

## **THE EVOLUTION OF THE RUSSIAN APPROACH TO THE MTCR: THE END OF A CHAPTER?**

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There is a certain tendency that some problems in the arms control and nonproliferation area, which have attracted the attention of world community and experts for considerable period of time, are somehow being eclipsed by other events, only to return later in even more acute forms. The missile transfers issue was very much in the focus of international politics in the 90s as one of the most pressing aspects of global proliferation, arms control and regional stability<sup>1</sup>. Although overshadowed by the dramatic shifts on the global arena with the advent of the 'new millennium', it is potentially slated to return as soon as the attention of the world community is drawn away from the current Iraqi imbroglio.

The residual dangers of nuclear and missile proliferation, including those emanating from the former Soviet states, have received a renewed, though somewhat muffled sense of prominence in the wake of the terrorist attacks of September 11, 2001 and the ensuing U.S.-led global "war on terrorism." The attacks and enduring recalcitrance of international terrorist groups like renowned al-Qa`ida, which are seeking even more dangerous tools for their "asymmetrical warfare" strategy against "the ungodly North", demonstrated the urgency of completely neutralizing the threat of weapons of mass destruction (WMD) spillover, as well as their delivery systems.

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<sup>1</sup> There is a whole bibliography on the subject covering basically all facets of this problem. In 1994, Janne Nolan characterizing the state of bibliographic attention devoted to ballistic missiles' proliferation as one in which "a virtual blizzard of books, scholarly articles and now official analyses" on the subject offered just about everything that can be said. Janne E. Nolan, review of *Going Ballistic: The Build-Up of Missiles in the Middle East*, by Martin Navias, in *Survival*, Spring 1994, pp. 177-179. (This piece was kindly indicated to me by Dennis Gormley)

Currently, the organized international terrorism perpetrated by violent Islamist fundamentalism (resulting from the failure of certain Arab societies to find proper niche in the globalization process) is replacing the past globally-encompassing threat of the world Communism. One of the most complex tasks emerging in the realm of national security which now faces the democratic industrialized nations is to prevent such proliferation to terrorist organizations, the states that support them and other aggressive non-state entities seeking to undermine international and regional stability<sup>2</sup>.

Clearly, the acquisition of sophisticated know-how can greatly reduce the time-span potential proliferators' need to develop or significantly modernize medium and long-range missiles and outfit them with the capability to deliver WMD payloads. Such developments may pose a direct threat to the national security of all major industrial nations, specifically to the U.S. homeland, its allies and to the coalition military forces deployed abroad. They seriously dilute efforts to enforce the Missile Technology Control Regime (MTCR) and other international nonproliferation regimes<sup>3</sup>. Obviously,

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2 See the article where this problem was first presented: Eliot A. Cohen, "World War IV", Wall Street Journal, November 20, 2001

3 On the basic outlines of the missile proliferation problem and MTCR, see, for example:

-National Intelligence Council, Foreign Missile Developments and the Ballistic Missile Threat through 2015, Unclassified Summary of the National Intelligence Estimate, 2002.

-Central Intelligence Agency, Unclassified Report to Congress on the Acquisition of Technology Relating to Weapons of Mass Destruction and Advanced Conventional Munitions, 1 January Through 30 June 2001, January 2002.

-Central Intelligence Agency, The Acquisition of Technology Relating to Weapons of Mass Destruction and Advanced Conventional Munitions: July-December 1996, June 1997.

-Committee on National Security, House of Representatives, Challenges Posed by Russia to United States National Security Interests, June 13, 1996.

-US Congress, Office of Technology Assessment, Proliferation and the Former Soviet Union, US Government Printing Office, Washington DC, September 1994.

-US Congress, Office of Technology Assessment, Proliferation of Weapons of Mass Destruction: Assessing the Risks, US Government Printing Office Washington, DC, 1993.

-US Congress, Office of Technology Assessment, Technologies Underlying Weapons of Mass Destruction, US Government Printing Office, Washington, DC, 1993.

-US Department of Defense, Office of the Secretary of Defense, Proliferation: Threat and Response, 1997.

-US Department of Defense, Office of the Secretary of Defense, Report on Nonproliferation and Counterproliferation Activities and Programs, US Government Printing Office, Washington DC, May 1994.

-Kathleen C. Bailey, Can Missile Proliferation Be Reversed?, Orbis, Winter 1991.

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- Kathleen C. Bailey, *Doomsday Weapons in Hands of Many: The Arms Control Challenge of the 1990*, Urbana Champaign: University of Illinois Press, 1991.
- Michael Beck, Gary Bertsch and Igor Khripunov, *Export Control Policy: Development in Russia*, Center for East-West Trade Policy, University of Georgia, Athens, Georgia, 1993.
- Gary Bertsch, Richard Cupitt and Steven Elliott-Gower- Eds., *International Cooperation on Nonproliferation Export Controls*, University of Michigan Press, Ann Arbor, 1994.
- Gary Bertsch and Suzette Grillot, Eds., *Arms on the Market: Reducing the Risk of Proliferation in the Former Soviet Union*, Routledge, New York, 1998.
- Wyn Bowen, *The Politics of Ballistic Missile Non-proliferation*, Basingstoke: Macmillan Press,; New York : St. Martin's Press, 2000.
- W. Seth Carus, *Ballistic Missiles in Modern Conflict*, Praeger, New York, 1991.
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- Steve Fetter "Ballistic Missiles and Weapons of Mass Destruction: What Is the Threat? What Should be Done?" *International Security* 16, Summer 1991.
- US National Academy of Sciences with Russian Academy of Sciences, *Dual-Use Technologies and Export Administration in the Post Cold War Era*, April 1, 1993.
- Vlad Genin, ed., *The Anatomy of Russian Defense Conversion*, Vega Press, Walnut Creek, 2001.
- J. Harvey, Ed., *Assessing Ballistic Missile Proliferation and Its Control*, Center for International Security and Arms Control, Stanford, CA, 1991.
- Barry Hurewitz, "Non-Proliferation and Free Access to Space: The Dual-Use Dilemma of the Outer Space Treaty and the Missile Technology Control Regime," *Berkeley Technology Law Journal*, Spring 1994.
- Aaron Karp, *Ballistic Missile Proliferation. The Politics and Technics*, Stockholm International Peace Research Institute, Stockholm, 1995.
- Elina Kirichenko, "The Evolution of Export Control System in the Soviet Union and Russia," in : Gary Bertsch, Richard Cupitt and Steve Elliott-Gower, Eds., *International Cooperation on Nonproliferation Export Controls*, University of Michigan Press, Ann Arbor, 1994.
- Sergey Kortunov, "National Export Control System in Russia," *Comparative Strategy*, May 13, 1994, pp. 231-238.
- K. Scott McMahon and Dennis M. Gormley, *Controlling the Spread of Land-Attack Cruise Missiles*, American Institute for Strategic Cooperation, Marina del Rey, CA, January 1995.
- Thomas Mahnken and Timothy Hoyt, "The Spread of Missile Technology to the Third World," *Comparative Strategy*, October 1990.
- Thomas Mahnken, "The Arrow and the Shield: The US Response to Ballistic Missile Proliferation," *The Washington Quarterly*, Winter 1991, pp.189-203.
- Robert Nagler, Ed., *Ballistic Missiles Proliferation, An Emerging Threat*, System Planning Corporation, Washington, DC, 1992
- Martin S. Navias, "Ballistic Missile Proliferation in the Middle East," *Survival* 31 (May/June 1989) pp.225-239
- Martin Navias, *Going Ballistic: The Build-Up of Missiles in the Middle East*, *Survival*, Spring 1994, pp. 177-179.
- Janne Nolan, *Trappings of Power: Ballistic Missiles in the Third World*, Brookings Institution, Washington, DC, 1991.
- Alexander Pikayev, Leonard Spector , Elina Kirichenko and Ryan Gibson, *Russia, The U.S. and the Missile Technology Control Regime*, Adelphi Paper 317, London, IISS, 1998
- William Potter and Harlan Jencks, Eds., *The International Missile Bazaar: the New Suppliers Network*, Westview Press, Boulder, 1994.
- R. Shuey et al., *Missile Proliferation: Survey of Emerging Missile Forces*, Congressional Research Service, Washington DC, February 1989.
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- Leonard Spector and Virginia Foran, *Preventing Weapons Proliferation: Should the Regimes Be Combined? A Report of the Thirty-third Strategy for Peace*, US Foreign Policy Conference sponsored by the Stanley Foundation, Airlie House Conference Center, Warrenton, Virginia, October 22-24, 1992.
- Richard H. Speier, *A Nuclear Nonproliferation Treaty for Missiles? Chapter 3 in : Henry Sokolsk, Ed. Fighting Proliferation: New Concerns for the Nineties*, The Nonproliferation Policy Education Center, Washington, D. C. Air University Press, Maxwell Air Force Base, Alabama, January 1996
- Idem, *Russia and Missile Proliferation*, Statement by Richard H. Speier, Independent Consultant on Proliferation before the Subcommittee on International Security, Proliferation, and Federal Services of the Committee on Governmental Affairs U.S. Senate, June 5, 1997, [http://www.fas.org/spp/starwars/congress/1997\\_h/s970605s.htm](http://www.fas.org/spp/starwars/congress/1997_h/s970605s.htm)

missile proliferation originating from the former Soviet states, North Korea or China, on par with other types of WMD spillover, even in its 'subdued' form increases international tensions in the developing world and threatens to escalate existing conflicts there.

