime, a verifiable elimination of warhead shells, similar to that in the 1997 INF Treaty, could be put forward. In addition, it is important to put forward a plan on verifiable de-alerting of the bulk of the remaining SNF (as opposed to the enlargement of the SNF, which will include de-alerted warheads in storage facilities—a plan that the US insisted on). In the case of deeper reductions, Russia could also propose the renunciation of strategic triads as a Cold War anachronism.

Finally, the US withdrawal from the ABM Treaty should have made Russia announce reservations as regards the implementation of certain START I provisions—if falling short of discontinuing the SNF negotiations,—particularly with respect to the rule prohibiting MIRVing of single-warhead ICBMs.

However, no sensible compromise on offensive and defensive strategic weapons was reached. The 2002 agreements simply codified the American positions, while the Russian counterparts got “consolation prizes” of little importance.

The full unilateral rejection of the ABM Treaty provides evidence of the fact that the US does not rule out a BMD system eventually aimed against Russia and created through step-by-step build-up and augmentation. Such transformation of the US BMD system will become possible (perhaps even tacitly) if, firstly, strategic relations of deterrence persist, secondly, if the BMD technologies achieve a high enough level of effectiveness to warrant deployment for the defence of territory in principle, and thirdly, if the present plans on reduction and restructuring of the Russian SNF are fulfilled. The 2002 package of agreements on SNF and BMD will do little to change, and will most likely encourage, such a course of events; it will “loosen” the SNF limitation regime, and legalise the American missile defence program and the abolition of the ABM Treaty.

## Conclusion

The agreements of the May 2002 Summit, with all their vagueness and uncertainties, are predominantly (up to 90%) shaped around the US positions, and take little, mainly symbolic, regard of Russian positions. "It is better than nothing" is the highest possible appraisal of the deal from Moscow's point of view.

The Treaty and the Declaration, coupled with the US withdrawal from the ABM Treaty, do not adequately reflect the new strategic realities, and contribute little to the security of Russia and the rest of the world.

New realities mean that, along with the continued relations of mutual nuclear deterrence between the US and Russia, the sphere of converging security interests has expanded and new considerable threats have emerged, requiring cooperation between the US, Russia, and their allies. A number of questions are on the agenda. Among them are modification (not abolition) of the ABM Treaty, drastic reduction of SNF, the conclusion of a number of new agreements (cooperation in the areas of early warning and missile and WMD proliferation monitoring, joint development of strategic BMD and TMD, de-alerting of SNF, measures in the areas of tactical nuclear weapons, control of warhead storage facilities, and verification of warhead dismantlement).

All these questions could push the process of transformation of relations based on mutual deterrence towards an eventual alliance between Russia and the US, and the West in general. Instead, the regime and the process of limitation, reduction, and non-proliferation of arms are falling apart. This may result in growing misunderstanding and tensions between the US and Russia, domestic opposition to cooperation in both countries, and more difficulties for cooperation in spheres of mutual security interests. Unequal agreements with the US strengthen anti-American sentiments among Russia's political and strategic communities, and may limit cooperation between the two powers to something tactical, fragile, and unpredictable, despite the appealing friendship between the presidents.

The fact that Moscow negotiates with Washington from intellectually and administratively weak positions, while relying on a decaying military-technical base in the form of the degrading SNF, limits Russia's ability to influence the US course. The weakness in the sphere of strategic negotiations, contrary to other areas, is only partially due to objective reasons; its primary cause is subjective factors.

Sustainable nuclear balance with the US, at the lowest possible level, is the most optimal option for Russia under all realistic circumstances. The role of nuclear deterrence against an attack comes to a mere minimum in the forecasted setting. The primary tasks are to not allow the resumption of an arms race and confrontation, to guarantee survivability of the

system and the process of nuclear arms regulation, and to do away with the obstacles of wide-range cooperation and gradual formation of allied relations; completion of these tasks will eventually abolish the relations of mutual deterrence.

Strategic dialogue with the US has immense political importance not only for the coordination of concrete limitations and reductions of offensive and defensive weapons, but also for other spheres of Russian-American and international relations. Russia's most important national goal is the full-scale resumption of negotiations with the US, irrespective of their title and format.

In this regard, the revision of the 2000–2001 decisions on the development of the SNF is, in the first place, necessary in order to secure strategic sufficiency and stability. The SNF program should focus on land-based, primarily ground-mobile missiles, in which the USSR and Russia are, and have traditionally been, ahead of the rest of the world, and which correspond to Russia's military-technical development, geostrategic location, and economic capacity. Expansion of the production of the Topol-M missiles would give a 300–400 strong silo-based and mobile force in 10–15 years, which would be capable of carrying 1,000–2,000 warheads in case of MIRVing. In this case, reliable ground- and space-based warning and command systems will be cheaper and easier to provide. Such force alone is capable of ensuring an all-azimuth deterrence potential adaptable to different levels of strategic balance, ABM systems of other countries, and various formats of treaty regime. Sea- and air-based components of the SNF should be sustained economically. Service lives of the existing systems should be prolonged whenever possible; the Navy and Air Force should gradually be transformed to fulfil regional roles.

Due to severe deficit of resources, it is expedient to resume the policy of integration of separate components of the SNF into a single structure, as well as integration of the SNF with the aerospace and rocket-and-space defence forces.

It must be particularly emphasised that we do not speak of a build-up of Russia's nuclear potential, or of threatening the US. In any case, Russia's strategic forces will be reduced in the near future, but their optimal structure should ensure military stability irrespective of the evolution of relations with the US regarding BMD and START issues. Washington's interest in solving these issues on bilateral bases—a collateral but important effect of such a course on the part of Russia—will most likely increase substantially. In this event, it is possible that Russia will not have to accelerate the deployment rate of the Topol-M missiles and to MIRV them.

One cannot exclude the possibility that Washington will not change its course in the coming years, even if Russia does choose a more sensible way of developing its SNF. In this case, the proposed way of maintaining

a sustainable deterrence potential by Russia's strategic program is all the more required in order to both strengthen strategic stability and to save the budget resources.

According to the estimates, this is the least expensive way to maintain sufficient SNF, which enables spending of the remaining resources on increasing the combat readiness of weakened conventional forces or strategic missile defence systems. The present course, aimed at "balanced modernisation" of all components of the triad (a classic example of "creativity" of the military bureaucracy and inability to set priorities), coupled with a severe budget deficit will either destroy all components of the SNF or result in a huge overspending and very modest payback.

Rather than become a second- or a third-category nuclear force, Russia could remain a nuclear power equal to the US, and maintain exclusive strategic relations with the United States and a unique role in the world if it chose a right course. The US would remain interested in continued dialogue with Moscow on a wide range of issues, such as disarmament (including limitations on BMD), non-proliferation of nuclear weapons and missile technologies, and the entire complex of related political and economic issues between the two powers and their allies.

Due to unfavourable tendencies in economic and military correlation in the world, Russia, more than the others, is interested in expanding and strengthening the regime and the system of limitation of arms and military activities, disarmament and non-proliferation of WMD and their means of delivery. Russia's role in this area will remain decisive, a fact it should make use of. Russia does not have allied nuclear powers. Most of the "threshold states" occupy territories close to Russia; relations with many of them may aggravate in the foreseeable future. The long-term threat to Russia coming from the proliferation of nuclear weapons and missiles is clearly underestimated for the sake of the present-day commercial and agency interests. In the multi-polar world, the task of involvement of other nuclear countries in the system of non-proliferation and limitation of arms (including strengthening of the NPT, CTBT, and MTCR regimes) should become a priority for Russia. Russia should also put more emphasis on the development of non-strategic ballistic missile defence systems for Europe and Asia. TMD does not necessarily have to become an alternative to strategic missile defence systems; it could serve as the first phase of implementation of multi-layered missile defence systems of the US, Russia and their allies, as well as a pilot project for cooperation in this area.

The last note is of a general nature. The current course of the Russian leadership aimed at western integration in political, economic, and security spheres should only be welcomed. However, concessions in the security sphere (BMD, Strategic Offensive Reductions, and NATO enlargement) will not necessarily bring about the expansion of political and

economic cooperation. Both depend on the condition of economic reform and development of democracy in Russia. Deficit in these directions cannot be compensated for by additional concessions in the strategic area. Moscow is simply no longer being deferred to, even in areas in which countries used to value cooperation with Russia. Despite assurances, there was, and is no genuine economic and political prosperity in Russia. The 1990s proved this convincingly, and there are no reasons to believe that it will be different in the future. It is useful to remember that even the closest big allies of the US—the UK, France, Germany, and, in the future, Japan—persistently defend their military, political, and economic interests and special relations with Washington. The same approach should characterise Russia's policy, given the pronounced nature and controversial transition period (when the basis of the division of rights and responsibilities is being laid for many years to come) of its relations with the USA.

A sensible military program and tougher and more consistent lines of conduct in the dialogue on offensive and defensive arms, aimed at strengthening the stable deterrence at minimal levels, full transparency, clarity, and military-technical cooperation would not mean a return to the Cold War and a rejection of Russia's integration and broad cooperation with the West.

Main European allies of the USA have taken precisely the same course. For the first time in history, the policy of American allies in Europe and the Far East on the most important security issues (SORT/BMD, nuclear test ban, elimination of chemical weapons, strengthening of the Biological and Toxin Weapons Convention (BTWC), threat of use of force against the "Axis of Evil", etc.) is much closer to the policies of Russia than to those of the US. If it were not for a setback in the democratic development of Russia, the dividing line between Russia and the West would have disappeared once and forever, and Moscow would have had more opportunity to defend a more sensible course in the security sphere than the one being imposed upon the world by the current American leadership.

## **2. RUSSIA AND INTERNATIONAL COOPERATION IN THE FIGHT AGAINST TERRORISM**

Ekaterina STEPANOVA

The events of September 11, 2001 in the United States (and the following large-scale terrorist attacks in Bali, Indonesia, and in the Dubrovka theatre centre in Moscow) have made the world change the way it perceives terrorism as a threat to international security in an era of globalisation and have clearly shown that the consequences of the latter can be quite ambivalent. Not only the scale, but also the character of the threat has changed. If in the past, international terrorist connections seemed to be peripheral rather than central and limited terrorist actions were the model, the September 11 attacks in the United States, often referred to as acts of super- or mega-terrorism, have become possible only in a “global information village” and were designed to have global political, economic and military consequences.

The question, on the one hand, is whether terrorist attacks on that scale are an inevitable side effect of globalization and, on the other,—whether they constitute one of the most critical and paradoxical developments, related to the US-led global counter-terrorist campaign, namely the resurgence of national states as central elements in the international system, particularly *vis-à-vis* international organizations and institutions. More generally, the international coalition formed since September 11 may be seen as the first serious attempt on the part of states to regain control over globalization. In this context, the global counter-terrorist campaign may be interpreted as a ‘counter-attack’ on the part of the overwhelming majority of states, regardless of their internal regime, against ‘freelancers’ like Al-Qaeda. The purpose of this counter-attack is to prevent these organizations from dictating the terms of global intercourse and from intruding into the traditional sphere of competence of states as the

main elements of the international system (by encroaching upon the states' right to declare and wage wars).<sup>1</sup>

Since the tragic events of September 11, 2001, the United States naturally assumed the leading role in the global fight against terrorism. By demonstrating that even unprecedented military capabilities do not guarantee strategic invulnerability, the September 11 tragedy had far-reaching implications for and led to serious changes in US domestic and foreign policies. US national security policy has been reviewed: counter-terrorism and homeland defence have assumed primary importance in the list of national security tasks, while the problems of non-proliferation of weapons of mass destruction that had already become a foreign policy priority long before September 11 started to receive even greater attention. The new focus on fighting terrorism worldwide has also further confirmed US global supremacy and reinforced unilateralist trends in their foreign policy, best reflected in the declaration made by Secretary of Defense Rumsfeld, that "the mission determines the coalition"<sup>2</sup>, and not the other way round.

In this context, prospects for and problems of bilateral cooperation with the United States on counter-terrorism have received special attention in Moscow. Russia has voiced concern about terrorism as a major security threat for years. Its citizens have increasingly become targets of terrorists, most recently and on an unprecedented scale, in Moscow on October 23, 2002, when hundreds of people were taken hostage by Chechen terrorists at a theatre centre.

### **Russian–American bilateral cooperation on counter-terrorism**

After a noticeable freeze at the end of 1990s, Russian–American relations have clearly improved since September 11, 2001. Bilateral cooperation on combating terrorism has been particularly successful. At certain stages of the counter-terrorist campaign this cooperation became arguably more intensive than participation of both states in many multilateral counter-terrorist initiatives.

Bilateral cooperation in the fight against terrorism has proved highly valuable to Russia, as perhaps for the first time since the end of the Cold War, it did not represent a left-over from the past (such as, for instance, Russian–American cooperation on strategic arms control and disarmament), but stemmed from the need to counter a common security threat of a radically new type. Russia's active participation in the global counter-terrorist campaign has been fully in line with Russia's national interests, such as radically improving relations with the West and with the USA, in

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<sup>1</sup> See, for instance, Joffe J., Europe and the Campaign against Terror, *Washington Institute Policy Watch*, no. 583, Nov. 14, 2001.

<sup>2</sup> Quoted in: *Financial Times*, Sept. 24, 2001.



particular. At the turn of the 20th and 21st centuries, this goal had become all the more pressing for Russia, as it began to occupy a more peripheral position in world politics. Given the US global supremacy, the weakening of the UN, NATO's military dominance in the Euro-Atlantic region and the EU's primacy in European politics and economics, only a new rapprochement with the West would allow Russia to avoid international semi-isolation which seemed so imminent by the end of the 1990s.

By actively participating in the international counter-terrorist coalition, Russia managed to directly associate itself with the United States, the world's leading power, while circumventing cumbersome Western institutional bureaucracies, such as NATO and the EU, that seemed to find themselves almost out-of-business during the first stages of post-September 11 counter-terrorist operation, when it appeared that most of the critical decisions were taken by national governments and leaders. As a result, Russian leaders have prevented the country from sliding into political semi-isolation, made it valuable again for the international community and for the United States and enabled Russia to find its specific niche in world politics as a reliable partner of the West in the global fight against international terrorism. These goals were reflected in the Joint Russia–US Statement of 21 October, 2001, the Joint Statement on a New Relationship Between Russia and the United States of 13 November, 2001 and other joint declarations.

The most vivid manifestation of the new favourable climate in Russian–American post-September 11 relations has been Russia's cooperation with the United States during its operation in Afghanistan. This cooperation demonstrated how different Russia's current conflict-management policies are from those of the past. Even prior to the September 11 terrorist attacks Russia had declared the struggle against international terrorism as one of its top foreign policy priorities, viewing the consolidation of extremist forces along the southern flank of the former Soviet Union, particularly in Afghanistan, as the primary source of terrorism. Russia's main interest in Afghanistan has been rooting out terrorism there and preventing that country from serving as a primary source of instability in a wider region that includes the Central Asian states. It was these regional security concerns, coupled with the above-mentioned more general foreign policy considerations, that predetermined Russia's support for the US military operation launched in October 2001, as well as Moscow's very restrained reaction to the growth of a US military presence in Central Asia.<sup>3</sup>

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<sup>3</sup> For more detail on Russia–US cooperation in the course of US-led campaign in Afghanistan, see Stepanova E., *US-Russia Cooperation in Afghanistan and Its Implications*, *East European Constitutional Review* (New York Univ. Law School & Central European Univ. Quarterly), vol. 10, no. 10, Fall 2001, p. 92–95; *idem*. Separately Together: US and Russia's Approaches to Post-Conflict Settlement in Afghanistan, *PONARS Policy Memo* (PONARS Policy Conference, Wash. D.C.: CSIS), no. 230, January 2002, p. 117–122.

Russia played a key role in supplying the Northern Alliance forces at the most critical stage of the US counter-terrorist campaign in Afghanistan. Russia-US intelligence sharing on the terrorists' infrastructure, training bases and location was also exemplary and even, by some accounts, "unprecedented"<sup>4</sup>. Much of the bilateral cooperation on counter-terrorism was conducted within the framework of the Russia-US Working Group on Afghanistan, created in advance in 2000 to prevent the subsequent dramatic events. It is within this framework that, in February 2002, Russia and the United States agreed "to support extension of counter-terrorist cooperation to the United Nations, the OSCE, NATO and other international structures, as well as bilaterally"<sup>5</sup>. The Working Group on Afghanistan proved to be such a timely and suitable mechanism for bilateral cooperation on counter terrorism that its mandate was further extended by Presidents Putin and Bush at the May 2002 Moscow Summit, and was renamed to the Russia-US Working Group on Counter Terrorism. At the first meeting of the Working Group with an expanded mandate, in July 2002 in Annapolis, possibilities for cooperation in combating terrorism from Chechnya to Kashmir were discussed, while disagreements on Iran and Iraq were also addressed. For the first time, consultations on combating nuclear, chemical and biological terrorism were on the agenda.

