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NORTHEAST ASIA

CHAPTER 1

Engaging Russia for Peace in Northeast Asia

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THE expansionist policies of both Tsarist Russia and the Soviet Union resulted in a good part of Russian territory lying within Asia, yet geography alone has been insufficient for Russia to regard itself as an Asian country.[1] The argument over Russia's European or Asian character has been a central issue in Russian intellectual history and it remains a source of great concern to its intellectuals today. The Russian thinker Chaadaev commented that "spread in two great worlds, with one foot in China and the other in Germany, [Russia] should have combined the spiritual essence of both" (1991, 24–25), while Lenin noted that "geographically, economically, and historically, Russia is not only a European country, but an Asian one as well" (1958–1970, vol. 30, 236).

In spite of continued Russian efforts to increase its influence in Asia, Russia has never really seriously considered itself an Asian country. Research suggests that Russia views relations with Asia as secondary to those with Europe (Bassin 1991). Prior to Mikhail Gorbachev's presidency, Russian foreign policy focused primarily on Europe, while military and strategic competition with the United States was the main dimension of Russia's Asian policy. The Helsinki declaration of 1975 increased stability in Europe and a loosening of the cold war order accompanied the rise of Pacific Asia to a position of central importance in the political economies of Europe and North America. This forced Russia to pay increased attention to the Asia Pacific region.

Post-Gorbachev Russian Northeast Asian policy has aimed to create a friendly environment in the region. In addition to the economic goal of helping revitalize the Russian economy by developing the Far East and Siberia, creating a cooperative atmosphere in the region has security and military dimensions. These aspects include weakening and even eliminating U.S. military influence in the area, inhibiting Japan from rearming and becoming a military great power, preventing China from either isolating itself or growing hostile to Russia, increasing Russia's influence on the Korean peninsula, achieving general arms reduction in the area, and creating a regional security organization. Economic aims encompass inducing other countries in the region to contribute to Siberia's economic development and participating in regional organizations of economic cooperation.

As Russia attempts to achieve these goals, questions arise about the extent to which Far Eastern countries can admit Russia to the Northeast Asian power structure and whether Russian involvement in Northeast Asia indeed contributes to regional stability. This chapter investigates from a Korean perspective the content and limitations of Russia's role in the development of a Northeast Asian political, security, and economic order. The chapter examines Russia's Northeast Asian strategy since Gorbachev's "new thinking" policy of *glasnost* (openness) and *perestroika* (restructuring). It discusses the evolution of South Korea's perceptions of Russia, as well as aspects of potential security and economic cooperation between Russia on the one hand and the two Koreas and the other Northeast Asian countries on the other.

POST–"NEW THINKING" RUSSIAN NORTHEAST ASIAN POLICY

The dismantling of the Soviet Union has had a tremendous impact on Russia's foreign policy, with the challenge of dealing with sixteen newly independent countries on its borders being especially profound. These countries' ethnic and economic problems have meant that Russian foreign policy has attached utmost importance to the stability of its border areas. At the same time, Russian foreign policy has had to support domestic economic reform. After the 1993 dissolution of Parliament and the general elections, and the 1996 presidential elections, increased criticism from communists and nationalists, especially directed at the downside of economic reform, led the Russian government to pursue a tougher,

more aggressive foreign policy. Criticisms directed at the confusion brought about by the "new thinking," dissatisfaction with the dissolution of the Soviet Union, as well as the ethnic problems that attended the emergence of the newly independent republics and led to a rise in nationalist feelings, all contributed to this change in Russian diplomacy.

Simultaneous constraints on Russian foreign policy have included territorial and other threats to national sovereignty, Russia's exclusion from discussions of major international problems, worsening relations with Eastern European countries and the newly independent republics, and the regional and world security arrangements in which Russia is involved.

Despite President Boris Yeltsin's assertions about Russia's position in international society and maintaining its status as a superpower, the reality is that Russia's position is asymmetrical. The asymmetry stems from the fact that while Russia resembles a superpower as long as it possesses nuclear weapons, in many other respects it more closely resembles a third-tier country. Russian foreign policy's necessary focus on the so-called near abroad after the collapse of the Soviet Union is closely related to domestic political issues and constitutes a permanent restraint on Russia's efforts to establish a new identity for itself.

Russia's foreign policy also suffers from great inconsistency. This is understandable considering the difficulty of preserving cohesion when coping with a large number of political changes. The endless debates in the Russian Parliament are also a challenge to attempts to achieve consistency in foreign policy.

These general limitations of Russian foreign policy are reflected in Russia's Asia Pacific diplomacy. It was not until the second half of the 1980s, during perestroika, that Russia finally abandoned its position of political hostility and started to behave more cooperatively in Asia Pacific (Segal 1990; Ziegler 1993). With the formal aim of establishing a multilateral security system, Gorbachev expressed the new orientation of Russian foreign policy on a number of occasions, including a 1986 speech in Vladivostok, a speech in Krasnoyarsk in 1988, during a 1991 visit to Japan, and in the course of intensified efforts to improve bilateral relations with the countries of the region.