There is, however, only limited number of states which could be counted as potential sources of advanced military technology. Russia among them is still considered a kind of "supermarket in high-tech weaponry for the poor"<sup>4</sup>. So the question arises – is the present-day Russia still a mischievous source of some residual missile proliferation or this phenomena has become mostly a historical issue of the Russia's Soviet past or, at least, Clinton-Yeltsin era.

The generally constructive, if not "friendly" status of Russian-Western interaction and Russian-U.S. dialogue in particular, as well as seemingly thriving state of the Russian economy due to the high oil prices certainly reduce the dangers of Moscow's missile "largesse". However, it does not disappear completely. Press reports, U.S. official statements and independent studies indicate that many exporting enterprises in Russia and the CIS continue to be "unaware" of the proliferation risks associated with the transfers of particular goods and technologies and are poised to provide them. Others may intentionally have taken advantage of the relatively lax domestic export control system and generally negligent law enforcement in this area under Yeltsin's rule. Although the Russian government proclaims its staunch allegiance to nonproliferation regimes' norms and vehemently denies any breaches, it appears unable to completely

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-Valentin Tikhonov, *Russia's Nuclear and Missile Complex: The Human Factor in Proliferation*, Carnegie Endowment for International Peace, Washington, DC, 2001.

-Brad Roberts, *Weapons Proliferation and World Order: After the Cold War*, Boston Kluwer Law International, The Hague, 1996.

-Steven Zaloga, "Ballistic Missiles in the Third World: Scud and Beyond," *International Defense Review*, #21, November 1988, pp.1423-1427.

-Steven Zaloga, *Target America: The Soviet Union and the Strategic Arms Race, 1945-1964*, Presidio, Novato, CA, 1993.

<sup>4</sup> Stephen Blank, "Russia as Rogue Proliferator," *Orbis* Vol. 44, no. 1 (Winter 2000), pp. 94-95, 100

suppress them, even if it genuinely aspires to do so. Perhaps, Russia in some cases even deliberately tolerates the sale of critical technologies to the “class-friendly” traditional clients in the Third world. This could be perpetrated as additional means of supporting cash-strapped defense enterprises, preserving its share of the international high-tech arms markets and to generally assure Moscow’s global geopolitical influence. In any case, Moscow continues to attach great importance to its “missile” dealings, mostly with its major arms customers and key geopolitical allies such as China and India which account for approximately 80% of its arms sales.

However, in the past few years, the effusion of missile technology from Russia which would clearly violate Category I restrictions of the MTCR has trickle down to almost nonexistent. While the virtual absence of any new contracts with the ‘states of proliferation concern’ can be prognosticated, the missiles, especially cruise ones, will constitute a substantial part of the Russia’s “legitimate”, formally MTCR-complying missile export in the coming years. At the same time, despite some alarming new pieces of divergent information, the Putin’s Russia has vastly clamped down the spillover of missile technologies. The Kremlin strives to restore almost total control over the Russian defense industries and their foreign connections. This is being done partly to improve Russian external image, partly to block the humiliating U.S.-wielded threats of new sanctions imposed on the Russian missile entities.

The current U.S. administration, like its predecessor, viewed the proliferation of missiles originating in Russia and other CIS countries, at least initially, as a serious international problem. This issue remains one of the main factors potentially inhibiting the development of improved Moscow’s relations with U.S. Different approaches to

such international issues as North Korea, Iran and Iraq may exacerbate this rift between Washington and Moscow and defer the efforts to work out a more effective missile control regime to succeed the MTCR. In the missile proliferation area, as on other key policy issues, the Russian foreign policy paradigm as formulated in the recent years - with its stake on the habitual Soviet diplomatic slogans of the primacy of the United Nations, enunciation of 'multiplicity' doctrine and the idea of 'democratization' of foreign relations - is juxtaposed to what is portrayed as the Bush administration's quest for global dominance. In general, the Russian stance on the missile proliferation and its approach to the MTCR, being an organic element of its foreign policy, is characterized by the same contradictory, ill-formatted and poorly formulated nature with a penchant for great-power patterns of behavior.

### **Historical Background**

Historically, missiles have had a rather bizarre psychological appeal to world leaders, especially those in the Third world, as the most visual embodiment of national power and technological prowess, with no feasible defense against them at that time. The Russian missile proliferation "case" is quite unique. For the Russians, moreover, they have been the epitome of the "*blood, sweat, and tears*" of the USSR designers and workers, the best achievement of the Soviet Communist system - along with nuclear weaponry and space launch exploration which assured its great-power status. On par with the USA, Moscow has developed one of the world's most advanced missile-producing capabilities.

The Soviet missile effort was driven by a single grand goal – to offset American military dominance and assure the survival and victory of global “Socialism”<sup>5</sup>. The necessity of forging a somewhat uneasy strategic coalition forced Moscow to share its most technically crucial capabilities with its distrusted Chinese counterpart in the late 50s. Soviet leaders would deeply regret this move some decades later<sup>6</sup>. Once the USSR had assured its undisputable control over its sphere of influence, it began to view missile exports to proxies and clients (always done as complete weapons systems, rather than technology transfers) as a potent tool in assuring its international clout upon the Third world’s “anti-imperialist” regimes. The Russian “*Scud-B*” (R-17 missile of R-300 system) SRBM, “*the Mother of all proliferators` clones*” became “the very symbol of ballistic missile proliferation” in the 1970s, when it was transferred to Moscow’s clients in the Middle and Near East as well as North East Asia. At the same time, the SA-2 was being reverse-engineered by China, India, and Iraq<sup>7</sup>. That is when the first “*Scuds*” and shorter-range “*Frogs*” appeared in the hands of the most trusted Soviet allies, Egypt, Syria, Iraq, South Yemen, as well as North Korea. The Cuban missile crisis demonstrated that such “missile handouts” or even moving the Soviet-held missile potentials to the crisis areas could have serious repercussions. With the growth of Soviet superpower influence, it became evident to Moscow that it could supply its allies with missiles in conjunction with other modern conventional weaponry, of course, provided that such sales did not directly or critically affect American security interests.

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5 For an excellent concise outline of the Soviet missile race in its beginning see the monograph of the leading U.S. authority on the Russian missile-related issues: Steven Zaloga, *Target America: The Soviet Union and the Strategic Arms Race, 1945-1964*, Novato, CA: Presidio, 1993.

6 On the Soviet origins of Chinese missile program: John W. Lewis and Hua Di, “China’s Ballistic Missile Programs. Technologies, Strategies, Goals.” *International Security*, Fall 1992, v.17, No.2.; Hua Di, “China’s Case: Ballistic Missile Proliferation,” in Potter and Jencks, eds., *The International Missile Bazaar*, pp. 163-164

7 On “Scud” system’s story, see, for example: Steven Zaloga, “Ballistic Missiles in the Third World: Scud and Beyond,” *International Defense Review* # 21, November 1988, pp.1423-1427

For this reason, the Soviet Union (as China) was the primary target of the MTCR that was established in 1987 shortly after the beginning of the Iran-Iraq war.

Russia's attitude toward the missile proliferation and international efforts to curb it can be broken into several periods. Due to the general predictability that was woven into the overall structure of West-East cold war confrontation, the initial period in the history of Soviet missile exports can be described as ***the Years of Stability (“the Golden Era of Arms Control”)*** when the USSR was an undisputable leader in missile development and transfers within its “sphere of influence”. The INF Treaty banning medium and intermediate-range missiles of U.S. and Soviet Union substantially eliminated Moscow's capability to export this category of weaponry.

The MTCR was created in 1987 as a kind of exporting states' cartel to stem the spillover of missile technology and hardware (mostly, to hold Soviet aspirations in the Third World as the main combat missiles and rocket technologies' supplier) primarily toward vitally important regions for the West and NATO such as the Middle East. From the inception, the MTCR was viewed as a backup and follow-on to the NPT in the area of curbing the proliferation of potential launchers for WMD payloads. It has not stopped missile programs of Iraq, Iran or North Korea though it had some gains like canceling the missile developments in Taiwan, South Korea or Argentina and Brazil.

Paradoxically, just like China, the Soviet Union has not been admitted to the negotiations on the MTCR which commenced in the end of 70-s. In a way, the Soviet Union by the mid-1980-s was in a privileged situation, as Soviet officials were able to criticize the MTCR pointing to its deficiencies and weak points, and portray it as an inadequate response to the complex realities of “New World Order” era - while Moscow



was not part of this 'elite country club'. The MTCR, on the whole, due to its relatively broad limits targeting the potential carriers of a regular nuclear device available to the Third world (thought to be around 500 kg) was not drastically imposing on the current Soviet missile exportations - since Moscow was never inclined to supply really advanced weapons systems.

### **Moscow's Initial Dealings with the MTCR**

In the tradition of the times, the USSR put forward in 1988 its own concept on missile proliferation which was so "demanding" that looked like sapping of the MTCR. Moscow advocated enlarging the scope of the MTCR by banning the shipment of cruise missiles and their production technology. It even requested to cover manned combat aircraft by a future universal agreement. It's interesting that many years later some Western researchers, for example J. Pike, put forward the same idea of curbing dangerous weapons' proliferation in the Third World by imposing a ban on combat aircraft sales. The Soviets suggested banning all tactical nuclear weapons with range under 500 km and globalizing bilateral U.S. - Soviet ban on missiles with this range.