Apart from cooperation on Afghanistan, other important bilateral counter-terrorist measures included a Joint Statement on Combating Bioterrorism issued in November 2001, following an outbreak of anthrax in the United States, and the Russia-US Mutual Legal Assistance Treaty, that provided a "legal basis for cooperation in identifying and seizing or freezing criminal or terrorist assets", which came into force on January 31, 2002.

Overall, it would be no exaggeration to conclude that Russia turned out to be not less, if not more, important for the United States in their counter-terrorist operation in Afghanistan, particularly at its earlier stages, than many of their NATO allies. The interim results of Russia's participation in the first stage of international campaign to fight terrorism were summed up on 20 April, 2002 at Russia's Security Council special meeting on counter-terrorism: Russia was able to avert the threat of regional destabilization along its southern borders, posed by the situation in Afghanistan, to strengthen its relations with the Central Asian states and to achieve remarkable rapprochement with the West on the basis of democratic values of the civilized world.

At the same time, Russia's approach to the fight against international terrorism (fully or partly shared by several other CIS governments) has been characterized by certain theoretical and political nuances, as compared to the US counter-terrorist policy. These nuances have been most

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<sup>4</sup> Online Interview with US Ambassador to Russia Alexander Vershbow, 26 Oct. 2001.

<sup>5</sup> Joint Statement of the US-Russia Working Group on Afghanistan, February 8, 2002.

evident at the level of official political rhetoric. For instance, Russian officials have publicly criticised an interpretation of terrorism as a ‘super-crime’, impossible to counter by regular methods and existing laws. Criticism has also been voiced in regard to the interpretation of terrorism as ‘a form of war waged by clandestine groups and individuals’. According to this interpretation the same causes lie at the root of war and terrorism, and the latter should be countered primarily by military means.<sup>6</sup> It has to be noted that these arguments have been actively used by the United States in its counter-terrorist policy and campaign.

Apart from these declaratory nuances, some real differences in the US and Russia’s interpretations of the threat posed by international terrorism have emerged. While the US administration’s emphasis has been on the ‘rogue states’ (particularly on the authoritarian regimes of Iran, Iraq and North Korea) as primary ‘sponsors of terrorism’, Russia, as much of the rest of Europe, focuses attention on the so-called ‘failed states’, as major actual or potential breeding grounds of terrorists. For many in the Russian political elite, the September 11 events demonstrated that a qualitative modification of international terrorism had occurred. The latter “represents a self-sufficient organization not connected with any particular state” and, as such, can no longer be exposed by such traditional means as “convincing or pressuring one or another state to stop supporting terrorism”<sup>7</sup>.

While the Bush Administration resorted to the ‘axis of evil’ rhetoric, Moscow rejected this vision both verbally and by openly cooperating with all the three ‘members’ of the ‘axis’ (among other things, by repeatedly hosting the North Korean leader, preparing to sign new major economic agreements with Iraq and helping to develop the civil nuclear energy sector in Iran). In contrast to the Bush Administration, Russian top officials have not publicized any black list of states supporting terrorism and used the more flexible term of ‘arc of instability’. At the same time, they expressed general concern about the growing number of states and areas where the existing power vacuum had or could be filled by terrorist groups and forces. As specified by the Russian Defence Minister Sergey Ivanov, the regions of concern include “the Middle East, the Balkans, Somalia as well as a number of states in Asia and the Caucasus”.<sup>8</sup>

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<sup>6</sup> Expanding Bilateral and Regional Efforts in the Fight against Terrorism: Theses of Presentation by Boris Mylnikov, Director, CIS Counter-terrorist Center (originally in Russian), in Summary Report, Bishkek International Conference on Enhancing Security and Stability in Central Asia: Strengthening Comprehensive Efforts to Counter Terrorism, Bishkek, 13–14 December, 2001, p. 76–77 (further on, referred to as Summary Report of the Bishkek conference).

<sup>7</sup> From interview with Yevgeny Primakov, see Rostovsky M., *Prognoz tyazhelovesa, Moskovski Komsomolets*, May 17, 2002.

<sup>8</sup> Cited in: *Nezavisimoye Voennoye Obozreniye* (Independent Military Review), February 8–14, 2002, p. 1.

Being sceptical about certain aspects of the Bush Administration's counter-terrorist policy and of the US approach to fighting terrorism, Russian officials seemed to imply that the Russian approach was somehow different in that it interpreted terrorism as a "complex social and political phenomenon, based on a spectrum of social contradictions, embracing extremist terrorist ideology and structures to conduct terrorist activities, and as a form of political extremism". This approach claims to be "more serious and fundamental" and "provides for comprehensive methods to fight terrorism".<sup>9</sup> In practical policy, however, it seems that, regardless of any theoretical nuances and strategic disagreements, Moscow and Washington have a lot in common in their counter-terrorist tactics and methods; some of these methods can even be described as almost identical.

In a situation, when thousands of citizens of both the United States and Russia have recently been the targets of major terrorist attacks, unprecedented in scale, both states unsurprisingly stress that the urgent task is to "immediately cripple the ability of terrorists to operate"<sup>10</sup>. This dictates the need to emphasize, at least during the first stages of counter-terrorist operation, post-action retaliation and investigation over pre-emption and, more importantly, prevention. Both Russia and the United States, regardless of their radically different capabilities, resources and international weight, stress the role of military force and other conventional means in the fight against terrorism. Subject to domestic political and security pressures to respond rapidly and decisively to a terrorist threat, both states seem to have neither time nor the will (or resources, in the Russian case) to give priority the need to address the social, economic and political roots of terrorism and other forms of political extremism comprehensively. They prefer to leave this extremely difficult and not immediately rewarding enterprise to others. It is most likely that these trends will be further reinforced by the Russian Government's response to the massive hostage taking in Moscow in October 2002 and to any subsequent large-scale terrorist attacks (such as the one against the Chechen government headquarters in Grozny, committed on December 27, 2002).

Neither Russia, nor the United States have been alone or particularly unique in their use of the fight against terrorism in order to achieve wider strategic goals and solve a number of pressing foreign and domestic policy problems. The use of counter-terrorism as a multi-purpose political tool is almost inevitable and might even be justified, as long as it does not become counter-productive (for instance, in case of abuse of the legitimate right of states to self-defence, guaranteed by Art. 51 of the UN Charter).

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<sup>9</sup> Summary Report of the Bishkek Conference, p. 77.

<sup>10</sup> US Statement to OSCE on Addressing Causes of Terrorism, remarks by David T. Jones to the OSCE Permanent Council, Vienna, Nov. 1, 2001.

## **Russia and the fight against terrorism within the framework of international forums and organizations**

At the end of the year 2001 and throughout 2002, an impression was created that cooperation on practical counter-terrorist measures within the framework of international organizations and institutions became secondary to inter-state, particularly bilateral, cooperation in this field. As has already been noted, after the September 11 attacks, a redistribution in favour of the state of a number of security functions previously delegated to international organizations could be temporarily observed on a global scale. While after the September 11 events it seemed that all key security decisions were made at a national level, the two principal Western organizations—the transatlantic (NATO) and the European (EU) remained in the shadows. This, however, can be seen as a temporary, rather than universal phenomenon, limited to the sphere of international security.

Firstly, long before September 11, 2001, the fight against terrorism had gained prominence within the framework of a number of regional organizations—the Commonwealth of Independent States (CIS) or the “Shanghai Five” (later, the Shanghai Cooperation Organization, SCO), of which Russia is an active member. Cooperation in this field has been implemented on a long-term basis. Thus the extraordinary Dushanbe session of the Committee of Secretaries of the Security Councils of the Collective Security Treaty member states (October 8, 2001), with representatives of other CIS states invited as observers, became the first international forum held immediately after the US counter-terrorist operation in Afghanistan was launched (October 7, 2001). For both the CIS and the SCO, the September 11 events and their consequences have led to the further intensification of the already planned, counter-terrorist programs and initiatives.

Secondly, after the September 11 events, most international organizations did make certain efforts to more actively develop strategies to fight terrorism. In the joint Russian–American statement made at the May 2002 Moscow Summit, it was stressed that in order “to advance stability, security, and economic integration, and to jointly counter global challenges and to help resolve regional conflicts...Russia and the United States will continue an intensive dialogue on pressing international and regional problems, both on a bilateral basis and in international forums, the UN Security Council, G8, and the OSCE”<sup>11</sup>. It is noteworthy that the organizations specifically mentioned in the text of the summit declaration are those Russia is a full member of (in contrast, for instance, to the two main European institutions—EU and NATO). It is the UN, the G8, and the OSCE’s counter-terrorist activities that the following analysis of Rus-

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<sup>11</sup> Joint Declaration on New US-Russia Relationship. Signed in Moscow on May 24, 2002 by George W. Bush and Vladimir Putin.

sia's cooperation with the principal international institutions in this field will be focused on.

The main responsibility for the coordination of the international efforts in the fight against terrorism rests with the *United Nations*. Of all the counter-terrorist resolutions adopted by the UN Security Council since September 11 (1368, 1373, 1377, 1390, etc.), SCR 1373 (28 September 2001) deserves special attention. It calls on the UN member states to take practical steps to prevent and suppress terrorism by preventing and suppressing the financing of terrorist acts, collection of funds for these purposes on their territories, recruitment of members of terrorist groups and by eliminating the supply of weapons to terrorists, by strengthening border controls and by exchanging information with and providing early warning to potential threat to other states, and by more actively coordinating their efforts in the fight against terrorism. On January 10, 2002, President Vladimir Putin issued a special decree on measures to implement SCR 1373.<sup>12</sup>

The appeal of the UN Security Council to all member states to join as soon as possible the twelve international conventions on countering terrorism, including the Convention on the Suppression of the Financing of Terrorism, and to provide for their full implementation evoked a positive response from most member states. At the UN General Assembly, two perhaps most important international legal initiatives in the fight against terrorism are currently under review—a draft Comprehensive Convention on International Terrorism, submitted by India, and a draft International Convention on the Suppression of Acts of Nuclear Terrorism, submitted by the Russian delegation.

Within the UN system, the Security Council's Counter-Terrorism Committee plays a key coordinating role in the fight against terrorism. The Committee was established by the SCR 1373 to monitor implementation of the states' obligations on counter-terrorism, to analyse information submitted by the states, to formulate recommendations to the Security Council and render consulting and technical assistance on the matter to the states in need of it. The permanent representative of the UK in the UN, Jeremy Greenstock, became the Chairman of the Committee and his Russian colleague, Sergey Lavrov, was appointed to serve as Vice-Chairman. By the end of January 2002, 36 states had already reported to the Committee on measures to implement the UN decisions and recommendations in the fight against terrorism.

The problems of fighting international terrorism have also become dominant at the discussions at the annual summit of the leaders of the *Group of Eight* (G8) held in June 2002 in Kananaskis (Alberta, Canada). In a follow-up to the G8 recommendations on the fight against terrorism,

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<sup>12</sup> For the text of the presidential decree, see *Rossiiskaya Gazeta*, January 12, 2002.

the primary attention in Kananaskis was paid to the problem of the link between terrorism and organized crime as well as to the threat of terrorist acts involving the use WMD (for the United States, this issue was of much greater interest than aid to African countries that was supposed to be the principal topic at the summit).

At the Kananaskis Summit, a special role was reserved for Russia as one of the most active participants in the international counter-terrorist campaign. It was not forgotten that as early as in July 2000, speaking at the G8 meeting in Okinawa (Japan), President Putin warned about “the challenge to the peace and stability of all states” posed by international terrorism and about an “arc of instability” and terrorism, stretching from the Philippines to Kosovo, with a centre in Afghanistan.

Of particular importance has been the so-called ‘10+10+10 initiative’ launched in Kananaskis as part of the G8 Global Partnership against the Spread of Weapons and Materials of Mass Destruction and designed to support “specific cooperation projects, initially in Russia, to address non-proliferation, disarmament, counter-terrorism and nuclear safety issues”. Under this initiative, commitments were made to raise up to \$20 billion over the next ten years to support priority projects on the destruction of chemical weapons, the dismantlement of decommissioned nuclear submarines, the disposition of fissile materials and the employment of former weapons scientists. The very fact of such a solid aid package being approved became possible as a result of the realization by both Russia and its Western partners at the end of 2001 of their common interest in suppressing terrorism and countering the proliferation of WMD. In a G8 Statement, six main principles “to prevent terrorists or those that harbour them from acquiring or developing nuclear, chemical, radiological and biological weapons; missiles; and related materials, equipment and technology” were listed. Among these principles was the commitment to “promote the adoption, universalization, full implementation and, where necessary, strengthening of multilateral treaties and other international instruments whose aim is to prevent the proliferation or illicit acquisition of such items...”—a clear evidence of a shift in the position of the Bush Administration, as some of its previous initiatives in this field could be regarded as attempts to undermine, in particular, the Comprehensive Test Ban Treaty (CTBT) and the Biological and Toxin Weapons Convention (BTWC).

Further Russian cooperation in counter-terrorist initiatives was reflected in a G8 statement dealing with the implementation of a new set of counter-terrorism measures based primarily upon Cooperative G8 Action on Transport Security that calls for detailed actions for land, sea and air transport, such as:

implementation of a common global standard for collecting and sharing information on airline passenger lists;

preventing terrorists from transporting dangerous materials into nations in shipping containers;

accelerating the implementation of standards for stronger cockpit doors to be installed on all passenger aircrafts in G8 countries;

support to the development by the UN and other international organizations of effective programs to govern the transport of hazardous materials;

pledges to have G8 nations' transportation experts review progress in implementing the goals every six months.

Finally, at the Kananaskis Summit, as well as at other international forums, it was made clear to Russia that its further integration into the international community, including economic integration (such as its bid to join the WTO) will to a large extent depend on its adherence to such global political campaigns as the fight against international terrorism.

*OSCE* remains the only Euro-Atlantic organization that includes Russia as a full member. With the NATO expansion and the consolidation of the EU, Russia's hopes to transform the OSCE to the leading security institution in post-Cold War Europe have gradually waned. Moreover, Russia sees the OSCE as gradually moving away from addressing more critical politico-military security issues and leaving them to other European security organizations, where Russia was not represented, while concentrating mainly on human rights and democratization issues in the post-Soviet space and in the Balkans.

In the aftermath of the September 11 events, the political climate within the OSCE has become more favourable for Moscow, enabling Russia to make its OSCE policy more active. Prior to September 11, Russia's concerns about terrorist activities were viewed by most of its OSCE partners mainly as an excuse for Moscow's policy on Chechnya. Russia's attempts to include several counter-terrorist provisions, most of which were based on the OSCE previous commitments, in the text of the final declaration at the November 2000 Vienna Ministerial Meeting were heavily criticised by some OSCE members, voicing concerns over potential threat to democracy. In contrast, at the first post-September 11 OSCE ministerial meeting in Bucharest, the attitudes have changed significantly. Russia tried to make the most of the unfolding global counter-terrorist campaign and the increased level of international cooperation in this field, especially with the United States, to breath new life into the OSCE activities, to speed up the process of reforming the Organization and to help it raise its profile in the Euro-Atlantic security community. At the Bucharest Ministerial Meeting, Russian Foreign Minister Igor Ivanov stressed that a practical role that the OSCE, "as Europe's most universal and representative regional structure", is to play in the international struggle against terrorism, "highlights the need to reform the Organization", describing its current state as the one that "has not inspired optimism in recent years". As



noted by the Russian representatives, one of the ways to improve the current situation is to “remove functional and geographic misbalances in the activities of the OSCE and restore its natural role as a forum of political consultations and decisions on key issues of European security...”<sup>13</sup>. In Bucharest, the Russian delegation once again drew the member states’ attention to inadmissibility of double standards, which make it possible to portray extremists, engaged in terrorist activities in places like Kosovo, Macedonia and Chechnya, as “freedom-fighters”.

