



# WORKING PAPER

## RUSSIA–JAPAN RELATIONS: NEW STAGE OF DEVELOPMENT

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The Working Paper presents a comprehensive analysis of the positions of Russia and Japan on relevant global, regional and bilateral issues. Leading experts analyze key interests of the two countries on the world stage, prospects for their interaction in resolving security problems in the Asia Pacific, and the influence of regional players on the cooperation between Moscow and Tokyo. The authors pay special attention to opportunities for increasing trade, economic and cultural cooperation between the countries. Working Paper is timed to Russia–Japan Cross Year declared by the governments of the two countries for 2018–2019.

The views and opinions of authors expressed herein do not necessarily state or reflect those of the Russian International Affairs Council.

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# Foreword

Alexander Panov

Current situation in the Asia Pacific is increasingly influenced by rapidly developing global processes related to the formation of a new balance of powers on the world stage, as well as exacerbating regional problems – the situation on the Korean Peninsula, territorial disputes, and trade and economic disagreements. The struggle for regional leadership between the world’s two most powerful and influential nations, China and the United States, is becoming increasingly apparent. And on many issues the countries in the region are faced with the difficult choice of which of these two states to follow.

Not only has China caught up with the United States in terms of its impact on the regional politics and countries, but it also lays claim to leading positions. The United States is trying to prevent the weakening of its role in Asia Pacific affairs, increasing its military presence in the region, strengthening and modernizing its military and political alliances with Japan and South Korea in response to the new geopolitical realities, and promoting the concept of the Indo-Pacific that is basically aimed at containing China from the south.

South Korea is trying to manoeuvre between Washington and Beijing and establish contacts with Pyongyang, fearing above all else that the uncontrolled escalation on the Korean Peninsula could lead to a military confrontation with catastrophic consequences for the people of both the South and the North.

North Korea has long been stubbornly independent in its policy on the nuclear missile programme. However, under the influence of sanctions, and at the “advice” of Beijing, Pyongyang has made certain concessions to Washington, declaring its willingness to cut back on its nuclear ambitions. At the same time, while the direct dialogue between the U.S. and North Korean leaders may have led to a certain easing of tensions on the Korean Peninsula, it has not actually resolved any of the issues that gave rise to the North Korean crisis in 2017.

India pursues a multilateral policy of constructive relations with all the countries in the region including the United States, Russia, China, North Korea, South Korea and the ASEAN countries. New Delhi is not looking to take on a significant role in the Asia Pacific. At the same time, India–China relations are complicated by a number of contradictions. New Delhi opposes the Chinese Belt and Road Initiative. Certain tensions remain with regard to the border shared by the two countries.

ASEAN countries are trying to pursue an independent policy, but are increasingly coming under pressure from their “big neighbours” – the United States and China, who want to drag them onto their side.

Russia, compensating for its limited economic and military-political presence in the region, continues to focus on strengthening relations with China on the basis of the comprehensive strategic partnership, as well as on preserving its tradition-

ally friendly relations with India and developing diverse relations with the ASEAN countries.

Against the background of multi-faceted threats from North Korea and China, Japan is, on the one hand, stepping up its military and political cooperation with the United States. On the other hand, unsure of the U.S.'s commitment to Japanese interests when implementing specific actions with regard to China and North Korea, it is attempting, within certain limits, to carve out its own path in relations with China, and to a much greater degree in its interaction with Russia.

This course has manifested itself very clearly in the policies of Japanese Prime Minister Shinzo Abe, who has set the task of radically improving relations with Russia, including with the aim of signing a peace agreement and resolving the ongoing territorial dispute. As a result, the Japanese government did not really support the sanctions levied by the United States and the European Union against Russia.

What is more, at a meeting with President of Russia Vladimir Putin in Singapore on 14 November 2018, Shinzo Abe announced his readiness to negotiate a peace treaty between Japan and Russia on the basis of the "territorial article" of the Soviet–Japanese Joint Declaration of 1956. What this announcement essentially means is that, for the first time in over 60 year, the Japanese side is prepared to temper its claims to the Kunashir, Iturup, Habomai and Shikotan islands and settle for the latter two.

These developments led to the start of talks on a peace treaty between Russia and Japan in January 2019. However, serious difficulties arose during the first stage of the negotiation process, apparently due to the differing views of the parties on the content of the agreement. While the Japanese side proceeded from the assumption that the point of the agreement would be to fix the ownership of the islands and the demarcation of agreed borderlines, the Russian side assumed that the treaty would contain multi-faceted clauses and address a number of important issues for Moscow, such as recognition by Japan of the legality of Russia's ownership of the South Kuril Islands, guarantees that the Japan–U.S. alliance would not be used against Russian interests, comprehensive development of bilateral ties, and confidence-building measures in the military sphere. Consequently, the peace treaty was assumed to lay the foundations for radically new relations between Russia and Japan.

Moreover, even before the start of negotiations, there was a rather widespread public movement in Japan, and more so in Russia against the resolution of the territorial dispute on the basis of the relevant article in the 1956 Declaration.

Those close to the Prime Minister were initially predicting that peace treaty could be concluded as soon as in 2019, but today such development is seen as unlikely. What we are likely to see is a lengthy and tense negotiation marathon.

At the same time, the strategic importance of the final settlement of the territorial dispute for the national interests of both countries is greater than the downsides that its opponents can point to in an agreement on the basis of the 1956 Declaration.

For Russia, it is important from a geostrategic point of view to have strong, reliable, long-term partner relations with Japan. Good neighbourly relations with the world's third-largest economy in terms of its potential that are not strained by any territorial issues will allow Russia to significantly strengthen its positions not only in the Asia Pacific, but also in the world as a whole. Then it will be possible for Moscow and Tokyo to not only interact, but also cooperate on the most important regional and global issues, all the more so since their views already coincide on a number of issues.

This will make it possible to break the “western blockade”, and the security threat from the east will be substantially mitigated.

In an interview with *Rossiyskaya Gazeta* in November 2018, Prime Minister of Japan Shinzo Abe talked about uniting Russia's strength with Japan's technologies and experience.<sup>1</sup> The prospects for building a model of hi-tech and intellectual cooperation on the basis of Russian fundamental science and Japanese innovation and market potential could become a real possibility. This would allow Russia to make an innovative breakthrough, catching up in developing advanced economy. We can assume that Japanese businesses – large, small and medium-sized – will quickly get to grips with the Russian market once long-term and sound conditions for their activities in the country are guaranteed.

The list of advantages that Japan will gain once relations with Russia have been finally normalized is equally impressive. The conclusion of a peace treaty with Russia will greatly increase Japan's prestige, authority and influence as a major player in international affairs, not only in the Asia Pacific, but also globally. Tokyo will have greater independence in its alliance with Washington, and security from the north will be guaranteed. Economic cooperation with Russia will help solve the problems associated with bringing the Japanese economy to a fundamentally new level.

Objectively, the existence of a peace treaty and “special relations” will put Russia and Japan at the centre of the emerging system of foreign political relations in Asia Pacific. Moscow and Tokyo will be able to play the role of equalizers and initiators of processes that will help maintain peace and stability in the region.

For the first time in many years, a window of opportunity has opened up for a peace treaty to be concluded. Of course, favorable conditions for signing such an agreement have not been fully created, nor is it likely that they ever will be.

Political problems in bilateral relations of various states are largely created by political leaders and elites not as a result of well-reasoned calculations that are free from external and spur-of-the-moment influences, but rather on the basis of their understanding of how their decisions serve the national interests of the country they lead in a given historical period. History has shown us that these decisions often do not reflect national interests.

For example, the Russo–Japanese War of 1904–1905 did not serve the interests of either country. All the more so as it took place on the territory of a third

<sup>1</sup> An Agreement Is More Valuable than Money // *Rossiyskaya Gazeta*, 25 November 2018.

URL: <https://www.rg.ru/2018/11/25/sindzo-abe-ia-tverdo-nameren-zakliuchit-mirnyj-dogovor-s-rossiej.html> (In Russian)

country, had disastrous consequences for Russia and had a negative impact on Japan's domestic political development.

It often happens that the decisions of state leaders who, on the basis of their own views, foster and mobilize the “energy of delusion” of the people, create a point-of-no-return situation with a given country and complicate relations for a very long time to come. Therefore, when the need arises to overcome the negative legacy of the past, including misguided decisions, leaders of the new stage in the country's historical development need to revise or correct past decisions on the basis of their own strategic vision of the country's long-term national interests. Obviously, it is more difficult to revise a past decision from the perspective of long-term national interests than it was to take a populist decision under the slogan of protecting national interests.

Leaders who understand the importance of abandoning the legacy of the past must have considerable courage, resolution and consistency, as well as ability to get a group of likeminded people to support their position and the perseverance to explain the decision to the general public. At the same time, one should be understand that they will have to overcome considerable opposition.

All of these qualities were present in Prime Minister Ichiro Hatoyama, who, despite vigorous opposition, believed that restoring diplomatic relations with the Soviet Union was fully in line with Japanese national interests and thus travelled to Moscow to sign the Joint Declaration in 1956.

We can argue that Prime Minister Shinzo Abe and President Vladimir Putin are both faced with the need to make difficult decisions that will determine the development of bilateral relations for many years to come. The two leaders will have to determine how these decisions meet the national interests of their countries while at the same time not undermining those of the partner country. We will find out shortly whether mutually acceptable solutions can be reached by overcoming the legacy of the past and the “energy of delusion”.



# Chapter 1. Russia–Japan Relations in the Context of New and Traditional Security Challenges

Dmitry Streltsov

## 1.1. Japan's Views on Global and Regional Issues

Japan's foreign policy is guided by its status as a member of the western community. On most global issues, Japan adopts the same position as, or expresses solidarity with, the Group of Seven (G7) countries, to the extent that it does not go against its national interests.

At the same time, Japan actively uses its special position as a country that suffered atomic bombings during World War II and consequently adopted a “peaceful” constitution. In accordance with the doctrine of “proactive pacifism” put forward by Prime Minister Shinzo Abe, Japan proclaims the achievement of peace, stability and prosperity in the international community as its foreign policy goals. Meanwhile, the policy of building up the country's military potential pursued by the Abe cabinets creates a certain discord between the officially stated goals and the means for achieving them.

Setting itself the goal of enhancing its role in global politics and attaining the status of a major world political power, as well as becoming a permanent member of the UN Security Council, Japan continues to be one of the largest financial donors to the United Nations and other international organizations. Japanese diplomacy is expending great efforts to step up the country's participation in the solution of global problems, including international terrorism. To this end, the country has set itself the goal of increasing its contribution to international peacekeeping missions.