Russia's interest in Asia Pacific reached its highest point in the Gorbachev years and has floundered during the Yeltsin administration. The influence of Russia's nationalists, along with continued internal strife in Russia, have made it very difficult to improve Russo-Japanese

relations and obtain significant progress on the problem of the Northern Territories. The normalization of relations with China, which began with Gorbachev's 1989 visit to China, is still being pursued by the Russian government, even though China is not in a position to satisfy Russia's economic needs. Under the circumstances though, it is difficult for Russia's Asia Pacific foreign policy to have a long-term orientation. The focus instead seems to be on specific short-term developments and changes of circumstances. Russia seems to perceive its role now as that of a "balancing power."

Two axes of Gorbachev's "new thinking" diplomacy, demilitarization and de-ideologization, were much more evident in Europe than in Asia. In spite of its voluntary disarmament initiative, "new thinking" diplomacy did not accomplish Russia's acceptance as a member of the Asia Pacific community of nations.[2] The lack of progress in the Northern Territories dispute with Japan was symbolic of this, although the improvement of relations with China[3] and the establishing of official ties with the Republic of Korea were significant attainments.

Establishing diplomatic relations with South Korea in 1990 was a break in the cold war order in Northeast Asia, especially because of the opposition to this step from one of Russia's closest communist allies, North Korea. Russia's interest in the economic prowess of the newly industrialized countries was clearly behind the establishing of official relations. And since an improvement in relations with Japan seemed improbable at that moment, developing ties with South Korea was a good substitute.

Russia's expectations of South Korea were definitely of an economic nature, although Russia did not overestimate South Korea to the point of believing that relations with it could fully replace a relationship with Japan. Motivated by short-term economic goals rather than long-term strategic considerations, Russia looked to relations with South Korea to satisfy its economic needs stemming from internal economic hardship and to ameliorate its failure to have better relations with Japan.

However, the expectations and accompanying enthusiasm proved to be short-lived. The anticipated investments did not occur and the Russians became disappointed by the Koreans' empty promises and thinly veiled attempts to cheat them. The offer to lend Russia US$3 billion, made during negotiations for establishing diplomatic relations, especially put both parties in an awkward position. Only half of the promised US$3 billion was actually dispatched and there was some

disagreement over the interest of the loan. The relationship that emerged after the brief honeymoon was less than happy.

There were other dimensions to Russia and South Korea establishing ties. Following the normalization of relations with Russia, South Korea took another step in its pursuit of a northward policy—it established diplomatic relations with China. South Korea's aggressive northward policy, together with the absence of a specific Russian policy on Korea and the economic confusion and need arising in Russia due to "new thinking," all contributed to the favorable Soviet and later Russian attitude toward South Korea, rather than North Korea.

Russia also supported South Korea in opposing North Korea's nuclear weapons program. From 1991 until the reaching of the Basic Agreement in Geneva in 1994, Russia consistently urged the resolution of this matter through international consultation between the two Koreas, Russia, China, the United States, Japan, the United Nations, and the International Atomic Energy Agency. This represented an attempt by Russia to increase its influence in an area which—like many international problems—it was not able to resolve on its own. That a U.S. initiative finally resulted in an agreement with North Korea—with Russia being included in neither the Korean Peninsula Energy Development Organization (KEDO) nor the Four-Party Talks (the two Koreas, China, and the United States)—resulted in great Russian dissatisfaction. In Russia's view, the diplomacy on Korea lacked originality and was stuck in cold war thinking.

At the same time, due to the intensifying domestic confrontation between the conservatives and radicals, Russian foreign policy became more nationalistic in orientation. Russia's Korea policy was not spared increased criticism.[4] The most important accusation was that Russia's policy on the Korean peninsula had badly damaged traditionally friendly relations with North Korea for the sake of short-term interests with South Korea. As Russian foreign policy assumed this nationalist tenor, Russia's relations with North Korea once again became more visible and it provided Russia with new leverage in relations with South Korea. At the same time, the initiative for the Four-Party Talks (which excluded Russia) greatly affected Russia's confidence in South Korea, particularly in light of its cooperation with South Korea on North Korean nuclear weapons' production. There had been no prior consultation between South Korea and Russia on the Four-Party Talks as the institutional channels for such an exchange were not well developed.

KOREAN PERCEPTIONS OF RUSSIA

In contrast to Russia's policy toward the Korean peninsula, South Korea's approach toward the Soviet Union and Russia has been characterized by the prevalence of very clear political and diplomatic interests. In the short term, the goal has been to use relations with Russia (and previously the Soviet Union) to increase pressure on communist North Korea for high-level dialogue. From this point of view, South Korean and Russian goals vis-à-vis each other were similarly based on expediency (Ha 1996).

South Korea attempted to win Russia's favor by economic means. Yet this approach was based on an overestimation of Soviet influence on North Korea, an inadequate understanding of the character of their relations, and a face-value acceptance of the concept of "new thinking." Accordingly, the unexpected difficulty it encountered in accomplishing its objectives forced South Korea to change its view of Russia. The Russian and Soviet approach to South Korea, and the South Korean perspective of Russia, were both rooted in opportunistic, short-term considerations, with neither side focusing on the relationship's long-term prospects or the management of everyday diplomacy.

