



A 'Reset' in Russia and Japan Relationship?

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A shift in the geopolitical landscape of international relations from West to East is evolving. In this backdrop, willingness between Russia and Japan to peacefully resolve the 67-year old dispute over the Kuril Islands is being considered by both countries. The reason behind this rapprochement is a combination of factors between the two countries: the rise of China; the perceived relative decline in the power of the US; Russia's perceived re-emergence as a major player in the international community; Japan's need for alternative energy sources and its ambition to restore Tokyo's international position.¹

Russia and Japan are engaged in high-level diplomatic exchanges including the meetings between the top leaderships and the 'two-plus-two' meeting. On April 2013, Japanese Prime Minister Shinzo Abe met Russian President Vladimir Putin at Moscow to resume talks² on resolving the territorial dispute³ by enacting on the World War II peace treaty. During the visit, Prime Minister Abe reiterated his interest to 'reset' ties with Russia and end the stalemate through 'economic diplomacy'.⁴ Similarly, President Putin at the same meeting said that "It was not us who created this problem. We inherited it from the past. And we sincerely want to solve it in conditions that are mutually acceptable for both sides". However, he also made it clear that it will take time to resolve the conflict, and economic development is the best way forward⁵ towards it.

Background of the Bellicose Relationship

Geographically, Russia and Japan are neighbours but their relationship has been belligerent since the 20th century because of the imperialistic ambitions of Russia and Japan in North-eastern Asia. Their relations—‘Tsarist’ or ‘Communist and Capitalist’ or ‘Democracies’—have been dominated by conflict rather than cooperation. The periods of cooperation and alliance between Russia and Japan were brief.⁶

During the Soviet Union period, Russia and Japan were camped opposite each other in World War II and the Cold War. The hostility and the dispute over the Kuril Islands led both the countries to disagree on the peace treaty known as the ‘USSR-Japanese Declaration’ of October 1956. Japan refuses to sign the treaty⁷ as it demands Moscow to recognize it as the rightful owner of the South Kurils – the Kunashir, Shikotan, Iturup and Habomai Rocks and holds to the declaration under which Moscow obligated itself to return the two southernmost islands (Shikotan and Habomai) on the conclusion of the peace treaty.⁸ Moscow maintains that the Soviet Union’s annexation of these islands from Japan following World War II is non-negotiable.⁹ Soviet Union had adopted a hard stand with the ‘January 1960 USSR Memorandum to the Government of Japan’ where Moscow considered that Japan had violated the 1956 Declaration by signing a new security treaty with the US. The Soviet had no longer considered itself obligated to fulfil Article 9 of the 1956 Declaration.¹⁰

From the late 1980s, Russia and Japan sought to normalize their relations and the rationale behind the bonhomie between the countries was national interest and the evolving new world order. There were three periods of active attempts towards it. In 1991, Soviet President Mikhail Gorbachev met Prime Minister Toshiki Kaifu¹¹ to discuss ways for engagement that shaped in Russian liberal policy makers thinking in lines of concessions to Japan in 1992. But the attempt was unsuccessful as the policy makers were attacked by the nationalists in Moscow.¹² This resulted in the postponement of President Boris Yeltsin’s visit to Tokyo which he undertook in 1993, marking the second period, and issued the ‘Tokyo Declaration’. The third period of rapprochement is from the Yeltsin–Hashimoto ‘no-necktie’ summit meetings in November 1997 and April 1998. However, all these meetings were not fruitful.¹³

The Russian government wanted to offer Tokyo a kind of joint administration and development of the islands, with legal sovereignty remaining with Russia,¹⁴ which is unacceptable to Japan. In 2000, former Russian Foreign Minister Aleksand Losyukov said that ‘the search for ways in which to resolve the territorial problem between Russia and Japan must be based upon the inviolability of Russia’s sovereignty over its territory’. To which Japan was unwilling to develop a closer economic relationship whilst the territorial problem remains unresolved.¹⁵ However, in 2001 Putin and the outgoing Japanese Prime Minister Yoshiro Mori met and agreed that Russia and Japan would continue negotiations, along with economic cooperation in and around the Kuriles.

In 2001, Putin affirmed that the 1956 Declaration was still valid and the hard stand towards the ‘January 1960 USSR Memorandum to the Government of Japan’ had changed. In 2003, a proposal of six points of the future Russian-Japanese Action Plan was signed which were to ‘strengthen dialogue, efforts to sign a peace treaty, interaction in the international arena, cooperation in the economic and legal fields, and the development of cultural and human contacts’. But the January 2003 summit did not result in any new developments in relation to the peace treaty. A major stumbling block in the dispute is the fact that Moscow and Tokyo have differing interpretations of the 1956 Declaration. For Japan, the signing of the peace treaty and return of the two southern islands is the prelude to the ultimate return of the two northern islands. For Russia, signing the peace treaty and transfer of the two southern islands ends the dispute with Japan.¹⁶ The bilateral relationship between the two countries till the beginning of 2013 has been tensed due to the dispute.