At the OSCE Bishkek conference on the problems of countering terrorism in Central Asia (December 2001), Russian delegates went even further than the US officials in stressing the importance of counter-terrorist activities in the OSCE agenda. While, according to the Russian representatives, the OSCE, as a “unique all-European structure”, has already proved its utility in strengthening international counter-terrorist coalition, “the Organization must prepare itself for a long-term effort, primarily aimed at revealing and confronting fundamental sources of terrorism”. To start with, the OSCE should formulate its counter-terrorist strategy, referred to by the Russian delegation as “a new security dimension for the OSCE”<sup>14</sup>. More specifically, Russia, much as the United States, stressed the need to clamp down on the financing of terrorism and to help improve national counter-terrorism legislation (up to preparing an OSCE “model counter-terrorism law”), as immediate priorities for the OSCE counter-terrorist activities.<sup>15</sup> In contrast to the United States, Russia continues to emphasize the politico-military dimension of the OSCE and has proposed to create an OSCE mechanism for monitoring compliance of the participating states with fundamental counter-terrorist conventions that “could make recommendations for fighting terrorism, such as outlawing terrorist organizations and various structures that support them...”<sup>16</sup>.

Russia has also suggested utilising the OSCE Forum for Security Cooperation (FSC) to undertake a review of compliance of the member states with their counter-terrorist commitments. Only in the context of post-September 11 global counter-terrorist campaign, these and other Russia’s proposals in this field started to get a more positive response from other OSCE member states. The problem of making the OSCE counter-terrorist activities more active and effective became the focal point of the discussions at the autumn session of the FSC. Special attention was paid to the work on the politico-military part of the OSCE Charter on Preventing and

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<sup>13</sup> Address by Foreign Minister of the Russian Federation Igor Ivanov to the OSCE Ministerial, Bucharest, Dec. 4, 2001.

<sup>14</sup> Statement by Anatoly Safonov, Deputy Foreign Minister of the Russian Federation (originally in Russian), in: Summary Report of the Bishkek Conference, p. 157.

<sup>15</sup> See, for instance, Intervention by Amb. Stephan Minikes, Chief of the US Mission to the OSCE, at Session 5, in *ibid.*, p. 138.

<sup>16</sup> See, for instance, Statement by A. Safonov, *op. cit.*, p. 157.

Combating Terrorism that was finally adopted on December 7, 2002 at the OSCE Ministerial Council in Porto (Portugal). Apart from focusing on concrete counter-terrorist problems, Russia actively uses discussions on counter-terrorist issues at the FSC to further strengthen the politico-military dimension of the OSCE (in July 2002, Russia even submitted a new draft document on the OSCE future peacekeeping operations for consideration by the FSC participants).

Needless to say that for Russia, cooperation in the fight against international terrorism is not limited to those international organizations and forums of which it is a full member. Counter-terrorist cooperation with other organizations is, however, limited by definition and is rather used by Russia (as well as by its partners) for wider foreign policy purposes. Russia–NATO relations have provided the most vivid example. Russia actively uses its improved cooperation with the United States and the West, in general, on countering the common terrorist threat to establish normal working relations with NATO, following the virtual collapse of the Russia–NATO Founding Act as a result of the Alliance’s war against Yugoslavia. The improvement of Russia’s relations with NATO is symbolised by the establishment of a new Russia–NATO Council on 28 May, 2002 at the Russia–NATO Summit in Rome.

### **Russian participation in the international efforts to suppress the financing of terrorism**

The suppression of the financing of terrorism is closely linked to the fight against money laundering (according to the IMF estimates, \$1.5 trillion generated from criminal activities, are annually deposited in bank accounts). No wonder that the September 11 events focused the attention of the international community on the role of the banking system in money laundering: in a period from September 2001 to June 2002 alone, accounts amounting to \$116 billion dollars were frozen.

The *International Convention on the Suppression of the Financing of Terrorism* approved in December 1999, at the plenary meeting of the 54th Session of the UNGA, came into force on 10 April, 2002. The Convention, opened for signing on 10 January, 2000 in New York, has since then been signed by 132 countries. Russia signed the Convention on 3 April, 2002.<sup>17</sup> It should be noted that 22 of the 26 states that ratified the Convention establishing civil and criminal responsibility for the financing of terrorist organization have done so since September 11. In June 2002, the Russian State Duma ratified the Convention and, on 12 July, the President signed the ratification law.

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<sup>17</sup> Russia became the 16th country to sign the Convention.

As early as in 1989, the *Financial Action Task Force on Money Laundering (FATF)* was set up at the G8 Summit meeting in Paris. FATF operates under the aegis of the Organization for Economic Co-operation and Development (OECD). FATF developed 40 general principles (recommendations) for the adoption and implementation of laws on the suppression of money laundering, as well as on financial regulation and international cooperation in this field. For Russia, these tasks are of particular importance, as, along with 18 other states, it had been on “the black list” of countries not suppressing money laundering since it was drawn up by FATF experts in June 2000.

Many FATF recommendations, such as the strengthening of the provisions on the confiscation of property from persons sponsoring international terrorism, were taken into account in the Russian Law “On suppressing the laundering of the money generated from criminal activities” adopted in August 2001. The effectiveness of this law was, however, limited by no reference in the text of the law to the mechanism for the banks to monitor shady transfers and by the need for much closer cooperation between federal and local fiscal authorities, in order to implement its provisions. In this context, the main result of the adoption of the new law was the strengthening of the cooperation between Russian and foreign agencies on criminal prosecution. The adoption of the law on money laundering did not lead to Russia’s automatic removal from the FATF “black list”, but sufficed to guarantee that financial sanctions would not be imposed against it.

In accordance with the law on money laundering, a special agency was formed within the Ministry of Finance, with the primary task of monitoring and analyzing financial flows in order to detect monies of criminal origin. On 31 October, 2001, President Putin signed a decree establishing the *Financial Monitoring Committee (FMC)*, which became operational on February 1, 2002<sup>18</sup>. It took several months for the Committee structure to be put in place and for the first significant achievements to be made. The results of the FMC work and of other improvements undertaken by the Russian government in this area soon became apparent: while at the June 2002 FATF meeting, Russia’s removal from the states’ “black list” was not even an issue on the agenda, at the next meeting in October, following FATF inspection mission to Russia, the latter was not only re-

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<sup>18</sup> According to presidential decree, Financial Monitoring Committee was established as an autonomous body that structurally is part of the Ministry of Finance, similarly to Goskhran (the State Treasury). The FMC central apparatus will number more than 300 employees and its territorial subdivisions about 100. FMC’s subdivisions are set up in each of the seven Federal districts. FMC is empowered to make use of various kinds of information, including that protected by privacy of deposits, but cannot pass it on to other agencies, except for international information requests.

moved from the list, but became an observer in the FATF (and may become a full member of this organization as early as in June 2003).

In addition, Russia took part in the meeting of Ministers of Finance and Chairmen of the Central Banks of the “*Group of Twenty*” states<sup>19</sup>, held on November 16–18, 2001 in Ottawa (Canada), where concrete measures to block the financial channels used by terrorist organizations and the possibility of assuming collective obligations in this field were discussed. It should be kept in mind that all “*Group of Twenty*” states, including Russia, are to set up national financial intelligence agencies that are subsequently expected to join the “*Egmont Group*” of financial intelligence agencies of almost 58 countries, established in 1995.

In full accordance with these requirements, Russia’s FMC joined the “*Egmont Group*”<sup>20</sup> at its June 2002 meeting in Monaco. The Group’s main function is to promote exchange of information and modern technologies between national financial intelligence agencies, to upgrade the level of research and expertise, and to cooperate in training personnel. According to the FMC Chairman V. Zubkov, the fact that “*Russia’s Financial Monitoring Committee has joined the ‘Egmont Group’* means that the FMC is in line with the world standards of financial intelligence agencies and a recognition of Russia’s active role in suppressing money laundering”<sup>21</sup>.

In conclusion, it should be stressed that, while with the start of the global counter-terrorist campaign, suppression of money laundering activities has gained increasing prominence, it should not be seen as a panacea for eliminating the financial sources of terrorism. The main problem here is that the channels used for transferring funds for terrorist purposes do not necessarily have to be integrated into a global financing network and official banking system and are often informal and hard to detect and trace, such as the “*hawala*” system, widespread in the Muslim world<sup>22</sup>. In fact, one of the unintended side-effects of the increased national and international monitoring of the formal financial and banking system has been that the money flows increasingly went underground and the financing of terrorist activities is increasingly handled through informal channels, which makes the task of suppressing them all the more complicated. Against this background, financial suppression measures undertaken by

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<sup>19</sup> The “*Group of Twenty*” was formed in 1999 and is composed of the Ministers of Finance and the Chairmen of the Central Banks of 19 countries. In addition to the G8 member states, these are Saudi Arabia, Turkey, Australia, Indonesia, China, South Africa, India, Mexico, Argentina, Brazil and South Korea.

<sup>20</sup> Named after the venue of the Group’s first meeting in Egmont–Arenberg Palace (Brussels).

<sup>21</sup> Cited from *RosBusinessConsulting*, 5 June 2002.

<sup>22</sup> “*Hawala*” is the Arabic for “*money transfer*”. “*Hawala*” is a traditional way of transferring money, based on trust, which makes it possible, by simple mention of the required sum by fax or telephone, to transfer money to practically any point in the world, without leaving any trace in bank records.

various governments and international institutions as part of the global campaign to suppress terrorist financing might, in fact, seem better tailored for purposes that go far beyond counter-terrorism itself, such as increasing the transparency of national banking and financial systems and thus make them more favorable to foreign investors or launching a global campaign against the remaining off-shore zones, as well as other enclaves and money flows currently not under the full control of official financial institutions.

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A year after September 11, 2001, Russia that had been confronted with a threat of terrorism for much of the 1990s became a most active player in the international campaign against terrorism. Russia has also played a prominent role in elaboration and implementation of counter-terrorist strategies of various international organizations, particularly those where it functions as a full member. On the one hand, in the course of the US-led counter-terrorist campaign, Russia has repeatedly stressed the primary importance of widest multilateral cooperation in addressing global security challenges and of making the maximal use of the potential of the UN and other international/regional organizations for these purposes. At the same time, as demonstrated by the post-September 11 experiences, Russia's practical cooperation with the United States within the framework of the counter-terrorist coalition has been most effective when exercised on a bilateral basis. In sum, Russia's active participation in the international counter-terrorist campaign is not only in line with its own specific counter-terrorist tasks, but also helps it to promote wider foreign policy goals, such as further and deeper political and economic integration into the international community.

### **3. THE EXTENSION OF CSBM TO THE NAVAL ACTIVITIES OF THE STATES OF THE BLACK SEA REGION**

Boris MAKEEV

The OSCE documents do not envisage control of naval forces that constitute a substantial part of the armed forces of the coastal states. The documents do not, therefore, allow for an objective, comprehensive evaluation of the full military potential of these states. The exclusion of the navies from conventional arms control may produce an increasingly destabilising effect on international relations, inasmuch as the conditions for a naval arms race remain.

Navies are the principal carriers of high-precision, long-range armaments (SLCM, naval aviation, modern means of information warfare) that render practical the various theories of the so-called non-contact warfare, envisaging the destruction of an opponent's military-economic potential without direct contact with its ground forces.

In order to maintain strategic stability, it is, in our view, necessary to achieve regional balances in naval activities in the zones of mutual interest to states by the development of wide-ranging cooperation between navies, confidence- and security-building measures (CSBM) and collective peacekeeping activities in those regions.

The need for this kind of naval cooperation is of vital importance in providing security and stability on the European continent.

The OSCE member states have repeatedly discussed the theme of including naval activities in the CSBM negotiation process, but to no avail. Only the Black Sea states have achieved practical results in this respect.

After lengthy preliminary consultations six coastal states—Russia, Bulgaria, Georgia, Romania, Turkey and Ukraine started negotiations in June 1998 on confidence- and security-building measures in the naval sphere.

These negotiations were not easy and, sometimes, reached a deadlock. The main difficulties arose from the positions of some delegations which proposed to limit the negotiations to questions of cooperation between the navies, leaving aside any mandatory confidence- and security-building measures, comprising concrete obligations, strict regulation and effective implementation, as well as verification and inspection measures. They motivated their position by saying that the CSBM approach was a heritage of the past confrontation and mutual distrust. Inasmuch as that period has come to an end, CSBMs should be replaced by cooperation, reflecting a higher level of common action and mutual understanding. Such an approach did not encourage the states, however, to impose threshold limitations on naval activities that form the basis of trust and mutual understanding.

The Russian delegation expressed its disagreement with such a notion of “cooperation” and “trust”, retaining the existing meaning of the terms in negotiation practice. Naval cooperation between the Black Sea states existed before, though there were no CSBMs extant in the accepted meaning of this term. Thus, cooperation between the navies was not subject to juridical regulation and mutual control. Attempts by certain states to replace binding agreements on balanced interests and activities at sea by unilateral acts cannot be recognised as reliable since such acts are not subject to verification.

Four years were needed to overcome the disagreements and work out and agree on the text of a final document, regulating cooperation and providing for the application of CSBMs to naval activities in the Black Sea.

Regular meetings between the commanding officers of the navies of the Black Sea states became important milestones on the way to this goal. The third meeting, held in Istanbul in April 2000, was especially fruitful. Its purpose was to continue the negotiations and reach specific agreements on cooperation between the navies in the Black Sea region. Representatives of Albania, Azerbaijan, Greece and Italy attended as observers.

Agreements were reached at this meeting, which laid the basis for the development of naval cooperation between the Black Sea states. In particular, the participants agreed to constitute joint units capable of solving the following tasks: joint search and rescue operations; humanitarian aid operations; protection of the environment; minesweeping operations; good-will visits by individual ships or squadrons.

The meeting laid down the following principal areas of cooperation between the Black Sea states:

- prompt notification in case of large-scale accidents in the Black Sea waters, representing a danger to the security of all states;

- concerted action of the naval rescue services in order to give assistance in rescue work at sea;

- exchange of information on the hydrographic and hydrometeorological situation at sea;

- exchange of visits by ships and specialists, consultations on naval activities in the Black Sea;

- participation in joint seminars and other events connected with naval problems.

The Russian delegation suggested that the experience of bilateral cooperation between the Black Sea Fleet of the RF and the Ukrainian Naval Forces should be taken into account in the elaboration of the future organizational principles of multilateral cooperation between the Black Sea countries.

A draft agreement was worked out at the meeting between Bulgaria, the Russian Federation, Romania, Turkey, Georgia and Ukraine on the creation of the Naval Cooperation Task Group. This agreement stated the principles, aims, tasks and structure of the group, determined its commanding bodies, the order of its deployment and employment, material-technical provision, financing issues, juridical aspects, as well as the period the agreement remains in force and procedure for its denunciation. The approximate composition of the Black Sea Naval Commanders Committee and the scope of its competence were outlined. Participants and observers at the meeting noted that the naval forces of the Black Sea states by cooperating have every possibility of making a serious contribution to the general stability and security in the region. The agreement on establishing of the Black Sea Naval Cooperation Task Group (BLACKSEAFOR) was signed one year later, on 2 April 2001, in Istanbul.

Further negotiations led to the signing in Kiev, on 25 April 2002, of the Document on confidence- and security-building measures in the naval field in the Black Sea. Its importance for the military-political stability in the region is difficult to overestimate.

This document provides for naval cooperation based, to a large degree, on CSBMs, on which the Black Sea states, for so long, could not agree. These are, in the first place:

- continuous exchange of information on vital naval issues which influence the general security and stability in the region;

- exchange of annual plans of naval activities;

- preliminary notification of large-scale exercises at sea;

- confidence annual naval exercise (CANE) in which partners are invited to participate with their ships or observers;

- mutual visits to naval bases, based on a yearly rotation;

- the further development of traditional forms of cooperation, such as joint exercises, visits by ships, exchange of all kinds of delegations.



The Document covers a wide-range of topics: cooperation in the fight against terrorism, joint suppression of organized crime, drug trafficking, illegal arms trafficking and illegal fishing.

At the same time, the Document does not include far reaching confidence- and security-building measures and this subject is far from being exhausted. Nevertheless, the Document constitutes an important step on the way to multilateral agreements on urgent naval measures. Up to now, these have remained on the fringe of the negotiation process on the limitation of conventional arms and military activities.