South Koreans had keen perceptions, though, of the Soviet Union as a superpower. With the Korean War experience, the general background of communism in North Korea, and the rivalry between the Soviet Union and the United States, South Koreans regarded the Soviet Union as the "godfather" of the socialist camp and as a military powerhouse. When the Soviet Union collapsed so unexpectedly and easily, initial South Korean reaction was that of skepticism about Russia's future capabilities.

As Russia became increasingly caught up in internal turmoil, this skepticism also turned into concern about Russia's ability to maintain a consistent foreign policy. Its lack of progress in its Asian diplomatic offensive after Gorbachev's 1986 Vladivostok speech, as well as the later more nationalistic character of its foreign policy, were not surprising. Russia's threatening approach to South Korea, in terms of which it used its export of nuclear technology to North Korea as a diplomatic instrument, considerably lowered its credibility and did not help improve South Korean images of Russia, especially considering the youthfulness of their relationship. In South Korea's eyes, Russia was bent on short-term profit from the relationship and it did not specify any long-term role that it

intended to assume. South Korea also wondered whether Russia was not still giving priority to its relationship with Europe and the United States and whether in fact it had any interest in Asia at all.

Additionally, dealing with Russia—with its vague pride, consequent desire for external recognition, and as a country that had just lost superpower status—placed South Korea (as well as other countries) in a puzzling and historically rare situation. South Korea was used to the simplistic "it-is-black-or-it is-white" thinking of the cold war days and it had no prior experience that would be helpful for these new circumstances. Similarly, Russia did not understand the specific elements of its relationship with South Korea that distinguished it from Russian relations with China or the United States (Ha 1996).

South Korean diplomacy is also preoccupied with relations with the United States. This is not only a consequence of South Korea's history or of South Korea's own intentions. North Korea's tenacious approach to the United States gives the whole situation a North Korea-U.S.-South Korea structure. This North Korean strategy has made it difficult for Russia to establish a role for itself, while the fast-changing diplomatic circumstances have not allowed South Korea room for a more balanced diplomacy (Ha 1997b).

South Korea and Russia both regard stability on the Korean peninsula as of utmost importance. From a Russian perspective, any instability in a neighboring region like the Korean peninsula is highly undesirable, so it regards Korean unification through the South's absorption of the North as the least favorable of the possible routes to unification because of its implication of Northern collapse. Russia prefers gradual unification based on the construction of a system of coexistence (Tkachenko 1997). South Korea similarly favors a gradual unification process, but it cannot ignore the possibility of a systemic collapse in the North.

Russia also favors the involvement of neighboring countries in the resolution of the Korean problem. Russia has claimed a consistent interest in the Korean peninsula for the past fifty years, based on its continued economic and political investments in the North. Yet it has only offered vague proposals and no concrete projects for opening up the North or for improving relations between the two Koreas. This has made it very difficult for South Korea to obtain a clear understanding of Russia's intentions in the circumstances.

Relations between Russia and North Korea are also developing in the context of the evolving U.S.-Russian relationship, the changing balance

of power in Northeast Asia, and the semi-formed triangular relationship between Russia and the two Koreas. None of these factors are stable, mainly because of questions about the direction of North Korea's strategic interests and Russia's uncertain domestic situation (Ha 1997a).

Overall, relations between Russia and South Korea are not yet grounded on a sound foundation. The point has now been reached where both countries need to analyze their past relations carefully in order to build a new future for the relationship. Both parties will have to base future relations on a reciprocal recognition of each other's long-term interests if the psychological barrier that still separates them is to be overcome. Russia would do well to set aside its hierarchical views of the state and of the international system—both of which are throwbacks to its former superpower status—while South Korea must overcome its fascination with its own successful economic growth along with its cold war–related habit of conducting U.S.-centric diplomacy.

The psychological barrier between Russia and South Korea will not be overcome without sustained, concrete efforts. Cultural, scientific, and technological exchanges between the two countries, for example, remain at the level that they were in the period immediately following the establishment of diplomatic relations. In order to achieve their common goals, no efforts should be spared. Both countries need to remember that they have a common border and that in the long run they need to be able to coexist harmoniously. So it is in their mutual interest to consult actively with each other and cooperate before making certain types of decisions. Through mutual understanding, the two countries should be able to recognize each other's role in the region. It is with this in mind that Russia's role in Northeast Asia, particularly on the Korean peninsula, is examined.