Change in Attitude

With evolving stakes and competition for power in the Asia-Pacific region, a change in the attitude to enhance the bilateral relations is noticed between Russia and Japan. For Russia, Japan is crucial from the context of the Asia-Pacific region and has expressed it in the ‘Concept of the Foreign Policy of the Russian Federation’ of February 2013.

Putin in June 2013 at the St. Petersburg International Economic Forum expressed his intentions to ‘take a page from the United States’ book and ‘pivot East’. He announced ambitious plans to boost Russia’s economic growth by looking to the Asia-Pacific region rather than to its

traditional markets in Europe.¹⁷ It believes that the current shift of global power and developmental potential is in the Asia-Pacific region and wants to actively contribute to the efforts to establish effective mechanisms for strengthening peace, security, mutual trust and cooperation in the region as a regional element of the new security architecture. Russia expressed its willingness to promote development of good neighbourly and multidimensional relations with Japan. It wants to continue the dialogue to find a mutually acceptable solution to unsettled issues between both the countries.¹⁸

For Japan, increased tensions between China and Japan over the Senkaku Islands in the South China Sea are driving the country to ‘rethink’ its policies on various issues such as its relationship with Russia, shifting its ‘omni-dimensional’ to an independent and pragmatic ‘multi-dimensional’ foreign policy and change the Article 9 of Japanese Constitution.¹⁹ Although Japan is protected by its security alliance with the US, but wants other partners to balance China’s growing influence in Southeast Asia²⁰ and help in mitigating its dispute with South Korea.

The early part of the 21st century witnessed an upsurge in the fortunes of Asia with the emergence of major powers like China, Japan and India and many viable economies like South Korea, Indonesia, Vietnam, Taiwan and Singapore.²¹ China with its strong economy and massive modernization in defence sector is becoming a rising hegemon in the region. The country is facing a clash of national interests with most of its neighbours. China and Japan are engaged in conflicts such as the South China Sea conflict and the Senkaku islands which is dangerous for global security and peace. China feels threatened by Japan who wants to regain its position as a ‘reinvigorated Asian power’²². Beijing’s declaration of an Air Defence Identification Zone (ADIZ) that covers the Senkakus, its campaign against the rise of Japanese militarism under Abe, the periodic regurgitation of its historical grievances against atrocities inflicted on China by Japan during the war years, its strident protests when Japanese leaders visit the Yasukuni Shrine, are all part of a strategy to browbeat Japan, obstruct its resurgence as that will pose a challenge to the Asian hegemony that China seeks. With China’s rise, Abe is determined to put Japan on the road to economic recovery and restore the country’s international role.²³ To achieve this national objective, Japan’s relationship with Russia is crucial.

Dynamics of Engagement

Economy and Energy

Security of the nation and its economy along with their ambitions to play a major role in the international community have made Russia and Japan look beyond the island dispute. To Russia, Japan's economic assets—its capital, advanced technology, and proven industrial and commercial know-how—are very attractive.²⁴ It also needs Tokyo's cooperation to enter the dynamic Asia-Pacific economy. Moscow is aware of Japan's prominence in APEC (Asia-Pacific Economic Corporation), its leading role in the Asian Development Bank, and its dominant presence in the ASEAN economies, as well as the important role Tokyo is playing in the economic development of Southeast Asia.²⁵ The Russian energy ministry in January 2014 released a 'Draft Energy Strategy to 2035' which forecasts 23 per cent of all energy exports will be sent to the Asia-Pacific region by 2035. Russia currently ships around 6 per cent of the gas in the form of LNG from its Sakhalin 2 LNG plant to the Asia-Pacific region.²⁶

In order to expand its influence in the region, Russia understands the significance of moving closer to Japan apart from China. Also the strategy behind Russia's closeness to Japan is because it wants to strengthen its security and sovereignty in the region as it plans to develop a sea route through the Arctic Ocean. The route, linking Europe with the growing Asian economies, would require only half the travel time of the Suez Canal route.²⁷ For Japan, the Fukushima nuclear disaster of 2011 has prompted it to look for energy alternatives and Russia being an energy producing country is a lucrative option for Tokyo. Japan imports oil and gas from Russia's Sakhalin area, and is boosting energy cooperation in the production of liquefied gas, building petrochemical enterprises and improving gas and transport infrastructure.²⁸

