

Russian-Japanese relations: Systemic crisis or new opportunities?

Dmitry Victorovich STRELTSOV

Since 2014, the Kremlin treated Japan as a tool to undermine the unity of the "anti-Russian front" formed in the West. However, after 2016, this idea has lost relevance. A new understanding came that special relations with Japan front will not undermine the unity of the West, and Japan will not unilaterally withdraw from sanctions.

Despite all the statements about the "turn to the East", the foreign policy thinking of the Russian elite still focuses on Europe. Apparently, Moscow, as it was during the cold war, believes that world politics is committed in the Euro-Atlantic space, and the Asia-Pacific countries are perceived rather as a "strategic rear". In the eyes of Kremlin Japan is still considered an American satellite rather than an independent player.

In addition, Moscow somehow feels that even the withdrawal of Japan from sanctions would not lead to serious changes in the economic cooperation between the two countries. Japanese sanctions are rather symbolic, and the weakness of Japanese investment to Russia is related not to sanctions, but to systemic problems of the Russian economy.

In Japan, the prevailing position is that the economy should follow politics: economic projects in Russia, stimulated by the Japanese government, should contribute to the solution of political problems. Therefore, investments to Russia are not necessarily viewed from the point of view of their economic efficiency – rather, it is a form of "aid" designed to encourage Moscow's compromise on the territorial dispute. Russia, however, believes that investment projects in Siberia and the Far East are commercially attractive for both sides and that it is Russia that is doing Japan a favor by allowing it to invest in profitable enterprises.

Keywords: Russian-Japanese relations, "new approach", "Northern territories", The Hague Tribunal, "the turn to the East", joint economic activity.

Russian-Japanese relations are going through a complex transitional period: the interstate relations developed in the past three years against the backdrop of the Ukraine crisis and the tectonic shifts in global politics will unavoidably be reviewed. Japan has been very active in the relations with Russia until lately, and its policy furthered the course set by the administration of Shinzo Abe who took the office in 2012.

Abe administration's policy as source of domestic political dividends

Abe pursued a number of strategic objectives, such as improving the relations with Russia as part of normalizing relations with neighboring countries, which significantly exacerbated during the tenure of the Japanese Democratic Party; making as much headway as possible in solving the peace treaty problem (the euphemism for the territorial problem); preventing Moscow's

excessive shift to Beijing and balancing mainland diplomacy; and laying a more meaningful and solid foundation for bilateral economic contacts as a way to foster Japan's energy security.

The weakness of the Russian track of Japan's diplomatic policy stems from the fact that relations with Russia do not have a solid organizational, political, and economic basis, and, therefore, tend to respond to political fluctuations. In this context, the Japanese leader traditionally prioritizes the domestic political agenda and seeks to demonstrate to the public his ability to defend national interests using a broad range of propaganda tools.

From this angle, the prime minister finds the problem of "the Northern territories" to be an ideal platform for gaining political dividends: should Moscow make any concessions, it would be his personal achievement, while deteriorated relations with Russia can be presented as a proof of his unwavering commitment to objectives. Hence, neither scenario is fraught with political risks, especially as big economic entities (corporations and business associations with significant leverages and political weight) do not have a keen interest in Russia.

Obviously, there is no perspective of solving the territorial dispute, but it would be a suicide for any Japanese leader to admit that he is unable to get back the islands and they will never be a part of Japan again. It is an unspoken rule to "struggle" and sporadically express one's confidence in success, which will be achieved at some point, even if this will require hundreds of years. The struggle for getting back the "ancestral lands" seized as a result of the "Soviet aggression" is integrated into the post-war Japanese identity which, *inter alia*, includes the specific victimization complex, the idea of identifying itself a victim.

The question is which tactics to choose. For instance, in 2001 Junichiro Koizumi chose to be adamant in his demand to "return all the four islands." Contrary to that, Shinzo Abe preferred applying a "flexible" policy since 2012. He formulated "a new approach" in Sochi in May 2016: to build mutual trust and develop bilateral cooperation before addressing the "peace treaty" problem on a new basis.