RUSSIA'S ROLE IN THE NORTHEAST ASIAN REGIONAL ORDER

Russia's Approach to Multilateral Security and Stabilizing the Korean Peninsula

At present, Russia seems to be pursuing opportunistic diplomacy in Asia Pacific, plying backwards and forwards between Europe and Asia as it seeks to recover its lost superpower status (Sherr 1996). Especially considering the increasingly nationalistic undertone of its foreign policy, it will need to start approaching Asia Pacific more as a crucial imperative

itself than merely in reaction to the West. Also from a military viewpoint, Russia's focus will shift of necessity from the Eurasian continent toward the Pacific coast. Indeed, in the twenty-first century, the Northern Pacific will be the site of collision between Russia and the main world powers, arising from regional powers' competition for hegemony and the worldwide exhaustion of natural resources (Sinyasky 1992, 10). Asia Pacific, especially Northeast Asia, will become more important to Russia's strategic and security interests.

Yet Russia is making efforts to become part of Asia Pacific. Its lobbying earned it recognition in 1996 from the Association of Southeast Asian Nations (ASEAN) as a full dialogue partner and it recently obtained full membership in the Asia-Pacific Economic Cooperation (APEC) forum. Nevertheless, it must still overcome considerable political, economic, and psychological barriers before it is readily accepted as part of the region. The predominant post–cold war tendency in East Asia has been not to acknowledge Russia's regional political superiority, while encouraging it to further reduce its armaments and to build good relations with its neighbors. A number of Russian scholars oppose a Russian withdrawal from the Far East and have emphasized the necessity of Russia reinforcing its relationship with North Korea in order to enhance its influence in the region.[5] Advocates of this strategy are particularly discontented with Russia's exclusion from the Four-Party Talks on the Korean peninsula.

The Four-Party Talks are strategically significant for a few reasons. First, they reflect the acknowledgement of the need for a new peace arrangement on the Korean peninsula to deal with the uncertainties stemming from the armistice system.

Second, the talks have overcome the previously accepted narrow principle of a solution based exclusively on the parties directly involved to an alternative, more international format of the participation of those directly involved in the armistice system.

Third, the intention is for the Four-Party Talks to facilitate a process leading from peaceful coexistence to unification—and away from the strategy of unification through absorption. This was to allay North Korea's suspicions of the South and, in light of the North's previous evasion of a dialogue with the South, increase the possibility of such discussions and contact with the North.

Nevertheless, this plan has a number of limitations. First, in South Korea the talks are supported by both the progressives and the conservatives,

albeit for different reasons. The progressives support the talks as a way to increase the South's flexibility toward the North and to relax the principle of the exclusive participation of the parties directly involved. Contrarily, the conservatives regard the talks as reinforcing the very principle of the exclusive participation of the directly concerned parties.

The second aspect involves possible friction between South Korea and the United States as the two countries have different views on the matter. U.S. considerations focus on the regional balance of power, while South Korea's are confined to the Korean peninsula. Moreover, as was apparent from declarations of the Four after the talks, it is difficult to separate the U.S.-North Korean relationship from the one between North Korea and South Korea. The unequal influences exerted by the different countries to check the weight attached by North Korea to a relationship with the United States complicated South Korea's formulation of a corresponding diplomatic line with the United States.

Third, South Korea's position is that regardless of how it is modified, the principle of the exclusive participation of the parties directly involved has no chance whatsoever of materializing. This complicates the formulation of various strategies for unification.

The final limitation is North Korea's persistent strategy toward the South of waiting for a propitious opportunity to strike. North Korea is trying to economize its political and military resources, so its basic strategy is to use the U.S. army as a shock absorber between it and the South, and to alter the character of the Korean-U.S. security treaty through diplomacy aimed primarily at the United States. At the same time, North Korea is trying to use Japan's economic power and to exploit U.S. and Chinese efforts to increase their respective influences.

In terms of North Korea's reaction to the idea of the talks, some suspected that it would instead push for three-party talks. No matter what though, it is clear that North Korea wants U.S. participation.

In this context, South Korea's basic strategy is that of "half-joining," that is joining the talks in neither a direct nor in an indirect way but adopting a midway position. In terms of this strategy, South Korea has to present its perspective clearly to the North in order to weaken its suspicions regarding the South. The core idea behind the strategy is that there will be systemic changes following the North's opening up and that the only available option then will be coexistence.

For South Korea to achieve this strategy in the Four-Party Talks requires the invocation of the KEDO model. Indeed, KEDO is a powerful

example of "half-joining." The respective relationships between North Korea and the United States, and South Korea and the United States form the main axes of KEDO, yet the reality is that South Korea holds the initiative because it is constructing the power plants.

Another important aspect of the KEDO model is that North Korea has no choice but to acknowledge the existence of South Korea as it is sending thousands of specialized technicians to construct the plants. The secret of KEDO's success is precisely that while the two Koreas do not collide directly, each accomplishes its main goals. It goes without saying that the presence of the United States lies behind this achievement.

How could the KEDO model be applied to the Four-Party Talks? Russian proposals to this effect include some of the following ideas.

First, the Four-Party Talks do not necessarily mean that all four members must be included in literally every meeting of the Four. The composition of participants taking part in meetings could vary according to the topics discussed. For example, discussions dealing with economic problems, problems related to the peace arrangements on the Korean peninsula, and problems concerning postunification regional security would all involve different combinations of participants.