In this context, two types of activity come to the fore: peacekeeping activities under the auspices of the United Nations geared towards humanitarian missions overseas, and logistical support of Japan's allies in the course of their peacekeeping missions. Japan is particularly interested in taking part in the UN peacekeeping operations through the provision of logistical, engineering and humanitarian aid to war-torn countries.

Japan attaches great importance to resolving the issue of nuclear disarmament and thus adheres to a policy of strengthening the Treaty on the Non-Proliferation of Nuclear Weapons (NPT), although the reliance on the American “nuclear umbrella” as one of the foundations of its security policy creates a contradiction between the officially stated goals and the real policy on nuclear weapons. This contradiction is manifested in particular in Tokyo's refusal to support the Treaty on the Prohibition of Nuclear Weapons (TPNW).<sup>2</sup>

<sup>2</sup> On 72<sup>nd</sup> A-bomb Anniversary, Hiroshima Highlights Japan's Refusal to Join UN Nuke Ban // The Japan Times, 6 August 2017. URL: <https://www.japantimes.co.jp/news/2017/08/06/national/hiroshima-marks-72nd-anniversary-atomic-bombing-japans-refusal-join-nuke-ban-treaty/#.XGgQhS1eNQL>

In its regional policy, Japan bases its position on the need to build multilateral regional integration mechanisms in East Asia on the principles of “open regionalism,” according to which cooperation among East Asian countries should be carried out in the interests of preventing separatism in the region, that is, with a focus on global economic cooperation. Japan is an active participant in the negotiation processes on the construction of several major integration associations in East Asia, including the Regional Comprehensive Economic Partnership (RCEP) and the Trans-Pacific Partnership (TPP), as well as the Northeast Asia Free Trade Area in the “Big Three” format (Japan – China – South Korea).

Japan’s national security policy is based on the Treaty of Mutual Cooperation and Security with the United States.<sup>3</sup> For Japan, the significance of the Treaty did not diminish after the end of the Cold War. On the contrary, it grew due to the persistently high levels of tension in East Asia. The factors of military and political instability in the region that Japan considers to be among the challenges and threats to its national security include the military and technological ascent of China, the North Korean nuclear missile programme and the aggravation of long-standing territorial disputes with China.

The Treaty is asymmetrical in nature: Japan is not under any obligation to protect U.S. territory. However, the United States retains the right to deploy its troops in Japan, while Japan is obliged to provide financial support to U.S. military bases in the country. Several dozen U.S. military facilities and over 50,000 military personnel are currently stationed in Japan.<sup>4</sup>

Japan continues to develop a theatre ballistic missile defense (TBMD) system together with the United States on the basis of sea- and land-based anti-missile defense. The new *Aegis Ashore* missile defense system is set to be deployed in Japan by 2023.<sup>5</sup> New areas of cooperation between the United States and Japan are of particular importance in the context of the new challenges facing the alliance. These areas include space exploration and cybersecurity.

At the same time, Tokyo limits the military component of its foreign policy according to the pacifist restrictions set forth in the Constitution and other legislative acts. The limited nature of the military support that Japan offers means that the United States still cannot consider the country a full-fledged member of international coalitions like the United Kingdom or France, for instance.

In accordance with the policy papers defining the state strategy for national security (the National Security Strategy, the National Defense Program Guidelines and the Mid-Term Defense Program) that were adopted in December 2013, and their

<sup>3</sup> Nihonkoku to amerika gasshukoku to no aida no sougo kyouryoku oyobi anzenhoshoujuyaku [*Treaty of Mutual Cooperation and Security between Japan and the United States of America*] // Ministry of Foreign Affairs of Japan. URL: <https://www.mofa.go.jp/mofaj/area/usa/hoshoujuyaku.html> (In Japanese)

<sup>4</sup> Kaigai beihei sambun no ichi nihon no kichi ni shuchu [*One Third of US Overseas Military Concentrates on Japanese Bases*] // Shimbun Akahata, 13 December 2018. URL: [https://www.jcp.or.jp/akahata/aik18/2018-12-13/2018121304\\_01\\_1.html](https://www.jcp.or.jp/akahata/aik18/2018-12-13/2018121304_01_1.html) (In Japanese)

<sup>5</sup> Japan’s Deployment of US-Developed Aegis Ashore Missile Defense System Could Take Six Years // The Japan Times, 30 July 2018. URL: <https://www.japantimes.co.jp/news/2018/07/30/national/politics-diplomacy/japans-deployment-u-s-developed-aegis-ashore-missile-defense-system-take-six-years/#.XFClF88zbUo>

subsequent revisions, Japan bases its military policy on the concept of dynamic defense.<sup>6</sup> This concept suggests that the combat capabilities of the Japan Self-Defense Forces should be used with maximum flexibility and efficiency. Priority is given to the mobility of combat units, their ability to respond quickly and change position depending on the operational environment. The defense capability of flexible response is set to be modernized by the end of the 2010s or the beginning of the 2020s. This should ensure the effective coordination of the land, sea and air Self-Defense Forces.

In accordance with the latest edition of the Guidelines for Japan–U.S. Defense Cooperation adopted in 2015, strategic cooperation between the Japan Self-Defense Forces and the United States Armed Forces is gradually acquiring a global character.<sup>7</sup> Based on a fresh understanding of the right to collective defense, Japan has agreed to take part in demining in offshore zones, intercepting enemy missiles, and gathering intelligence operations, as well as carry out additional operational and tactical tasks that are not necessarily limited to the country’s national borders, and provide logistical support for the United States Army around the globe. According to Tokyo, in the event of a military attack on a country with which “Japan has close relations” (and where there is an obvious and direct threat to Japan and the Japanese people), Japan may, if no other alternative can be found, use minimal force.<sup>8</sup>

At the same time, Japan is stepping up its participation in network security structures in East Asia, which are gradually replacing its bilateral security agreements with the United States (“the axis and spokes system”). In the mid-2010s, Japan embarked upon a course to actively develop military cooperation with the countries in the Pacific and Indian oceans: South Korea, Australia, the Philippines, India, etc. Japan sees these countries as friendly states that have the same democratic values and attitudes as it does. Cooperation with them, which has a clear geopolitical goal of containing China’s military and political ambitions under the banner of “democratic values,” is increasingly taking the form of network interaction. This cooperation is intended to ensure international order in the understanding of the United States and its allies.

Japan is actively taking steps to implement the concept of a “security diamond,” meaning a geopolitical configuration that includes India and Australia in addition to Japan and the United States. Japan maintains close ties with these countries in the field on military security, as a supplier of a number of unique technologies that are used to upgrade their armed forces. What is more, Japan, India, Australia and the United States are also developing dialogue formats in the military-political sphere, and the practice of holding joint military exercises continues.

<sup>6</sup> Documents 2013 // Prime Minister of Japan and His Cabinet.  
URL: [http://www.japan.kantei.go.jp/96\\_abe/documents/2013](http://www.japan.kantei.go.jp/96_abe/documents/2013)

<sup>7</sup> The Guidelines for Japan–U.S. Defense Cooperation // Ministry of Defense of Japan, 27 April 2015.  
URL: [http://www.mod.go.jp/e/d\\_act/ampo/shishin\\_20150427e.html](http://www.mod.go.jp/e/d_act/ampo/shishin_20150427e.html)

<sup>8</sup> Abe: Article 9 Plan Won’t Allow Unrestricted SDF Action Overseas // Asahi Shimbun, 31 January 2018.  
URL: <http://www.asahi.com/ajw/articles/AJ201801310031.html>

## 1.2. Russia–Japan Relations in the Context of Growing Tensions between Russia and the West

Japan’s diplomatic course with regard to Russia is determined by a range of contradictory factors. The basic line of Japan’s foreign policy is determined by its membership in a military and political alliance with the United States and its participation in the G7. Japan cannot adopt a position that is radically different to that taken by the countries in the West that entered into a confrontation with Russia after 2014. The country sees Russia as a geopolitical rival, albeit not as obvious a rival as China, in connection with the fact that they have not adopted “liberal” and “democratic” values.

Acting in accord with the G7 countries, Japan supported the sanctions policy against Russia,<sup>9</sup> including those sectoral sanctions that significantly restrict the ability of Japanese banks to extend loans to their Russian partners.<sup>10</sup> Japan also introduced restrictions on a number of Russian government officials. At the same time, it should be noted that the sanctions from the Japanese side are milder than those introduced by the United States and European countries and cause little damage to the economies of the two countries. Unlike the other G7 countries, Japan did not expel Russian diplomats from the country in connection with the “Skripal case” and refrained from criticizing Russia at the official level on a number of issues that have become points of contention in Russia’s relations with the West, including the Syrian crisis, the downing of Malaysia Airlines Flight 17 above Donbass, etc.

Japan does not see Russia as a military adversary and does not consider its military potential as a threat to national security. The “threat from the north” idea was removed from Tokyo’s military concept in the early 1990s and, judging by its annual Defense of Japan white papers, nothing has changed in this regard. The current military concept, as set forth in the National Defense Program Guidelines, mainly focuses on the military threats emanating from China and North Korea.<sup>11</sup>

The only thing that irritates and antagonizes Tokyo is Russia’s growing military presence on the South Kuril Islands in recent years, the strengthening of the latter’s military infrastructure there and the deployment of modern weapons on Islands, including the latest *Bal* and *Bastion* coastal missile systems.<sup>12</sup> This

<sup>9</sup> Nihon no tairo seisai no kouka ni tsuite kangaeru [*Thinking About Effects of Japan’s Anti-Russian Sanctions*] // Mitsui Bussan, July 2016.

URL: [https://www.mitsui.com/mgssi/ja/report/detail/\\_icsFiles/afieldfile/2016/10/20/160707e\\_kitade.pdf#search=%E6%97%A5%E6%9C%AC%E6%94%BF%E5%BA%9C+%E5%AF%BE%E3%83%AD%E3%82%B7%E3%82%A2%E5%88%B6%E8%A3%81](https://www.mitsui.com/mgssi/ja/report/detail/_icsFiles/afieldfile/2016/10/20/160707e_kitade.pdf#search=%E6%97%A5%E6%9C%AC%E6%94%BF%E5%BA%9C+%E5%AF%BE%E3%83%AD%E3%82%B7%E3%82%A2%E5%88%B6%E8%A3%81) (In Japanese)

<sup>10</sup> Roshia renpou ni taisuru buki nado no yushutsu seigen no genkakuka oyobi roshia renpou no tokutei ginkou nado ni yoru shouken no hakkou nado no kinshisochi ni tsuite [*About Tightening Restrictions on Arms Exports to the Russian Federation and Banning the Issuance of Securities by Certain Banks of the Russian Federation*] // Ministry of Finance of Japan, 24 September 2014.