Both politicians were focused on the impression they would make on citizens of their country, the personal political gains they could have, and the way their ruling party could benefit from the strategy they offered. It was actually a win-win situation: in no small part, both Koizumi and Abe gained their popularity from their personal effort "to defend national interests" on the Russian diplomatic track. Both of them deemed a subjective assessment of the political benefit to be the main criteria of the correctness of the chosen course, while practical results played a lesser role.

It is the Japanese political tradition that the image of a politician and his perception by voters often prevail over his actual achievements. This is also true for Russia and, to various extents, for Western countries, but in Japan

the image-making is not merely a tool but the very essence of the political process.

The prime-ministership of Abe is a vivid example of this feature of Japanese politics. Despite his proposition of the constitutional revision (Abe initiated constitutional amendments which would legalize the Japanese armed forces) and his proactive course of military capability-building, which, according to opinion polls, causes a profound rift in the Japanese society, Abe retained an unprecedentedly high approval rating. The skilled use of slogans was a factor for that. The Japanese prime minister consistently put in circulation such slogans as *chihososei* (revitalization of the regions), *josei katsuyaku* (social activity of women), and *ichioku katsuyaku* (activity of a hundred million – the entire adult population of Japan), etc. The slogans were quite vague but gave rise to high public expectations and people's confidence in the ruling party despite a lack of any tangible and meaningful results and unclear outcomes of its rule. The same can be said about "Abenomics," a widely used propaganda meme of Abe's tenure, which helped the LDP to win in the 2014 general election.

The slogan of "solving the problem of the peace treaty with Russia" was no different. It is hard to conclude whether ambitious Abe was sincere in his expectations to solve the dispute and to leave a track in Japanese and world history. The author of this paper believes that Abe hardly had any faith in Putin's readiness to hand over the four South Kuril Islands to Japan. It is much more likely that Abe followed the rules of creating an image of the "correct" prime minister conducting his policy consistent with the public aspirations.

If this theory is true, the actual result, i.e. a real deal with Moscow, was not significant for Abe. It was much more important to create the constant semblance of "making progress" towards the peace treaty ensured by Abe's personal efforts despite the unfavorable conditions for conducting diplomacy on the Russian track, both domestic (the anti-Russian public opinion) and foreign (Japan's participation in the anti-Russian sanctions).

Abe kept trying to achieve his goal with numerous public pledges to solve the territorial problem with Russia until his resignation from the prime minister's position. He emphasized that the only two people who could deal with the task were Abe himself and President Putin who recognized the principle of *hikiwake* (mutual compromise) as the basis of a settlement. "Vladimir, let you and me fulfill our duty together. Let us overcome all difficulties," Abe told the Russian President at the Eastern Economic Forum [Sinzo Abe pred-lozhil... 2016].

Abe initiated a "new approach" to the relations with Russia in May 2016. The two sides agreed in December 2016 to conduct joint economic activity on the disputed territories. They also resumed contacts in the "two+two" format (meetings between the defense and foreign ministers) and the working dialogue on the peace treaty; the Japanese leader twice violated diplomatic etiquette and paid two visits in a row to the economic summit in Vladivos-

tok. A new life was breathed into visa-free exchanges: charter flights were arranged in summer 2017 for former residents of the islands and their families. A detached observer could evaluate these moves as a proof of “headway”, if not in settling the territorial problem, but at least in “establishing a dialogue” needed by Japan to regain its original lands. All that created Abe’s reputation of a leader promoting Japan’s reunion with its “northern territories.”

Mutual loss of hopes and illusions

It became apparent by the end of 2017 that the implementation of the “new approach” stopped bringing political dividends to Abe. Critique was offered in the assessment of Abe’s five-year tenure amid domestic political scandals involving the prime-minister. For instance, Abe was reminded that he failed to make any real progress in solving the problem of “Northern territories”: quite the opposite, his term of office witnessed a clear setback. The final documents of the Russian-Japanese summits held in 2016–2017 stated the need to solve the peace treaty problem but there was no provision regarding state borders. What is more, President Putin denied the existence of any territorial problem between the two countries. The sides were not even close to reiterating the earlier deals, such as the Irkutsk Statement of 2001, which pledged the commitment to the 1956 Declaration, and the bilateral documents of the 1990s, which Japan leaned on at its negotiations with Moscow.