In our view, an agreement on collective peacekeeping naval activities in the Black Sea would be an important step forward. Such activities would favourably affect strategic stability in the region and make a serious contribution to the maintenance of wider strategic stability, serving as an example to other maritime regions. This is of particular importance since, at present, the probability is growing that conflict situations in the open sea may deteriorate into armed clashes that can only be deterred by specially organized naval forces.

The BLACKSEAFOR could become the principal instrument for peacekeeping activities by navies in the Black Sea. In our view, the composition of this group, when solving peacekeeping tasks should enable it to perform control, preventive and deterrent functions.

In order to carry out control functions, the group should include high velocity ships, equipped with patrol/combat helicopters. It should be able to perform the following tasks: detect, in the designated areas, violators of international law, acts of terrorism and piracy, attempts to use unsanctioned military force in the Black Sea; identify force concentrations, intended to carry out air and sea operations against one or a group of countries in the Black Sea basin; control implementation of the conditions, laid down in the agreements on security and stability measures in the region.

Preventive functions may consist in demonstrating force at sea to a potential aggressor; separating conflicting groups at sea by tracking them with the threat of the use of force, as well as landing tactical naval forces in coastal areas; and using other means in order to localise an incipient military conflict. To carry out these functions, it would be expedient to use all the different forces in the group.

Deterrent functions may require the build-up of the components of the naval group and even joint action with army units, in coastal areas. The use of force to deter the escalation of an incipient armed conflict might have, as a rule, the following forms: fighting the aggressor's naval forces; imposing a sea and land blockade of his coastal ground forces and delivering missile/artillery strikes against them from the sea; carrying out landing operations with the aim of separating the hostile forces; halting the shipping of the opposing sides in the conflict area; rendering humani-

tarian assistance to the civilian population of the warring countries and other humanitarian and military actions to achieve the earliest cessation of hostilities and the re-establishment of peace and stability in the region.

The successful completion of the lengthy negotiations between the Black Sea countries on CSBMs in respect of naval activities allows one to hope that this process will further develop, including closer cooperation between the navies in carrying out the above-mentioned peacekeeping functions. Specific agreements on these questions could play a significant role in maintaining peace and stability in the Black Sea region. They would also serve as an example of cooperation at sea to other coastal states (many OSCE countries are already showing an interest in the Document, signed in Kiev).

In conclusion, it should be stressed that the significance of the Kiev agreement goes beyond the limits of regional Black Sea problems. It can help to move forward the old international problem of including naval dimension in the negotiations on the limitation of conventional arm. As a harbinger of further negotiations between the Black Sea countries on naval problems, the Kiev agreement opens up such possibilities and there lies its especial international significance.

#### **4. ESDP AND THE SECURITY PROBLEMS OF EUROPE. PROCEEDINGS OF THE IMEMO WORKSHOP**

Alexander SAVELYEV and Boris KHALOSHA

The Workshop, arranged to coincide with the presentation of the *SIPRI Yearbook 2001: Armaments, Disarmament and International Security*, was held, on 25 September 2002, in the Institute of World Economy and International Relations.

A number of Russian and foreign experts on issues of security and co-operation in Europe attended the Workshop. Dr Alyson Bailes, Director of the Stockholm International Peace Research Institute, Dr Theodor Winkler, Director of the Geneva Centre for the Democratic Control of Armed Forces, Dr Andrzej Karkoszka, Head of the Think Tank at this Centre, as well as Dr Vladimir Baranovsky, Deputy Director of IMEMO, Dr Nadezhda Arbatova (IMEMO), Dr Oleg Barabanov (Russian Institute for Strategic Research), Dr Dmitry Danilov (Institute of Europe, RAS), Dr Vladimir Dvorkin (IMEMO), Dr Pavel Ivanov (IMEMO), Dr Alexandre Kaliadine (IMEMO), Dr Vladimir Medvedev (Institute for Strategic Stability), Sergey Pechurov (General Staff of the Russian Armed Forces), Dr Alexander Savelyev (IMEMO), Alexander Simonov (General Staff of the Russian Armed Forces) and Vyacheslav Stefankin (Russian Ministry of Foreign Affairs) joined in the discussion of the introductory paper submitted by Prof. Boris Khalosha, leading researcher at the IMEMO.

In his introductory address, V. Baranovsky noted that an extremely qualified group of specialists had gathered to discuss the above-mentioned theme and to take part in the presentation of the SIPRI Yearbook. The theme, connected with the development of the common European Security and Defence Policy (ESDP) of the European Union (EU), has become one of the most actively discussed, in the context of the new areas in the EU activities. A great number of problems remain, however, which require reflection.

These problems can be divided into a few main groups. The first consists of questions, connected with an analysis of the existing situation in this sphere and an understanding of the true state of affairs. In this connection, it is important to bear in mind that the military dimension of the EU is only part of ESDP, which, in no way, can be reduced to purely military preparations.

The second group of problems consists in the evaluation of the scale and aims of European military integration, including the functions and purpose of the future joint forces.

The correlation of this system with other mechanisms and organizations concerned with security questions, including NATO, OSCE and other international bodies is another vast theme. Apart from this, it is important to assess how these processes influence transatlantic relations—relations with the United States.

The analysis of the impact of the European military integration upon the EU itself is yet another important problem. After all, developments in this direction may radically change the EU, turning it into a completely new structure. At the same time, it is evident that European military integration influences European security, as a whole.

Finally, the interests and policies of Russia in respect of the processes under review are of the greatest importance, especially in the light of the new tendencies both in Russian policy and that of the Western countries, after 11 September 2001.

Naturally, all these questions cannot be addressed, with sufficient depth, in the course of one workshop, if only because of their size and complexity. Nevertheless, even a preliminary analysis of the principal problems, connected with the European, military integration, is useful for a more profound understanding of this extremely important sphere of international relations.

At the first session (chaired by A. Bailes), the participants discussed issues, related to the main tendencies in the integration and security of Europe. The second session (chaired by A. Savelyev) was devoted to examining the national interests and security of Russia.

B. Khalosha noted, that in recent years the development of the military integration processes in Europe and their inter-connection with the problems of European security have become a vast and independent subject. However, its effect on the general state of affairs in Europe and the world has so far not been sufficiently looked into and studied.

The events connected with the war in Yugoslavia, in 1999, and the proclamation of a new strategic concept by NATO were named among the main reasons for the EU's orientation towards creating its own military capability. Both the first and second events showed that, when important strategic decisions were taken, the EU lacked a weighty voice. This fact

has served as a serious stimulus to intensify the work on the creation of an autonomous military potential. In December 1999, corresponding decisions were taken at the Helsinki EU summit.

In the first stage it was proposed to form, by 2003, rapid reaction force (up to corps level), numbering 60,000 men. But the implementation of this idea faces many difficulties. It is quite possible that the proposed figure will have to be revised.

It is also proposed that the armed forces of the EU could be used for managing crisis situations. In this sense, the military component may play a certain positive role, complementing the political functions, performed by the OSCE.

The question of Russia's interests is an important aspect of the problem. In this connection, the results of the Russia–EU summit, which took place in Paris, on 30 October 2000, are of great significance. The decision was taken, there, to hold special consultations between Russia and the EU on issues of security and defence, the development of a strategic dialogue on security and other spheres, affecting Russia and the EU and cooperation in the field of operational crisis management, etc. The intention to give practical content to the Paris decisions in the course of six months was also announced. At this turning point of Russia–EU relations, however, serious difficulties arose.

Russia tried, in every way, to raise the level of cooperation with the EU in the military-political field, but the EU adopted a clearly reserved attitude in this respect. Possibly, it put the break on the development of cooperation in the fear that, in regard to the military component of the integration process, Russia may create a certain “critical mass” of influence on EU policy. One may suppose that the American factor also played a role, bearing in mind the cautious attitude prevalent in Washington towards the possibility of dynamic cooperation between Russia and the EU in the field of military security. This is connected with the fact that the progress achieved, in recent years, in Russia–EU relations, helps the building of a broader edifice of European security, in the framework of which a relative weakening of the leading role of the US in Europe may take place.

The speaker formulated a number of recommendations in respect of the further development of cooperation between Russia and the EU. They cover the following principal areas: intensification of the strategic dialogue and partnership between the RF and the EU; the holding of regular consultations on operational crisis management; cooperation in the production of military-technical assets and a number of others. Such cooperation should be as transparent as possible and not pursue, as the highest leadership of the country has repeatedly emphasised, the aim of splitting the West.

In the course of the ensuing discussions, the participants in the Workshop analysed the main principles of the formation of the military

component of the EU and gave their assessment of its prospects. In their opinion, this process is based on the objective endeavour of EU member states to acquire greater independence in view of the geo-strategic situation in the world and the end of the bipolar era. The change in the very concept of European security, after the end of the Cold War, due to the change in the nature of the threats which, after the events of 11 September 2001, required an adequate response by Europe.

Apart from this, the identity crisis in NATO and the growing contradictions between European integration and Euro-Atlantic partnership have also helped to reinforce the process of military integration in Europe. The re-orientation of US interests in the security sphere, which has led to a fairly selective reaction on the part of the United States to the needs of European security, also plays a role. The speakers drew attention as well to the economic factors in the development of the EU, which require the enhancement of political unity. This unity, in turn, demands the practical advancement of the integration project in the security and defence sphere.

The tragedy of 11 September has, on the one hand, "raised" security policy above the other spheres of EU activity, while, on the other, increased the importance of internal security in the individual EU countries, determined, to a large extent, by national interests. This, in turn, has created certain obstacles on the way to military integration. The EU is, therefore, confronted with the task of adapting military integration to the new international-political and internal conditions.

In the first place, it is quite clear that the EU is not yet ready to accomplish many tasks, such as those connected with the implementation of the declared aims of military missions. What is more, if peacekeeping missions, in themselves, are not viewed in the EU common security policy as being of high priority, the question arises why the EU should create its own rapid reaction force at all. That is why a sceptical attitude to this EU project has grown in Europe and this has created additional difficulties on the way to its implementation.

The participants drew attention to the following factor: the leading European countries have tried to solve the security problems, connected with the reaction to the 11 September terrorist attacks and the campaign in Afghanistan, within the narrow circle of "mini-summits". This is related to this very scepticism in respect of the ESDP. The problem is recognised in Europe and has been, in particular, reflected in the letter of Prime Minister of Belgium, Guy Verhofstadt, to President of France, Jacques Chirac, and Prime Minister of Great Britain, Tony Blair, in which he called for increased attention to the problem of European security and defence. Paradoxically, it was the sending of this letter to the heads of two leading states, and not to the EU, which confirmed the fact that the EU does not play a prominent role in this sphere. The letter was a call not only to

stimulate the ESDP, but to create a genuine European army, an integrated structure of armed forces, capable not only of carrying out peacekeeping missions, but of performing the functions of collective defence. This is a completely new factor in the history of European integration and of the EU, as a whole. It is worth paying attention to this, since, in fact, it shows that a tendency is emerging towards stimulating the political competition between Europe and the United States.

As far as the ESDP and the NATO policy in these spheres are concerned, the opinion was voiced that these two processes do not run parallel, but towards each other. The formation of an EU rapid reaction group enhances NATO's possibilities. Without NATO participation, it was estimated, these forces can, in fact, not be used, in the near future. It may be expected that, in the coming 10–15 years, NATO and the EU will acquire a common military potential. Statements to this effect have already appeared in the western press. In addition, inasmuch as in the creation of EU joint armed forces, the nuclear powers—Britain and France—will also take part, the question of the nuclear strategy of NATO arises. All this cannot but affect Russia's interests, a question to which the second session of the Workshop was devoted.

The participants focused on Russian policies and interests related to this aspect of European military integration, as well as on possible steps it could take in respect of the EU and European processes, as a whole.

It should be noted that the policy and position of Russia on this question has so far not been finally determined. In the nineties, Moscow's policy was based on the idea that Russia should use, to the utmost, the EU internal contradictions in order to reduce to a minimum its military dimension. Presently, priority in the relations between Russia and the EU has shifted towards an active search for ways to cooperate. All this has produced quite perceptible positive results.

Thus, at the Russia–EU Summit in Paris, on 30 October 2000, it proved possible to reach agreement on a new quality of political and military cooperation. The sides recognised the need to give a concrete character to the “strategic partnership”. For this purpose, a whole complex of measures was envisaged to develop cooperation between Russia and the EU in the political and security sphere. They included decisions:

- to launch, on the required level and in due formats, special consultations on security and defence issues;

- to develop the strategic dialogue on security in the spheres affecting the RF and the EU;

- to widen the range of regular consultations, at expert level, on issues of disarmament, arms control and non-proliferation;

- to develop cooperation in the field of operational crisis management.

As a result of further contacts between Russian and the West European bodies, including NATO, the decision was taken to fill the Paris decisions with practical content in the course of six months—a relatively short period for such measure—in time for the Russia–EU Summit in Moscow. It was envisaged that the implementation of these decisions should be a matter of priority.

However, at this decisive stage, a difference of interpretation arose between the sides on a number of most important aspects of the development of cooperation. This was due to a certain difference in the approaches to the pursuing of the political dialogue and cooperation.

At the following Russia–EU Summit in Moscow, in May 2001, the EU officials wanted simply to confirm the results achieved in Paris, and were not ready to advance any further. One of the principal points of difference in the Russian–EU disagreements turned out to be the different interpretation of the Paris decision to launch, at the required level and in due format, special consultations on security and defence issues.

It may be supposed that the EU viewed such consultations as opposing the trend towards reinforcement of NATO. After 11 September, new possibilities for cooperation have emerged, inasmuch as many of the barriers, which made relations between Russia and NATO and the USA difficult, have been removed. The need arose for practical cooperation in certain security-related spheres.

In the course of the discussions, the opinion was voiced that the EU possesses a number of advantages over other security organizations. In particular, the EU adheres to a complex approach to the solution of security problems and has a fairly wide selection of instruments, among which the military is not a decisive one. The EU will, undoubtedly, endeavour to enhance its political role, something, in which Russian is interested.

The idea was also advanced that the time has come to formulate a specific program of cooperation between the EU and Russia on issues of security and defence policy. Such a program could become something of a framework, within which the country presiding over the EU could act.

The speakers drew attention to the need to enhance the effectiveness of the bodies concerned with the political dialogue between Russia and the EU, giving them a format, within which it would be possible to work out joint initiatives and, on their basis, take corresponding action. Finally, the Russian Ministry of Foreign Affairs should insist on the implementation of those decisions that were formulated in joint declarations by Russia and the EU.

The participants emphasised that the European element is traditionally central to Russian foreign policy. In this connection, the question of the formation of a military dimension of the EU is regarded as a new possibility for further Russian integration in Western Europe, and as a chan-



nel for organizing cooperation and joint initiatives. Russia is ready for serious cooperation and will go as far as the EU is ready to go.

The opinion was voiced that a strong Europe, with a considerable military component is in the national interests of the RF, but only on one condition, if Russia, as a whole, and its Armed Forces, in particular, will be regarded by the Europeans as an integral, inseparable part of the common European security policy.

As far as specific areas of cooperation are concerned, in the opinion of most of the participants, this question is less clear, although, today a number of areas can already be defined. The Balkans is one of them. After the fall of the Milosevic regime, a new situation has emerged, which requires the construction of an adequate model of cooperation in this region, though, in principle, the EU is capable of controlling it, even without Russia or the USA.

The post-Soviet space, in the first place, Central Asia, Nagorny Karabakh, Georgia and a few others, is another area of cooperation. A reference was made to the following fact. Russia agreed to the military presence of the US in Central Asia after 11 September, and if President Putin reacted calmly to the American military presence (at any rate at the level of advisers) in Georgia, why then not react in the same way to European peacekeeping contingents for Nagorny Karabakh and, after that, for the Trans-Dniester region, inasmuch as this problem is already openly called a European problem at all West European forums? In this respect, Russia should make up its mind whether it is ready, at least, for discussion of these questions.

The participants also tried to give an answer to the question of whether the Russian Armed Forces could participate in the future joint European forces. The answer was, on the whole, negative. It was, in particular, pointed out that Russia could not afford to spend financial resources, comparable with the EU (leave alone the USA), for military purposes. Armed Forces are not only units of soldiers with their military equipment. They include logistic services, material provisions, clothing allowances, medical care, etc. That costs a lot of money. If these structures are not created, there can be no question of any joint forces.

