

Russo-Japanese Relations: Problems and Perspectives

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STEREOTYPES in Russia Towards Japan: Historical Aspects

- It is hard to separate geopolitics and history: territorial disputes are viewed through an historical prism, and Japan's military build-up and actions today are interpreted in light of its historical aggression
- History courses in Russian schools portray Japan as either a hostile adversary of Russia in the prewar period, or a satellite of the United States

STEREOTYPES in Russia Towards Japan: Historical Aspects Legacy of WWII (1)

- The entry into war against Japan in 1945 is widely seen as the highest act of historical justice.
- After the end of the Cold War, Japan as the “defeated enemy” played an indispensable role in reestablishing Russia’s glamour, however illusionary, alleviating the pains of the superpower complex.
- Media scrutiny was not welcome because the USSR considered them to be completely resolved by the Joint Declaration of 1956

STEREOTYPES in Russia Towards Japan: Territorial Issue

- The USSR/ Russia considered all issues of war to be completely resolved by the Joint Declaration of 1956
- In the Soviet period a taboo was imposed even on the study of the historical background of the Soviet-Japanese territorial problem. One could speak only about the “unfounded territorial claims.”

STEREOTYPES in Russia

after the Cold War

- The Soviet entry in the war against Japan was an act of ultimate historical justice leading to a speedy end of the war
- Japan as a defeated country should bear this status with humility
- The results of WWII, including the territorial acquisitions, are inviolable
- Japan is a subordinate country with “semi-colonial status,” which at best, does not control its own foreign policy, or, at worst, is a satellite of the United States and, hence, the geopolitical adversary of Russia
- An alarmist view of Japan as a “militarist” and even a “hostile” country belonging to the opposing political camp

Main groups of views towards Japan in Russia

- Conservatives
- Realists
- Mercantilists

Conservative faction

- Conservatives rest their argument on Russia's status as a guarantor state of the Yalta-Potsdam system and postulate the inviolability of the results of WWII
- Japan as the defeated country should humbly adhere to this status, accepting it in repentance and humility
- No territorial problem with Japan
- Abe's national security policy aimed at revising the Constitution and an active military build-up is viewed as "revenge-seeking."
- Japan-US military alliance is the only effective tool that limits Japan's military ambitions and aspire for nuclear weapons

Realists

- Realists believe that Japan and Russia can find a compromise on the territorial issue based on the 1956 Declaration, the specifics of which should be based on understanding shared mutual threats
- Japan holds an exceedingly pro-American stance and should choose a more independent position
- Japan supports the anti-Russian sanctions against its will
- Peace treaty (no more than euphemistic wording for a deal on “border demarcation”) should be signed on the base of Declaration of 1956
- China threat for Japan: they interpret contacts between the United States and China in conspiratorial terms, as an attempt to “divide the globe behind Japan’s back.

Mercantilists

- The risk for Russia of becoming a “northern province” of China
- Commonality of economic interests between Russia and Japan, based on the ability of Russia to supply Japan with energy, food, and transit opportunities in Europe in exchange for Japanese investment and technology
- Russia should resolve the territorial dispute with Japan, or at least find the most conflict-free formula of freezing the dispute

Japan in Russia's public opinion compared with other countries

- US : Russia has cold and hostile relations: 81% in 2015, 65% in Sept. 2016 (WCIOM)
- China: Relations are 'good ' or 'fair': note less than 67% in 2014-2016 (87% in 2016), bad – 14%
- China is 'trusted' by 25% Russians, Japan – by 9.9% (2016)
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Russian Public opinion polls

- Relations with Japan are 'strong' and 'friendly' – 3% in 2008, 1% in 2014
- Relations with Japan are 'tense' and 'hostile' – 3% in 2008, 2% in 2014
- Russian faces the threat of military invasion from Japan: 6% in 1990, 0% in 2015
- Conclusion: Indifference towards Japan as a diplomatic partner (contrary to the US and China)

Territorial dispute with Japan

Against extension of any of the four islands:

1992 – 71%, 2016 – 78% Russians

Against acknowledging Japanese sovereignty while retaining the administrative control – 69% (73% in 1998)