In order to make North Korea deal positively with the Four-Party Talks and its own opening up, talks on economic issues would be more effective if they attracted international—not just South Korean—cooperation and interest in North Korea's economy. Yet the reality is that South Korea and other countries are not attracted by the possibility of a North Korean economic collapse or by instability arising from the declining economic situation there. Therefore, one direction for the Four-Party Talks could be to develop multinational consortiums under the South's lead to address ways of improving North Korea's economic situation. This would ease individual countries' burdens in helping North Korea while also reducing the North's suspicions of the South.

Second, there will need to be talks about the arrangements for keeping peace on the Korean peninsula. Participants at these talks will be the four parties directly involved in the armistice, namely South and North Korea, the United States, and China. However, it might be necessary to obtain the participation of other interested and involved regional parties for certain aspects.

Third, since it will be difficult to maintain peace arrangements on the Korean peninsula without a stable regional order, establishing regional security will constitute a very important mid- and long-term

issue. And it is in this regard that Russian involvement becomes necessary.

In spite of statements made in the 1980s regarding multilateral security in Asia Pacific, that Russia's position has not been given appropriate consideration (Pollack 1994) is less than desirable for the future stability of the Northeast Asian order. Russia's desire to participate in cooperative regional security efforts should not be discouraged. If Russia's military is not constructively engaged with the countries of the region—regardless of Russia's internal situation—regional security will suffer (Chung 1996).

In which case, a role for Russia in the context of expanded Four-Party Talks should be considered. While Russia supports the principle that the parties most directly concerned should predominate within the Four-Party Talks, it simultaneously hopes for a part in these discussions. Considering that the issues discussed at the Four-Party Talks are directly related to the emergence of a new security system on the Korean peninsula and in Northeast Asia, the talks should be expanded to include Russia and Japan. With South Korea presently preoccupied with its economic crisis, resolving the problems with North Korea seems to have been set aside for the time being. Perhaps this is a good time to acknowledge Russia's interest and involve it in diplomatic efforts to secure new multilateral security arrangements in the region.

Relations between Russia and South Korea have clearly not progressed as much as both sides expected they would by this point. It also seems that only the negative aspects of the relationship receive attention when in fact there have also been many accomplishments. Both countries should now intensify their efforts to define their own roles toward each other. Given the constantly evolving domestic and international situations, it is necessary for both government and civilian levels to revitalize channels for communication in order to minimize the misunderstandings that keep arising too easily between the two countries.

Integrating Russia into the Economy of the Far East

The Soviet Union did not show much interest in Northeast Asia's economy during the 1960s. As a consequence of the Sino-Soviet conflict though, the Far East was very important in military terms, so the Soviets determined that they would deploy nuclear weapons in the region. This necessitated developing the Far East's economy, so the Central Committee of the Communist Party and the Russian cabinet set up an

economic development program for the area. While the program looked at developing an armaments industry and improving inhabitants' living standards, it did not examine Russia's relations with the other countries in the region. The start of Russia's declared economic relations with these countries was a general agreement with Japan on the use of forests and the subsequent pursuit in 1967 of coastal trade with Japan. These developments contributed to a framework for economic cooperation in Northeast Asia, but they were hardly aimed at intentionally integrating Russia into the region. The 1980s, however, heralded a series of encouraging undertakings, such as a project with Japan regarding the extraction of 900 billion tons of natural gas and the exploitation of Yakutia's strip mines in exchange for supplying 5.5 million tons of anthracite to Japan. Two issues became apparent for the economic development of the area: overcoming the burden of transportation to Europe and functioning as part of the Asia Pacific region. After the introduction of perestroika in the 1980s, there was a preference for a regional approach to these issues over that of the central government with its preoccupation with earning foreign currency; this orientation, however, brought no significant results (Minakir 1995, 45–47).

After 1989, Russia began emphasizing the economic importance of the Far East. The president of the Regional Council of Khabarovsk and the governor of Sakhalinskaya Oblast spoke publicly about establishing a Far Eastern Republic. Rather than being expressions for independence, these comments were requests for self-administration.[6] The 1990 "Concept for Economic Development of the Russian Far East" by the Regional Council of the Far Eastern Regions was an attempt to transform the Far East into a free economic zone with an open mixed economic system to attract foreign investment. This initiative resulted in serious discussions within the Russian Federation and it effected a change of policy in terms of which the special economic rights of the Far East were recognized early in 1991. When the Soviet Union collapsed later that year, the special economic rights did too. However, economic reform in Russia has meant a reiteration of interest in developing Siberia and the Far East. In spite of many obstacles, there is growing foreign interest and investment in Siberia and the Far East (Lee Chang-Jae 1997).

Yet skepticism about the level of real interest is in order. Plans to weave the Russian Far East economically into Northeast Asia have abounded in the post–Soviet period. Examples include ideas about exploiting the oil fields and natural gas of Yakutia, Vodaio, and Sakhalin,

and establishing a free economic zone in Nakhodka, as well as plans to develop the Tumen River basin and Vladivostok. But none of these proposals have yet delivered anything concrete (Buryi 1997).