URL: [https://www.mof.go.jp/international\\_policy/gaitame\\_kawase/gaitame/economic\\_sanctions/gaitamehou\\_syouken\\_ukraina\\_20140924.pdf](https://www.mof.go.jp/international_policy/gaitame_kawase/gaitame/economic_sanctions/gaitamehou_syouken_ukraina_20140924.pdf) (In Japanese)

<sup>11</sup> National Defense Program Guidelines for FY 2019 and Beyond, 18 December 2018 // Ministry of Defense of Japan.

URL: [http://www.mod.go.jp/j/approach/agenda/guideline/2019/pdf/20181218\\_e.pdf](http://www.mod.go.jp/j/approach/agenda/guideline/2019/pdf/20181218_e.pdf)

<sup>12</sup> Russia Deployed Coastal Missile Systems to Islands Claimed By Japan // Business Insider, 22 November 2016.

URL: <https://www.businessinsider.com/russia-deployed-missile-systems-kuril-islands-japan-2016-11>

perception is due to Japan's territorial claims to the South Kuril Islands, so the actions of Russia are seen as unfriendly. In turn, the Russian side sees the build-up of military potential on its own territory as an internal affair and does not welcome suggestions to put this issue on the agenda of meetings with Japanese partners.

Russia proceeds from the fact that Japan will continue to rely on the military and political alliance with the United States and will not take any serious diplomatic steps that would go against the political line dictated by Washington, as long as that line does not contradict Japan's national interests. There is a widespread opinion in Russian establishment that Japan is a "satellite" of the United States, completely dependent on its partner from across the Pacific, even a country that does not have its own foreign policy.

At the same time, Moscow believes that the only reason Japan supports the sanctions against Russia is to show solidarity with the West, as the sanctions policy goes against its own national interests. In light of the softer position taken by Japan with regard to the Ukrainian problem, which Japan does not consider to be key in relation to its interests, Russia believes that the country is hardly a full-fledged member of the anti-Russian Western coalition. Russia sees Japan both as a partner, a country with which developing strong ties will help it build a more balanced diplomacy in East Asia and in the world as a whole, and as the weak link in the West's anti-Russian coalition.

Moscow does not believe that any real military threat emanates from Japan. Unlike China today, Russia refrains from critical assessments of the Treaty of Mutual Cooperation and Security between the United States and Japan at the official level. Russia sees the security policies of Shinzo Abe's cabinets, which are aimed at strengthening Japan's alliance with the United States, as a logical response to China's increasingly assertive military policy. For Russia, that policy makes it possible to keep the regional situation more predictable. What is more, certain representatives of the Russian establishment believe that Japan's participation in a military and political alliance with the United States dampens its military ambitions and prevents it from becoming an independent military and even nuclear power, which in this case would present a greater threat to Russia's national interests in the Far East. The only thing that causes disagreements in the security dialogue with Japan is the issue of deploying missile defense systems. Moscow is irritated by the decision taken by the Cabinet of Japan in December 2017 to deploy the U.S. *Aegis Ashore* ground-based missile defense system, which is expected to be completed by the beginning of 2023.<sup>13</sup> Russia is not happy about the line taken by Washington to deploy its missile defense systems on the territories of its East Asian allies, the official justification being the nuclear threat emanating from North Korea. The Russian position is that, as missile defense systems are controlled by Pentagon rather than internationally, deploying complexes in Japan and South Korea destabilizes the military-strategic

<sup>13</sup> Japan to Expand Ballistic Missile Defense with Ground-Based Aegis Batteries // Reuters, 19 December 2017.  
URL: <https://www.reuters.com/article/us-northkorea-missiles-japan-aegis/japan-to-expand-ballistic-missile-defense-with-ground-based-aegis-batteries-idUSKBN1ED051>

situation in the region, and under certain circumstances these complexes may be redirected towards Russia.

### 1.3. Chinese Factor in Russia–Japan Relations

The Chinese factor plays a significant role in security relations between Russia and Japan. Japan, which sees China as its primary threat, is concerned about the prospect that military and political cooperation between Russia and China could lead to the creation of a kind of foreign political alliance in opposition to the liberal bloc of the United States and its allies.

Moreover, alarmist sentiments are widespread in Japan that China may try to involve Russia in the formation of an anti-Japanese bloc. Tokyo believes that in this case Russia could join China in its policy of “demonizing” Japan as a revisionist state that has not disassociated itself from its militaristic past or fully recognized the sins it committed during World War II. Another negative scenario for Tokyo would be if Russia were to support China’s claims to the Senkaku Islands (or the Diaoyutai Islands, as China refers to them) in exchange for China supporting Russia’s position on the South Kuril Islands. Now Russia and China remain neutral with regard to these issues. Against the background of the weakening U.S. presence in the region and the growing concerns in Japan that the United States, despite the official assurances of the American leadership, may refuse to enter into an armed conflict with China over Senkaku, even the theoretical possibility of Moscow and Beijing forming a bloc on territorial disputes in the East China Sea is alarming for Japan.

The data on the military-technical cooperation between Russia and China, which, according to the Japanese government, could lead to a qualitative leap in terms of the modernization of the Chinese People’s Liberation Army and a significant change in the strategic balance of forces in favour of China, gives great cause for concern. Military-technical collaboration between Moscow and Beijing encompasses Russian deliveries of the latest military equipment to China, including multifunctional Su-35 fighters,<sup>14</sup> S-400 missile systems,<sup>15</sup> etc. Tokyo sees antagonistic motives in these ties between Russia and China and the practice of the two countries holding joint military and naval exercises, especially in the water areas adjacent to Japan, which it considers a zone of its vital interests. On the one hand, this strengthens the anti-Russian component of the diplomatic and military course taken by Tokyo. On the other hand, it encourages Japan to maintain a trust-based dialogue with Russia on defense and security issues as a means of hedging its risks. According to Tokyo, an active political dialogue with Moscow could send a signal of sorts to Beijing that Russia is not limited to cooperation with China and thus strengthen Japan’s negotiating position in its dialogue with China.

<sup>14</sup> WATCH China Take Its Brand New Su-35 Fighters for Top Gun-Style Test Flight // Sputnik, 9 December 2018.  
URL: <https://www.sputniknews.com/military/201812091070537372-china-shows-off-su35-fighters>

<sup>15</sup> Russia Completes Delivery of 1<sup>st</sup> S-400 Missile Defense Regiment to China // The Diplomat, 10 May 2018.  
URL: <https://www.thediplomat.com/2018/05/russia-completes-delivery-of-1st-s-400-missile-defense-regiment-to-china>

The situation on the Korean Peninsula is a significant factor in favour of a security partnership and cooperation between the two countries. Japan fears attacks from North Korea, whose nuclear missile potential has been a threat for years. As it has no official or unofficial channels of communication with Pyongyang, Tokyo is interested in maintaining a trust-based dialogue with Moscow, hoping that Russia will be able to use its special relationship with the North Korean leadership to reduce tensions in the event that a crisis situation develops on the peninsula. The Japanese leadership has another motive to seek partner relations with Russia on this issue – the June 2018 meeting between President of the United States Donald Trump and Supreme Leader of North Korea Kim Jong-un raised fears in Tokyo that Washington could conclude a separate deal with Pyongyang to the detriment of Japan's security. Japan has effectively been left out in the cold in the negotiations on the Korean settlement and is thus interested in reviving multilateral dialogue formats on the issue similar to the frozen six-party talks. It is even more interested in maintaining a dialogue with Moscow, which holds similar views on the matter. It is no coincidence that the situation on the Korean Peninsula has become the most in-demand topic at the 2+2 format talks between Russia and Japan that were resumed in March 2017 following a break caused by the Ukrainian crisis.<sup>16</sup>

Since the re-election of Shinzo Abe as Prime Minister in 2012, Japan has pursued a policy to strengthen its independence and step up its activity in international affairs, boosting the country's role in the resolution of regional and global problems and positioning it as a global political leader. In this context, maintaining good relations with Russia, which remains a great power, would objectively contribute to the achievement of these goals.

At the same time, it is also extremely important for Russia to have good neighbourly and partner relations with Japan against the background of the emergence of new security challenges on its Far Eastern borders – namely, the significant increase of China's military potential, which in the not too distant future may overtake that of Russia in certain key areas, and the appearance of a new nuclear state on its Far Eastern borders in the form of North Korea. Good relations with Japan would provide Russia with additional leverage for diplomatic manoeuvring in its relations with any major world power.

<sup>16</sup> Tokyo-Hosted 2+2 Talks Indicate Japan's Intention to Boost Dialogue – Lavrov // TASS, 20 March 2017.  
URL: <http://www.tass.com/politics/936399>

# Chapter 2. Russia and Japan's Positions on Key Problems of Regional Security and Cooperation

Anna Kireeva

## 2.1. Approaches of Russia and Japan to Regional Security Issues

### *Russia's Approach to Security Issues in East Asia*

East Asia and Asia Pacific are important strategic areas for Russian foreign policy. It is vital for Russia, as a great power, to have strong positions in a region where a large part of its territory is located. The task of developing the Russian Far East, proclaimed as a strategic priority for the country in the 21<sup>st</sup> century, requires the development of political, economic, scientific and cultural cooperation with the dynamically developing East Asia. This determines the importance of finding models of cooperation with the countries of the region, as well as answers to security challenges.