The trust to Russian President will diminish after extending any of the disputed islands to Japan: 32% - ‘considerably’, 23% - ‘to some extent’, 23% - ‘will remain intact’ (2016)

Conservatism in the Russian Public sentiment

- Acknowledging the islands as ‘Mutual Property’: 8% in 2016 (16% in 1991)
- ‘Not a single island should be extended’: 56% in 2016 (37% in 1991)
- Peace Treaty with Japan: 48% respondents support the idea (‘very important’ and ‘rather important’), 38% - ‘not very important’
- The idea of signing peace treaty without any compromise on the territorial issue prevails

Peace Treaty with Japan in the eyes of Russia

- Putin in Japan (Dec. 2016): absence of Peace treaty – ‘an anachronism’
- Peace treaty in the eyes of Russians: Fixing the Results of WWII (Japan as the loser, USSR/Russia as the winner) : inequality of the partners
- All problems connected with WWII are settled by the Declaration of 1956
- What is needed is the ‘Peace and Good-neighborhood Treaty’ like that between China and Japan of 1978

December 15–16

Abe – Putin Summit Results: Peace Treaty

- Commitment to peace treaty signing
- Joint economic activity in the Kuril Islands
- A special regime to ensure Japan's economic presence in the Islands
- A separate international treaty on the issue of the special regime
- Humanitarian aspects of the territorial problem – the possibility for former Japanese residents of the islands to freely visit Southern Kurils, for example, to take care for the graves of their ancestors

Are the results of the Summit Japan's Defeat?

- Any Joint economic Activity – under the Russian legislation (President's Aide Ushakov)
- Statement of the Speaker of the Upper House Matvienko (visit to Japan in Nov. 2016)
- Putin: Russia has no territorial problem with Japan, the problem is the absence of Peace treaty
- The aspect of Japan-US Security Treaty during consultations between Patrushev and Yachi (leakage to Asahi Shinbun)

Tightening Russia's Position

- Moscow has allegedly tightened its line because of Donald Trump's victory
- Appointment of the pro-Russian Rex Tillerson to the post of US State Secretary
- OPEC's decision to reduce oil production which has led to higher oil prices
- Russia does not need Japan as a mediator in its relations with the West?

Moscow's steps towards Tokyo

- The reaffirmation of Putin's determination to conclude peace treaty with Japan (the issue of peace treaty was put on the agenda of bilateral relations in the 1990-s under the pressure from Japan)
- Moscow's willingness to include all four South Kurile islands in a joint economic zone (by agreeing to create a special regime for all Southern Kurils Moscow thereby indirectly softens its basic two islands position)
- Moscow's assent to provide former Japanese residents of the islands with no visa visiting rights
- The economic and cultural penetration of Japan to Kuril Islands, the economic development of the islands by the Japanese business would undoubtedly give Japan an additional argument to justify its claims to these territories

Economic Aspects of the 'Special regime' treatment

- Japanese investors will receive all possible discounts available for those investing in Russia's Far East.
- The more promising areas for cooperation include fishery, creating aqua farms and building urban infrastructure
- Territory of Advanced Development?

Progress Towards Peace Treaty

- Reaffirmation of Putin's determination to conclude peace treaty with Japan (the absence of such treaty an 'anachronism') 時代錯誤
- Moscow's willingness to move towards the peace treaty means that it does not reject dialogue with Tokyo on this sensitive issue and, under certain conditions, is ready to look for a mutually acceptable solution

Will the Special economic zone lead to the peace treaty?