Apart from Asia-Pacific region, Russia is also focussing on developing Siberia and the Far East region. On December 2013, Putin announced plans for advanced economic growth zones in eastern Siberia and the Far East.²⁹ On 2012, Putin labelled the development of the Russian Far East as 'the most important geopolitical task' facing the Federation.³⁰ Russia has encouraged Japanese companies to enter this region in both energy and non-energy sectors, and Japan has reciprocated their interest in participation in the construction of LNG plants near the city of Vladivostok and on Sakhalin Island.³¹

Strategy of Russian diversification help open up Siberia and the Far East region for development to other countries apart from China is to balance the growing presence of the latter. Russia is particularly alarmed that its thinly populated Far East could become part of China's economic sphere.³² Russia and China shares a strong 'Strategic Partnership of Coordination' since 1996 yet there is a growing source of tension between the two because of the latter's influence in Far East.³³ Russia denies the element of trying to contain China but in 2000, Putin warned that unless long-term trends were reversed, 'Russians in the border regions will have to speak Chinese, Japanese and Korean within a few decades.'³⁴ Reluctance towards Japan though is evident but given the latter's economic assets and its alliance with US, Russia understands the significance of cooperating with Tokyo, if Moscow wants to establish its own influence in the region and also balance US's stake in there. Meanwhile, for the U.S., increased Russian-Japanese cooperation is a welcome development that should be encouraged. Greater Russian engagement in Asia and cooperation with Japan contributes to a more resilient regional security order. It also undermines prospects for a Chinese-Russian axis.³⁵

Security and Defence

Russia and Japan relationship has also extended into defence and security sector and 'two plus two' talks, held on November 2013. Both sides agreed to hold joint military and anti-piracy exercises, and establish a defence consultation framework. Russia's foreign minister Sergie Lavrov on November 1, 2013 said that 'upgrading defence ties between the two countries could serve their national interests in resolving terrorism and North Korea's nuclear threats, as well as other regional disputes'.³⁶ For example, Japan and South Korea shares a historical dispute, which can effect negatively on the security architecture of the Asia-Pacific region. Meanwhile, Russia and South Korea shares a vibrant bilateral relationship. Mitigation of the conflict between Russia and Japan can be model for resolving the dispute between Japan and South Korea.

Russia's interest in cooperation with Japan on security-related matters is because of its ambitions in Asia and its covert concern over China. In March 2013, Chinese President Xi Jinping during his visit to Moscow had proposed to Putin that China and Russia take a joint approach in engaging Japan on territorial issues, to which Moscow had 'demurred'. Beijing and Moscow continues to enjoy friendly relations³⁷ but Russia is wary of China, and is therefore trying to strike a

more advantageous balance by pursuing better relations in the Asia-Pacific with Japan and Vietnam.³⁸ Russia would not like to get involved in any disputes in this region and is treading the water and trying to emphasise its position as a Eurasian power. Similarly, Japan wants to regain its position and with Russia expanding its influence in the region and the relative decline of US, the enhancement in their bilateral relations serves both the countries national purposes.

Conclusion

The growing relationship between Russia and Japan is about *realpolitik*. Putin on December 2013 said that Russia-Japan relations contribute to Asia-Pacific security and stability.³⁹ Moscow has been pressing for the establishment of a new architecture in the Asia-Pacific region that would rely on non-bloc principles and the idea that no country should maintain its own security at the expense of others.⁴⁰ Russia has expressed its disdain over unilateral interference of any country in other countries internal affairs in its 2013 Concept of Foreign Policy, an indication to the US and the West. It is establishing relationships with other countries including Japan on the aspect of its 'non-interference' policy to regain its influence in the world. Japan which has been an ally of the US and has followed policy of pacifism does not want to be left out in the major shift of the new world order, hence is shifting itself towards a multi-dimensional foreign policy.

For Russia, Japan's geographic position is important in the Pacific Ocean and a lucrative market for its energy supplies. Similarly, for Japan, active relationship with Russia will help in boosting its economy and security as both countries are engaged in concrete diplomatic talks.

The solution to the island will take time as Putin pointed out. It is because of the strategically located islands which represent a 'gateway to East Asia that complements Russia's ports in Vladivostok'⁴¹. Likewise, Japan won't compromise on a stand that would leave them with minimal stake. Hence, whether Russia and Japan are moving towards a 'reset' will reveal itself in the future, especially on the peace treaty issue. It is because once this treaty is signed, both will be able to cooperate more closely in East Asia. In fact, both can contribute towards peaceful coexistence bilaterally and can have joint administration over the islands, promote dialogue and promote people-to-people contact. If successful, Russia and Japan can also contribute in solving the regional disputes in East Asia by engaging in dialogue based on economic cooperation with other

actors involved such as China. If Russia and Japan is successful in its bilateral relationship then it can serve as a model for the other regional disputes such as Tokyo's clash with China and South Korea.

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