Russia calls for the creation of a “comprehensive, open, transparent and equitable security architecture and collective cooperation” in the Asia Pacific.<sup>17</sup> Its position is based on the fact that the U.S.-led system of military and political alliances inherited from the Cold War era is a bloc structure that ensures the security of certain countries at the expense of others. It is thus no longer relevant and needs to be replaced by a collective structure. Such a system should be based on the principles of equal, indivisible security and non-directedness against third countries and should include not only allies of the United States, but also other countries, such as China, Russia and ASEAN nations. This is why the Ministry of Foreign Affairs of Russia was wary of the Indo-Pacific concept put forward by the United States, as one of its key components was a strategic focus on balancing and deterring China. The weakening of the multilateral security mechanisms created around the ASEAN would not allow Russia to successfully promote the initiative to build an equal and indivisible security architecture and may lead to its role being marginalized.<sup>18</sup>

For Moscow, whose position in East Asia is weaker than that of the other leading players, it is important to enhance its role as an independent power in the region. Russia is against U.S. dominance, but the creation of a regional hierarchical order led by China does not serve its interests. Russia is not involved in any serious conflicts in Asia, and its territorial dispute with Japan is not considered a serious

<sup>17</sup> Foreign Policy Concept of the Russian Federation (approved by President of Russian Federation Vladimir Putin on November 30, 2016) // Ministry of Foreign Affairs of Russia, 1 December 2016.  
URL: [http://www.mid.ru/foreign\\_policy/news/-/asset\\_publisher/cKNonkJE02Bw/content%20id/2542248?p\\_p\\_id=101\\_INSTANCE\\_cKNonkJE02Bw&\\_101\\_INSTANCE\\_cKNonkJE02Bw\\_languageId=en\\_GB](http://www.mid.ru/foreign_policy/news/-/asset_publisher/cKNonkJE02Bw/content%20id/2542248?p_p_id=101_INSTANCE_cKNonkJE02Bw&_101_INSTANCE_cKNonkJE02Bw_languageId=en_GB) (In Russian)

<sup>18</sup> Tsvetov A. Indo-Pacific Front: Why Did a New Region Appear on the Geopolitical Map and What Does It Mean for Russia? // Carnegie Moscow Center, 22 March 2018.  
URL: <http://www.carnegie.ru/commentary/75706> (In Russian)



security issue. Russia would like to see an end to all armed conflicts in the region, as they could undermine its position and complicate the development of the Far East. Moscow is not conducting a revisionist policy with regard to the regional order. Russia maintains strategic partnerships with China, Vietnam and India and enjoys a good level of interaction with the United States' allies in the region, Japan and South Korea, as well as with the ASEAN countries. Moscow has taken a neutral stance on territorial disputes in the region, including the disputes over the South China and East China seas. It would serve Russia's interests to form a true polycentric regional order in East Asia, or a macroregional order in Asia as a whole. In such a configuration, Moscow's positions would not be subordinated to other players, and it will be able to act as one of the leading players in the region alongside the United States, China, Japan, India, South Korea and the ASEAN.<sup>19</sup>

The strategic partnership between Russia and China plays a key role in Russia's foreign political and economic strategies in East Asia. Stable and good neighbourly relations with China are of great importance for the security of the country. The strategic partnership between the two countries is based on principles of mutual respect for each other's sovereignty and choice of development path, opposition to the unilateral actions of the United States, support for a multipolar world, and the commonality or closeness of positions on a wide range of issues, including the desire to reform the system of global governance in order to enhance the role of non-Western countries.<sup>20</sup> Strategic partner relations do not constitute an alliance, and the positions of the countries may differ on issues that are key for one of the sides but are not of fundamental importance for the other. In this case the partners may adopt a strategically neutral position.

In the context of the ongoing confrontation with the United States and the increasing dependence on China, there is a danger that Russia will come under increasing pressure to support China in conflicts that it wants to avoid. One of the most significant challenges for Russia is to preserve a balance in its East Asian policies in its relations with China on the one hand, and with the other countries in the region on the other. It is becoming increasingly important for Russia to expand cooperation with other Asian states – Japan, India, South Korea and the ASEAN countries.<sup>21</sup>

### ***Japan's Approach to Regional Security and the Military and Political Alliance with the United States***

Japan's strategy is based on the desire to preserve its status as a leading regional and global power. The military and political alliance with the United States is seen as a cornerstone of the country's foreign policy and, together with its own

<sup>19</sup> Streltsov D., Kireeva A., Dyachkov I. Russia's View on the International Security in Northeast Asia // The Korean Journal of Defense Analysis. March 2018. Vol. 30. No. 1. Pp. 115–134; Lee R., Lukin A. Russia's Far East: New Dynamics in Asia Pacific & Beyond. Boulder, CO: Lynne Rienner Publishers, Inc., 2016. Pp. 3–4, 212–215.

<sup>20</sup> Lukin A. China and Russia: The New Rapprochement. Polity Press, 2018. 272 p.; Voskresenski A.D. Relations between Russia and China as Part of the Asian Vector of Russian Diplomacy (1990–2015) // Comparative Politics No. 1 (18). 2015. Pp. 32–53. (In Russian)

<sup>21</sup> Gabuev A. Friends with Benefits? Russian-Chinese Relations after the Ukraine Crisis // Carnegie Moscow Center, 29 June 2016. URL: <http://www.carnegie.ru/publications/63953>

defense potential, as the main means of countering security threats. In addition to the North Korean nuclear missile programme, China's actions in the region, particularly in the South China and East China seas, which are leading to a forcible change in the status quo, are seen as a key threat to Japan's security. The 2013 National Security Strategy declares "active pacifism" strategy, according to which Japan has to increase its contribution to maintaining peace and stability in East Asia, and in the world as a whole.<sup>22</sup> The Shinzo Abe cabinet promotes the idea of regional order based on international law and is against changing the status quo in East Asia and the Indo-Pacific.<sup>23</sup> Preserving the America-centric liberal economic order and maintaining the role of the United States as the dominant military power and the guarantor of security is seen by Japan as a key prerequisite for ensuring national security, continued economic development of the region, and freedom of navigation as well as preventing China from taking up dominant positions.

The course taken by Prime Minister Shinzo Abe since he came to power in 2012 has been aimed at transforming security policies and phasing out post-war restrictions, gradually transforming Japan into a "normal country" against the backdrop of withdrawal from the strategic culture of pacifism, which involves using armed forces to address different challenges and revising the pacifist Constitution. In 2015, a package of laws was adopted that reinterpreted Article 9 of the Constitution of Japan and allowed the right of collective self-defense to be used in order to protect the forces of an ally, even if Japan has not itself been attacked but is under threat. The laws also expanded the range of operations in which the Self-Defense Forces could be engaged (in particular, logistical and technical support to the armed forces of the United States and other countries in order to counter threats to peace and security). Japan seeks to be more than a consumer of security guarantees in its alliance with the United States. In April 2015, an updated version of the U.S.-Japan Defense Guidelines was adopted. The document expanded the functional areas and scope of cooperation to a global scale and also envisioned greater integration between the sides. The Shinzo Abe cabinet aims to increase the deterrence potential in order to maintain the status quo. However, the likelihood of Japan being drawn into a conflict and security dilemmas exacerbating has increased.<sup>24</sup>

Despite the changes made to the National Security Strategy, a significant number of restrictions preventing the full-fledged use of the armed forces in accordance with Article 9 of the Constitution remain. The majority of Japanese experts note that the most likely scenario of Japan's involvement in a conflict on the Korean Peninsula, in the South China Sea or in connection with Taiwan would be for it to provide logistical support to the United States, rather than using its right to collective self-defense. Prime Minister Abe hopes to introduce amendments to Article 9 of the Constitution by the end of his term in office in 2021. However,

<sup>22</sup> Kokka anzen hoshou senryaku [*National Security Strategy*] // Cabinet Secretariat of Prime Minister of Japan, 2013.  
URL: <https://www.cas.go.jp/jp/siryoul/131217anzenhoshou/nss-j.pdf> (In Japanese)

<sup>23</sup> Sakaki A. Japan's Security Policy: A Shift of Direction under Abe? // SWP Research Paper, March 2015, Berlin. Pp. 7–22.

<sup>24</sup> Hughes C. W. Japan's Strategic Trajectory and Collective Self-Defense: Essential Continuity or Radical Shift? // *The Journal of Japanese Studies*. Winter 2017. Vol. 43. No. 1. Pp. 93–126.

these amendments should clarify the legal status of the Self-Defense Forces and thereby put an end the debate about their legality, which would not change the country's strategy in any fundamental way.<sup>25</sup>

In addition to modernizing the Self-Defense Forces and strengthening the alliance with the United States, Japan is developing cooperation with a number of others countries, namely Australia, India, the ASEAN countries (Vietnam and the Philippines in particular), the United Kingdom, France and Russia. It seeks to create “soft coalitions” with countries that share its concerns about the growing influence of China, the tightening of its foreign policy and its possible dominance on the world stage.<sup>26</sup> Japan is concerned about China continuing to strengthen its positions and Donald Trump coming to power in the United States, forcing Tokyo to think about the degree to which it can continue to rely on assurances from the United States, how it can maintain stable and mutually beneficial economic relations with China while at the same time preventing Chinese hegemony in the region and defending its own security interests, particularly in the South China Sea,<sup>27</sup> and how to preserve the liberal economic order in a situation where Washington has no interest in supporting it and places its own interests above everything else.

For over a decade now, Japan has been paying attention to the strategic role of the vast maritime space that connects the Pacific and Indian oceans. Interaction with the region's growing economies is of great importance to Japan in terms of the transition to an investment model of development. For Tokyo, both the economic aspects of security (since most of the country's trade is carried out by sea), as well as the military and strategic aspects of security, which are largely linked to China's increased presence in the vast sea space and the need to counter the changes that are taking place in the existing order, are important. Japan's naval potential rivals that of almost any other nation in Asia. The country is stepping up its activity in the Pacific and Indian oceans, as well as in the South China Sea, conducting joint exercises with its partners and calling in their ports.<sup>28</sup> In 2012, Shinzo Abe proposed the concept of a “security diamond” consisting of Japan, the United States, Australia and India as democratic countries that respect the rule of law and the primacy of human rights to protect the maritime space of the Pacific and Indian oceans.

In August 2016, Prime Minister Abe proposed the Free and Open Indo-Pacific Strategy, which aims at creating an order based on international law and the principle of freedom of navigation in the vast maritime space of the Pacific and Indian oceans, as well as at strengthening the principles of democracy and the rule of law, and enhancing interconnectedness in order to achieve stability and development

<sup>25</sup> A.A. Kireeva's interview with Japanese experts on foreign policy and security during her short-term internship at the Japan Foundation. Tokyo, June–July 2018.

<sup>26</sup> Sakaki A. Op. cit. Pp. 22–34.