In 1988, the Soviets suggested to further limit (to 100 km) the range of missiles that are proscribed for export, to bring air defense systems into prohibition and to restrict the launching weight by 200 kg. Only 5 years later these ideas resurfaced in the MTCR discussions. One of the major concerns of the Soviet side was the issue of equality of commitments. The Soviet Union proceeded from the premise that the ban on certain missile transfers must be global, but should not cover inner transfers respectively inside the Warsaw Pact for the Soviet side or between NATO allies in case

of the U.S.. As for exchange of "peaceful" space technology, the USSR wanted to monitor it under the aegis of World Space Organization (the idea of which has been put forward by the USSR in 1986). Complaining about American ban on Soviet access to Western space launches market, the USSR demanded modification of U.S. policy regarding the Soviet space launch vehicles - in order to place Moscow in equal conditions with the Chinese.

Generally, the Soviet side wanted to replace the MTCR with a universal organization with global membership replicating the IAEA which, at the same time, would foster the international cooperation on "peaceful space" issues. It requested that "cooperation in outer space" should not be hampered, meaning that the Soviet Union must be able to compete on fair terms with the USA, France and China in providing civilian spacecraft launch services. This rather reserved attitude toward the MTCR resulted from the military-industrial lobby's influence (still powerful in the Gorbachev times) on the Soviet foreign policy which even in that time of "thaw" blocked Moscow from fully siding with the West on the nuclear or missile proliferation issues. This reflected the concerns of the conservative group of the Soviet *Nomenklatura* that was afraid that the Western controls would be inevitably introduced on Moscow's arms/high-tech production and exports as the condition for the Soviet Union's admission to the MTCR. It strongly advocated unlimited development and exportation of Soviet missile technology (e.g. shipping more "Frogs", "Scuds" and SS-21 to the Middle and Near East). Soviet officials claimed that the MTCR should suppose equal obligations for all its members, balanced commitments for missile technology suppliers and recipients. They pointed to the MTCR ambiguity, possibility of variant interpretations of its provisions.

In this period, the Russian diplomacy has formulated the major arguments on the MTCR shortcomings which are to-date shared and developed by many of regime's detractors. They include:

- The MTCR is not a comprehensive international legal regime like the NPT, it is just an inside agreement on policy coordination between major missile manufacturers looking very much like a cartel, which is viewed as an instrument to gain strategic or economic advantages by the developing nations;
- Its provisions must equally cover the donors and recipients of missile hardware and technology and entail equal obligations, controls and sanctions for both groups;
- The MTCR should cover not only ballistic missiles and unmanned drones but also cruise missiles and the related technology, and possibly combat WMD-capable aircraft as well;
- The regime should include verification and confidence-building measures, as well as a developed system for data exchange between the members;
- The MTCR has to develop incentives or compensation mechanisms to stimulate the prospective adherents to comply with its norms or even deliberately foregoing their missile potentials.

The U.S.-Soviet Joint Statement on Nonproliferation was signed in June 1990 mostly due to Minister E. Shevardnadze personal contribution and despite grunts in the Soviet defense establishment. It corroborated both countries' support of the MTCR objectives and called on nations that had not yet done so to observe "the spirit" and Guidelines of this regime. The USSR and the USA agreed to restrict missile proliferation on a worldwide basis, including export controls and other internal procedures and appealed to all countries - exporters and purchasers (recipients) of missiles and missile technology to exercise restraint.

Finally, the USA has managed to use a particular contract signed by the Russian side in 1990 to engineer Moscow's adherence to the MTCR through a rather elegant deal. Russia had to choose between the continuation of its past Soviet practices of

untrammelled transferring the missiles to its Third world clients and the possibilities of entering the new international high-tech markets, including the space launch area, which in those times of early Yeltsin's foreign policy "romanticism" seemed quite promising.

### **Challenges of "New World Order"**

This era of relative Cold War 'stability' and predictability in the constant standoff between the two "camps" ended in the wake of the Soviet regime's abrupt demise in 1991. The U.S. arms control and foreign policy establishments became very anxious to prevent the "spillover" of Soviet nuclear and other WMD assets, including thousands of missile launchers and associated technologies, to the "countries of proliferation concern". This apprehension brought about the rather successful Nunn Lugar program intended to contain the risks of the former Communist superpower's strategic nuclear meltdown.

A new era in Russia's missile export history was thus opened. Although this period can be called *the Years of Turmoil and Upheaval*, even Western intelligence sources concur that no major spillover of critical technologies from Russia has ever taken place. Fortunately, a catastrophic scenario of the Soviet nuclear-missile complex "Hydra" disintegration has never materialized during this period.<sup>8</sup>

At the same time, in the absence of stringent Soviet-era controls, the emerging "independent" or rapidly and inadequately "privatized" entities of Russia's dilapidated

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<sup>8</sup> A term used by William Perry: Pursuing a Strategy of Mutual Assured Safety, Remarks delivered by Secretary of Defense William Perry and excerpted questions and answers at the National Press Club, Washington, January 5, 1995. <http://www.defenselink.mil/speeches/1995/s19950105-perry.html>

military-industrial complex attempted to sustain themselves by seeking lucrative foreign contracts. The environment of general laxity of government controls and rampant corruption that persisted throughout Yeltsin's lackadaisical presidency enabled such transactions to take place. This dangerous tendency is exemplified by the notorious "Indian cryogenic boosters" deal, wherein certain Russian government agencies tended to act along the well-known Soviet pattern of assuming that "no one will notice, and if they do, they will not be able to learn all the details, so everything can be denied, and there will not be any consequences"<sup>9</sup>. The "Indian deal" established limits to Moscow's behavioral freedom of choice in the context of world politics. In reaction to the proposed sale, U.S. government agencies simply ceased tracking the "Russian breaches" and formally accused the Russians of "incompliance" with the MTCR norms. Russia's commitment to forge workable relations with its American counterpart—and its aspirations in the initial Yeltsin years to gain the status of "strategic ally"—forced Russia to finally drop the Indian deal. An inventive U.S. approach resulted in Moscow's relinquishing the contact in exchange for Russia's admission to the world market of commercial space launches. This ultimately saved Russia's ailing space industry, though potential launch contracts were now restricted by special anti-dumping quotas (dropped only in 2000). It also began the preparatory process for Russia's full-fledged membership in the MTCR which it joined in 1995<sup>10</sup>.

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9 See V.S. Arunachalam, *Desire and Denial : The Nullification of Cryogenic Rocket Motor Technologies to India*, <http://www.eisenhowerinstitute.org/programs/globalpartnerships/fos/newfrontier/arunarticle.htm> ; "GSLV," Federation of American Scientists Space Policy Project website, <http://www.fas.org/spp/guide/india/launch/gslv.htm> ; Jain Neelam, "Russia Transfers Advanced Technology to India Despite U.S. Pressure," Executive News Service, UPI, March 15, 1994.

10 The "Indian deal" is also described in: Alexander Pikayev, Leonard Spector, Elina Kirichenko and Ryan Gibson, "Russia, the U.S. and the Missile Technology Control Regime", Adelphi Paper # 317, London, IISS, 1998. This study is based on the Russian MFA insiders' sources.

By the mid-1990s, Moscow had finally shrugged off its illusions of becoming a recognized strategic U.S. ally. Through government agencies or “independent” firms, it gradually re-established its primary conventional weaponry and missile contacts with the customary Soviet-vintage clients like China, India, and Iran. Iraq was later added to the list as the infamous Iraqi gyroscopes scheme was exposed by UNSCOM<sup>11</sup>. However, no evident changes in the Russian attitude to missile proliferation have occurred while new ‘cases’ of Russian proliferation activities were publicized.

Joining the MTCR overcame the heated internecine fighting within the Russian bureaucracy, the defense-related part of which considered this step an unjustified concession under the U.S. pressure. Initially, Russia used its participation in the MTCR for actively fighting for the rights to continue transferring missile technology and parts to its CIS allies in the pattern of long-established cooperation. It also employed it for enunciating politically-motivated issues, which for many Western critics sacrificed the core principles of the regime for the political expediencies not always related to missile proliferation as such. At that time, as the Western experts carped, the lack of incentives and old “Cold War” animosity has left many backdoors and disincentives for Russian agencies to strictly follow the export controls rules established by the West. Moscow was accused of using its participation in the MTCR and other regimes to pursue its economic interests effectively exploiting the “gray areas” of these arrangements.

### **“Iranian Case”**

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11 Gennady Khromov “Missile Nonproliferation and Russia’s State Interests “The Monitor”, The Center for International Trade and Security at the University of Georgia, Vol.2, No. 3, Summer 1996; Lieutenant General V. Dementyev and Dr. A. Surikov, “Strategy for Reforming the Military Forces of the Russian Federation”, “Nezavisimaya Gazeta”, April 11, 1996.

Basically, few cases are used as indicators and examples of the alleged Russian missile proliferation discussed in the framework of the MTCR and in bilateral U.S.-Russian consultations. Russia is arguably less criticized for its ongoing missiles and missile technology transfers to China and India which are considered to be more or less 'acceptable' official dealings with more or less respected members of the world community.