- The premise of Russian legislation: (mutual legislation is unrealistic)
- Mutual economic activity will lead to a higher level of trust between the two peoples
- That will theoretically be helpful for the Peace treaty
- In practical terms there is a big space for skepticism

Results of the Summit: Economic Development

- Detailed agreements on economic cooperation, covering *Abe's '8-point plan'*
- Russia-Japan business forum: 1 interstate, 11 intergovernmental and 68 commercial agreements
- Cooperation projects proposed are reported to reach US \$2,54 billion. It was also announced that Russia-Japan investment fund of US \$1billion was to be established, with Russian Direct Investment Fund and Japan's bank for international cooperation acting as founders

Results of the Summit:

Economic Development (2)

- In Russia there are very high hopes in the economic cooperation with Japan
- For Japan economic projects in Russia could be a chance for stimulating the stagnating economy
- A special attention is attracted by the perspectives in energy cooperation (Arctic LNG2 project – Gydan peninsula, Sakhalin shelf gas exploration etc.)
- JBIC – promise of 400 mln doll. to Novatec
- Social infrastructure
- In reality Russia concludes that Japan de-facto withdrew itself from the sanctions

Prospective of Economic Development: Energy

- Long-term period of moderate prices for energy resources
- In Japan: a new concept for energy and ecologic policies
- Antinuclear movement goes down

Conclusion: Russia retains its position as a 'spare', alternative supplier in case of emergencies

Perspectives of constructing the pipeline from Sakhalin to Japan are still distant

Positive moments: cooperation in gas sphere becomes a 'locomotive' driving forward the train of economic cooperation

Mutual complementarities of gas sectors: Russia as the supplier of LNG, Japan – technologies and capital

For Russia Japan – an important part of risk hedging policy

For Japan much will depend on the structural reforms:
liberalization of gas markets and infrastructure

Problems in the energy cooperation with Japan on the Russian side

- Excessive production capacities (Prigorodnoye, Vladivostok, Dalnevostochny) and inadequate competition of projects
- Competition between Gasprom and Rosneft
- Economic Sanctions

Infrastructural development projects in Russia

- In reality Japan is the largest Asian investor to Russia (2nd is Turkey, 3rd is India, 4th is China)
- For 25 years Japan invested to Russia \$14.4 bln, including \$10,3 – to the energy projects (Sakhslin etc.)
- A special network between governments: Seko – Ulyukaev, Seko – Shuvalov and Seko –Trutnev
- Negotiations over a new LNG plant construction (Mitsui – 1 bln dol.), Yakutia mining projects, Khabarovsk airport reconstruction etc.
- Perspective infrastructure projects are a chance to boost stagnating Japanese economy

Russo-Japanese Economic Relations: Perspectives

- The structure of trade relations

(Russia as supplier of resources, Japan as supplier of cars and equipment) will not change in the foreseeable future

Economic relations are not complementary

The task is to broaden the whole specter of cooperation:

Tourism

Education

Cultural exchange

Creating positive image and building mutual trust

Future of Russo-Japanese relations: US factor

- Trump factor: US – Russia relations – a new reset?
- An impact on the bilateral relation?
- Trump – a ‘commercialized’ approach to sanctions policy?

Future of Russo-Japanese relations: China factor

- 'China roll' in Russia's global policy
- Political: Evasion of Complete isolation after the Ukrainian crisis
- Economic Factor: OBOR and Russia's Hopes
- Disillusionment with China?

Future of Russo-Japanese relations: a set of uncertainties

- Situation of the Korean peninsular (Russia and Japan are allies)
- Ukraine and Japan's attitude to the problem of Crimea
- Relations with the West (Japan as 'the weak link' in the anti-Russian chain')
- Syrian problem (Japan and Russia are on the opposite sides of barricades)

Bilateral relations: Russian angle

Difficulties in the Russian economy: exhausting domestic financial resources, limited access to global financial markets

Political situation: uncertainties for the political regime from growing social unrest

Growing threats of terrorism and Muslim extremism

Depopulation in Siberia and the Far East

Japan as 'the Germany' on the East (Dmitry Trenin)

Bilateral relations: Japanese angle

- Problems in relations with China
- US withdrawal from East Asia under Trump administration and security problems
- North Korea problem
- Challenges for Japan from Russian-Chinese rapprochement

Conclusion

- Next several years will mark relatively warm relations
- Abe – Putin personalities and mutual contacts will be indispensable

Perspectives of settling the territorial dispute

- Will Japan agree to the Declaration of 1956 formula?
- Political risks for Abe (abandoning Kunashiri and Etorofu, the native territories of Japan)
- If Japan agrees to the formula of 1956, what will be the Russian reaction?