As to the Kremlin’s vision of Japan, since 2014 Japan has been viewed as a tool for shattering the unity of the “anti-Russian front” of the West. Putin needed to demonstrate, first and foremost to his own citizens, that Russia was actually not in diplomatic isolation and that “my friend Shinzo,” with whom he was on the first-name relations with, was ready to discuss the most complex and delicate subjects of the modern world order. The discussions held on the summit level created an impression of Russia’s involvement in dealing with key global affairs.

It seems for the first two years of the Ukraine crisis Moscow was expecting that the diplomatic blockade of Russia would soon come to an end and that Japan, as well as some Western partners, such as Italy and France, would go back to doing business as usual with Moscow. The pro-Kremlin media outlets did not criticize Japan for its stance on the issue of Ukraine and Crimea, and usually argued that Tokyo’s stance resulted from the dependent position of Japan in the Security Treaty, which compelled it to obey by Washington’s commands. The Kremlin appreciated Abe’s readiness to visit Russia on various occasions, such as the opening of the Sochi Games, or the Eastern Economic Forum. Those visits looked quite pompous, since none of other G-7 leaders made an appearance at the opening of the Winter Games in Sochi in February 2014, and Xi Jinping chose not to visit Vladi-

vostok in September 2017, although China is a much more important partner to Russia than Japan.

Yet the idea of using Japan for destroying the Western unity stopped being topical after 2016. The Russian foreign political establishment finally came to a conclusion that Japan's Frond would never shatter the Western alliance and that Japan would not unilaterally withdraw from the sanctions.

The demand for Japan's services reduced amid the hopes Moscow was pinning on the "friendly" Trump administration. The amicable sentiment towards Japan somehow did not reappear after Trump signed a package of additional anti-Russian sanctions in August 2017.

There are several reasons for that. First of all, no matter what was said about "the turn to the East," the foreign political thinking of the Russian establishment stayed centered on Europe. Just like in the Cold War epoch, Moscow seems to believe that the Euro-Atlantic space is the center of global affairs, and views the Asia-Pacific countries as "a strategic rear." The rise of China has slightly undermined this belief, but the Kremlin is aware that Beijing would not endanger its interests in the West for the sake of a special relationship with Russia. From this angle, Moscow's relations with Japan are bound to add balance to Russia's diplomacy in Asia and hedge the risks related to an increased foreign political and economic orientation of Russia towards China. Speaking of the role played by Japan in the context of Russia-West relations, the Kremlin is still inclined to see it as a U.S. satellite, rather than an independent actor. Japan is mostly associated with exotic culture and cuisine, rather than with the political might, which Russia links to the military strength.

Another reason why Moscow's interest in Japan has decreased is the plummet of Russian-Japanese economic relations after the beginning of the Ukraine crisis. The Kremlin now thinks that this area has a meager perspective. An overwhelming majority of projects initiated in Russia by the Japanese government found themselves dependent on budgetary or tax support of the government: Japanese businesses are cautious to do business in Russia on their risk. The situation exacerbated after 2014: the trade turn over dipped because of the ruble fall, and the fact that Japan joined the sanctions became an additional impediment to investments of private Japanese businesses which lost guarantees of the Japanese banks.

Moscow knows there will be no breakthrough in bilateral economic cooperation even if Japan drops out of the sanctions: in fact, the Japanese sanctions are largely symbolic, and the cause of insignificant Japanese investment in the Far East lies in the systemic problems of the Russian economy. Japan is therefore unable to replace China as an external source of development of Russia's eastern regions, and China will remain a key economic partner of Russia in the foreseeable future. The Russian foreign policy concept released in October 2016 ranks Japan as the fourth priority partner in Asia, after China, India, and Mongolia.

The fact that the sides still have different visions on the main objective of their economic relations constitutes a major problem. Japan is prone to believe that the economy should follow politics: economic projects in Russia encouraged by the Japanese government should help to solve political tasks. So, investment in Russia is not necessarily eyed from the angle of economic feasibility, it is actually a kind of “assistance” aimed to encourage reciprocal commitments of Moscow and compromise in the territorial dispute. In turn, Russia thinks that investment projects in Siberia and the Far East are economically attractive to both sides and that Russia does Japan a favor by letting it to invest in lucrative enterprises.