The most scandalous affair is related to allegations of Russia's under-the-table assistance to the Iranian missile program, namely to the development of *Shehab-3* and *Shehab-4* IRBMs. In their rush to launch a missile program the Iranians first used Russian *Scud* -originated data but later started to integrate more sophisticated technologies which they had purchased in Europe, and allegedly in Russia as well<sup>12</sup>. It is noteworthy that the Iranian longer-range missile projects, such as the *Shehab-5/6(Kosar)*, are reportedly based on the North Korean *Taepodong-1/2/X* designs that rely heavily on Chinese technologies (which also originated from the Soviet Union)<sup>13</sup>. Nevertheless, unconfirmed and probably speculative allegations were also made that the Iranian *Shehab-5-6* ICBM series were actually profiting from the technology of a 60s-vintage Russian "*Energomash*" *RD-216* storable liquid-fueled engine used in the Soviet *Cosmos/SL-8*-space launcher which is based on *SS-5/R-14* IRBM<sup>14</sup>.

The United States accused seven of the Russian entities (Glavkosmos, NII Graphite, NII Polyus, "Europalas-2000", INOR, MOSO, and the Baltic State Technical University in St. Petersburg) of the MTCR infringements and subjected them to U.S.

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12 Yossef Bodansky, "Iran's Ballistic Missile and WMD Programs: The Links to the DPRK", <http://cnsinfo.miis.edu/lexis-nexis/2002/oct/31/8.htm>.

13 Mike Dobbs, "A Story of Iran's Quest for Power; A Scientist Details the Role of Russia", Washington Post, January 13, 2002

14 <http://www.fas.org/nuke/guide/iran/missile/shahab-6.htm>

sanctions under the domestic American law. Though not harmful for the Russian economy, these sanctions exerted an embarrassing blow to Moscow's international prestige and its key foreign policy pledges in support of global nonproliferation. Moscow prepared a special report which declared that no infringements of the MTCR had been committed, but did admit the existence of "individual contacts" between Iranian and Russian entities. A Joint Commission to monitor exports of nuclear and missile technologies was then established. However, Moscow tried to characterize the issue as "artificially inflated by the Americans"<sup>15</sup>. Washington remained unconvinced of Moscow's sincerity in combating these transgressions, and in January 1999 declared the imposition of new U.S. sanctions against three more Russian entities accused of aiding Iran (the Moscow Aviation Institute (MAI), the Mendeleev Chemical Technological University, and the Research and Design Institute of Power Technologies (NIKET), a leading Russian nuclear reactor designer). This time, the introduction of U.S. unilateral sanctions caused an explosion of public indignation throughout Russia.

Russian authorities tend to regard the imposition of U.S. government sanctions on Russian companies as some kind of a 'foul-play' allegedly lobbied by U.S.

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15 Michael R. Gordon with Eric Schmitt, "Russia Fails to Intercept Missile Material Bound for Iran," New York Times, 25 April 1998; Igor Korotchenko, Nadumannye Pretenzii SShA. Rosiya ne uchastvuyet v realizatsii yademoy i raketnoy program Irana, ("Artificial Accusations of the United States"), Nezavisimaya Gazeta (In Russian), #36, February 26, 1999; Russia: Missile Exports To Iran:Component, <http://www.nti.org/db/nisprofs/russia/exports/rusiran/comp.htm>; <http://www.nti.org/db/nisprofs/over/9firms.htm> Russian officials argued, for example, NII Polyus, a leading producer of laser equipment, was supplying navigation systems to Iran, an activity not covered by MTCR or MTCR-based Russian export control lists. At the same time Glavkosmos was executing contracts to supply a variety of missile-related scientific and industrial equipment. Other cases, such as the intercepted basalt fiber tissue "pre-preg" that was being transferred by the State Scientific Research Institute of Graphite (NII Grafit) to an Iranian oil company, were allowed, as the materials were not covered by MTCR or any other control lists.

15 On Russian expert in missile-manufacturing technologies Dr. V. Vorobey from Moscow-based MAI Aviation Institute see: Michael Dobbs, "A Story of Iran's Quest for Power: A Scientist Details the Role of Russia," Washington Post, 13 January 2002, p. A1



corporations which under the pretext of nonproliferation enforcement strive to 'squeeze-out' Russian competitors from the lucrative international high-technology markets.

With the departure of the Clinton administration, the flurry of American accusations of Russian involvement in Iranian missile production subsided. The missile 'tug-of-war' with the advent of the new Russian president was eclipsed by the Iranian nuclear entanglement, as the Bush-Putin Moscow-St. Petersburg 2002 summit demonstrated<sup>16</sup>. Russian defense agencies, at the same time, are attempting to keep their options open for trading newer missiles with versions that are within the MTCR limits. Such as the new *Iskander-E* (SS-26) which Russians intend to export in large numbers to Iran and other potential Third world clients<sup>17</sup>.

It is clear that the United States, even if it wanted to shift Russia from shadowy deals to "benign" contracts, is not able to provide adequate sources of revenue to equal Moscow's profits from its dealings with Iran in nuclear and arms sales. Moreover, Russia considers them absolutely legitimate, and can't forego them without the serious political loss of face<sup>18</sup>. The Iranian "connection" of the Moscow's ruling elite stands out as a telling symbol of a new Russian independent and 'state-minded' external policy. It would require a lot of inventiveness, vision and audacity from Washington to drastically change the course of events in what might become a symbolic breakthrough in the

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16 "US Sent Data to Russia on Iran," Middle East Newsline 4, (May 29, 2002) Subsequently, Russian authorities, according to Richard Perle, received U.S. intelligence (regarding Russian missile proliferation to Iran) information and detained suspected leakers in the government and industry.

17 Alexandr Plotnikov, Raketnyi Komplex klassa "Moskva-Tegeran" k startu gotov, February 25, 2003, <http://www.grani.ru/War/Arms/p.23979.html>; "Iskander/SS-26" , <<http://www.fas.org/nuke/guide/russia/theater/ss-26.htm>>

18 For some suggestions for positive inducements regarding Moscow's approach to this issue see: Robert J. Einhorn and Gary Samore, Ending Russian Assistance to Iran's Nuclear Bomb, *Survival*, vol.44.no.2, Summer 2002, p.60

Christina Chuen, "Russian Nuclear Exports to Iran: U.S. Policy Change Needed," <http://cns.miis.edu/pubs/week/030327.htm>

interaction the two countries on a global level, while simultaneously benefiting stability in the Middle East.

### **Iraqi Deal**

No solid proofs of Moscow's mischief were finally presented on "Iranian case" what makes it different from the "Iraqi affair", an alleged Russian-Iraqi missile smuggling connection first surfaced in 1995<sup>19</sup>. Prior to the beginning of the Iran-Iraq war, Moscow had shipped the last of 819 Scuds to Saddam's regime. Since that time Moscow refrained from any high-tech arms transfers to Baghdad<sup>20</sup>. Russian officials were shocked by the news from UNSCOM that the Jordanian customs officials had intercepted a Russia-originated shipment of missile gyroscopes and accelerometers to Iraq valued at more than \$25 million<sup>21</sup>. Before that, the Iraqis had recovered the same type of gyros from the Tigris River in an effort to preempt revelations by Hussein Kamel about Saddam's missile program, including the development of a missile with a range of 2,000 km. Iraqis themselves acknowledged the fact of this illicit deal in the document presented to the U.N. Security Council in December 2002. Allegedly, it was done through two Russian entities: NIIKhSM, (the Scientific Testing Institute of Chemical Machine Building, a leading Russian missile-testing facility contracted through Nunn Lugar program for dismantlement of SS-N-18(RSM-50) SLBMs, the gyros from which

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19 David Hoffman, "Russian Missile Gyroscopes Were Sold to Iraq," Washington Post, September 12, 1997, p. A1; David Hoffman, "Iraq Sought Russian Arms Technology: Probe Details Moscow Deal for Missile Equipment in '94," The Washington Post Foreign Service, October 18, 1998, p.24.

20 See the U.S. perspective on this in, "Statement by Director of Central Intelligence George J. Tenet before the Senate Select Committee on Intelligence on the Worldwide Threat 2001: National Security in a Changing World," February 7, 2001 [www.http://washingtonpost.com/wp-srv/world/shoulders/tenet020701.htm](http://washingtonpost.com/wp-srv/world/shoulders/tenet020701.htm)

21 David Hoffman, "Russian Missile Gyroscopes were Sold to Iraq," Washington Post, September 12, 1997. Also see, Maria Katsva, "Russian Missile Technology Sold to Iraq as Scrap," Eksport Obychnykh Vooruzheniy, no. 8-9 1997, pp. 33-37, <<http://cns.miis.edu/research/iraq/pirgyros.htm>>.

have been smuggled to Iraq), and what was called “Mars-Rotor” by Iraqis, (supposedly “MOKB Mars”, a stellar navigation-guidance systems design bureau, which is controlled by the Russian Aviation and Space Agency)<sup>22</sup>. The ‘1995 incident’ was the first time the Russian image as a staunch enforcer of UNSC resolutions was tarnished and chronicled in a notorious revelation<sup>23</sup>. A subsequent investigation by Russian authorities discovered that the sale of gyros was not sanctioned by any Russian government agency, but rather was covertly arranged by the “Iraqi students` community” in Moscow led by an Iraqi intelligence operative and a Palestinian middleman Wiyam Abu Garbieh<sup>24</sup>. Initially, embarrassed Russian authorities denied that the gyros came from Russia. Later, under the pressure of evidence, they acknowledged the smuggling, although Russian customs officials still maintain that the proscribed goods, which were marked as electrical gear, never passed them. Russian authorities never presented the final results of their investigation to the UNSCOM besides a cursory statement<sup>25</sup>. No entity was prosecuted for that breach of the Russian Criminal Penal Code.