There are many reasons for the present reluctance to cooperate substantively with or invest significantly in Russia and its Far Eastern areas. There are questions about Russia's commitment to reform and its basic democratic orientation, as well as concern about the role of nationalism. The Russian Far East is unfortunately also no exception in terms of the general condition of the social-economic environment, one of the most important problems of Russia's transition toward the market economy (Stephan 1993).

Conflicts between the Russian federal government and local governments over their respective responsibilities and jurisdictions are also obstacles to greater investment in the region (McAuley 1991). The direct approaches of regional administrations and new economic institutions to Asia Pacific countries is certainly positive proof of their relatively recently acquired autonomy. However, the vertical relationship with the central government and the horizontal relationships of the various economic organizations also cause a number of problems, including contributing to Far Eastern nationalism.

In addition, anxiety among the inhabitants of the Far East about possible negative effects from economic cooperation in Northeast Asia also acts to deter certain developments in the region (Chong 1997, 348–350). Examples of such apprehension include fears about a massive inflow of workers from labor-abundant China in the case of the Tumen River project, Russia's decline as a natural resource and quasi-processed-products exporting country, the polluting of the southern part of Siberia's Maritime Province, the loss of foreign currency due to declining foreign use of Russian harbors and transportation facilities, and the worsening investment atmosphere in the Nakhodka Free Economic Zone. Concern has also been expressed about possible negative effects from Russia's participation in Asia Pacific on other regions' cooperation with it. Indeed, the conditions of Russia's involvement in Asia Pacific are very much under debate (Afanasiev 1996).

Finally, there are the limitations arising from Russia's foreign policy toward Northeast Asia. In addition to its territorial problems with Japan, Russia has to deal with the domestic perception of the Far East's value to Russian interests as being purely economic, as opposed to being also political and cultural. If Russia is serious about wanting to be regarded

as an Asia Pacific country, it should not just see economic benefits from developing ties with the Far East, but should recognize the reality of its broader affinity and interests there and substantially modify its foreign policy in the region.

One area deserving further attention is trade between Russia and South Korea. The volume of trade between the two countries increased from US$900 million in 1990, when official ties were established, to more than US$4 billion in 1996 and possibly US$10 billion by the year 2000. Yet these figures are below the original expectations of trade between the two, with both countries agreeing that economic exchanges over the past seven years have been disappointing. Given the two countries' geographical proximity and their economic and industrial complementarity, greater cooperation would clearly benefit both while also furthering economic integration in Asia Pacific. Russia and South Korea should continue pursuing multilateral economic cooperation, but they should also further expand bilateral cooperation. The Joint Russian-Korean Economic, Scientific and Technological Committee, which was held in Seoul in July 1997 after being continuously postponed for five years, was a concrete step in enhancing relations between the two countries.

At the same time, South Korea and Russia should also expand the scope of their economic cooperation to include China and North Korea. Geographic and structural conditions are favorable for combining Chinese and North Korean labor with South Korean management and technology and Russian technology and resources. An example of this type of collaborative approach is the United Nations Development Programme (UNDP) proposal to develop the Tumen River delta. But it should be reiterated that meeting the anticipated goals of such a project would be impossible using exclusively an economic approach. The KEDO model is again a useful model.

STEPS TOWARD ENGAGING RUSSIA FOR PEACE IN NORTHEAST ASIA

Mutual interdependence, which enhances stability, is increasing in Asia Pacific in general and Northeast Asia in particular. Along with the worldwide tendency to developing a framework for cooperation—such as the European Union and the North American Free Trade Area—various cooperative bodies have also been formed in Asia Pacific. An

example of this is the APEC forum, which links East Asian and North American states. But not all cooperation is as structured. For instance, in 1996 Japan expressed its intention to participate in the UNDP-suggested Tumen River project. Such collaboration increases the possibility that South and North Korea, China, Russia, and Mongolia will also participate in multilateral development projects.

There are also improved structures for communicating about multilateral security matters in Northeast Asia. Examples here include the South Korean–proposed North East Asia Security Dialogues (NEASED) and the ASEAN-initiated multilateral talks on Northeast Asia and Asia Pacific, the ASEAN Regional Forum (ARF). Constructing "cooperative" or "common" security on the basis of multilateral dialogue is important in the post–cold war era, especially as well-tested security apparatuses such as the Council for Security Cooperation in Europe or the Organization for Security Cooperation in Europe, organizations dealing with multilateral security in Europe, are not present in the region.

Unstable factors that could lead to regional conflict are very present in Northeast Asia and Asia Pacific. It is hard to say whether the security situation on the Korean peninsula will have improved over the mid to long term, as North Korea is experiencing serious economic and social crises. It has also threatened the peace on the peninsula by trying to make the existing armistice regime meaningless and by occurrences such as the Kangnung submarine incident in 1996. North Korea is still trying to avoid contact and talks with South Korea, while it is paying attention to trying to improve relations with the United States since the 1994 Geneva Agreement. Other security flashpoints in Northeast Asia include the Taiwan issue, the Senkaku Islands dispute between Japan and China, the Spratly Islands altercation between China and Southeast Asian nations like Malaysia, Brunei, and the Philippines, and the Northern Territories disagreement between Russia and Japan.