The difference between the two approaches is well illustrated by the joint economic activity on the Kuril Islands. Japan is trying to establish its economic presence on the “Northern territories” in order to have additional grounds for territorial claims. Yet it is much more important for Moscow to attract foreign investments, not necessarily Japanese, in this depressive and remote region. Russia believes that joint economic activity on the islands should be regulated by Russian laws, and has no intention to keep in mind the fundamental position of Japan, as it is required by the final documents of Putin’s visit to Japan in December 2016. Japan is indignant not only at this fact but also at the lack of any preferences for Japanese investors, compared to investors from other countries, such as China or South Korea, in the Kuril rapid development territory established in Moscow in August 2016 for conducting the joint activity.

Another example is different ideas of investment cooperation priorities. Japan puts emphasis on projects, which could bolster its appeal in the eyes of ordinary Russians.

First of all, these are investments in social services making life better for Russians, who have never been spoiled by an excessive comfort, and significantly improving their habitat. A good example is the project improving the urban environment in Voronezh, where Japan’s “smart city” technologies have been tested. The technologies cover energy saving, motor traffic (the network of traffic lights), housing construction, and city utilities (a modern city sewage system), etc. Japan was also focused on socially significant projects – healthcare, agriculture, tourism, and so on – on the South Kuril Islands. In addition to a purely propaganda effect, such undertakings have a practical meaning: small-scale but socially important initiatives may turn out to be lucrative and acquire the desired financial sustainability.

For its part, Russia pins hopes on Japanese investments in infrastructural mega-projects. For instance, a 1-trillion-ruble project of building a bridge between Sakhalin and Hokkaido was presented at the Eastern Economic Forum. This bridge “will give an additional opportunity to use our infrastructure, and Japan will become a mainland country,” Russian Deputy Prime Minister Igor Shuvalov said [Batin Yu. 2017].

The grandiose plans, such as building a gas pipeline between Sakhalin and Japan, or an energy bridge between Sakhalin and Hokkaido demonstrate that today's bureaucrats stick to the "Soviet-era" idea that the country can economically develop only at the expense of giant investments in infrastructure. The Japanese authorities base their decisions on government support to such projects on their economic feasibility and doubt there will be return on their investment despite Moscow's estimates.

What's next?

One should admit that the Japanese public still has illusions about Russia, largely under the influence of opinion leaders. It is commonly believed that President Putin should be extremely grateful to Abe for the "new approach" suggested by the Japanese leader and that he should accept the political decision on the islands suiting Japan after the March 2018 election. The only acceptable reason for a delay, in the eyes of many Japanese, is that on the verge of the elections Putin badly needed the image of "a patriot" and "a gatherer of Russian lands".

Apparently, Russia is ready to negotiate the peace treaty as long as possible, until Japan loses patience. But the Japanese public is expecting next moves, concrete territorial concessions of Moscow. In other words, Abe has spent the potential of his "new approach" and does not seem to have other instruments for creating the feeling of "progress" made in solving the peace treaty's problem.

The fact that Japan comes to realize the groundlessness of expectations from the agreement on a "special regime" of the joint economic activity adds to the problem: Russia will not succumb in this field. The only thing Japan hopes for is a breakthrough to be made at a personal meeting between Putin and Abe. As was already mentioned before, Tokyo is ready to wait until after Russia's presidential election but if no real headway is made in solving territorial problem after March of next year, it is highly probable that Japan will be disappointed and indignant at the "treacherous Russians."

Another factor hindering the development of bilateral relations is the state of affairs in the Russian economy, which is going through a long period of stagnation. The Japanese public's "insight" on the real future of the territorial dispute will unavoidably give cause for criticizing Abe, which will cool off the government's intentions as regards economic cooperation with Russia.

As of Russia, the ongoing Eurocentrism of the political administration and the persistent vision of Japan as a dependent actor and a U.S. satellite mean that the place of Japan in the Kremlin's system of foreign political priorities remains invariable, and the image of Japan as "an unfriendly country" and a source of "groundless territorial claims" will strengthen.