At the same time, in the view of some of the speakers, separate contingents, made up of highly qualified, well-trained soldiers and officers from the Russian Armed Forces, could quite well take part in specific formations which, one way or another, will be created by the European Union.

It was pointed out that, the existing documents on partnership between Russia and the EU have become obsolete, in their political part, and in their economic part are not fully implemented. The opinion was voiced that an agreement should be concluded on a form of special association of Russia with the EU that would suit both sides.

The participants emphasised that the Russia–EU summits, which, in recent times, have become regular events, as well as the contacts between Russian and European leaders are gradually building the foundations of what, in fact, is a new security edifice on the continent. At the same time, it was suggested that new structures of cooperation should be built. Summits, for instance, could be complemented and even replaced by meetings at ministers' level, where the most urgent problems would be discussed. It is also necessary to set up new bodies to counter terrorism. This would open up new possibilities for broadening Russian–European cooperation in many spheres.

In his concluding speech, V. Baranovsky pointed out the importance and seriousness of the discussion. In spite of the fact that the participants of the Workshop did not come to a unanimous conclusion on a range of issues, they expressed interesting ideas, which could become the subject of further more thorough analysis.

It is quite clear that European integration represents a process, in the course of which changes are constantly occurring in the political landscape of the continent.

The vector of this movement is directed towards enhancing the capabilities of the European Union. It aims at playing more important economic, political and military role, in particular by using those means that are being created in the framework of the ESDP.

In a wider sense, it would be useful to try to seriously assess the fundamental problems of international security in the context of the dynamics of the recent times. It will be very interesting to see how the problems connected with the ESDP will fit into this context and which place the development of Russia's cooperation with the European Union in the military-political sphere will occupy in these processes.

A strategic vision in respect of these problems is needed, which to some extent, is lacking in Russian policy. This applies not only to the sphere of cooperation between Russia and the EU, but in a wider sense also. It is a question, here, of vision in respect of the whole foreign policy and all international affairs, of fixing the strategic orientation and of the search, on this basis, of possibilities for cooperation, directed at vast and serious long-term goals, which would meet the common challenges of the new century.

## **PART II. COMMENTARIES**

5. The new mechanism for cooperation between Russia and the NATO countries: the formation of the Russia–NATO Council
6. Appropriations on defence in the Federal budget for 2003
7. Account of the presentation of the Russian edition of *SIPRI Yearbook 2001: Armaments, Disarmament and International Security*

## **5. THE NEW MECHANISM FOR COOPERATION BETWEEN RUSSIA AND NATO MEMBER STATES: THE FORMATION OF THE RUSSIA–NATO COUNCIL**

Boris KHALOSHA

Positive changes of significant character have recently taken place in the relationship between Russia and the North Atlantic Treaty Organization (NATO). This concerns in the first place, the definition of the new format of cooperation between the RF and NATO member states and its practical contents.

Cooperation within the framework of the Russia–NATO Permanent Joint Council (PJC), set up in May 1997, has not been given any meaningful content over the last five years. After the armed intervention by NATO against Yugoslavia, in 1998–1999, relations between the Alliance and Russia were practically reduced to a minimum.

Their gradual restoration began only in 2000. The tragic events of 11 September 2001 in the USA acted, no doubt, as a strong new impulse. Soon after these events, the British Prime Minister, Tony Blair, came forward with an initiative to set up a new entity, the Russia–NATO Council, that would give Russian representatives the status enjoyed by officials from NATO member states. The proposal reflected the nature and scale of the positive changes in these relations as well as their growing importance to NATO as a result of the formation of the counter-terrorist coalition.

On 7 December 2001, a meeting of the PJC at the level of Foreign Ministers was held in Brussels. The decision was taken at this meeting to start the transition from a format of cooperation of 19+1 (the nineteen NATO member states plus Russia) to the setting up of a new Council, the Russia–NATO Council (RNC) or so-called Twenty Nations Council. This heralded the beginning of a new stage in the transformation of Russia–NATO relations in the organizational-political sphere. As the Russian Foreign Minister, Igor Ivanov, stated on his arrival in Brussels: “within the

framework of the Twenty Nations Council all member states should be partners with equal rights”, i.e. “in equal measure participate in the discussion and elaboration, both of decisions and their practical implementation”<sup>1</sup>.

An unofficial working group on Russia–NATO relations was set up to analyse and elaborate concrete proposals. The group included prominent public figures and scientists. The report which was published by this group, in April 2002, emphasised: “It is our common task not to miss the present opportunity to develop mutual relations and elaborate and set up new mechanism for consultation, joint decisions and concerted actions”<sup>2</sup>.

It is noted, in the part of the report, headed “the Main Propositions”, that Russia and NATO are exposed to the same threats of global terrorism and the proliferation of weapons of mass destruction. Threats also emanate from unstable regions. NATO should continue the process of its adaptation to these threats, in the course of which it should recognise that countering the threats of the 21st century can be done more successfully in full cooperation with Russia. Thus, the interests of both Russia and NATO would be best served by the creation of a new system of relations, based on principles of genuine partnership, which would promote the maintenance of security in all the countries of Eurasia and help to speed up the process of Russia’s integration in the family of democratic nations with a market economy.

On 14 May 2002, the PJC meeting in Reykjavik approved a package of draft documents in respect of the creation of a new mechanism for cooperation between Russia and NATO.

The Heads of 19 NATO member states and the President of Russia signed the Declaration “NATO–Russia Relations: A New Quality” at the meeting of the Russia–NATO Council in Rome, on 28 May 2002.

“At the start of the 21st century”—it is noted in the Declaration—“we live in a new, closely interrelated world, in which unprecedented new threats and challenges demand increasingly united responses. Consequently, we, the Russian Federation and the member states of the North Atlantic Treaty Organization are today opening a new page in our relations, aimed at enhancing our ability to work together in areas of common interest and to stand together against common threats and risks to our security...The Russia–NATO Council will provide a mechanism for consultation, consensus-building, cooperation, joint decision, and joint action for the member states of NATO and Russia on a wide spectrum of security issues in the Euro-Atlantic region”<sup>3</sup>.

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<sup>1</sup> *Kommersant*, 8 December 2001.

<sup>2</sup> For text see: *Nezavisimaya Gazeta*, 22 April 2002.

<sup>3</sup> NATO–Russia Relations: A New Quality. Declaration by heads of state and government of NATO member states and the Russian Federation, *Romanian Journal of international affairs*, vol. VIII, March, 2002, p. 106.

A difference of principle in the new RNC is that if, formerly, within the framework of the PJC, discussions were held between the Alliance (19 NATO member states, the position of which had been already agreed on), on the one hand, and Russia, on the other, now all the participants will take directly part, on equal terms, in the elaboration of a common position.

The RNC is to discuss a range of issues: the struggle against terrorism, crisis management, non-proliferation, arms control, CSBMs, TMD, search and rescue at sea, military-to-military cooperation, defence reform, civil emergencies, and new threats and challenges. Cooperation between Russia and NATO, in each of the above-mentioned spheres, is supposed to be accompanied by a complex of specific organizational and technical measures, both within the framework of the work programmes for 2002, agreed in December 2001 for the PJC, and beyond it. Thus, a special working group is charged with evaluating the terrorist threat, for instance, to Russian and NATO forces, to critical infrastructure such as nuclear facilities; the threat of the use of NBC weapons by not-state bodies, etc.

The fact that each participant to the new Council will act in its national capacity in the format of Twenty on the basis of equality is an important advantage of the cooperation mechanism. It may be expected, therefore, that the new structure will be less exposed to bloc pressure on the part of NATO. In the RNC format Russia will have the possibility of taking part on the basis of equality in decision-making on the issues of European and global security.

The Rome declaration contains an important provision that the Council “will work on the basis of a continuous political dialogue on security issues among its members with a view to early identification of emerging problems, determination of optimal common approaches and the conduct of joint actions, as appropriate”<sup>4</sup>. An emphasis on the activities of the RNC in order to pre-empt the growth of nascent problems to a threatening level is an innovation in Russia–NATO mutual relations.

The meetings of the new Council chaired by the NATO Secretary General are to be held not less than once a month at the level of Ambassadors and military representatives, twice a year at the level of Foreign Ministers and at the level of Defence Ministers and Chiefs of General Staffs, and in special cases, at the highest level.

The effectiveness of the new body will much depend on the political will of the partners and their readiness to move towards each other, but the preconditions for this have been created. This was, in particular, pointed out by the Russian Defence Minister, Sergey Ivanov: “If we go over to consensus decisions, these should be followed by joint commitments to

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<sup>4</sup> Ibid, pp. 106–107.

carry them out”<sup>5</sup>. In his words, this affects, in the first place, the counter-ing of new threats and peacekeeping activities.

The NATO Secretary General Lord Robertson, referring to the unprecedented cooperation between Brussels and Moscow on security issues, stated that “it is based on cold, hard-nosed self-interest on both sides and that is what will make it function”<sup>6</sup>. In this connection, the following circumstance should not be lost sight of. On the whole, in the course of the six-month negotiations on the creation of new mechanisms for cooperation between NATO and Russia, the general mood towards Russia, as a partner, has changed noticeably within the Alliance. This, in turn, has helped to change the mood in Russian military circles to one fairly loyal to NATO. They no longer see the Alliance’s activities as a threat to their country. In this respect personnel changes in the Russian Ministry of Defence, carried out in 2001 and which affected the most irreconcilable opponents to NATO, also played a role.

The evaluations of the agreements, reached on the new format of the relationship between Russia and NATO member states, given by political experts, differ, although they are, mostly, positive. It is noted, in the first place, that the new format constitutes a good basis for the further building of mutual confidence. It is also pointed out that future Russian–Western relations will, in much, depend on the level of partnership, which Russia and NATO achieve in the new format. Attention is drawn to the fact that from now on the NATO member states will have to take decisions on the fight against terrorism, peacekeeping operations, non-proliferation of weapons of mass destruction, etc., together with Russia. The presence of the greatest possible number of Russian representatives at NATO events, forums, seminars, etc.—is welcomed.

More reserved political experts, on both sides, are of the view that the importance of the RNC is exaggerated. Moscow is only given the possibility of agreeing or not agreeing with the positions of the NATO member states. Should disagreement arise, NATO member states can continue to discuss the controversial issues amongst themselves. It was particularly noted that the NATO course towards further enlargement of the bloc did not change. It is to the point to cite the opinion, set out in the report of the above-mentioned working group on Russia–NATO relations: “cooperation between Russia and NATO is necessary, quite independently of the enlargement of NATO, in order to achieve other common aims”<sup>7</sup>. If an effective and working structure is worked out—the report notes—the new Council will contribute to the removal of disagreements connected with

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<sup>5</sup> *Nezavisimaya Gazeta*, 22 April 2002.

<sup>6</sup> *Guardian*, 14 May 2002.

<sup>7</sup> *Nezavisimaya Gazeta*, 22 April 2002.

the enlargement of NATO by elaborating a comprehensive model for providing European security.

One should not overlook a recent tendency, which shows an attempt by certain circles to “revenge” for the progress achieved in Russia–NATO relations. In recent years, NATO has preferred to pose as a military-political rather than a purely military organization. But, in the course of the hearings in the US Senate Committee on Foreign Relations, in May 2002, the Under Secretary of Defense for Policy, Douglas Feith, stated that it is planned to use the Prague summit of the Alliance “to make it more capable militarily”<sup>8</sup>. Officials from NATO, who state that the Alliance does not intend to turn into a political organization for peacekeeping questions and so-called non-military risks, echo him. On the contrary—they say—the military character of NATO should be reinforced.

All this shows the mixed feelings which are emerging in NATO and which serve as additional confirmation of the importance of the treaties and agreements which have been concluded in respect of the new format of the relationship between Russia and the NATO countries.

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<sup>8</sup> <[http://www.defenselink.mil/policy/speech/may.1\\_02html](http://www.defenselink.mil/policy/speech/may.1_02html)>



## **6. APPROPRIATIONS ON DEFENCE IN THE FEDERAL BUDGET FOR 2003**

Pyotr ROMASHKIN

### **General features of the Federal budget for 2003**

The law “On the Federal budget for 2003” was passed by the SD on 11 December 2002 and signed by the President of the RF on 24 December 2002.

These are the main indicators of the budget:

Gross Domestic Product (GDP) – 13 050 billion rubles;

Revenue – 2 417 791.8 million rubles;

Expenditure – 2 345 641.4 million rubles;

Surplus – 72 150.4 million rubles.

In comparison with the indicators of the Federal budget for 2002, the indicators for 2003 grew:

GDP – 1.187 fold;

Revenue – 1.137 fold;

Expenditure – 1.204 fold.

Surplus was reduced 2.47 fold.

In this way, the rate of relative growth of the GDP, the revenue and expenditure of the Federal budget is slowing down in comparison with 2002 when their rate of growth was:

GDP – 1.413 fold;

Revenue – 1.781 fold;

Expenditure – 1.715 fold.

The expenditure on the principal sections of the Federal budget have changed in the following way (see table 1).

The conclusion may, therefore, be drawn that expenditure under the section “National Defence” grows at, approximately, the same rate as the entire expenditure side of the Federal budget. Expenditure under the section

**Table 1**

Categories of the federal budget	Correlation between expenditure in 2003 and in 2002
Total expenditure of the federal budget	1.204
State administration	1.173
Judicial branch	1.331
International activities	1.088
National defence	1.216
Law-enforcement	1.406
Fundamental research and promotion of scientific- technical progress	1.326
Industry, power production and construction	1.190
Environment protection	1.102
Agriculture	1.119
Transport, communications and information	0.843
Prevention and elimination of emergency situations	2.379
Education	1.218
Culture, art, cinema industry	1.349
Mass media	1.155
Health care and sport	1.232
Social policies	0.350
Servicing of the national debt	0.973
Replenishment of state stocks and reserves	4.200
Financial aid to budgets at other levels	3.132
Utilization and destruction of armaments	1.039
Mobilization preparation of the economy	1.000
Space research and exploration	0.785
Military reform	0.885

“Military reform” has even diminished by 11.5%. It should further be noted that expenditure under the section “Law-enforcement” grows considerably faster than the entire expenditure side of the Federal budget.

### **Expenditure under the section “National Defence”**

Expenditure under the section “National Defence” has been fixed at 344 525.5 million rubles, which constitutes 2.65% of the GDP and 14.74% of the total expenditure of the Federal budget. The relative growth in expenditure, in 2003, as compared to 2002, amounts to 21.6%, which differs little from the growth of expenditure of the Federal budget as a whole. Of this expenditure, 325 564.3 million rubles are assigned to the

subsection “Build-up and maintenance of the Armed Forces of the Russian Federation”.

It should be noted that, in the Federal budget for 2002, expenditure on “National Defence” constitutes 2.6% of the GDP and 14.6% of the total expenditure of the Federal budget. The total expenditure of the Federal budget should grow 1.204 fold, as compared to 2002, and expenditure on “National Defence” 1.216 fold. This is one of the lowest indicators of growth in the Federal budget.

So far, the instructions of the President of the RF to the effect that the expenditure on “National Defence” should constitute not less than 3.5% of the GDP has not been implemented.

In recent years, a fairly steady consensus on the part of the strategic community has been formed to the effect that an average level of expenditure on national defence, both by Russian and world standards, should constitute about 3.5% of the GDP. This level was defined as optimal in a number of Decrees by President Boris Yeltsin and confirmed by President Vladimir Putin, although it has never been implemented in the Federal budgets of 1998–2002, submitted by the Government (in which it fluctuated from 2.4–2.7% of the GDP).

It is quite clear that, in the absence of an evident and direct threat of war and without the proclamation of a general mobilization, 3.5% of the GDP is the maximum achievable level of expenditure for Russia on the section “National Defence” in peace time, not including expenditure on other military formations and bodies, concerned with internal and external security.

If 3.5% of the GDP had been allocated for 2003, this would have meant an additional sum of 111 billion rubles, making a total of 456.7 billion rubles. Inasmuch as all are agreed that, in any case, the personnel of the Russian Army should have a reasonable income, be it by the standards of the country (and not comparing it with American or European levels), the following estimates can be made. Let us take as starting point a junior officer’s monthly pay of 10 000 rubles, in current prices, which would enable the officer and his young family, after the military college, on arrival at their first garrison, a minimum of sufficiency and encouragement for further conscientious service.