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22 Russia and China “Broke Iraq Embargo”, BBC News, 19 December 2002, <http://news.bbc.co.uk/1/hi/world/europe/2591351.stm>; [http://www.opec.ru/news\\_doc.asp?d\\_no=32889](http://www.opec.ru/news_doc.asp?d_no=32889); David Hoffman, “Russian Missile Gyroscopes Were Sold to Iraq,” Washington Post, September 12, 1997, p. A1. David Hoffman, In Search of Russia's Weapons Scientists, Washington Post, December 28, 1998; p.A1

23 According to Dr. W. Potter and V. Orlov, “the case suggests that it was a sophisticated procurement operation designed to circumvent a UN-mandated trade embargo. It also reveals the vulnerability of the Russian military establishment to any foreign buyer with a good line of credit”. Vladimir. Orlov and William C. Potter, The Mystery of the Sunken Gyros, The Bulletin of Atomic Scientists, November/December 1998, Vol.54, No 6. Later, UNSCOM assisted in unraveling the illicit deal between Iraqi “headhunters” and Russian missile engine design bureau “Energomash”. See also :David Hoffman, Wastes of War: In Search of Russia's Weapons Scientists, Washington Post, December 28, 1998;

24 For more information on Russian involvement see, “Russia and China ‘Broke Iraq Embargo’,” The BBC News On Line, December 19, 2002 [www.bbc.co.uk/2/hi/europe/2591351.stm](http://www.bbc.co.uk/2/hi/europe/2591351.stm)

25 The Proliferation Primer, International Security, Proliferation, and Federal Services Subcommittee United States Senate Committee on Governmental Affairs ,A Majority Report - January 1998, <[http://www.fas.org/spp/starwars/congress/1998\\_r/prolifbk/part02.htm](http://www.fas.org/spp/starwars/congress/1998_r/prolifbk/part02.htm)>

There are several reasons to believe that this shipment has not been officially sanctioned. Moscow export control bureaucrats, educated at UNSCOM-sponsored seminars, are well-aware of the U.N. Security Council resolutions obligations.

The "Iranian" or "Iraqi" cases do not provide any evidence that these breaches of export control regime were authorized by the government. This kind of infringements can theoretically take place in any industrialized state.

### **Russian Missile Export Control**

There seems to be a wide agreement within the nonproliferation community that the Russian government has made quite commendable strides in establishing the legal basis for an effective export control system. Since 1991, Russia has introduced, largely under U.S. prodding, a more or less developed national system of export controls which continues to undergo modifications. Russia is a member of all major export control organizations, with the exception of the Australia Group. It passed an overall well-formulated law "*On Export Control*" in 1999, and a considerable set of export control lists of critical items (including those related to missiles), governmental instructions and presidential decrees to support it. For example, the List of Equipment, Materials and Technologies that can be used to manufacture missile weapons and to which export control applies, has been introduced by the Presidential Decree No. 1005 in August 2001. All of these fully conform to the international obligations Russia has assumed.

Implementation of these measures, however, is another issue. Russia's export control system, which is generally focused on preventing the export of weapons components and dual-use technologies, has been described as "institutional," rather than "operational"<sup>26</sup>, and the obstacles to its effectiveness are many. Some of these difficulties are easily explained and are quite understandable. For example, enterprises lack sufficient information on the existing legislation, and much time is needed to transport screening equipment to customs posts. However, less straightforward reasons also exist. For example, individual Russian producers and even ministries have an *idée fixe* regarding sales of the most sensitive materials and technologies. They fear that curtailing sales could impair Russia's economic interests in the future.

In spite of Russia's stated commitment to these goals, and the legal base for export controls it has developed, challenges still remain. First, the still difficult socio-economic situation within the system supports an entrenched corruption. Financial hardships provide incentives for Russian underemployed or underpaid military scientists and defense industry experts to seek income from any source, even if it involves breaking the law. Representatives of rogue regimes are actively targeting Russia as a source for WMD components. Thus, Russian combat missile and biowarfare specialists were prime targets for Iraqi military procurement officials and their agents.

While the Russian Federation's Security Council constantly monitors export control problems, it seeks to coordinate the operation of export-oriented ministries and organizations with the particular secret services charged with preventing violations in this area. Russia's Security Council has apparently sent an unambiguous signal that

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<sup>26</sup> Elina Kirichenko and William Potter, "Nuclear Export Controls in Russia: The Players and the Process," in Gary Bertsch and William Potter, eds., *Dangerous Weapons, Desperate States* (New York: Routledge, 1999), pp. 27-31

Russia will make no exceptions in enforcing its established national export control legislation.

Speaking at the Security Council meeting on February 22, 2001, which was supposed to demonstrate Russia's commitment to export control ideals, President Putin defined two goals for the national export control, the achievement of which will determine the effectiveness of the program. The first is to protect national interests by preventing leaks of sensitive technologies abroad. The second is to observe Russia's international commitments on preventing the export of dual-use equipment, materials, and technologies that can be used to develop weapons of mass destruction and missiles for their delivery. Putin declared that export control is to be under strict monitoring of the Russian secret services from now on.

All these activities looked like a determined effort to eliminate any reasons for U.S. accusations which, however, persisted.

### **U.S. Approach**

Past U.S. strategies to stem missile proliferation focused primarily on exposing patterns and investigating individual cases of proliferation and then pressuring the governments concerned (in this case, Russia) to stop the illicit transfers, even if committed by entities that are independent of the government. Washington has imposed sanctions against recalcitrant Russian firms trading with India or Iran, pushed for tighter export controls on missile-related goods, and engaged in high-level diplomatic exchanges and politicized bickering on the issue. At the same time, U.S. attempts to create incentives to suppress proliferation using a "carrot-and-stick" approach to draw

Russia into the MTCR and other joint-venture projects were not overwhelmingly successful.

Some irresponsible voices in Russia have recently raised the possibility of drastically upgrading Moscow's reckless dealings with its traditional clients in contravention of nonproliferation norms – in response to what was interpreted as Washington's hostile policies of global *Diktat*. Though easily exposed and disparaged as political scheming, such attitudes nevertheless indicate that the lingering missile proliferation threat from Russia should not be discarded<sup>27</sup>.

Missile proliferation (even in the environment of prevailing terrorist threats) serves as one of the major arguments in favor of America's National Missile Defense (NMD) system advocated by the Bush administration<sup>28</sup>. At the same time, Putin's team has continued to build upon Moscow's traditional declaratory pro-nonproliferation policies. However, numerous U.S. Government officials and NGO experts still claim that Russia (like China) continues to covertly provide missile and other WMD technologies and assistance to the Third world countries including the notorious "rogue" states<sup>29</sup>. Despite Russia's "openness" on proliferation themes, the U.S. administration initially remained very concerned. This was the case, at least in the pre-September 11<sup>th</sup> era of the Bush administration, when its leading members raised the subject repeatedly in their

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27 Joseph Cirincione, The Missile Threat: An Intelligent Assessment, Proliferation Brief, Vol. 3. No.2, February 10, 2000, <[http://www.ceip.org/files/publications/proliferationbrief 302.asp](http://www.ceip.org/files/publications/proliferationbrief%20302.asp)>

28 Countries Possessing Ballistic Missiles, Table was prepared by Todd Sechser of the Carnegie Non-Proliferation Project, <<http://www.ceip.org/files/publications/BallisticMissileChart.asp>>

29 See i.e. the remarks of Under Secretary for Arms Control and International Security John R. Bolton, "Russia possesses a variety of weapons of mass destruction and delivery systems for them and "has pursued policies that have led and continue to lead to proliferation of those weapons," and China and Russia "are unquestionably the two largest sources of" weapons of mass destruction that end up in the hands of rogue nations dedicated to the destruction of the U.S.

<http://www.newsmax.com/archives/articles/2002/5/6/171314.shtml> see also: "Beyond the Axis of Evil: Additional Threats from Weapons of Mass Destruction", May 6, 2002, <http://www.state.gov/t/us/rm/9962.htm>-where Russia is called " ; "CIA Says Iran Got New Missile Aid", Washington Post, September 8, 2001, p.9

official statements prompting concerns on the possible re-introduction of Cold War. Statements of key members of the Bush team only served to aggravate relations in 2001 raising Russian suspicions of American motivations.

The allegations by the U.S. Defense Secretary D. Rumsfeld that "*Russia is an active proliferator*" irritated Moscow's elite, mostly because it demonstrated that some influential forces in Washington were still not ready to treat Moscow's leaders as authentic partners or respectable global players<sup>30</sup>. This reveals the rather politicized "diplomatic" underpinnings of the proliferation conundrum, where threats tend to be assessed against the backdrop of newly emerging alliances and procrastinated confrontations, all very much within the framework of an enduring East-West "rivalry" .

Nevertheless, after a much-publicized "thaw" in the wake of September 11, the Bush administration considered that a new context existed, in which it could develop broader cooperation on a variety of issues to deal anew with this tough non-proliferation problem. The Bush administration, in an attempt to curry Moscow's favors in the anti-terrorism campaign, basically refrained from criticizing Russia on its violations of the nonproliferation and export control regimes' norms. Suspicion looms large, however, within the American administration, and Russia will have to make and keep some dramatic commitments in order to dissipate U.S. mistrust which has deep Cold War roots.

Conversely, the Russian entities are lamenting the almost total lack of U.S.-provided material "payoffs" or actual American interest in business-like defense cooperation with Russia. They indicate that, unlike the WMD which they are intended to carry, missiles are legitimate "commodities" in the global market, first and foremost as

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30 Winston Churchill, "Something Special At Risk", "Sunday Telegraph", March 18, 2001.



commercial space launchers and tactical carriers. At the same time, there were no serious transgressions on the Russian part in the realm of proliferation reported in the last years.