Post–cold war uncertainty is one of the main factors making the region unstable, along with the fact of the four major powers searching for countermeasures to the new situation. First, the United States and Japan are trying to build a new security system based on mutually agreed guidelines. China and Russia are worried about strengthened military cooperation between the United States and Japan, while they also try to construct a "strategic partnership." The idea of such a partnership was initiated during President Boris Yeltsin's April 1996 visit to China

and was reaffirmed when President Jiang Zemin visited Russia the following year. Even though this partnership was not formed to oppose the U.S.-Japan alliance per se, it can be assumed to have strong regrets about it.

The ultimate impact of the economic crisis in Southeast Asia on Northeast Asia's economic security is yet another variable. The financial crisis, which started in Southeast Asia and spread to South Korea, is now threatening Taiwan, China, and Japan. Yet there is no regional mechanism to manage this kind of economic crisis. Given the region's unstable condition, perhaps Southeast and Northeast Asian security needs to be redefined to reflect economic vulnerabilities too. Reexamining Russia's engagement in the region in light of the economic crisis, the conclusion should not however be that it is not worthwhile for Russia to be engaged in Northeast Asia and Asia Pacific. Rather, the point should be that constructive measures should be adopted to strengthen multilateral security and cooperation. This is the key challenge for the entire Asia Pacific region for the mid and long term.

Assuming that the regional economic outlook brightens, along with Russia's domestic situation, what kind of steps would need to be adopted to enhance the security of Northeast Asia? Resolving the tensions on the Korean peninsula is obviously critical. One of the old dogmas of South Korea's unification policy was that North Korea should talk alone and directly to the South Korean government. South Korea's acceptance of the format for the Four-Party Talks represents a change in this principle. Underscoring the need for flexibility, the Four-Party Talks should be developed as a means to possibly bringing about a balanced peace.

Before discussing the issue of Russia's involvement, two points should be noted. First, the discussion of a security system in Northeast Asia will naturally lead to discussion of a solution for the Korean peninsula. Second, a security system for Northeast Asia can be achieved along with the construction of a peace system on the Korean peninsula. Therefore, Russia's involvement in this region should be discussed in the logic of the regional situation.

A process of trying to secure peace and security on the Korean peninsula can be divided into three different stages.[7] The first stage involves improving bilateral relations between the three major parties—the two Koreas and the United States. The Four-Party Talks can contribute to this initial stage by incorporating North Korea's demand for direct talks with the United States with South Korea's emphasis on inter-Korean

dialogue. At this point, the Four-Party framework could contribute admirably to making progress in the various sets of bilateral relations.

There are two other essential components to this first stage of a Korean peninsula peace process. One is preparing for the legal transition of the armistice arrangement to a peace treaty regime between the two Koreas, the United States, and China. The other task would be creating a confidence-building arms control regime among those nations with a military presence on the peninsula, principally the two Koreas and the United States.

The first stage should proceed in two steps. The United States should conduct bilateral talks with the North on normalizing diplomatic and economic relations between the two countries. Meanwhile, North and South Korea should agree on concrete rules and procedures for inter-Korean joint committees to discuss confidence building, exchanges, and cooperation in relevant areas—as envisaged in the Basic Agreement of 1992. Multiple sets of bilateral talks among the two Koreas, the United States, and China could also be utilized during this process in which the two separate but simultaneous steps are taken.

Once substantial progress in the two sets of negotiations is achieved, all members of the Four-Party Talks should get together at one table to prepare for adopting a peace treaty. This treaty may include a timetable to ensure proper implementation of tentative agreements among the parties on improving bilateral relations. This would fulfill the first stage of the peace process that terminates the armistice regime and establishes a peace regime on the Korean peninsula.

The Four-Party format should not exclude constructive but informal participation of countries such as Russia and Japan in this first stage. By definition, they would not have any formal power in determining the content of the peace talks, but their informal contribution should be welcomed. Yet Russia should not use strengthened North Korean-Russian relations as a lever for pressuring the South.[8] Efforts also need to be made at this stage to increase economic cooperation among the states of the region.

The starting point of the second stage is the adoption of a peace treaty. Given that this would involve a greater degree of arms control in the region, the wider participation of other countries—including Russia and Japan—would be required. Restraining arms transfers to the Koreas across Northeast Asia and a regional agreement to make the Korean peninsula a nuclear-free zone would require Russian and Japanese

involvement. Both North and South Korea are negative about the idea of accepting a Japanese government role in the first stage of a peace process on the peninsula. However, both need to engage Japan as well as Russia in the process of building a system of regional peace and security. This means that the formal framework to achieve the second stage of a peace process on the Korean peninsula must become Six-Party Talks to include Russia and Japan.