<sup>27</sup> Takahara A. The Abe–Xi Summit of 2018: A View from Japan // The Asan Forum, 8 November 2011.  
URL: <http://www.theasanforum.org/a-view-from-japan-2>

<sup>28</sup> A.A. Kireeva's interview with Japanese experts on foreign policy and security during her short-term internship at the Japan Foundation. Tokyo, June–July 2018.

in the region as a whole.<sup>29</sup> By expanding cooperation with the main players in East Asia and the Indo-Pacific, Japan seeks to preserve its role as a leading centre of power and expand its strategic autonomy. Tripartite formats of interaction have been institutionalized with the United States and Australia, and with the United States and India. This interaction includes consultations through the defense and foreign ministries of the countries in question, as well as joint military exercises.<sup>30</sup> In November 2017, the four-party talks involving Japan, the United States, Australia and India were restored after a ten-year hiatus. The discussion focuses on strategic issues in the region, primarily the preservation of the existing order in light of the tougher stance that China is taking in its foreign policy, particularly in maritime disputes, as well as its use of economic instruments to boost its positions. Japan's policy with regard to the conflict over the South China Sea is aimed at making the dispute international in nature and providing assistance to the countries involved (primarily Vietnam and the Philippines), in order to contain the "aggressive" actions of China. However, Japan is not yet ready to take more radical actions, such as the operations of the United States to maintain the freedom of navigation.<sup>31</sup>

An important part of the initiative is to create a high-quality infrastructure with funding of \$200 billion over the course of five years starting in 2016. This initiative, like the cooperation with the United States and Australia, is designed to provide the countries in the region with an alternative to the Chinese Belt and Road Initiative. Despite the positive dynamics in the interaction between Japan and China in 2017–2018 and the possibility of carrying out joint infrastructure projects in third countries, it is too early to talk about a significant improvement in relations if the two countries do not introduce changes to their security strategies. Increasing strategic competition between the United States and China in the Indo-Pacific puts Japan in a position in which it will be more inclined to support its ally.<sup>32</sup>

## 2.2. Russia and Japan's Approaches to Regional Integration Processes

### *Eurasian Integration in Russia's Strategy*

Despite the fact that Russia is a member of all the regional organizations (the ASEAN Regional Forum, the Asia Pacific Economic Cooperation, the East Asia Summit, Conference on Interaction and Confidence-Building Measures in Asia, the Asia–Europe Meeting, etc.), the country is not particularly active in regional institutions. Russia only joined the World Trade Organization (WTO) in 2012 and has practically no experience of participation in preferential trade agreements

<sup>29</sup> Jiyu de hirakareta indo taiheiyou senryaku [*Free and Open Indo-Pacific Strategy*] // Ministry of Foreign Affairs of Japan, 2017. URL: [https://www.mofa.go.jp/mofaj/gaiko/bluebook/2017/html/chapter1\\_02.html#T003](https://www.mofa.go.jp/mofaj/gaiko/bluebook/2017/html/chapter1_02.html#T003) (In Japanese)

<sup>30</sup> Sakaki A. Op. cit. Pp. 28–29.

<sup>31</sup> Drifte R. Japan's Policy towards the South China Sea – Applying "Proactive Peace Diplomacy"? / PRIF Report No. 140. 2016. 31 p.

<sup>32</sup> Nagy S. Is Trump Pushing China and Japan Together? Not Quite // China–US Focus, 6 November 2018. URL: <https://www.chinausfocus.com/foreign-policy/is-trump-pushing-china-and-japan-together-not-quite>

(PTAs). The country is only just beginning to fit into integration processes in East Asia. Unlike other countries in the region, Russia is not really a part of the value chains that are *de facto* regional integration.<sup>33</sup> However, given the need to diversify the economy and develop the Russian Far East, the country's leadership has set itself the task to do so.

The most important project for Russia right now is integration within the framework of the Eurasian Economic Union (EAEU) at the level of a customs union. The EAEU signed its first free-trade area (FTA) agreement with Vietnam in 2015, which has been in force since 2016. Negotiations are currently underway on FTA and preferential trade agreements with several dozen countries, including Singapore, Thailand, Cambodia and Indonesia. A statement on connecting the EAEU and the Silk Road Economic Belt as part of the Belt and Road Initiative promoted by the Chinese leadership was signed in May 2015.

In 2015, President of the Russian Federation Vladimir Putin proposed the concept of the Greater Eurasian Partnership, which would involve the EAEU becoming a centre for the formation of a large Eurasian “integration contour” in the event that a multilevel integration model is formed through economic partnerships with the Shanghai Cooperation Organisation (SCO), the ASEAN, the Commonwealth of Independent States countries, Iran, the European Union and other countries.<sup>34</sup> In June 2018, it was announced that Russia and China had completed a feasibility study on the Agreement on Eurasian Economic Partnership. The Agreement involves liberalizing trade in services and investment as well cooperation in e-commerce, competition, intellectual property and other areas. The agreement will be open to all countries that are interested in signing it.

On the whole, the Russian economy and the economies of its EAEU partners have not yet reached the level of competitiveness needed to form FTAs with the majority of trading partners. The best course would be to sign FTA and agreements on the liberalization of investments with individual ASEAN countries, with the potential signing of an agreement with the group as a whole and with other countries, for example India, as well as signing wide-ranging non-preferential agreements with an emphasis on cooperation in specific sectors with countries that the EAEU is not yet ready to enter into full-fledged liberalization programmes with (China, South Korea) and using new investment banks (the New Development Bank and the Asian Infrastructure Investment Bank).<sup>35</sup>

### ***Japan's Participation in Integration Processes***

Unlike Russia, Japan is a key player in regional integration processes in East Asia and was a founding member of most of the region's organizations. As the first country to successfully undergo modernization, Japan paved the way for “flying

<sup>33</sup> Koldunova E. Russia's Involvement in Regional Cooperation in East Asia. Opportunities and Limitations of Constructive Engagement // Asian Survey. 2016. Vol. 56. No 3. Pp. 532–554.

<sup>34</sup> Plenary Session of St Petersburg International Economic Forum // President of Russia, 17 June 2016. URL: <http://www.en.kremlin.ru/events/president/news/52178>

<sup>35</sup> Flegontova T. Russia's Approach and Interests // Manning R.A., Chen Z., Song G., Flegontova T.A. Economic order in the Asia-Pacific and Russian interests / Report of The Valdai Discussion Club. March 2017. Pp. 12–15 (In Russian)

geese” Asian countries. The rising costs and the recession that began in the early 1990s forced Japan to move production to East Asian countries. Japan is one of the main countries that form a value chain in the region, and its companies are tightly integrated into the regional production networks as technological leaders and manufacturers of hi-tech components and intermediate goods. In the 2000s, Japan entered into a number of PTAs with individual countries in Southeast Asia, and in 2008, it signed the Comprehensive Economic Partnership with the ASEAN on the liberalization of trade in goods. In 2011, Japan signed an agreement with India on the liberalization of investments and trade in goods and services. As of December 2017, the 13 FTA agreements concluded by Japan covered only approximately 20 per cent of the country’s exports and 40 per cent of its total trade. The decision of the Japanese authorities to enter into the negotiation process on the Trans-Pacific Partnership (TPP) in 2013 gave a boost to the creation of other FTAs with the country’s participation.<sup>36</sup>

The largest agreement on economic partnership signed by Japan is with the European Union, and it entered into force in February 2019. This deep integration agreement covers a wide range of issues based primarily on WTO+ principles, including the liberalization of trade in goods and services, the liberalization of investments, intellectual property protection, competition, etc. The next important steps for Japan are the signing of the Regional Comprehensive Economic Partnership in the ASEAN+6 format, which accounts for 47 per cent of the country’s trade turnover, as well as the possible creation of a free-trade area involving Japan, China and South Korea.

The Trans-Pacific Partnership (TPP) signed by 12 countries in Asia and on the American Pacific coast in February 2016 is a new type of agreement based on the WTO+ agenda. Japan’s involvement in the TPP negotiations, despite heavy opposition from the country’s traditionally closed agricultural sector and a number of other industries, was motivated by the following considerations. First, the TPP could be used as an instrument of external pressure for carrying out structural reforms in the economy as part of the third arrow of Abenomics in order to increase the competitiveness of the economy (including the closed agricultural sector), strengthen its positions in the value chain and stimulate economic growth. Second, the increased competitiveness of Japanese business would, as a result of the opening of the U.S. (as it was originally planned) and other markets, allow the country to significantly improve its positions in the economies of those countries and, thanks to the access that it will gain to previously closed sectors, increase exports – not only of products and components, but also of ready-made systems and solutions – especially in the services sector and digital economy. Third, Japan’s participation in the TPP would not only allow it to support the United States in its “turn to the Asia-Pacific Region,” but could also weaken China’s positions as a leader in regional trade because many of its products fail to meet the high standards set by the TPP. Simultaneous participation in the TPP

<sup>36</sup> Solis M., Katada S. *Unlikely Pivotal States in Competitive Free Trade Agreement Diffusion: The Effect of Japan’s Trans-Pacific Partnership Participation on Asia-Pacific Regional Integration // New Political Economy*. 2015. Vol. 20. No. 2. Pp. 155–177.

and RCEP would allow Japan to use these agreements to stimulate economic growth and accomplish its geo-economic goals. This strategy could allow Japan to play the role of integration leader in Asia.<sup>37</sup>

Following President Trump's decision to pull out of the TPP in January 2017, Japan took it upon itself to lead the process of renegotiating the agreement with the involvement of the remaining 11 countries, even without the main incentive for entering into the agreement in the first place – gaining access to the U.S. market. The agreement, known as the Comprehensive and Progressive Agreement for Trans-Pacific Partnership (CPTPP), was signed in March 2018 and entered into force that December. Absent from the Agreement are 22 articles adopted at the United States' initiative which, among other things, regulate intellectual property rights and disputes between investors and the state. Aside from this, most of the provisions remain unchanged. Thus, Japan was able to consolidate its role as a leader of the liberal economic order and form an alternative to China in terms of an integration centre. Japan hopes that the United States will return to the agreement in future.<sup>38</sup> The swift conclusion of the CPTPP became a priority for Japan, as it set high standards for trade. After this, the focus of the country's leadership shifted to the RCEP, which is not as deep as the CPTPP. According to the Peterson Institute for International Economics, by 2030, Japan's revenues from the CPTPP and RCEP agreements will be \$46 billion and \$56 billion, respectively.<sup>39</sup>

The tariffs on steel and aluminium products introduced by the Trump administration in March 2018, which affected Japan, and the subsequent threats of imposing tariffs on the import of Japanese automobiles forced Japan in September 2018 to agree to negotiations on a bilateral trade agreement with the United States. However, actually concluding such an agreement will prove difficult. The trade war between the United States and China puts Japan in an even more difficult situation, as many Japanese companies that have assembly plants in China could suffer.

### **2.3. Positions of Russia and Japan on the Korean Peninsula Denuclearization**

#### ***Russia's Position***

As Russia and North Korea share a common border, and the Russian Far East will be in danger if an armed conflict breaks out on the Korean Peninsula, it is in Russia's interests to prevent such a situation from unfolding.