### **Missile Issue in the New Environment**

The regular Moscow apparatchiks' motto "*Vsyo khorosho*" ("Everything is O.K.") has become the mantra of Russian officials and their tamed NGOs in describing the state of their national export control enforcement system – against the U.S.-purported allegations to the contrary<sup>31</sup>. Russian officials tend to firmly assert their country's strict allegiance to international nonproliferation norms, the MTCR included. They point to the direct dangers of missile effusion for Moscow's own security interests exacerbated by its geographical location<sup>32</sup>.

By the end of 1990s, missile proliferation has once again turned into a prominent issue on the international security agenda, as the effectiveness of the MTCR was visibly declining. The unhindered Indian and Pakistani arms race was quickly turning these states into regional-size nuclear powers with the array of ballistic and cruise missiles. North Korea's surprise *Taepodong* test of July 1998, as well as the steady development of U.S. missile defense programs further exposed the imperative of a more efficient international missile control regime. In recent years, the international community has made several attempts to address the MTCR inadequacies. The North Korean launch has not only given new arguments to the American proponents of a novel ABM

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31 See, for example, PIR NGO site.

32 See for example the interview of Major General Oleg Chernov, Deputy Secretary of the National Security Council, on the Russian attitude toward the missile proliferation : <http://www.scrf.gov.ru/News/2000/12/25.htm>

development, but also prodded the Clinton administration to enter into groundbreaking talks with Pyongyang. They resulted in the agreement on suspension of North Korean test flights in 1999 (unfortunately, cancelled by the Bush team).

The multilateral path has also failed. Russia was one of a few states which supported the U.N.-sponsored study on missile in all their aspects which was to be presented as the U.N. Secretary-General's reports. Moscow traditionally favored the U.N. multilateral diplomacy environment for working out the clauses of a new missile control regime in order to induce the states which are not the MTCR members to join it.

### **Global Control System**

On a broader scope, in 1996-2001 the Russian diplomacy was engaged in intensive efforts to garner international support for its posture on the salvation of ABM Treaty. Moscow experts were chagrined that the Bush team was completely ignoring the traditional bilateral interaction on arms control issues which provided Russia with a unique global standing as the only nuclear power potentially endangering the USA. A whole array of new 'initiatives' was put forward during this campaign to save the Cold war-era agreement (which failed due to the inflexible Russian attitude to any changes added to ABM Treaty). All this, though provoked certain irritation in Washington, has facilitated the rallying of many states unhappy with the U.S. 'imperial' policies behind the Russian approach. One of the most advertised initiatives intended to provide propagandistic coverage for Russian nonproliferation policies and demonstrate Russia's

effective adherence to international nonproliferation commitments was the proposal for the *Global Control System for the Nonproliferation of Missiles and Missile Technologies* (GCS). It was put forward by Boris Yeltsin in June 1999 at G-8 meeting in Cologne and officially presented at the 2000 NPT Review Conference as a set of political and diplomatic measures to stem missile proliferation in view of creating a “comprehensive” missile nonproliferation regime. The idea behind GCS was clearly intended to undermine the U.S. missile defense system policies perceived as threatening to Russian security interests. This was slated to win the support of the developing countries which largely disapprove of the MTCR “elite club” supply-side nature. Not surprisingly, this Russian initiative was welcomed by Iran, India, North Korea and other countries aspiring to develop an indigenous missile potential but often lacking the adequate scientific and industrial foundation to procure it<sup>33</sup>. The goal of the GCS was also to provide additional leverage which the MTCR arguably lacks: incentives, security assurances, non-proliferation enhancement and diplomatic and economic enforcement<sup>34</sup>.

GCS concept consisted of 3 major building blocks:

- It proposed the establishing of a multilateral transparency regime related to the missiles’ pre-launched notifications, which is considered a kind of confidence-building measure.
- This mechanism would be based on the Russian-U.S. agreement on pre-launched notifications. The planned Joint Exchange Center will be used to this purpose (unfortunately, it hasn’t been yet established due to bureaucratic procrastination).
- The positive security assurances are to be extended to the states which forego the indigenous missile development.
- The multilateral consultations on missile were to be held among the participants.

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33Andrey Efimov, “New Challenges to the International Non-Proliferation Regime and Nuclear Suppliers Group”, *Yaderny Kontrol* No. 3 (May-June 2000), p 55.

34 Alexander Pikayev, “Global Control System: Too Comprehensive?”, April 2001.  
<http://www.ceip.org/files/Publications/PikayevGlobalControlSystem.asp?from=pubauthor>

Therefore, GCS was presented as a package of measures with a view to create a comprehensive missile nonproliferation regime. Perhaps this “comprehensive” nature was a trait that doomed the initiative from the beginning<sup>35</sup>. Given the scope of restrictions proposed by the GCS, it is difficult to envision how this “vague” regime could be applied in practice. It appeared to be more a public-relations scheme intended for the favorable consumption of like-minded actors in the international community. In a way, GCS has become an ideological follow-up to the idea of *Global Protection System*, a limited antiballistic missile defense and space-tracking arrangement put forward by President Yeltsin in January 1992. While GCS initiative is still on the table, its presentation at 2000 and 2001 Moscow conferences in the context of the anti-ABM campaign almost automatically provided a glacial reaction from major missile powers, especially the U.S. Though the GCS attempts to build dialogue between members and non-members, many Western states worry that it would in fact legitimize the programs of the “rogue” regimes, an approach that Washington could not accept<sup>36</sup>.

### **MTCR Follow-on Efforts**

American experts also perceived GCS as a ploy to discredit *the International Code of Conduct against Ballistic Missile Proliferation (ICoC)* put forward by Canada in 1999 and discussed in the MTCR framework in 2000-2001. ICoC was formally put into effect on November 25, 2002 at the Launching Conference hosted by the Netherlands at The Hague. Russia as one of 93 original subscribing states to the now more than 100

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35 <http://www.fas.org/nuke/control/abmt/text/b920617m.htm>

36 Mathew Rice, Russia Proposes Global Regime on Missile Proliferation, <[http://www.armscontrol.org/act/2000\\_05/ru3ma00.asp](http://www.armscontrol.org/act/2000_05/ru3ma00.asp)

nations-strong ICoC (also called "The Hague Code of Conduct") has actively participated in the conference.

Thus the «dialectics» of the Russian approach to the ABM Treaty have brought Russia to a more active role in missile proliferation issues. Its diplomacy was supposed to demonstrate that the multilateral "political" avenue is preferable to military counterproliferation activities.

The ICoC agreed within the MTCR framework, without being a part of it, includes a set of general principles, some modest commitments termed "general measures", and limited confidence-building measures.

The major goals of the Code include:

- Maximum restraint and openness in missile-related activities, including on production and development not covered by the MTCR;
  
- Ensuring confidence and transparency on the ballistic missiles and space launchers' programs, including the regular exchange of information on their launches;
- Confirmation of the members' adherence to and full compliance with nonproliferation norms as the means to bolster confidence;
- Commitment to prevent the proliferation of ballistic missiles capable of delivering weapons of mass destruction, both at global and regional levels, and to exercise maximum possible restraint in the development, testing and deployment of ballistic missiles including, where possible, pledge to reduce their national holdings;
- Encouragement of the elimination, on a voluntary basis, of the existing ballistic missile or space launch programs that could contribute to WMD missile delivery systems;
- Confirmation of the states' right for peaceful space activities - without detriment to nonproliferation goals.

Russian approach to the Code from the beginning was marked by certain "dualism".

While supporting the initial efforts to work it out in order to gain support of the MTCR

non-members, Russia tacitly favored the solution of major problems, including the data exchange, mostly at the bilateral level in the dialogue with its major security counterpart – the USA. For example, initial notifications and annual declarations that Russia will provide pursuant to the ICoC are to be based on the Russian-U.S. pre-launch notification system, which should use the still-defunct Joint Data Exchange Center<sup>37</sup>. However, in its overt diplomacy Moscow actively supported the further multilateralization of missile nonproliferation regime, as it actively pushed forward the doctrine of the U.N. primacy in disarmament matters. Russia suggested multilateralizing this bilateral system in the future, providing pre-launch notifications exchange mechanism for all the ICoC members. It also pressed for a legally binding status of the Code which was dropped under the Western move.

The Hague Code is not, predictably, free from the weaknesses, which were stressed by the Russian and Western experts<sup>38</sup>. The Code remains, in fact, a good behavior charter for missile sphere, a collection of principles and recommendations, and by no means represents a universal agreement or actions plan that bans the development or transfers of missiles or even significantly limits those activities.

The Code is only a politically binding document with no enforcement mechanism or serious legal commitments. For Russia, which actually doesn't welcome any limits on its missile activities, the Western support for such non-binding nature of the Code presented a convenient face-saving opportunity. The work on it allowed the Russian

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37 On JDEC: George Gedda, "U.S.-Russia Defense Cooperation Seen," Center for Defense Information, Russia Weekly, June 20, 2002 <http://www.cdi.org/russia/211-2.cfm> Committee on International Security Studies, "[Global Security Implications of Joint Missile Surveillance](#)," July 2001.