Russia has made clear that it wants to play a role in building peace in Northeast Asia. But Russian participation in a Korean peninsula peace process involves a couple of difficulties from the start. First, Russia was not one of the signatories to the 1953 armistice treaty. Second, if Russia participates, then Japan must be able to participate too. Yet both North and South Korea are not ready to accept a Japanese political and military role in the first stage of the peace building process. Part of that stage, the Koreans feel, involves recovering from issues originating during Japanese colonialism. Once the basic political and security conditions for peace are accomplished, as they must be during the first stage of the peace process, the Koreans are more likely to accommodate the active participation of Japan and Russia.

The third and final stage of the peace process can proceed when Six-Party Talks are proceeding smoothly. The third stage should be characterized by a qualitatively different type of inter-Korean dialogue and its goal should be to produce the basis for a political commonwealth, possibly a confederate form of political integration, between the two Koreas. This may naturally change the framework of the discussions from Six-Party Talks to a "Five-Party Interaction System" of the four major powers and a loosely integrated Korean commonwealth. At this juncture, the multilateral peace talks, which began as a specific forum for peace on the Korean peninsula, could broaden into a security forum for Northeast Asia in general. The formation of a loose political commonwealth on the peninsula would indicate that a stable, maturing peace regime had emerged there. So shifting the focus of the third stage to a multilateral forum for regionwide peace would be appropriate. Russia would be an active and significant actor in the region at this point and other states should support this.

This reasoning behind the three stages does not preclude the possibility that North Korea may be bankrupt and may collapse before there is progress toward peaceful unification of the two Koreas. As widespread disaster and violence from a sudden North Korean collapse must be

avoided, projecting a patient vision of a long but peaceful process toward the ultimate establishment of a unified Korea may be helpful. The three-step evolution of the peace process—from talks for four, to six, to five parties—may be the most helpful for progress toward peace in Northeast Asia. Constructively engaging Russia in the region in this way is premised on Russia's domestic situation improving.

CONCLUSION

In the long-term interests of Northeast Asia, Russia must participate in regional economic cooperation and in the construction of a regional security system. Its past experiences with arms reduction and other aspects of security could be useful for establishing a new regional order. Consultations with Russia will be necessary regarding arms reductions on the Korean peninsula, as well as for a long-lasting peace arrangement on the peninsula. Overall, the governments of Russia and the other Northeast Asian states have to develop a long-term vision about developing the region, including Siberia and the Russian Far East. A long-term plan must of necessity also include technological, social, and cultural exchanges among the region's states, and the KEDO model may be instructive for enhancing this type of cooperation. Collaborative economic projects, such as jointly developing the Tumen River delta, will also be critical for the region's prospects.

Russia is no longer a country outside of an isolated Asia. It is clearly deeply involved in Asia and will become even more so in the future. In order to be reborn as an authentic Asian country, Russia needs to understand and verify its identity as an Asian state. That Russia does not have much experience of functioning as an Asian country increases the necessity of learning how to do so. And this task will remain a dream if Russia continues to regard Asia and the East only as a lever in its relationship with the West. It is hoped that another Chaadaev will not rue at the turn of this century that Russia should have synthesized the two civilizations between which it finds itself.

Analysis in this chapter predates the Asian economic crisis, but the regional implications of the crisis are clear. The crisis has shaken the prevalent belief that Asia's economic prosperity would continue untrampled. In retrospect, most analyses and projections regarding Asian economies were too optimistic. Linkages between economies were viewed in positive terms while the nature of the interdependence was

seldom discussed. Economic linkages in the region were often spontaneously established, with no regional institutions and agencies—including APEC—functioning as monitors. The monetary crises in South Korea, Indonesia, and Thailand, and Japan's weak economic condition have now dramatically changed regional economic and political maps. The significance of the Asian economic development model is also being challenged, and its relevance for Russia is probably more negative than positive. It also means that a country like South Korea will find it more difficult to invest in Russia and work aggressively on economic cooperation.

How the economic crisis will influence Asian security and politics is not yet clear. The crisis will probably not be conducive to developing favorable security regimes. For example, South Korea's weakened economic capabilities will likely have negative consequences for inter-Korean relations.

NOTES

1. Regarding Russia's geographical expansion and the evolution of its perception of Asia, see Haunner (1990).

2. For further discussion of Gorbachev's Asian policy, see Zaitsev (1992), Segal (1990), and Ziegler (1993).

3. China has subsequently emerged as Russia's second most important trade partner, after Germany. Russian trade with China rose from a mere US$3.9 billion in 1991 to US$7.7 billion in 1993. See Ziegler (1994).

4. Former Russian Foreign Minister Andrei Kozyrev discussed this openly. See Kozyrev (1995), as well as Simes (1994) and Adomeit (1995).

5. See, for example, Vladislavlev (1994).

6. For a discussion about Russia's central government and the governments of the Far Eastern region, see Stephan (1994, 288–290).

7. For a similar discussion of the three stages of transition to the peace system, see Lee (1996).

8. For further discussion of Russia's foreign policy on the Korean peninsula, see Vorontsov (1997).

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