Russia advocates the use of political and diplomatic means to resolve the issue of North Korean nuclear missile programme.<sup>40</sup> Moscow is against using military force, exerting pressure by any means other than through UN Security Council

<sup>37</sup> Katada S.N. At the Crossroads: The TPP, AIB and Japan's Foreign Economic Strategy / East-West Center. No. 125. May 2016. Pp. 2–4.

<sup>38</sup> Solis M., Mason J. As the TPP Lives on, the U.S. Abdicates Trade Leadership // Brookings, 9 August 2018.

<sup>39</sup> Petri A.P., Plummer M.G. China Should Join the New Trans-Pacific Partnership / Petersen Institute for International Economics. Policy Brief 19–1. January 2019. P. 6.

<sup>40</sup> Toloraya G. Russia and Current Problems of the Korean Peninsula // MGIMO University Vestnik. 2014. No. 4 (37). Pp. 89–90. (In Russian); Toloraya G. Can a Russia–China Axis Help Find a Solution to Problems on the Korean Peninsula? // 38 North, 8 June 2017. URL: <https://www.38north.org/2017/06/gtoloraya060817>

sanctions, and isolating North Korea or imposing an economic blockade on the country. The ultimate goal should be the denuclearization of the entire Korean Peninsula, including both the termination of the North Korean nuclear programme in exchange for security guarantees (primarily from the United States) in accordance with the principle of indivisible security, and non-deployment of strategic weapons on the U.S. military bases in South Korea. As a founding country of the nuclear non-proliferation regime in accordance with the NPT, Russia condemns the provocative actions of North Korea, including testing nuclear weapons and ballistic missiles. Believing that they are harmful to the security situation in East Asia, in 2016–2017, Moscow approved, alongside the other members of the UN Security Council, sanctions against North Korea and continues to support the sanctions today. Russia maintains political contacts with both North Korea and South Korea with a view to stabilizing the situation on the Korean Peninsula, and it highly appreciates the efforts of the Moon Jae-in administration to establish an inter-Korean and a U.S.–North Korea dialogue.

Moscow sees the solution of the problem of the Korean Peninsula in the implementation of the road map for Korean settlement developed by the ministries of foreign affairs of Russia and China. The road map contains proposals based on the concept of “double freezing” (the freezing of missile and nuclear tests on the part of North Korea in exchange for the freezing of military exercises), as well as movement towards bilateral (North Korea – South Korea and U.S. – North Korea) and multilateral negotiations and towards definition of common principles of bilateral relations, and subsequently to the resumption of the six-party talks with the ultimate aim of creating a comprehensive architecture of peace and security in Northeast Asia.<sup>41</sup> Russia believes that since 2018 events have been developing in accordance with the road map proposals. So, the UN Security Council sanctions against North Korea need to be gradually revised due to the positive dynamics on the Korean Peninsula and dismantling by North Korea of a number of its nuclear missile facilities.

Russian experts talk about the need to adopt a declaration ending the Korean War, normalize U.S. – North Korean relations, conduct parallel bilateral and multilateral negotiations, and provide legally binding multilateral security guarantees for North Korea or guarantees as part of a series of bilateral agreements.<sup>42</sup>

Russia proposed that trilateral projects involving the North and the South (connecting the Trans-Siberian Railway to Korean Railways, building power and gas pipelines) be implemented, and that South Korea return to the joint “Hasan – Rajin” logistics project, as tools of practical cooperation and reducing tensions on the Korean Peninsula.

<sup>41</sup> Joint Statement by the Russian and Chinese Foreign Ministries on the Korean Peninsula's Problems // Ministry of Foreign Affairs of Russia, 4 July 2017.

URL: [http://www.mid.ru/ru/maps/kp/-/asset\\_publisher/VJy7lg5QaAll/content/id/2807662?p\\_p\\_id=101\\_INSTANCE\\_VJy7lg5QaAll&\\_101\\_INSTANCE\\_VJy7lg5QaAll\\_languageId=en\\_GB](http://www.mid.ru/ru/maps/kp/-/asset_publisher/VJy7lg5QaAll/content/id/2807662?p_p_id=101_INSTANCE_VJy7lg5QaAll&_101_INSTANCE_VJy7lg5QaAll_languageId=en_GB)

<sup>42</sup> Toloraya G. Designing a New Peace and Security System in Korea // 38 North, 7 September 2018.

URL: <https://www.38north.org/2018/09/toloraya090718>



### *Japan's Position*

Japan sees the North Korean nuclear missile programme as one of the biggest threats to national and regional security.<sup>43</sup> Tokyo is lobbying for the UN Security Council to impose the most stringent sanctions possible. It has introduced multiple unilateral sanctions against North Korea that rule out practically any kind of joint economic activity between the two countries as a way to compel North Korea to denuclearize. In addition, Japan does not maintain any official relations with North Korea.

Japan has long been the biggest supporter of the policy of putting maximum pressure on Pyongyang in order to force it to carry out a complete, verifiable and irreversible denuclearization (CVID), yet is also the most pessimistic about the prospects of such a denuclearization.

As far as Japan is concerned, the complete, verifiable and irreversible denuclearization of North Korea, including the termination of its enrichment programmes, must come before any softening of the sanctions regime, otherwise North Korea may not denuclearize completely and would “take advantage” of the economic aid it could receive. Japan believes that the provisions of the U.S.–North Korea declaration of the Summit held in Singapore in 2018 are insufficient, as a concrete plan for denuclearization was not presented. What is more, the decision of the United States to suspend military exercises does little to deter North Korea and negatively impacts on security on the Korean Peninsula.<sup>44</sup> For Japan, the withdrawal of U.S. troops from South Korea is unacceptable. Tokyo points to the need to determine specific deadlines and set forth a plan for denuclearization, as well as to demand that North Korea provides information, in a clear, complete and authentic manner, concerning its nuclear missile programme. Cooperation between Japan, the United States and South Korea on this issue is also seen as indispensable.

Tokyo believes that North Korea possessing short- and medium-range missiles that are capable of hitting targets in Japan is a serious threat to national security. Japan fears that if the United States concludes a deal with North Korea and the latter liquidates its intercontinental ballistic missiles but keeps hold of its short- and medium-range missiles, this will cause significant damage to Japan and South Korea's security, eventually reducing United States' ability to contain North Korea and weakening alliances.<sup>45</sup>

The key issue in Japan's interaction with North Korea, especially for Prime Minister Abe, is the abductions of Japanese citizens that took place in North Korea in the 1970s and 1980s. Settlement of this problem is closely linked to the establishment of relations between Japan and North Korea. Shinzo Abe stated that he

<sup>43</sup> A.A. Kireeva's interview with Japanese experts on foreign policy and security during her short-term internship at the Japan Foundation. Tokyo, June–July 2018.

<sup>44</sup> Kitachousen no kakumondai o meguru keii [*The Situation Concerning North Korea's Nuclear Program*] // Research and Legislative Reference Bureau of the National Diet Library of Japan. Part 1009, 7 December 2018. Pp. 12–13. (In Japanese)

<sup>45</sup> Umemoto T. “Kitachousen kaku misairu mondai no hatten to beikokuno sentakushi” [*North Korea's Developing Nuclear Program and US Options*] // *International Issues*. April 2018. 670. P. 12 (In Japanese)

is prepared to meet with Kim Jong-un in order to raise this issue and, following its resolution and full denuclearization in the CVID format, Japan is prepared to normalize relations with North Korea in accordance with the 2002 Pyongyang Declaration, provide economic assistance to and develop bilateral relations with the country.

### ***Prospects for Cooperation between Russia and Japan***

First, the very fact that the situation on the Korean Peninsula and the nuclear missile programme are being discussed is important for both Russia and Japan. The two countries agree that nuclear tests and missile launches present a threat to regional security, that it is unacceptable for North Korea to have nuclear weapons and that the country should be denuclearized. Russia and Japan's positions regarding the causes of the problem and how to solve it are fundamentally different. Moreover, cooperation with South Korea, China and the United States would appear more advisable for Russia. At the same time, a better understanding of each other's positions is key to lay the foundations for resolving the issue.

Second, unlike other players, Russia insists on the need for multilateral talks involving all countries, Japan included. Russia is prepared to take on the role of "honest mediator" in the negotiation process on a bilateral and multilateral basis, as Moscow maintains normal working contacts with Pyongyang. At the same time, it is necessary to understand that Russia can only play a mediating role in this process, as it does not possess the same instruments of influence as China. In addition, Russia believes that the denuclearization of the Korean Peninsula can only be achieved if decisions are reached regarding the revision of the sanctions regime, provision of security guarantees and development of economic cooperation. Japan's role is extremely important in this context. Both countries could benefit from cooperation within the context of multilateral negotiations, as Japan can be confident that Russia is not interested in North Korea keeping hold of its nuclear weapons.

Third, Russia could play an important role in terms of providing technical assistance in the denuclearization of North Korea and the verification of its nuclear potential as a country that has unique practical experience in this area (for example, under the auspices of the International Atomic Energy Agency).<sup>46</sup> In this case, the denuclearization of the Korean Peninsula must be gradual in nature and accompanied by reciprocal actions of the United States. Creating a comprehensive security regime involving all of the countries taking part in the six-party talks, including Japan, could create conditions for North Korea to curtail or even liquidate its short- and medium-range missiles, for example, in exchange for economic cooperation.<sup>47</sup> In the event that denuclearization is successful and situation on the Korean Peninsula stabilizes, opportunities will open up for Russia and Japan to develop regional economic cooperation jointly with the North and the South.

<sup>46</sup> Toloraya G. Designing a New Peace and Security System in Korea // 38 North, 7 September 2018.  
URL: <https://www.38north.org/2018/09/gtoloraya090718>

<sup>47</sup> Toloraya G. From CVID to CRID: A Russian Perspective // 38 North, 26 December 2018.  
URL: <https://www.38north.org/2018/12/gtoloraya122618>

# Chapter 3. Bilateral Relations between Russia and Japan

Vladimir Nelidov

## 3.1. Political Dialogue between Russia and Japan and the Peace Treaty Problem

As of the beginning of 2019, Russia and Japan are engaged in an active political dialogue at the summit and high levels. However, the content of the meetings has thus far focused primarily on concluding a peace treaty, the key issue in relations between the two countries. And the prospects for this happening remain vague.