38 Mark Smith, "[On Thin Ice: First Steps for the Ballistic Missile Code of Conduct](#)", Arms Control Today, Vol. 32 No. 6, July/August 2002; Mike Nartker, "[Code of Conduct Ineffective, Experts Say](#)", Global Security Newswire, 15 February 2002..

diplomacy to demonstrate Moscow's allegiance to the rights of the developing nations to seek the benefits of the high technology and promote peaceful technological cooperation ties with the missile technology donors.

Another major shortcoming is the absence of major states of missile proliferation concern in the Code. Though such problem states as India, Pakistan, Israel or even Iran have participated at the earlier stages of the Code preparation, they failed to finally adhere to it. China or North Korea are also beyond its scope, as despite Russian insistence they considered even the Code's limited transparency too demanding and intrusive. The Code failed to introduce the attractive trade-offs between the political commitments and economic dividends for the developing nations. Unlike the MTCR, it does not even cover the unmanned drones or cruise missiles.

Therefore, the Code does not solve the principal problems of missile proliferation. All these inadequacies are well explainable. The document was the result of compromise as the provisions had to be acceptable to all MTCR members. Many of the leading MTCR participants, including such major missile powers as Russia, France, the United States, and Britain, would not sign a document that called for the reduction or elimination of their missile arsenals.

In any case, this latest upgrade to the export control regimes has run into serious competition with the Russian plan of GCS. For example, the ICoC encourages, on a voluntary basis, the elimination of the existing ballistic missile or space launch programs that further any efforts that could contribute to WMD missile delivery systems. However, it is clear that to differentiate civilian from WMD-capable delivery programs is practically impossible in the contemporary international environment. It would require

the type of on-site inspections procedures that many countries would consider a violation of their nation's sovereignty. Anyhow, after the demise of the ABM Treaty and the assured progress of American NMD deployments, it looks like Moscow's diplomacy has forsaken this idea. After two conferences on GCS in 2000 and 2001<sup>39</sup>, Russia today is hardly reminding the world about this initiative, which has apparently played its role in attempts to "preserve" the ABM Treaty, which is now defunct.

Nevertheless, though the GCS suffers the typical Soviet-style "all-inclusive" approach and represents the array of all Russian military's demands in the area of missile developments, it has some positive elements, even lacking in the Code, primarily the idea of incentives and compensations<sup>40</sup>. These ideas, for example, on stimuli or inducements for the developing countries to exercise restraint in missile-related activities can be later examined, if Moscow shows flexibility and does not insist in adopting GCS as a whole package.

In fact, in order to budge the Third world missile "aspirants" from their negative position, the serious, meaningful incentives are necessary. For example, the idea of the creation of a space-launching consortium which would operate satellites for the developing nations which forego the larger-range missiles' development could be explored.

Though, theoretically, both initiatives can be further examined on a parallel course as many ideas in them are overlapping, it is much more preferable to concentrate diplomatic efforts on the sole text for a future international treaty dealing

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39 International Global Control System Experts Meeting, March 16, 2000  
<[http://www.fas.org/nuke/control/mtr/news/GSC\\_content.htm](http://www.fas.org/nuke/control/mtr/news/GSC_content.htm)>

40 Yuri Fedorov, "The Global Control System and the International Code of Conduct: Competition or Cooperation?"  
Nonproliferation Review, Summer 2002.



with missile proliferation. This text must have several very clear ideas, without customary Third world-supplied disarmament demagoguery, for example on the provision of missile launch services and economic assistance in non-missile areas to the developing nations in return for the abdication from the indigenous missile development programs. This course, no doubt, if meaning some concessions on the Russian side, would avoid dispersing forces and leave no room for maneuver to those in the Third world who do not desire any curbs on their missile programs. The continued work on the new text can also take into account the traditional Russian issues, like so called negative assurances for non-missile states, wider confidence-building measures, and the problem of technological cooperation with the developing world. However, staying in the realm of reality one can't ignore the limits of the future work. They are set by the vested interests of the principal missile powers, Russia included, and the demands of their missile-manufacturing industries pressing for ever-wider export opportunities. The far-reaching arrangements smacking of 'global federalism' doctrine, like creating a world organization which would provide missile-related services to those who have voluntarily foregone these capabilities, demand truly radical changes in international relations.

Finally, with the demise of the ABM Treaty and the development of various indigenous missile programs outside the regime (North Korean, Indian, Pakistani, Israeli and Iranian ones being the most outstanding), there can be little progress expected in missile nonproliferation efforts. Likewise, not only the U.S. concerns are to be addressed, but also the legitimate interests of the struggling Russian missile industry should be accounted for.

### **Russian Missile Manufacturing Factor**

The Russian missile industry is another powerful factor which is bound to influence Moscow's attitudes toward the Code, the MTCR and missile proliferation issues in the future.

The Russian missile sector, like the entire Russian defense production, remains vastly unreformed. Although reaching out to foreign clients and boasting "privatized" companies, it basically continues to be run by the Kremlin according to Soviet rules. "Red barons" of the Russian "oboronka" (defense sector of the economy) are lulled by the traditional ideology of the superior quality and cheapness of Russian "rugged" weapons design. They hardly notice that Moscow is losing its positions even within its habitual arms recipients. It trades Soviet-vintage armaments that are soon to be phased out and are rarely followed with novel sophisticated products capable of competing with the Western analogues.

At the same time, the Kremlin views "oboronka" as the model of industrial prowess and export expansion earning around five billion dollars annually. This is also an important power-base reservoir for the present regime in Russia which has made the defense industry, secret services, police and the military the most important pillars of its political survival. Russia is obviously determined to sustain the competitiveness of its nuclear and missile/space industries as the leading branches of the Russian high-tech sector with world-class technological achievements. However, this branch of the Russian economy remains one of the stalwarts of conservatism, despite some encouraging examples, specifically in the aerospace industry (like Sukhoi, Irkut Energia,

or Khrunichev). Thus it is finally doomed to collapse, since in its present form as the majority of its members will hardly survive open-market global competition. This does not mean that the Russian defense industry has completely lost its “competitive edge”, but even to utilize it the country needs to drastically reform, consolidate and actually privatize this important sector. Like its parent defense industry, Russian missile/space production, though still riding high on the assets and fame of the Soviet past, requires dramatic restructuring and introduction of the Western-style management procedures as means of survival in a needs to be innovatively managed and put on a solid private-sector basis to reduce the risks of sensitive technologies or expertise falling “into the wrong hands”. More privatized the Russian defense companies will be, more receptive they may become to the ideas of further promoting the MTCR into an actual global regime. The future of private high-tech companies largely depends on their exports which hinge on their good standing on an international level as respectable business partners. This, theoretically, presents a potent leverage for the Western counterparts to condition the acceptance of Russian industrial actors in the global markets on their strict compliance to the MTCR principles and norms.

Not only governments but also companies must be given specific goals to attain, rather than just providing a list of highly attractive deals that they can not pursue due to security reasons. While it should not be Western policy to rescue the entire ailing Russian and affiliated Ukrainian missile industry in this manner, it is possible and desirable to stimulate the process of consolidation, downsizing and true “civilized” privatization reform within the huge missile-industrial complex. The final goal should be the establishment of larger privately-owned holdings to emulate “Lockheed Martin” or

“EADS”, or “Lukoil” for that matter, the stock of which can be ultimately traded worldwide. Although, hypothetically, these optimized future Russian missile concerns could become competitors for the U.S. or, especially, European aerospace industry, the more likely outcome of such elimination of overcapacity would be the emergence of subcontractors for the Western aerospace firms. It would also, hopefully, eliminate the possibility of missile proliferation by closely tying the survived Russian and Ukrainian missile industry to its Western partners and making them increasingly dependent on Western contracts and joint openings on the foreign markets. Such close cooperation would also lead to effective oversight of the CIS facilities by raising the transparency of their activities. Undoubtedly, initially the Russian missile manufacturers would indignantly reject such role of a ‘younger brother’ or subcontractor-supplier (though Russia is already actually playing it in regard of its European partners). However, the realities of the global competition do not leave Russia another chance as the possibility for a sudden surge in the development of high-tech industries in the country is almost improbable within the present socio-economic environment and practices. Even the current leap in the domestic missile procurement based on the immense oil and gas sales’ revenues can’t aid the Russian defense enterprises in completing a factual revolution it needs. After all plans for defense conversion and innovation have failed in the past. One of the most promising channels for eventual cooperation, besides the joint weapons development or the International Space Station, is involving individual CIS companies as subcontractors in various aspects of the National Missile Defense (NMD) program development. Without discussing the perspectives of this program, this could happen only if and when the Russian policy on this issue some day changes in the

result of currently implausible revolution in strategic thinking.

### **MTCR in the post-September-11 World**

Moscow's eagerness to continue working on the Code of Conduct will depend on the future orientation of the foreign policy vectors of the Kremlin. Despite its growing imperial ambitions to emulate the Soviet approaches, especially in its CIS "backyard", it is rather unlikely that Moscow leaders would dare to seriously deteriorate their relations with the West. In the missile nonproliferation domain, they would continue to utter noises about the necessity of a global universal regime while no practical actions toward formulating its realistic content will be taken. Russian positions are shared by many nations in the developing area of the world, what gives certain satisfaction to the Kremlin's aspirations to play the role of a leading globe power with its own entourage of clients. In general, the missile proliferation topic will be pitched each time Moscow decides to show its special foreign policy course (like recently on the allegations provided by Israeli sources on the imminent Russian sales of *Iskander* MRBMs or *Igla* man-portable SAMs to Syria which have boiled down to the transfer of *Iglas* in a fixed-pad "*Streletz*" mode ). This makes the Russian diplomatic approaches on this issue resembling the traditional 'intransigence' and cautioned anti-Americanism of the habitual French position.