The role of Japan can be reviewed only in two cases: if the economic situation in Russia deteriorates so much that Japanese loans will become a vital necessity (i.e. the situation of the 1990s when Russia was a client of the Japanese policy of "assistance to democracy"), or if good relations with Japan

become necessary amid a sudden exacerbation of security problems on the Russian Far Eastern borders. The first scenario looks highly unlikely (primarily because Russia has no foreign debt and retains rather large gold and foreign currency reserves), but the other scenario is slightly more topical and deserves special attention.

Can security be a new foundation of Russian-Japanese relations?

It looks like security will be the new foundation of Russian-Japanese relations in the near- and medium-term future. The reason is the North Korea and China factors presenting a serious challenge to Russia and Japan.

Neither Russia nor Japan want Pyongyang to carry on the development of its nuclear program and tensions to continue escalating on the Korean Peninsula. Yet they have totally different opinions on the nuclear problem. To Russia, the Pyongyang regime is more of a Cold War vestige and a Soviet-era reserve than a real security problem which requires the soonest resolution. Of course, the Kremlin is concerned that Kim Jong Un is so insistent about implementing the nuclear program, but this worry is incomparable with a feeling of the real crisis Japan had after Pyongyang tested a hydrogen bomb in September 2017. The anti-American Russian establishment is somewhat sympathetic with North Korea, which is capable of challenging America in the struggle for survival. Besides, Russia is inclined to believe that Pyongyang has not lost the self-preservation instinct and will not be the first to wage a war: if the regime is left alone, it will grow “civilized” on its own sooner or later, just like the aggressive rhetoric of Mao’s China, which threatened the world with a nuclear war in the Cultural Revolution period, is now gone.

Moscow realizes the risks deriving from uncontrollable developments and, probably, wants to keep the unpredictable and dangerous neighbor in check, but the perspective of appearance of a single Korean state under Seoul’s aegis also means the appearance of new U.S. bases on the Russian borders. Besides, Russia silently acknowledges North Korea as a zone of influence and responsibility of China, which fears North Korea’s collapse even more than Moscow. Therefore, Russia will be siding with China in the issue of North Korea and carry on a cautious course, alternative to the Western one. This means that Russia and Japan will be on opposite sides of the barricades for long.

Moscow and Tokyo can still exchange opinions. The feeling of a threat near their borders will bolster the foundation for further Russian-Japanese dialogue in the “two +two” format, i.e. the dialogue between the foreign and defense ministers. At the same time, one cannot expect profound coordination of efforts: Moscow will always be looking at Beijing in the issue of North Korea, and Tokyo will be orienting towards Washington. Russia will be calling for self-control on various international platforms, in contrast to Japan, which supports the strictest policy towards Pyongyang.

Another factor of development, or, to be more exact, a safety valve of Russian-Japanese relations will be the issue of China. Japan seriously fears Russian-Chinese cooperation in defense, especially military-technical contacts: if Russian technologies help the Chinese army make much headway, this will change the entire military-strategic balance of forces in the region, and not in Japan's favor. Another concern of Tokyo is Moscow's possible support of the Chinese territorial claims to its neighbors. Russia is formally staying neutral about those disputes, but some events give cause for such fears. These include the Naval Interaction 2016 exercises held by Russia and China in the South China Sea in September 2016; the servicemen not just had live gunfire exercises and rescue training, but also landed on and seized an island [Melikov 2016]. Some alarmist Japanese experts believe those exercises demonstrated Russia's solidarity with China in the territorial issue [Koizumi 2016]. The support to China's stance on the problem of the South China Sea openly expressed by Putin in July 2016 in connection with the ruling of the Hague Tribunal added fuel to the fire [Putin: Rossiya solidarna s KNR... 2016].

While trying to slow down the rapprochement between Moscow and Beijing, Japanese negotiators are trying to present China as a source of serious threats to Russia: a danger to military security of the Russian Far Eastern borders, a demographic threat, and a threat of economic take over. These attempts will hardly achieve the desired result: the Kremlin understands that the Japanese partners are intentionally exaggerating Russian-Chinese contradictions.