Summits are held on a regular basis. Prime Minister Shinzo Abe made his first official visit to Russia in April 2013. Following this, the Japanese leader visited Russia again in September 2013, February 2014 (he was the only G7 leader to attend the opening ceremony of the Sochi Olympics), May and September 2016, April 2017, May and September 2018 and January 2019.<sup>48</sup> Vladimir Putin, in turn, visited Japan in December 2016.<sup>49</sup>

In addition to this, the leaders have met on numerous occasions at various international forums. The meeting between Shinzo Abe and Vladimir Putin at the G20 Summit in Buenos Aires in early December 2018 was the 24<sup>th</sup> time the two had met.<sup>50</sup> The subsequent statements about the readiness of the parties to step up negotiations on the basis of the Soviet–Japanese Joint Declaration of 1956 prompted a great deal of speculation about the possibility of breakthrough agreements, implying that the sides may seek a compromise solution to the territorial delimitation issue. At the same time, since Article 9 of the Joint Declaration contains a provision on the transfer of the Habomai and Shikotan islands to Japan after the conclusion of a peace treaty, it was suggested that a compromise solution could involve Russia conceding these territories to Japan.<sup>51</sup>

Nevertheless, at the moment it is evident that the distance between the positions of Moscow and Tokyo has not yet been overcome. Japan has not demonstrated any kind of readiness even for the kind of compromise suggested above and refuses to unequivocally give up its claims to the Kunashir and Iturup islands, seeing all the South Kuril Islands as part of Japan's so-called Northern Territories,

<sup>48</sup> Japanese Prime Minister Shinzo Abe's Visits to Russia // TASS, 25 May 2018.  
URL: <https://www.tass.ru/info/5234898> (In Russian)

<sup>49</sup> Vladimir Putin Made a Two-Day Working Visit to Japan // President of Russia, 16 December 2016.  
URL: <http://www.en.kremlin.ru/events/president/trips/53488>

<sup>50</sup> Abe and Putin Designate Negotiators for Peace Treaty and Islands // Nikkei Asian Review, 2 December 2018.  
URL: <https://www.asia.nikkei.com/Politics/International-Relations/Abe-and-Putin-designate-negotiators-for-peace-treaty-and-islands>

<sup>51</sup> Joint Declaration by the Union of Soviet Socialist Republics and Japan, 19 October 1956 // Ministry of Foreign Affairs of Russia.  
URL: <http://www.mid.ru/documents/10180/2033041/Совместная+Декларация+СССР+и+Японии+от+19+октября+1956+r.pdf/4bbe6b9f-17fe-4523-8c82-45d2bbf5ef5f> (In Russian)

which are seen by Tokyo as illegally occupied.<sup>52</sup> The Japanese side insists that the resolution of the so-called “territorial issue” should be a condition, rather than a consequence, for signing a peace treaty.<sup>53</sup> The Russian side, in turn, says that Japan needs to unequivocally recognize the outcome of World War II, above all Russia’s sovereignty over the South Kuril Islands.<sup>54</sup> At the same, compromise solutions to the so-called “territorial issue” will cause extreme dissatisfaction in Russian and Japanese societies, and may therefore be unrealistic in terms of domestic politics.

The fact that a peace treaty remains out of reach was demonstrated once again during the high-level and summit negotiations that have already taken place in 2019, first between Minister of Foreign Affairs of Russia Sergey Lavrov and Minister for Foreign Affairs of Japan Taro Kono in Moscow on 14 January 2019,<sup>55</sup> and then during the 25<sup>th</sup> meeting between Vladimir Putin and Shinzo Abe in Moscow on 22 January 2019. Despite the optimistic wording of statements for the media, with the leaders stressing the economic and cultural achievements of the two countries, when talking about the chances of a peace agreement, Vladimir Putin said “there is long and painstaking work ahead to create proper conditions for reaching mutually acceptable solutions.”<sup>56</sup>

At the same time, despite the central place that the peace treaty issue occupies in the Russia–Japan political dialogue, political contacts between the two countries are not limited to discussions of this topic. 2+2 meetings involving foreign and defense ministers of the two countries are of great importance for both sides (the most recent meeting was held in July 2018).<sup>57</sup> These consultations give the sides an opportunity to discuss a wide range of bilateral and regional issues, and they are also symbolic, as Japan interacts in this format with a very small number of countries, primarily important strategic partners – the United States, Australia, France, the United Kingdom and Indonesia.

Russia and Japan also maintain contacts at the inter-parliamentary level. In April 2018, a delegation of Japanese members of parliament and businesspeople led by the Secretary General of the ruling Liberal Democratic Party Toshihiro Nikai visited Moscow. In July 2018, a delegation of senators headed by the Chairperson of the Council of the Federation Committee on Foreign Affairs of Russia Konstantin Kosachev visited Japan, while President of the House of Councillors

<sup>52</sup> Hoppou ryoudo [*Northern Territories*] // Ministry of Foreign Affairs of Japan, 17 May 2016.  
URL: <https://www.mofa.go.jp/mofaj/area/hoppo/hoppo.html> (In Japanese)

<sup>53</sup> Japan Intends to Negotiate with Russia “On the Basis of Its Basic Position” // Tellerreport, 10 January 2019.  
URL: <http://www.tellerreport.com/news/~japan-intends-to-negotiate-with-russia-%22on-the-basis-of-its-basic-position%22-B1WuF7NMN.html>

<sup>54</sup> Japan Must Recognize WWII Outcome to Carry on Peace Treaty Talks, Says Lavrov // TASS, 7 December 2018.  
URL: <http://tass.com/politics/1034925>

<sup>55</sup> Russia’s Sovereignty over Kuril Islands not Negotiable, Says Lavrov // TASS, 14 January 2019.  
URL: <http://www.tass.com/politics/1039800>

<sup>56</sup> Press Statements Following Tasks With Prime Minister of Japan Shinzo Abe // President of Russia, 22 January 2019.  
URL: <http://en.kremlin.ru/events/president/news/59714>

<sup>57</sup> Tairo gaikou no kihontekina kangaekata [*The Main Directions of Japan’s Foreign Policy towards Russia*] // Ministry of Foreign Affairs of Japan. URL: <https://www.mofa.go.jp/mofaj/files/000044685.pdf> (In Japanese)

of Japan Chuichi Date paid a working visit to Russia.<sup>58</sup> While these and other contacts between the members of parliament of the two countries are unlikely to contribute greatly to resolving the existing issues between the countries, they are nevertheless of considerable importance in terms of developing specific projects for economic, educational and cultural cooperation, including at the interregional level.

The ministries of defense of the two countries are also developing contacts. For example, in December 2017, Chief of the General Staff of the Armed Forces of Russia General Valery Gerasimov paid a working visit to Japan;<sup>59</sup> in July 2018, Minister of Defense of Japan Itsunori Onodera visited Russia;<sup>60</sup> and in October 2018, Chief of Staff of the Joint Staff Katsutoshi Kawano also paid a visit to Russia.<sup>61</sup> These and other working contacts in the military-political sphere play an important role in strengthening mutual trust and exchanging opinions on various regional and global issues.

At the same time, it is important to be realistic when assessing the prospects for cooperation between Russia and Japan in the military sphere. Japan's commitment to the alliance with the United States as the basis of its foreign and military policies means that the continued negative dynamics of U.S.–Russia relations limits Tokyo's room for manoeuvre in its relations with Moscow, especially with regard to security issues. Another factor that negatively impacts bilateral relations is Japan's policy to create and strengthen its own missile defense system, which, as far as Moscow is concerned, has a destabilizing effect on the balance of powers in the Asia Pacific.<sup>62</sup>

Finally, the sanctions imposed against Russia by Western countries, a number of which Japan has also introduced, is another important political issue in bilateral relations. Despite the fact that the Japanese government is trying to minimize the effects of the sanctions on bilateral ties,<sup>63</sup> a far more serious problem is that of the extra-territorial (“secondary”) sanctions that could be imposed by the United States and other countries on Japanese companies that conduct business with Russia and could have a significant negative impact on the economic relations between the two countries.<sup>64</sup>

<sup>58</sup> Interstate Relations of Russia and Japan // RIA Novosti, 22 January 2019.  
URL: <https://www.ria.ru/20190122/1549548153.html> (In Russian)

<sup>59</sup> Russian Military Chief Criticizes U.S., Japan and South Korea Drills // Reuters, 11 December 2017.  
URL: <https://www.reuters.com/article/us-northkorea-missiles-japan-russia/russian-military-chief-criticizes-u-s-japan-and-south-korea-drills-idUSKBN1E50X9>

<sup>60</sup> Japan–Russia Foreign and Defense Ministerial Consultation (“2+2” Ministerial Meeting) // Ministry of Foreign Affairs of Japan, 31 July 2018. URL: [https://www.mofa.go.jp/erp/rss/northern/page4e\\_000884.html](https://www.mofa.go.jp/erp/rss/northern/page4e_000884.html)

<sup>61</sup> Russian Defense Minister, Japan Chief of Staff Discuss Humanitarian Aid to Syria, Refugees // UrduPoint, 8 October 2018.  
URL: <https://www.urdupoint.com/en/world/russian-defense-minister-japan-chief-of-staf-450829.html>

<sup>62</sup> Russia Says US Missile Systems in Asia a Risk to Regional Security // The Times of Israel, 20 March 2017.  
URL: [http://www.timesofisrael.com/russia-says-us-missile-systems-in-asia-a-risk-to-regional-security/?fb\\_comment\\_id=1355395314507904\\_1355428904504545](http://www.timesofisrael.com/russia-says-us-missile-systems-in-asia-a-risk-to-regional-security/?fb_comment_id=1355395314507904_1355428904504545)

<sup>63</sup> Alexander Panov: “Japan Made Its Choice in Russia's Favor” // Argumenty i Fakty, 29 October 2016.  
URL: [http://www.aif.ru/politics/world/aleksandr\\_panov\\_yaponiya\\_sdelala\\_svoy\\_vybor\\_v\\_polzu\\_rossii](http://www.aif.ru/politics/world/aleksandr_panov_yaponiya_sdelala_svoy_vybor_v_polzu_rossii) (In Russian)

<sup>64</sup> A View from the Land of the Rising Sun // Roscongress, 6 September 2018.  
URL: <https://www.roscongress.org/en/materials/vzglyad-so-storony-voskhodyashchego-solntsa>

### 3.2. Ways to Stimulate Mutual Investments and Expand Trade: Promising Areas

Trade and economic ties between Russia and Japan are developing at a steady pace, but remain limited. According to the Federal Customs Service of Russia, bilateral trade in 2018 amounted to \$21.273 billion rising by 17 per cent<sup>65</sup> (compared to \$16 billion in 2016 and \$18.2 billion in 2017).<sup>66</sup> Despite the positive dynamics in the trade turnover in recent years, it is still well below the record level achieved in 2013 (\$33.2 billion).<sup>67</sup> The figures for 2018 suggest that Japan (at 3.1 per cent) is behind both China (15.7 per cent) and South Korea (3.6 per cent) in terms of its share in Russia's foreign trade.<sup>68</sup>

Russia primarily exports mineral raw materials to Japan – 76.98 per cent in 2018. In addition, Russia also supplies metals and metal products (7.67 per cent), precious metals and stones (5.56 per cent), and wood and pulp and paper products (3.86 per cent). Exports of agricultural raw materials and food made up just 3.09 per cent of Russia's total exports to Japan in 2017, while exports of machinery, equipment and motor vehicles accounted for 1.15 per cent.<sup>69</sup> Compared to 2017,<sup>70</sup> the commodity structure of the Russian export did not significantly change, but precious metals and stones have replaced as the third export category wood and related products which came in fourth. Russia's main imports from Japan in 2018 include: machinery, equipment and motor vehicles (80.15 per cent), chemical industry products (11.21 per cent), and metals and metal products (3.51 per cent)<sup>71</sup>. These figures remained consistent since 2017.