Thus, the elaboration of international legal basis of the missile nonproliferation is now in the state of dynamic balance. On one hand, developing countries, especially those unwilling to impose any restrictions on their missile programs, are quite satisfied with the fact, that Code, at least at its present form, does not oblige them excessively

(especially, if they are not its signatories) and doesn't threaten any sanctions for acquiring and transferring missile hardware and technology. Even China and India in the future can be cajoled into showing more openness on their missile developments. This makes the entry into the Code with its annual notifications and data exchange system possible.

On the other hand, major missile powers, though paying lip service to the virtues of the Code are, at the same time, quite satisfied with the absence of any far-reaching commitments in this document which would be relevant to their missile developments or export opportunities.

Generally, despite certain tensions due to the lingering threat of international terrorism, the overall situation with the global proliferation remains more or less dormant or not developing exponentially, as no new incidents or no new proliferants occur. Not so many states or non-state players would venture into developing their own WMD potentials, even as the creditability of counterproliferation doctrine has been undermined with the fiasco of the American operation in Iraq. In fact, the current proliferation problems are posed only by a few 'foul players', such as North Korea and Iran, the number of which is not growing. Several former 'states of concern', i.e. Iraq or Libya, have dropped from the target list. The Bush administration paid the price of rising tide of anti-Americanism and strained relation with European allies for cooling the WMD ambitions on the global periphery. It is still poised to curb any excessive WMD-related developments of the dictatorships in the global "South" as all other means of traditional multilateral diplomacy proved to be failing. (In this regard, the level of eventual active measures against the alleged North Korean nuclear status will be a litmus test of

credibility for the Bush doctrine). For the time being, there are no states beyond Iran or North Korea meeting the following criteria, which demand immediate enforcement actions against them: 1) totalitarian or excessively authoritarian dictatorial regime that systematically violates the human rights of the population; 2) aggressive foreign policy, ambitions to seize the regional leadership role, including by a massive military force buildup - up to the acquisition of WMD potentials; 3) vast natural resources, allowing military expenditures adequate for WMD development programs; 4) radically anti-Western, anti-American, policies and ideology providing theoretical justification for the WMD-linked aspirations as a potential tool to offset the military pressure of the West. States with obvious problems in human rights and socio-economic development, such as Sudan, Cuba, Myanmar, Zimbabwe or Liberia, remain just other dictatorships, sometimes posing an elevated threat to their immediate neighbors, but this doesn't turn them into imminent targets for the only 'global enforcer'.

In these circumstances, the motivations for establishing a global, all-encompassing regime of missile proliferation, based on a kind of the NPT-styled treaty, are presently rather limited.

In the current international environment which is still rather estranged from the Kantian ideals of "Eternal peace" or liberal "New World Order" or "U.N. first" doctrines, the conclusion of a new international regime on missile nonproliferation along the lines of NPT or in development of the Code of Conduct is rather problematic. Unlike the situation with the NPT preparation in the past, there are no forces which would press for quick agreement on such a regime. The major underlying contradiction of the nonproliferation - the absence of unbiased attitudes (as states are always divided into

allies and foes and there are “good” and “bad” types of proliferation) - is haunting the international community. There can be even positive side in this situation - since an enlarged regime can become a venue for politicized rhetorical escapades which U.N., unfortunately, witnesses nowadays, any goal-oriented enforcement procedures against perpetrators (like today, hypothetically, focusing on Pyongyang or Tehran) would be blocked. The major ‘missile powers’, including Russia, obviously thinking they paid enough rhetorical tribute to the multilateral disarmament diplomacy, clearly prefer the bilateral dealings on missile issues.

### **MTCR and Putin’s Russia**

For Russia, in particular, the development of a meaningful dialogue with the USA seems to be the most acceptable way to work on missile proliferation. Thus, the Russian-American “track” could lead to far more visible achievements than the painstaking efforts within the U.N. or the Conference on Disarmament. At the same time, the bilateral format permits the professional examination of the most realistic steps in further upgrading the effectiveness of Code, as well as introducing some new ideas and venues to deal with the issue and working on future confidence-building measures in missile area or data exchanges procedures, including the exploitation of the U.S.-Russian Joint Data Exchange Center.

In the same framework the innovative approaches toward cooperative work on new ABM systems can be explored, if the two countries concepts of strategic stability



might ever come closer to each other. Probably, such further discussion of nonproliferation-linked issues could help return to jumpstarting the dialogue on strategic issues. It can do so by introducing its new dimensions, like agreeing on the lowered levels of strategic alert, drastically changing nuclear weapons employment doctrines or implementing the long-discussed ideas of joint C3I hubs in the vein of the planned Joint Center.

Meanwhile, under Yeltsin's successors, the "*Brownian-type*" chaotic movement of Russia's defense enterprises, chasing potential foreign customers, is increasingly being brought under state control, which is very similar to the case of the USSR.

Putin's administration has provided a certain type of belated vindication of the August 1991 "GKChP" coup plotters in its support first and foremost of the "superpower restoration" of Russia and the implementation of bureaucratic controls in the economic management, primarily in the defense and high-tech sectors<sup>41</sup>. Hence, we can term the current period of Russia's development of missile and space launch capabilities as the time of "***Order and Serenity***".

Any proliferation now could only take place under the "guided proliferation," directly sanctioned or underwritten by the Kremlin administration, as was the case in the Soviet Union. This makes it both easier and more difficult to address any future violations from the perspective of the Western nonproliferation community, as it now has to deal with the entire state bureaucracy rather than "independent" manufacturing facilities.

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<sup>41</sup> See the lucid analysis of the contemporary Russian politics in: Lilia Shevtsova, *Putin's Russia*, Washington, Carnegie Endowment for International Peace, 2003.

Russia's provision of sensitive proliferation-prone technologies to other countries will however, remain an important item on the agenda in the relationship with the West, and the USA in particular, even under the current Russian administration. The major problem stimulating potential Russian breaches of export controls is the current regime's preservation of the largely Soviet-style "great-power" paradigms for national security (backed up by the residual nuclear potential and generally vast military power assets), as well as the country's structural economic woes. Therefore, the United States, - as the only remaining instrument of influence on the increasingly self-assertive Moscow's foreign policy despite its vocal anti-Americanism,- should actively engage the Russian ruling 'elite' in bilateral deliberations on export control and nonproliferation in order to secure its cooperation and compliance on these issues. The bilateral avenue deems more effective in addressing current or prospective problems over Moscow's approach to the MTCR and missile nonproliferation.

Russian attitude to the MTCR has made a full circle from the slightly veiled negativism to the active involvement in all major proceedings. In general, it seems that Russia has become an accepted member of the MTCR, an engaged participant of all the developments of the future missile nonproliferation regime when the conditions are ripe for its finalization. The outstanding issues of its non-compliance with the MTCR norms are now, hopefully, the affair of the past - or until the future U.S. Democratic administration will be willing to raise the subject of the possible future Russian transgressions.

*U.S. policy of encouraging Russia's adherence to the MTCR in exchange for its acceptance at the international space launch market has definitely played its role in*

*curbing Russian proliferation forays. At least, it has sensitized Russian authorities to the acuteness of the problem of missile proliferation and the dismal consequences for Russian interests, if Moscow entities' involvement is exposed. Since the end of the 90s, Russian agencies have been attempting to mend the possibility of technology leaks and boost the country's general missile nonproliferation image. They implicitly expect the reciprocal payoffs from the U.S. side which unfortunately are slow to materialize. Presumably, it is considered in Washington that Russia is too large a country to be simply 'bought out', as some other former USSR republics. The tradeoff approach is not a proper way to develop relations in these sensitive areas between two countries. The lack of U.S. interest creates additional difficulties even for those Russian politicians, though rare now in Moscow, who would be genuinely attached to the drastic improvement of bilateral relations on the basis of Russia becoming an undisputed American ally.*

*By demonstrating an innovative approach and determination, the U.S. could completely 'close' the chapter of Russian missile proliferation - the different periods of which have been discussed above. This could be done by focusing on incentive approaches for both Russian governments and businesses. Such an opening would effectively reduce the economic temptation offered by states seeking to procure missile technologies. Possible remedies that are to be investigated include engaging the Russian and affiliated Ukrainian missile industries in "benign" and mutually advantageous collaborative projects with Western firms. This includes space and, possibly, ABM-related research, joint arms production for exports in the third countries and restarting currently stalled defense conversion programs in Russia.*

*Thus the best way to prevent Russian missile specialists and scientists from seriously considering the sale of their expertise and Russian-made missile systems and components to “the rogue regimes” would be a policy of their active engagement in cooperative development efforts with the Western, primarily U.S., companies, and assisting them in partially reorienting their production to peaceful, proliferation-safe or non-aerospace products. In this context the basic message that a strict compliance with international nonproliferation regimes is critical for the successful export promotion of Russian space and missile industries in their collaboration with the Western partners should be clearly presented to the Russian/CIS officials, firms and public. This might furnish additional arguments and leverage for a more efficient implementation of export controls’ outreach in the Russian missile industry.*

*The current situation is apparently favorable for this type of overture. Despite the widespread anti-Americanism of ruling elites, President Putin is interested in enhancing cooperation with the United States and the West on the whole, as it helps to re-introduce Russia into the realm of leading global players, augments the prestige of the Russian foreign policy while bringing tangible economic benefits .*