In that case, taking into account other expenditure on the maintenance of the Armed forces, Russia could afford, within the budget limits mentioned, to have an army numbering a total of 900 thousand men. This, on condition that the recruitment of other ranks would remain on the basis of national service and that for the investment categories (research and development, procurement of armaments and military equipment, capital construction work, repairs of armaments and military equipment) at least

30% of the budget would be available, as was the case at the end of the nineties and the beginning of the new decade.

But the quality of personnel depends also on a number of other factors: in the first place, the provision of housing (at present about 100 thousand officers in the Armed Forces need housing), combat training, the professional level, living and service conditions of the other ranks. Independently of the different evaluations of military threats and requirements, therefore, increased allocations are needed for housing so that this problem may be resolved, if only in 5 years time, as well as substantial improvement in combat training, which presupposes additional expenditure on fuel and lubricants, repairs, spare parts, and munitions. Of the utmost importance remains the transition to the contract principle in the recruitment of other ranks for the Armed Services. If, hypothetically, the Russian Army had fully gone over to contract service in 2003 (assuming a minimum attractive rate of pay of 5000 rubles per month and more), then, taking into account all that has been said, Russia could afford to have an army numbering 700 thousand men. This, while again assuming that the total expenditure on subsistence constitutes 70% of the defence budget.

It should be noted that the experiment of going over to contract service, carried out in the Pskov Airborne Division, was directed at showing that the transition to contract service of the whole army was economically inexpedient. It was based on the false assumption that each soldier or sergeant on contract should be provided with a flat. In all armies, which have gone over to contract service, the majority of these men live in hostels of the barrack type. In our conditions every serviceman on contract could be given an allowance of 1500–2000 rubles a month to rent a flat. This would be cheaper than building new housing.

It is, at present, generally recognised that to allocate only 30% to the technical equipment of the Armed Forces is inadmissibly low. It leads to the moral and physical obsolescence of armaments and military equipment, a reduction of the share of new arms and equipment (a service life of about 10 years and less) to 3–5%, and simply eliminates Russia as an advanced military power. It is essential to raise the funding of the investment categories to, at least, 40–45% of the defence budget.

Table 2 shows the dynamics of the change in the share of expenditure in the GDP and the total expenditure in the Federal budget, under the section “National Defence”, based on the confirmed budgets for 1995–2002, as well as for 2003.

On 25 September 2002, the State Duma voted the budget on first reading. For the second reading the Government of the RF declassified part of the departmental expenditure of the Ministry of Defence (see table 3).

**Table 2**

	1995	1996	1997	1998	1999	2000	2001	2002	2003
In % of GDP	3.76	3.59	3.82	2.97	2.34	2.63	2.66	2.60	2.64
Share of total budget expenditure, in %	20.85	18.92	19.76	17.32	16.29	16.45	17.29	14.60	14.73

**Table 3**

Heads of expenditure	Amount in millions of rubles
Build-up and maintenance of the Armed Forces of the RF	213 595.6
departmental expenditure on education	333.0
departmental expenditure on health care	2 245.4
Provision for the personnel of the Forces, of which	141 075.8
pay of civilian personnel	44 197.2
pay of military personnel	66 227.2
subsistence provision of the military personnel	21 166.1
clothing provision of the military personnel	4 730.5
transport costs for leave and medical treatment	3 125.5
provision of benefits and compensations	1 288.1
Combat training and material-technical provision of the Forces; of which:	55 246.5
payment and storage of special fuel and lubricants	17 280.8
transport provision	7 500.8
housing-maintenance expenditure	24 726.5
Building of special and other facilities, of which:	11 929.5
special facilities	8 092.3
housing	435.0
other facilities	3 402.2
Expenditure on military (special) educational institutions	32.9
Expenditure on reform of the staffing system of military appointments mainly by military personnel, serving in the Armed Forces on contract, of which:	1 200.3
pay of military personnel	14.9
clothing provision of military personnel	13.3
provision of benefits and compensations	62.5
transport provision	27.4
maintenance and use of educational facilities for combat and physical training	20.6
other expenditure connected with combat training	146.0
housing	538.3
special facilities	117.5
other facilities	218.7

Attention should be paid to the target head “Expenditure on the staffing system of military appointments, mainly by military personnel, serving in the Armed Forces on contract” for which somewhat more than 1200 million rubles are allocated. It would seem that this sum will, in the main, be spent on the pay for military personnel doing their national service, since the pay for military personnel on contract is considerably higher than for military personnel doing their national service.

### **Expenditure under the section “Utilization and destruction of armaments, including the implementation of international treaties”**

The Federal budget for 2003 increases expenditure under this section from 10.3 billion rubles in 2002 to 10.7 billion in 2003 (3% more).

Expenditure under this section will now depend on the \$20 billion that the states members of the G8 intend to allocate to Russia, in the course of 10 years, for the destruction of weapons of mass destruction. If this sum is paid out and spent as destined, expenditure from the Federal budget under this section will be minimal. In this connection, the question may arise whether this sum should be included in the revenue part of the budget or whether it will be given in the form of the direct supply of equipment and materials.

### **Expenditure under the section “Military reform”**

It would be expedient to significantly increase expenditure under the section “Military reform” (from 16.5 billion rubles, in 2002, to 28.7 billion, in 2003). The Federal budget envisages to lower expenditure under this section to 15.8 billion rubles. From this it may be concluded that the Government intends to slow down the tempo of reform. This all the more so, if one analyses expenditure under this section. Of the 15.8 billion rubles, 11.0 billion rubles are to be allocated to the provision of housing for discharged military personnel (this is 3 billion less than in 2002) and the payment of discharge benefits for this category of military personnel will be reduced from 2 billion rubles, in 2002, to 720 million, in 2003 (2.77 times less). At the same time, expenditure on transport provision for discharged military personnel and their families to their new place of residence is reduced from 1085.5 million rubles, in 2002, to 372.8 million, in 2003 (2.91 times). The above figures are evidence that, in 2003, it is proposed to reduce the number of discharged military personnel more than thrice (taking into account the pay increase of military personnel in 2002, which automatically raises the discharge benefit). At the same time, expenditure on the building of housing will, in the main, be spent on housing for those discharged in previous years.

## **7. ACCOUNT OF THE PRESENTATION OF THE RUSSIAN EDITION OF *SIPRI YEARBOOK 2001: ARMAMENTS, DISARMAMENT AND INTERNATIONAL SECURITY***

Galina OZNOBISHCHEVA

The ninth Russian edition of the SIPRI Yearbook was prepared, as were the previous editions, jointly by the Stockholm International Peace Research Institute and the Institute of World Economy and International Relations of the Russian Academy of Sciences, with the assistance of the Geneva Centre for Democratic Control of Armed Forces.

The presentation of this book took place, on 25 September 2002, in the IMEMO. It was chaired by Academician Nodari Simonia, Director of IMEMO. About 200 guests attended, among whom: scientific researchers of institutes of the RAS and other research centres, both civil and military, senior officials of the Federal Assembly and a number of government bodies, including the Ministries of Foreign Affairs and Defence, as well as representatives of non-governmental organizations and foundations, universities, the diplomatic corps and the mass media. The Ambassador of the Kingdom of Sweden, Sven Hirdman, and the Ambassador of Macedonia, Dimitaru Dimitrov, also attended the meeting.

In his welcoming speech Nodari Simonia noted that the presentation of the Russian edition of the SIPRI Yearbook has become a “national holiday” for IMEMO and something in the way of a good tradition. He conveyed his gratitude to all those who have taken part in the realization of this laborious and voluminous SIPRI–IMEMO joint project and stressed in particular the role played by Dr Theodor Winkler, Director of the Geneva Centre for Democratic Control of Armed Forces.

Dr Alyson Bailes, Director of SIPRI, presented a paper on the theme “European Security after 11 September”. In her address, she devoted special attention to questions related to the enlargement of the EU and NATO, the fight against terrorism, as well as the relations between Russia

and the EU member states. As to international security, Dr Bailes pointed to a clear tendency of “trying to handle an ever-widening range of security challenges by positive action, including the direct use of military forces”. This tendency, however, should be balanced with measures of traditional arms control that is “still a good way to save expense, cut risks and promote transparency and stability”. Notwithstanding some weakness of the existing arms control regimes, we should not let ourselves drift into a world with “lawless and limitless arms race”. (Dr Alyson Bailes’s paper will be published in full in the journal *World Economy and International Relations* in 2003.)

In her address, Dr Bailes also praised the many-sided cooperation between SIPRI and IMEMO. The serious efforts of translating and distributing the SIPRI Yearbook show that “there are people in Russia who genuinely care about peace—and who care about the security of others as well as themselves”.

Dr Theodor Winkler, spoke about the tasks of the Geneva Centre for Democratic Control of Armed Forces (DCAF). The first is to systematically collect and analyse published documents and draw conclusions from the experience of different countries in the key areas of democratic control and reform of armed forces. The second task consists in giving support to these processes by implementing concrete joint projects, with the participation of organizations of different countries, in such areas as the conduct of research and the collection and presentation of the necessary data.

Dr Winkler stressed that the publication of the SIPRI Yearbook, in the Russian language, constitutes a large part of the Centre’s work and he looks upon these books as an important contribution to raising of the level of information available to the scientific community. He highly valued the work of the team of scientists, translators and editors who have made the Russian version of the SIPRI Yearbook possible.

Dr Andrzej Karkoszka, Head of the Think Tank of DCAF, drew the attention of the participants in the meeting to his paper, published in the *SIPRI Yearbook 2002*, and devoted to the theme of security sector reform, the provision of regional stability and stability in the relations between states.

In the opinion of Vladimir Baranovsky, Deputy Director of IMEMO, the SIPRI Yearbook has become an organic part of the intellectual landscape of the Russian academic, diplomatic and political community. This is a book for knowledgeable readers and, therefore, its preparation imposes high demands. It is remarkable that the edition presented today is among the exhibits at the International Book Fair, held in Moscow in September. This is a sign that the book is in demand. He stressed that, for the second year already, the Russian edition of the SIPRI Yearbook appears together with the Special IMEMO Supplement translated into the English



language. This supplement covers events up to the end of 2001. It highlights the fundamental changes in current international-political developments, connected with the events of 11 September 2001, including possible implications for Russia. Among other issues addressed in the Supplement are the following: Russia's relations with the USA and the European Union in the security sphere, BMD and the strategic offensive reduction, struggle against international terrorism, disarmament (the destruction of chemical weapons in the RF). Special attention is paid to the role of Parliament in the sphere of arms control and disarmament and to the official documents of the RF on questions of defence and disarmament. In this way, the readers of the English original will benefit from the IMEMO Supplement, while the Russian side becomes not only a consumer of the intellectual product, but a provider.

The team of scientific researchers and publishing workers who has accomplished such a difficult project, which numbers more than 1000 pages, deserves, in Dr Baranovsky's words, the highest praise. In the IMEMO, colleagues from many sections took part in the preparation of the edition, but most of the work was done by the members of the Centre for International Security, headed by Dr Alexei Arbatov. The Russian edition of the SIPRI Yearbook 2001 was prepared under the directorship of Dr Alexandre Kaliadine, the principal scientific researcher of the Centre.

Dr Baranovsky thanked the SIPRI staff, in the person of Dr Alyson Bailes, its new director and underlined that she is not only continuing what the previous director of SIPRI, Dr Adam Daniel Rotfeld, who was the "motor" of this project, had started, but is enthusiastically promoting this process by suggesting new ideas and approaches.

The participants in the meeting were presented with a project, carried out within the framework of SIPRI, which makes it possible to disseminate the results of scientific research on CD. IMEMO is also moving in this promising direction and a Russian edition on CD has been prepared. This version does not contain the whole Yearbook 2001, but only certain parts of it. So far, this is an experimental sample, with the aid of which it will be possible to get an idea of how this CD will work in the future.

Alexei Arbatov, Head of the IMEMO Centre for International Security and Deputy Chairman of the Defence Committee of the State Duma, emphasized the special importance of the SIPRI Yearbook in the Russian language and the publication of the IMEMO Supplement. In his view, the Russian and American military-political officials, in spite of a number of differences, have one thing in common, which differentiates them from Europeans. That is a feeling of complete self-sufficiency. They are quite indifferent as to what people have thought in the past or could think nowadays about such serious problems as armaments, disarmament and international security; they start with a "blank sheet" and do not try to

draw lessons from past mistakes or consider alternative approaches. That is why, such a publication as the SIPRI Yearbook and its dissemination in different countries constitutes an important factor which may help to overcome, to a certain degree, these characteristics. At the same time, as Alexei Arbatov stressed, in the West people have little idea of the views of the Russian public on questions of security. When Russian scientists publish their books, these are looked upon exclusively as a Russian product and sometimes with a certain amount of prejudice. When it is done together with SIPRI and with the still very young, but very successful Centre for Democratic Control of Armed Forces in Geneva, the Russian position is seen quite differently, as the reflection of the opinion of part of the community of specialists and professionals, who act together with their European colleagues. That is why, said Alexei Arbatov, in conclusion, while maintaining a high standard of professionalism, we shall in a united effort continue to try to achieve the aims we have set ourselves.

Vadim Lukov, Ambassador at large, congratulated the directors of both institutes with the publication of yet another volume of the SIPRI Yearbook in the Russian language. He felt sure that diplomats, as well as political scientists, will use this publication, not only as an elegant decoration of their book shelves, but as a worthy source of information for all those who really seek to understand the problems of global and regional security. This is of particular importance in our days—the Ambassador emphasised—when international events speed up and interdependence turns into a tight tangle of military and non-military aspects of international security. Both practitioners and scientists—emphasised the Ambassador—will await with impatience the appearance of the new volume of the SIPRI Yearbook which will deal with the problems and events of the year 2002 and the beginning of 2003. Vadim Lukov expressed the hope that the Yearbook will thoroughly examine and assess the important positive changes in the security sphere, which have taking place in recent months on an international level, thanks to the efforts of many states, including Russia.

Many participants in the presentation noted the qualities of the Russian edition of the SIPRI Yearbook. Thus, in the view of Ruslan Pukhov, Director of the Centre for Analysis of Strategies and Technologies, this publication demonstrates a clear, transparent scientific method. Professor Gennady Zhukov (People's Friendship University of Russia) called the latest edition of the Yearbook an invaluable teaching manual for students and post-graduate students. Yevgeny Silin, Director of the Association for Euro-Atlantic Cooperation, stressed that non-governmental organizations are especially satisfied because they do not have the possibilities, themselves, of conducting thorough fundamental studies, which are offered in the Yearbook. Such studies are necessary to develop the dialogue on ques-

tions of arms control, disarmament and international security. In the view of Larisa Vdovichenko, Head of the Analytic Department of the Council of Federation Staff, the SIPRI-IMEMO publication is an example of very precise and objective analysis.

Comments and suggestions were also voiced with a view to improving the Russian edition of the Yearbook. Gennady Gornostaev (Institute for foreign economic links, attached to the Ministry of Economic Development and Trade) noted that interest in the SIPRI publication is not only shown by the military and politicians, but also by specialists in the field of military economics. In this connection, he expressed the wish that future editions of the SIPRI Yearbook would include material on the new tendencies emerging in the military-economic sphere, in particular, on how the defence-industries of the leading countries are adapting themselves to the changing conditions.

Ivan Korpachov (Scientific Research Institute, attached to the Ministry of Defence), expressing his deep gratitude to the authors of the book for the professional way in which they have selected the material for the Yearbook and its high quality, made some constructive suggestions. In his view, it is necessary in chapters on military expenditure in the future editions of the Yearbook to pay attention to macro-economic indicators and evaluations of the "might" of states and analyse the influence of the components of the GDP on the magnitude of defence expenditure. He also noted that military expenditure, in different regions and countries represent magnitudes that it is difficult to compare. In his view, it is necessary to solve the problem of streamlining this information by linking it to a single currency, publishing more prognostic studies and evaluations, as well as material, giving an analysis of the qualitative characteristics of armaments.

Sven Hirdman, Ambassador of the Kingdom of Sweden in Russia, who worked for some years in SIPRI, noted the importance of the publication of the Yearbook in the Russian language, demonstrated by the fact that it is in demand. Intellectual and other expenditure only make sense, in his opinion, when the end result (in this case the SIPRI Yearbook) is of interest, is read and is accessible to all those who are working on the issues of disarmament and international security.