Different views on China largely derive from different ideas about this country from the angle of Russian and Japanese national security. Japan sees China as a real threat, which can become a military adversary at any moment (for instance, if their disputes escalate in the East China Sea). Yet China is a distant threat to Russia. Many experts believe that China will pose a threat to Russia in future [Inozemtsev 2017].

Clearly, China could rise so high in the future that gentlemanly conditions of the equal "strategic partners" may be revised by Beijing into something unfavorable for Russia, but the foreign political planning horizon is short, and the "Chinese challenge" looks hypothetical. The motivation of Russian and Japanese strategic goals differs drastically in the bilateral dialogue on China.

In the foreseeable future, the Kremlin deems China to be a much more important partner than Japan. In Moscow's eyes, China sets a successful example of renouncing the Western democratic model and progressing along a different path; besides, China is a key economic partner of Russia, a market for Russian energy resources and military products, and a source of investments and technologies.

Given that Moscow wants to avoid an excessively tight hug by the Chinese dragon, the security dialogue with Japan gives Moscow more space for diplomatic maneuvering on the Asian track. No doubt, Japan is still an ally

of the United States, but this union is a key element of the military-political balance in East Asia, which is curbing China's ambitions and preventing its monopoly on establishing the regional order.

Anyway, Russia and Japan have a great deal to discuss in the field of regional and global security. These issues include the proliferation of nuclear weapons and their delivery means, the establishment of efficient multilateral dialogue formats for discussion of military security issues and confidence-building measures in the field of defense. Both countries are interested in coordinating efforts on non-military aspects of security, including the fight against terrorism and cyber-crime, safe sea traffic, environmental protection, etc. There is also a vast unused potential in culture, education, and science. Russia and Japan have their cross-years in 2018; there are to be numerous events popularizing each other's culture and improving the image of the partners. The fact that Abe's administration stayed in office after the parliamentary election of October 2017 and the victory of Putin in March 2018 will preserve the political framework of bilateral relations built by efforts of the two state chiefs for the next few years.

References

Batin Yu. (2017) Rossiya predlozila Yaponii postroity Most Hokkaido-Sakhalin [Russia offers Japan to build Hokkaido-Sakhalin bridge]. 6 September // Rossiyskaya Gazeta. URL: <https://rg.ru/2017/09/06/reg-dfo/rossiia-predlozila-yaponii-postroit-most.html>. (accessed: 21 July 2018)

Inozemtsev, V. (2017) Kitai glavnaya ugroza dlya mirovoi ekonomiki [China is the main threat to the global economy]. 14 January. // Ekho Moskvyy. URL: <https://www.youtube.com/watch?v=e-0U0kY08DU> (accessed: 21 July 2018).

Koizumi Yu. (2016) Pochemu voyenno-morskiye ucheniya Kitaya i Rossii proizvodilis v Yuzhno-Kitayskom more [Why China and Russia held their naval drills in the South China Sea?]. 29 September // Inosmi.ru. URL: <http://inosmi.ru/military/20160929/237941212.html> (accessed: 21 July 2018).

Melikov, V. (2016). VMF Rossii nazval tsely sovместnykh usheniy s KNR v Yuzhno-Kitayskom more [Russian Navy named Goal of joint Drills with China in East China Sea]. 12 September // RNT. URL: <http://russnewsinfo.ru/blog/43931384341/> VMF-Rossii-nazval-tsel-sovmestnyih-ucheniy-s-KNR-v-YUzhno-Kitays (accessed: 21 July 2018).

Putin: Rossiya solidarna s KNR ne priznavshei resheniye suda po Yuzhno-Kitayskomu Moryu [Putin: Russia solidarizes with China's refusal to accept court ruling on the South China Sea]. 5 September 2016. // TASS. URL: <http://tass.ru/politika/3595565> (accessed: 21 July 2018).

Sinzo Abe predlozhit Vladimiru Putinu podpisaty mirny dogovor [Sinzo Abe offers Vladimir Putin to sign peace treaty]. *Kommersant*. 7 September 2016.

Russian edition of the article: Kontrapunkt. 2017, № 3. Pp. 70–85.