In his concluding remarks, Nodari Simonia thanked the participants in the meeting for their kind words, suggestions and constructive proposals in respect of the SIPRI Yearbook. He, once more, thanked Dr Alyson Bailes for continuing the good tradition of her predecessor, Adam D. Rotfeld, and taking an active part in the book's presentation and expressed the hope that the further joint work of IMEMO and SIPRI will successfully continue to develop.

## **ANNEXE. KEY DOCUMENTS OF THE RUSSIAN FEDERATION ON NATIONAL SECURITY, DEFENCE AND ARMS CONTROL (JANUARY–OCTOBER 2002)**

Alla KOZLOVA and Tamara FARNASOVA

### **I. LEGISLATIVE ACTS OF THE RUSSIAN FEDERATION**

#### **Federal Law no.9-FL “On the Ratification of the Treaty between the Russian Federation and the People’s Republic of China on Good Neighbourliness, Friendship and Cooperation”**

Passed by the SD on 26 December 2001, approved by the FC on 16 January 2002, signed by the President of the RF on 25 January 2002.

The Treaty came into force on 28 February 2002.

#### **Federal Constitutional Law no.10-FCL “On Martial Law”**

Passed by the SD on 27 December 2001, approved by the FC on 16 January 2002, signed by the President of the RF on 30 January 2002.

The law defines the legal basis for the martial law, its regime and the conditions for implementation, the powers of state authorities, the specific way they function and the legal status of citizens and organizations during the period of martial law if it is introduced on the territory of the RF or any of its regions by the President of the RF in accordance with the Constitution of the RF in case of aggression against the RF or direct threat of such an aggression.

#### **Federal Law no.11-FL “On the Ratification of the Agreement between the Russian Federation and the Republic of Kyrgyzstan on Issues of Jurisdiction and Mutual Legal Assistance in the Cases Related to the Presence of the Military Units of the Russian Federation on the Territory of the Republic of Kyrgyzstan”**

Passed by the SD on 26 December 2001, approved by the FC on 16 January 2002, signed by the President of the RF on 30 January 2002.

The law ratifies the above-mentioned Agreement, signed in Moscow on 28 March 1996.

#### **Federal Law no.13-FL “On the Ratification of the Agreement between the Russian Federation and the Republic of Armenia on Issues of Jurisdiction and Mutual Legal Assistance in the Cases Related to the Presence of the Russian Military Base on the Territory of the Republic of Armenia”**

Passed by the SD on 26 December 2001, approved by the FC on 16 January 2002, signed by the President of the RF on 30 January 2002.

This law ratifies the above-mentioned Agreement signed in Moscow on 29 August 1997.

**Federal Law no.14-FL “On the Ratification of the Agreement between the Russian Federation and the Republic of Tajikistan on Issues of Jurisdiction and Mutual Legal Assistance in the Cases Related to the Presence of the Military Units of the Armed Forces of the Russian Federation on the Territory of the Republic of Tajikistan”**

Passed by the SD on 26 December 2001, approved by the FC on 16 January 2002, signed by the President of the RF on 30 January 2002.

This law ratifies the above-mentioned Agreement signed in Moscow on 21 January 1997.

**Federal Law no.15-FL “On the Ratification of the Agreement between the Russian Federation and the Republic of Kazakhstan on the Status of Military Units of the Russian Federation Temporarily Stationed on the Territory of the Republic of Kazakhstan”**

Passed by the SD on 26 December 2001, approved by the FC on 16 January 2002, signed by the President of the RF on 30 January 2002.

This law ratifies the above-mentioned Agreement signed in Moscow on 20 January 1995.

**Federal Law no.16-FL “On the Ratification of the Agreement between the Russian Federation and the Republic of Belarus on Issues of Jurisdiction and Mutual Legal Assistance in the Cases Related to the Temporary Presence of the Military Units of the Strategic Forces of the Russian Federation on the Territory of the Republic of Belarus”**

Passed by the SD on 26 December 2001, approved by the FC on 16 January 2002, signed by the President of the RF on 30 January 2002.

This Law ratifies the above-mentioned Agreement signed in Minsk on 6 January 1995.

**Federal Law no.74-FL “On the Ratification of the Agreement between the Government of the Russian Federation and the Cabinet of Ministers of Ukraine on the Transfer of Goods Within the Framework of Cooperation in the Fields of Space Exploration and the Development and Operation of Missile and Space Technical Equipment”**

Passed by the SD on 5 June 2002, approved by the FC on 14 June 2002, signed by the President of the RF on 28 June 2002.

**Federal Law no.88-FL “On the Ratification of the International Convention on the Suppression of the Financing of Terrorism”**

Passed by the SD on 14 June 2002, approved by the FC on 26 June 2002, signed by the President of the RF on 10 July 2002.

This law ratifies the above-mentioned International Convention of 9 December 1999, signed on behalf of the RF in the city of New York on 3 April 2000.

**Federal Law no.113-FL “On Alternative Civilian Service”**

Passed by the SD on 28 June 2002, approved by the FC on 10 July 2002, signed by the President of the RF on 25 July 2002.

This federal law regulates the relations associated with the exercise by the citizens of the RF of their constitutional right to replace the draft-based military service with the alternative civilian service.

**Federal Law “On the Introduction of Changes in the Federal Law “On Civil Defence”(legalizing the currently existing practice of organization and implementation of measures of civil defence on the territory of the RF)”**

Passed by the SD in September 2002, approved by the FC on 25 September 2002, signed by the President of the RF on 9 October 2002.

The Federal law “On Civil Defence” envisages that the Government of the RF ensures the pursuit of a unified state policy in the field of civil defence. However, the Law does not specify who should define the directions of this policy. The law envisages the legalization of the authority of the President of the RF to define the main directions of the unified state policy in the field of civil defence, and the extension of powers of the Government of the RF in the field of preparing the population for the defence against dangers which arise during military operations, or because of these operations, and the evacuation of population, material and cultural values to safe regions. The law also envisages the extension of powers of the federal executive authorities, executive authorities of the subjects of RF and local self-government authorities in creating and maintaining in the state of readiness the systems designed to notify the population about the dangers arising during military operations, or because of these operations.

## II. DRAFT LEGISLATION

**The Draft Federal Law “On the introduction of changes to article 16 of the Law “On the State Border of the Russian Federation”**

Passed by the SD on 29 November 2002.

Due to the increasing threats to Russia’s national security in the modern conditions including those within the border space (international terrorism, drug trafficking, illegal migration, large-scale misappropriation of natural resources, etc.), the existing 5-kilometer limit of the border zone does not fully provide the protection of the state border of the RF. This Draft law allows to increase the limit of the border zone and, therefore, create the appropriate conditions for the troops and organs of the Border Service of the RF, the forces and means of other federal executive authorities who exercise various types of state control at the state border, for increasing the effectiveness of activities to counter these threats.

The Draft law also formulates, in a more detailed way, the powers of the RF and the subjects of the RF in establishing and lifting the border zone.

**The Draft Federal Law “On the introduction of additions to article 2 of the Federal Law “On the Status of Military Personnel” (in the part devoted to extending the privileges, guarantees and compensations provided for the servicemen and members of their families, to other persons and members of their families)”**

Prepared in accordance with the instruction of the President of the RF and submitted to the SD by the Government of the RF. Passed by the SD on 23 October 2002, approved by the FC on 13 November 2002.

The Draft Law gives the President of the RF the right, in a number of cases, to extend, by his own decision, the privileges, guarantees and compensations provided to the military servicemen and members of their families in accordance with the Federal Law “On the Status of Military Personnel”, to the civilians who do not belong to the military but contribute to completing military missions.

The Draft Law is of a general character and its implementation does not require additional financial resources, as it does not establish the concrete privileges, guarantees and compensations. In the future, as the President of the RF makes decisions in the specific cases, it is planned that their cost is calculated, and the sources for covering these costs are specified.

**The Draft Federal Laws on the ratification of international treaties between the Government of the Russian Federation and the Government of the Republic of Kazakhstan on issues related to the leasing of military and technical sites (4 draft laws)**

At the session on the State Duma on 11 October 2002 a package of the 4 above-mentioned draft laws was examined and passed. These include the laws on the leasing of the Sary-Shagan testing ground, on the leasing of the Emba testing ground, on the leasing of sites and combat fields of the 4th state central ground of the Russian Federation located on the territory of the Republic of Kazakhstan; on the leasing of sites and combat fields of the 929th state flight testing centre of the Russian Federation located on the territory of the Republic of Kazakhstan.

The 1996 treaties between the Government of the Russian Federation and the Government of the Republic of Kazakhstan regulate leasing of objects and military (combat) fields to create the appropriate conditions for the testing of arms and military equipment of the Russian Federation, as well as leasing of the testing grounds of Emba and Sary-Shagan on the territory of the Republic of Kazakhstan.

The above-mentioned treaties—ratified by the parties in 1998—are concluded for the period of validity of the Agreement between the Russian Federation and the Republic of Kazakhstan on the order of operation of these testing grounds and combat fields. In the meantime, the debt of the Russian Federation has been completely discharged. To decrease the lease expenditures arising from the use of the testing sites, objects and combat fields on the territory of Kazakhstan, certain efforts to cut the amount of the leased property has been made. Besides, some grounds that in fact have not been used are returned to Kazakhstan. Each of the four treaties envisages that the change of composition of the leased property and areas must be followed by the revision of the lease rate.

**The Draft Federal Law “On the Ratification of the Agreement between the Russian Federation and the Republic of Azerbaijan on the Status, Principles and Conditions for the use of the Gabalin radar station (‘Darjal’ radar station)”**

Passed by the SD on 30 October 2002.

The Agreement was signed by the Russian side for the purpose of obtaining information on the missile and space situation in the southern direction. The technical resources of the Gabalin radar ensure its operational condition till the year of 2012, and that will allow Russia, within this period, to develop and put into operation a new advanced radar station located on the territory of the Russian Federation and capable to ensure effective control over the southern direction.

**The Draft Federal Law “On the Ratification of the Agreement on the Establishment of the Black Sea Naval Cooperation Task Group”**

Passed by the SD on 30 October 2002.

Apart from Russia, the Black Sea Naval Cooperation Task Group includes Bulgaria, Georgia, Romania, Turkey and Ukraine. The participation of Russia in the activities of this group will allow extending the naval cooperation with the neighbouring Black Sea states and strengthening control over the naval activities of foreign states in the Black Sea.

### III. NORMATIVE ACTS OF THE EXECUTIVE AUTHORITIES

**Ordinance no. 941 of the Government of the Russian Federation of 29 December 2001 “On the control over the import from the Russian Federation to Iraq of dual-purpose goods and technologies covered by the international mechanism of monitoring and control”**

In accordance with the Federal Law “On the State Control”, this ordinance approves the Regulations on exercising the above-mentioned type of control. The texts of the Regulations and six Appendices are attached. The ordinance charges the federal executive authorities to cooperate with the UNMOVIC and the IAEA on issues related to the functioning of the international regime of permanent monitoring and verification over Iraq through the Ministry of Foreign Affairs of the RF.

**Directive no. 1759-r of the Government of the Russian Federation of 29 December 2001**

The Directive approves the proposal of the Ministry of Atomic Power, concerted with the Ministry of Foreign Affairs and other federal executive authorities concerned, on conducting negotiations between the open joint stock company ‘TVEL’ and the Institute of Nuclear Physics of the Academy of Sciences of the Republic of Uzbekistan on concluding the contract for the production and delivery in 2002-2003 of highly-enriched uranium (36% of uranium-235 isotope) for the research reactor located in the Republic of Uzbekistan. The Directive states that this contract can be implemented on the condition that the Uzbek side provides assurances required by the Regulations on export and import of nuclear materials, equipment, special non-nuclear materials and the related technologies confirmed by the Ordinance no. 973 of the Government of the RF of 15 December 2000.

**Decree no. 6 of the President of the Russian Federation of 10 January 2002 “On measures to implement the UN Security Council Resolution 1373 of 28 September 2001”**

In connection with the above-mentioned SCR 1373, according to which acts of international terrorism present a threat for international peace and security and which confirms the need to fight, with every means possible in accordance with the UN Charter, the threats to international peace and security posed by acts of terrorism, the Decree defines the contents and nature of measures which must be taken by the federal authorities and the authorities of the RF’s subjects in order to prevent and stop the financing of terrorist acts.



**Ordinance no. 46 of the Government of the Russian Federation of 24 January 2002 “On signing the Protocol on introducing changes and additions in the Agreement between the Government of the Russian Federation and the Government of the Kingdom of Netherlands on assistance rendered by the Netherlands in the field of destruction of chemical weapons stockpile in the Russian Federation of 22 December 1998”**

The Ordinance approves the above-mentioned Protocol submitted by the Russian Ministry of Foreign Affairs, concerted with other federal executive authorities, and worked out, on a preliminary basis, together with the Netherlands side. The Russian Munitions Agency is charged to sign it, upon reaching an agreement with the Netherlands side, being allowed to make changes and additions of minor importance in the attached Protocol.

**Directive no. 28-rp of the President of the Russian Federation of 25 January 2002 “On signing the Agreement between the Russian Federation and the Republic of Azerbaijan on the status, principles and conditions for the use of the Gabalin radar station (‘Darjal’ radar station)”**

The Directive approves the proposal of the RF Government on signing the above-mentioned Agreement. It is found reasonable to sign this document on the head-of-state level.

**Ordinance no. 72 of the Government of the Russian Federation of 30 January 2002 “On confirmation of the Regulations on the Inter-Departmental Commission on the restoration of the rights of the Russian Federation for the results of intellectual activities transferred to foreign states in the process of organizing, on their territories, of licensed production of arms and military equipment designed in the former USSR and the Russian Federation, and its composition”**

The Ordinance approves the attached Regulations on the Inter-Departmental Commission and its composition.

**Directive no. 155-r of the Government of the Russian Federation of 8 February 2002**

The Directive approves the proposal of the Ministry of Foreign Affairs, concerted with the Ministry of Finance, on charging the Ministry of Foreign Affairs with the functions of ensuring the implementation by the Russian Federation of its financial obligations in accordance with the Wassenaar Arrangement on export control for conventional arms, dual-use goods and technologies.

**The Agreement on Basic Principles of Military and Technical Cooperation between State Parties to the Treaty on Collective Security of 15 May 1992**

The text of the above-mentioned Agreement is published in: *The Collection of the Legislation of the Russian Federation (Sobranie Zakonodatelstva Rossiiskoi Federatsii)*, 1992, no. 8, item 746.

**Directive no. 207-r of the Government of the Russian Federation of 14 February 2002**

In order of implementation of the Federal Law “On the Federal Budget for the Year of 2002”, the Directive confirms the list of construction sites and facili-

ties for the federal state needs for the year of 2002, which are financed by the federal budget for each government customer, in accordance with the departmental functional and economic classification of costs of the Federal budget, as stated by the attached Appendix. Among others, costs of Federal program “The Reform and Development of the Defence Complex (2002–2006)” are listed.

**Ordinance no. 131 of the Government of the Russian Federation of 26 February 2002 “On the state accounting of the results of scientific and research, design and technological activities of military, special and dual-purpose character”**

The Ordinance confirms the Regulations on the state accounting of the results of the above-mentioned types of activities which the Russian Federation has the rights for. The text of the Regulations is attached.

**Ordinance no. 133 of the Government of the Russian Federation of 28 February 2002 “On signing the Agreement between the Government of the Russian Federation, the Government of the Kingdom of Denmark, the Government of the Estonian Republic, the Government of the Finland Republic, the Government of the Federal Republic of Germany, the Government of the Republic of Island, the Government of the Latvian Republic, the Government of the Lithuanian Republic, the Government of the Kingdom of Norway, the Government of the Republic of Poland and the Government of the Kingdom of Sweden on the exchange of data of radiation monitoring”**

The Ordinance approves the draft of the above-mentioned Agreement submitted by the Ministry of Atomic Power, concerted with other federal executive authorities of the RF. Upon reaching an agreement, the Ministry of Foreign Affairs of Russia is charged to sign it on behalf of the Government of the RF. The Russian Federal Service of hydrometeorology and environmental monitoring is appointed as the competent agency of the RF responsible for the implementation of the above-mentioned Agreement.

**The Agreement between the Russian Federation and the Republic of Armenia on Issues of Joint Planning of Use of Troops (Forces) in the Interests of Ensuring Joint Security**

The Agreement came into force on 28 January 2002. Its text is published in: *The Collection of the Legislation of the Russian Federation (Sobranie Zakonodatelstva Rossiiskoi Federatsii)*, 2002, no.13, item 1182.

**Ordinance no. 184 of the Government of the Russian Federation of 26 March 2002 “On signing the Agreement between the Government of the Russian Federation and the Government of the Socialist Republic of Vietnam on cooperation in the field of peaceful use of atomic power”**

The Ordinance approves the draft of the above-mentioned Agreement submitted by the Ministry of Atomic Power, concerted with other federal executive authorities, and worked out together with the Vietnamese side. The Russian Ministry of Foreign Affairs is charged, upon reaching an agreement, to sign the above-mentioned Agreement on behalf of the Government of the RF, being allowed to make charges and additions of minor importance to the attached draft.

**Ordinance no. 206 of the Government of the Russian Federation of 2 April 2002 “On signing the Agreement between the Government of the Russian Federation and the Government of the Republic of Armenia on the exchange of information in the military sphere”**

The Ordinance approves the draft of the above-mentioned Agreement submitted by the Ministry of Defence of Russia, concerted with other federal executive authorities, and worked out together with the Armenian side. The Russian Ministry of Defence is charged to conduct negotiations, with the participation of the Ministry of Foreign Affairs of Russia, and to sign the above-mentioned Agreement on behalf of the Government of the RF upon completing negotiations, being allowed to make changes and additions of minor importance to the attached draft.

**Ordinance no. 225 of the Government of the Russian Federation of 8 April 2002 “On sending to the German side the note about agreement of the Government of the Russian Federation with the distribution of free-of-charge funds allocated by the Government of the Federal Republic of Germany for the destruction of chemical weapons in the Russian Federation in 2002-2004”**

In accordance with the Agreement between the Committee on Conventional Problems of Chemical and Biological Weapons under the President of the RF and the Federal Ministry of Foreign Affairs of the FRG on cooperation in the field of safe destruction of chemical weapons, with the fulfilment of requirements aimed at the prevention of environmental pollution, the Ordinance confirms the text of the above-mentioned note.

**Decree no. 393 of the President of the Russian Federation of 17 April 2002 “On measures to implement the UN Security Council Resolution 1388 of 15 January 2002 and Resolution 1309 of 16 January 2002”**

The Decree defines the scale and nature of measures to implement the above-mentioned SCRs. In accordance with the Decree, all state institutions, industrial, trade, financial, transport and other enterprises, firms, banks, organizations, other legal entities and private individuals under the jurisdiction of the RF are obliged to proceed in their activities from the fact that in the period from 17 January 2002 through 17 January 2003: a) all balances and other financial assets or economic resources of Osama bin Laden, members of Al-Qaeda and Taliban, as well as other persons, groups, enterprises and organizations associated with them, are frozen; b) the entry to the territory of the RF or the transit through it of the persons mentioned in par. a) is forbidden, with the exception of the citizens of the RF as well as the cases where such an entry or transit are necessary for legal proceedings or are allowed by the Committee of the UN Security Council established in accordance with SCR 1267 of 15 October 1999; c) direct or indirect delivery, sales and transfer to the persons listed in par. a), from the territory of the RF or by the citizens of the RF outside the territory of the RF or through use of ships or aircraft under the Russian flag of products designed for military purposes, of dual-use goods and technologies as well as spare parts, units and auxiliary belongings to the above-mentioned products and goods, rendering of technical services and assistance associated with the military activities, as well as organizing education in this field, are forbidden. The Decree stresses that the

above-mentioned measures are not applied to the aircraft of “Ariana” company and its assets and financial resources. All concerned federal executive authorities, in accordance with the Decree, have to send to the Ministry of Foreign Affairs the information on measures which have been taken, or are currently being taken to ensure implementation SCR 1388 of 15 January 2002 and SCR 1390 of 16 January 2002, for the following transfer of this information to the Committee of the UN Security Council.

**Ordinance no. 265 of the Government of the Russian Federation of 22 April 2002 “On confirmation of the Regulations on the Federal Supervision Agency of Russia on nuclear and radiation safety”**

The text of the above-mentioned Regulations is attached.

**Ordinance no. 312 of the Government of the Russian Federation of 15 May 2002 “On signing the Agreement between the Government of the Russian Federation and the Government of the Union of Myanmar on cooperation in the construction of the Centre for nuclear research in the Union of Myanmar”**

The Ordinance approves the draft of the above-mentioned Agreement. Ministry of Atomic Power is charged to conduct negotiations with the Myanmar side and, upon reaching an agreement, to sign the above-mentioned document on behalf of the Government of the RF.

**The Treaty on the Basics of Relationship and the Principles of Cooperation between the Russian Federation and the Islamic Republic of Iran**

The Treaty came into force on 5 April 2002. Its text is published in: *The Collection of the Legislation of the Russian Federation (Sobranie Zakonodatelstva Rossiiskoi Federatsii)*, 2002, no.21, item 1921.

**Ordinance no. 340 of the Government of the Russian Federation of 23 May 2002 “On confirmation of the Regulations on licensing the activities related to the disposal of dangerous waste”**

The Ordinance confirms the above-mentioned Regulations, the text of which is attached.

**Ordinance no. 341 of the Government of the Russian Federation of 23 May 2002 “On signing the Agreement between the Government of the Russian Federation and the Government of Canada on the destruction of chemical weapons”**

The Russian Munitions Agency, together with the Ministry of Foreign Affairs, are charged to conduct negotiations with the Canadian side and, upon reaching an agreement, to sign the above-mentioned Agreement on behalf of the Government of the Russian Federation, being allowed to make changes and additions of minor importance to the attached draft.

**Ordinance no. 346 of the Government of the Russian Federation of 27 May 2002 “On confirmation of the Regulations on licensing the activities in the field of aviation equipment”**

The Ordinance confirms the above-mentioned Regulations that define the order of licensing the development, production, repairs and tests of aviation equipment including dual-purpose aviation equipment. The texts of these Regulations are attached.

**Ordinance no. 347 of the Government of the Russian Federation of 27 May 2002 “On confirming the Regulations on licensing the activities in storing, transporting and destroying chemical weapons”**

The Ordinance confirms the above-mentioned Regulations. The text is attached.

**Ordinance no. 359 of the Government of the Russian Federation of 28 May 2002 “On the functions of the federal executive authorities and the Russian Academy of Sciences related to the implementation of the Comprehensive Test Ban Treaty”**

For the purpose of preparing for the implementation of the CTBT and the fulfilment, upon its entry into force, of the obligations of the Russian side in accordance with the Treaty, the Ordinance defines the functions of the Ministry of Atomic Power as the leading national authority responsible for the CTBT and those of other departments and organizations. They are listed in the text of the Ordinance.

**Ordinance no. 374 of the Government of the Russian Federation of 31 May 2002 “On confirming the Regulations on the Russian Munitions Agency”**

The Ordinance confirms the above-mentioned Regulations. The text is attached.

**Decree no. 627 of the President of the Russian Federation of 20 June 2002 “On measures to implement the UN Security Council Resolution 1412 of 17 May 2002”**

In connection with the implementation of the above-mentioned SCR which envisages measures aimed at promoting the peace process and national conciliation in Angola, the Decree obliges all state institutions, industrial, trade, financial, transport and other enterprises, firms, banks, insurance and other organizations and private individuals within the jurisdiction of the RF, in their activities to proceed from the fact that during 90 days, starting from the date of SCR 1412 of 17 May 2002, the measures restricting foreign trips of UNITA members, are suspended. The federal executive authorities are responsible for ensuring the implementation of this Decree, within their areas of competence.

**Ordinance no. 422 of the Government of the Russian Federation of 14 June 2002 “On confirming the Regulations on licensing space activities”**

The Ordinance confirms the Regulations on licensing space activities. The text of the Regulations is attached.

**Ordinance no. 456 of the Government of the Russian Federation of 21 June 2002 “On licensing the activities in the field of arms and military equipment”**

The present Ordinance confirms the Regulations on licensing the activities in the field of arms and military equipment. Its text is attached.

**Ordinance no. 459 of the Government of the Russian Federation of 24 June 2002 “On concluding the Agreement between the Russian Federation and the United States of America on the extension of the Agreement between the Russian Federation and the United States of America on cooperation in the exploration of outer space for peaceful purposes”**

The ordinance approves the proposal of the Ministry of Foreign Affairs and the Russian Aviation and Space Agency, concerted with other federal executive authorities, on concluding, through the exchange of notes, of the above-mentioned Agreement of 17 June 1992. The ordinance approves the text of the note of the Russian side. The Ministry of Foreign Affairs is charged, upon the completion of negotiations with the American side, to conduct the exchange of note on behalf of the RF, being allowed, if necessary, to make changes and additions of minor importance to the attached draft and, upon reaching an agreement, to sign the above-mentioned Agreement on behalf of the Government of the Russian Federation.

**Directive no. 838-r of the Government of the Russian Federation of 21 June 2002**

The directive approves the proposal of Gosatomnadzor (the State Atomic Supervision Agency), concerted with the Ministries of Foreign Affairs and Atomic Power, on concluding an Agreement between the Federal Supervision Agency of Russia on nuclear and radiation safety and the State Committee of Nuclear Regulation of Ukraine, on the exchange of information and cooperation in the field of regulating safety in using atomic power for peaceful purposes.

**Decree no. 853 of the President of the Russian Federation of 5 August 2002 “On measures to implement the UN Security Council Resolution 1408 of 6 May 2002”**

In connection with the above-mentioned SCR, the Decree obliges all state institutions, industrial, trade, financial, transport and other enterprises, organizations and other legal entities and private individuals, within the jurisdiction of the RF, in their activities to proceed from the fact that the measures with regard to Liberia, outlined in Decree no. 1081 of the President of the RF of 28 August 2001 “On measures to implement SCR 1343 of 7 March 2001”, are extended for the period from 7 May 2002 through 7 May 2003.

**Directive no. 370-rp of the President of the Russian Federation of 5 August 2002 “On signing the Agreement between the Russian Federation and the Republic of Armenia on joint use of military infrastructure sites”**

The Directive approves the draft of above-mentioned Agreement, worked out together with the Armenian side on a preliminary basis. The Ministry of Defence is charged to conduct, with the participation of the Ministry of Foreign Affairs, negotiations with the Armenian side and, upon reaching an agreement, to sign the above-mentioned Agreement on behalf of the RF, being allowed to make changes and additions of minor importance to the attached draft.

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## **ABSTRACTS**

### **ARBATOV, A., “New Russian–American strategic relations”.**

A number of summit meetings, between Russia and the USA, the NATO member states and the European Union noticeably improved the political and economic Western–Russian relations and prospects opened up for closer cooperation in the sphere of international security. Among the substantial results were the Treaty on Strategic Offensive Reductions between the RF and the USA and the agreement on the setting up of the Russia–NATO Council. In both cases there remain a number of ambiguities that may emasculate the significance of the agreements and lead to considerable misunderstanding between the sides. In any realistically conceivable circumstances the optimal variant for Russia is the maintenance of a stable nuclear balance with the USA at the lowest possible level. The most important is not allowing a renewal of the arms race and a confrontation of forces, removing all obstacles to wide-ranging cooperation and forming gradually a closer relationship, which, in the end, will make irrelevant mutual deterrence itself.

A sensible military program and a more firm and consistent line in the Russian–American dialogue on offensive and defensive armaments, directed at consolidating stable deterrence at the lowest levels, full transparency, clarity and military-technical cooperation would, in no way, mean a return to the Cold War and an abandonment of the general line towards wide-ranging cooperation and the integration of Russia in the West.

### **STEPANOVA, E., “Russia and international cooperation in the fight against terrorism”.**

Since the events of 11 September 2001, Russia has been one of the most active participants in the international counter-terrorist campaign. It played an important role in the elaboration and implementation of counter-terrorist measures, within the framework of those international organizations of which the RF is a member. Russia has accorded great importance to the widest possible multilateral cooperation in the solution of world problems and to the utmost use of the potential of the UN and other international organizations, including regional ones. Participation in the international counter-terrorist campaign is not only in keeping with Russia’s concrete tasks in the fight against terrorism, but also promotes its wider foreign-policy interests, in particular, the further political and economic integration in the world community.

### **MAKEEV, B., “The extension of CSBM to the naval activities of the states of the Black Sea region”.**

The successful completion of the lengthy negotiations between the Black Sea countries on issues of cooperation and CSBMs allows one to hope that this process will develop further, including closer cooperation between the navies in carrying out peacekeeping functions. Specific agreements in this sphere could play a significant role in the maintenance of peace and stability in the Black Sea region. They would also serve as an example of cooperation at sea to other coastal states.



**SAVELYEV, A. and KHALOSHA, B., “ESDP and the security problems of Europe. Proceedings of the IMEMO Workshop”.**

Contains a detailed report on the proceedings of the IMEMO Workshop on the development of the common European Security and Defence Policy of the EU, especially in the context of the national interests and security of Russia. The workshop was held on 25 September 2002.

**KHALOSHA, B., “The new mechanism for cooperation between Russia and NATO member states: the formation of the Russia–NATO Council”.**

In recent time significant positive changes have taken place in the relations between Russia and the North-Atlantic Alliance first of all, by defining a new format of cooperation between the RF and the members of the Alliance and giving it a practical content. The formation of the new Russia–NATO Council (RNC) gives an important advantage. Members of the new Council will act in it in their national capacity on a basis of equality. This should give this body an executive character, in contrast to the previous consultative one.

The assessments of the significance of the concluded agreements on the new format of relations between Russia and NATO differ though most are positive. Some experts are of the view that the significance of the RNC is exaggerated and that, in fact, Moscow is only given the possibility of agreeing or disagreeing with the positions of the NATO member states and that, in case of disagreement, the NATO members can address controversial issues amongst themselves. It is noted that the NATO course towards further enlargement of the bloc has remained unchanged.

**ROMASHKIN, P., “Appropriations on defence in the Federal budget for 2003”.**

Expenditure under the section “National Defence” grows approximately at the same rate as the whole expenditure part of the Federal budget, while expenditure under the section “Military reform” is even being reduced by 11.5%. A fairly constant consensus of the strategic community has emerged in the country, in recent years, to the effect that an average level of expenditure, both by Russian and world standards, amounts to 3.5% of the GDP. This level was considered optimal, though it was never realized in the Federal budgets of 1998–2002, submitted by the Government (it fluctuated between 2.4–2.7% of the GDP.) In the absence of a clear and direct military threat and without the proclamation of a general mobilization—3.5% of the GDP is the maximum level of expenditure, under the section “National Defence”, in peace time, which the RF can afford (excluding expenditure on other troops and military corps, concerned with internal and external security).

**OZNOBISHCHEVA, G., “Account of the presentation of the Russian edition of *SIPRI Yearbook 2001: Armaments, Disarmament and International Security*”.**

Provides an overview of assessments of this publication by representatives of the Russian strategic community. The presentation was held at IMEMO on 25 September 2002.

## ***RUSSIA: ARMS CONTROL, DISARMAMENT AND INTERNATIONAL SECURITY***

The Institute of World Economy and International Relations presents in this volume the third issue of *Russia: arms control, disarmament and international security* containing the IMEMO contributions to the Russian edition of the *SIPRI Yearbook 2002: Armaments, Disarmament and International Security*.

They provide assessments of the changes in the international security environment and offer Russian perspectives on its development. The issues under consideration are nuclear arms control and ballistic missile defence. Russia's role in forging a 21st century Euro-Atlantic security system and in the global campaign to fight terrorism. Special attention is given to regional arms control and to Russia's defence budget for the year 2003.

The book may allow those who follow with insight security thinking in Moscow, and in particular regular readers of the SIPRI Yearbook in English, to have access to materials representing views of the Russian analysts on the issues of national, regional and global security.

"The IMEMO contributions to the Russian edition of the SIPRI Yearbook provide facts, data, analyses, forecasts and documentary materials on the Russian policy in the field of defence foreign affairs and arms control."

*Yaderny Kontrol (Nuclear Control)*  
Journal of the PIR Center for Policy Studies  
Volume 8, no. 5, September-October, 2002

"Diplomats, both Russian and foreign, as well as political scientists will use this publication as a worthy source of information for all those who really want to understand the problems of global and regional security. This is of especial importance in our days when international events speed up and interdependence turns into a tight tangle of military and non-military aspects of international security."

*Vadim LUKOV,*  
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