Despite the fact that Russia continues to maintain a positive trade balance with Japan<sup>72</sup> (Russian exports to Japan totalled \$12.5 billion in 2018, while its imports totalled \$8.8 billion),<sup>73</sup> the current situation is not entirely satisfactory.

<sup>65</sup> Foreign Trade of the Russian Federation with Major Countries and Country Groups in January–December 2018 // Federal Customs Service of Russia.

URL: [http://www.customs.ru/index2.php?option=com\\_content&view=article&id=25865&Itemid=1977](http://www.customs.ru/index2.php?option=com_content&view=article&id=25865&Itemid=1977) (In Russian)

<sup>66</sup> Russia's Foreign Trade 2016–2018 (According to Federal Customs Service of Russia) // Ministry of Economic Development of Russia. URL: [http://www.ved.gov.ru/monitoring/foreign\\_trade\\_statistics/countries\\_breakdown](http://www.ved.gov.ru/monitoring/foreign_trade_statistics/countries_breakdown) (In Russian)

<sup>67</sup> Trade between Russia and Japan in 2013 // Russian Foreign Trade, 1 March 2016.

URL: <http://www.russian-trade.com/reports-and-reviews/2016-03/torgovlya-mezhdu-rossiy-i-yaponiy-v-2013-g> (In Russian)

<sup>68</sup> Foreign Trade of the Russian Federation with Major Countries and Country Groups in January–December 2018 // Federal Customs Service of Russia.

URL: [http://www.customs.ru/index2.php?option=com\\_content&view=article&id=25865&Itemid=1977](http://www.customs.ru/index2.php?option=com_content&view=article&id=25865&Itemid=1977) (In Russian)

<sup>69</sup> Trade between Russia and Japan in 2018 // Russian Foreign Trade, 9 February 2019.

URL: <http://www.russian-trade.com/reports-and-reviews/2019-02/torgovlya-mezhdu-rossiy-i-yaponiy-v-2018-g> (In Russian)

<sup>70</sup> Trade between Russia and Japan in 2017 // Russian Foreign Trade, 15 February 2018.

URL: <http://www.russian-trade.com/reports-and-reviews/2018-02/torgovlya-mezhdu-rossiy-i-yaponiy-v-2017-g> (In Russian)

<sup>71</sup> Trade between Russia and Japan in 2018 // Russian Foreign Trade, 9 February 2019.

URL: <http://www.russian-trade.com/reports-and-reviews/2019-02/torgovlya-mezhdu-rossiy-i-yaponiy-v-2018-g> (In Russian)

<sup>72</sup> Ibid.

<sup>73</sup> Foreign Trade of the Russian Federation with Major Countries and Country Groups in January–December 2018 // Federal Customs Service of Russia.

URL: [http://www.customs.ru/index2.php?option=com\\_content&view=article&id=25865&Itemid=1977](http://www.customs.ru/index2.php?option=com_content&view=article&id=25865&Itemid=1977) (In Russian)

The majority of Russia's exports are low value-added goods, and the volume of trade depends on fluctuations in the prices of mineral raw materials, particularly hydrocarbons, which make up the main part of Russian exports to Japan.

In this connection, the priority task for Moscow and Tokyo is not only to achieve quantitative growth, but also to ensure the qualitative diversification of economic ties. This is precisely the aim of the Eight-Point Cooperation Plan proposed by Shinzo Abe in May 2016, which envisions the expansion of cooperation in such areas as medicine, urban development, small and medium-sized enterprises, energy, industrial diversification in Russia, the development of industry in the Russian Far East, cutting-edge technologies and people-to-people interaction.<sup>74</sup> Another prospective area for cooperation could be joint economic activities on the South Kuril Islands – an initiative adopted at a summit meeting between the leaders of the two countries in December 2016, but one that, as the Russian side acknowledges, is being carried out “in very modest and less than impressive proportions.”<sup>75</sup>

Individual projects in areas such as medical industry and agriculture are being implemented. For example, in December 2016, Japanese Hokkaido Corporation took part in setting up an all-season greenhouse facility for vegetables.<sup>76</sup> In October 2017, Mitsui acquired 10 per cent share in Russian pharmaceutical company R-Pharm, which is planning to start producing new medicine thanks to it.<sup>77</sup>

It is still too early to say that such projects have led to a qualitative transformation in economic cooperation between Russia and Japan. Fuel and energy complex remains the main strategic area of investment cooperation between the two countries. For example, Japanese consortium SODECO's share in the Sakhalin-1 project amounts to 30 per cent, while Mitsui and Mitsubishi own 12.5 per cent and 10 per cent shares respectively in Sakhalin-2. 20 per cent of oil produced at Sakhalin-1 and 30 per cent of oil from Sakhalin-2, as well as 80 per cent of the LNG from the plant opened in 2009 in the framework of Sakhalin-2 are exported to Japan.<sup>78</sup> Mechanical engineering, notably car manufacturing, is also a key area of cooperation. Toyota, Nissan, Mitsubishi, Yokohama Rubber, Isuzu, Mazda and Komatsu have all opened plants or set up joint ventures in Russia.<sup>79</sup>

As of mid-2018, direct investments from Japan totalled approximately 0.4 per cent (\$2.2 billion) of the total amount of money invested in Russia, which is just

<sup>74</sup> Japan's Eight-Bullet-Point Proposal for Economic Cooperation with Russia // The Government of Japan.  
URL: [https://www.japan.go.jp/tomodachi/2016/japan\\_and\\_russia\\_edition\\_2016/japans\\_eight\\_bullet\\_point.html](https://www.japan.go.jp/tomodachi/2016/japan_and_russia_edition_2016/japans_eight_bullet_point.html)

<sup>75</sup> Foreign Minister Sergey Lavrov's Statement and Answers to Media Questions at a News Conference Following Talks with Foreign Minister of Japan Taro Kono // Ministry of Foreign Affairs of Russia, 14 January 2019.  
URL: [http://www.mid.ru/ru/vizity-ministra/-/asset\\_publisher/ICoYBGcCUgTR/content/id/3472147?p\\_p\\_id=101\\_INSTANCE\\_ICoYBGcCUgTR&\\_101\\_INSTANCE\\_ICoYBGcCUgTR\\_languageId=en\\_GB](http://www.mid.ru/ru/vizity-ministra/-/asset_publisher/ICoYBGcCUgTR/content/id/3472147?p_p_id=101_INSTANCE_ICoYBGcCUgTR&_101_INSTANCE_ICoYBGcCUgTR_languageId=en_GB)

<sup>76</sup> All-Season Greenhouse Facility Opened in Yakutsk // YakutiaMedia, 7 December 2016.  
URL: <https://www.yakutiamedia.ru/news/554475/?from=70> (In Russian)

<sup>77</sup> Not Only Gas and Cars // Expert, 3 September 2018.  
URL: <http://www.expert.ru/expert/2018/36/ne-tolko-gaz-i-avtomobili> (In Russian)

<sup>78</sup> The Next Phase in Japan-Russia Oil & Gas Cooperation // The Economic Research Institute for Northeast Asia.  
URL: <https://www.erina.or.jp/wp-content/uploads/2014/10/K-MINAMI.pdf>

<sup>79</sup> Russia–Japan Economic Relations. Profile // TASS, 5 May 2016.  
URL: <https://www.tass.ru/info/3260618> (In Russian)

over half the amount of Chinese investments (\$4.3 billion, including Hong Kong) and almost one third lower than investments from South Korea (\$2.8 billion).<sup>80</sup>

Ultimately, success in the development of trade, economic and investment cooperation will depend not only and not so much on the political will of the countries' leaders, but rather on real measures taken to improve the conditions for doing business in Russia, especially considering the fact that the Japanese side regularly cites the instability of the legal system and the complicated investment procedure as obstacles to the further development of cooperation in this area.<sup>81</sup> There are other limiting factors here that do not depend on Russia or Japan, most notably the U.S. sanctions against Russia, which complicate transactions in dollars and threaten Japanese companies that do business with Russia.<sup>82</sup>

### 3.3. Tourism, Cultural Ties, and Public Opinion in Russia–Japan Cooperation

Cultural exchanges and people-to-people contacts have been an important element of relations between the two countries since Soviet times.<sup>83</sup> The “Year of Russia in Japan” and “Year of Japan in Russia” that have been announced for 2018–2019 would help strengthening and developing this area. This is the first project of the kind in bilateral relations between Russia and Japan. Over 400 events took place over the course of the cross years. For example, included in the program were such events as performances of Japan’s traditional *yabusame* horseback archery in August 2018, summer festival J-FEST 2018 visited by more than 100 000 people, tour of Kabuki Theatre to Moscow and St. Petersburg in September 2018, and the exhibition “Masterpieces of Edo Paintings and Prints” at the Pushkin State Museum of Fine Arts in September–October 2018.<sup>84</sup>

Tourism between Russia and Japan is growing steadily. In 2017, the number of Japanese tourists visiting Russia increased by 20 per cent compared to the previous year (from 85,000 to 102,000 people), and the number of Russian people visiting Japan went up by 37 per cent during the same period (from 47,000 to 65,000).<sup>85</sup> The agreement on simplifying the visa regimes that entered into force on January 1, 2017 proved to be an important factor in the development of tour-

<sup>80</sup> Foreign Direct Investments of Russia // Central Bank of Russia.  
URL: [https://www.cbr.ru/vfs/statistics/credit\\_statistics/direct\\_investment/15-dir\\_inv.xlsx](https://www.cbr.ru/vfs/statistics/credit_statistics/direct_investment/15-dir_inv.xlsx) (In Russian)

<sup>81</sup> “Japan’s FDI to Russia is Hard to Call Sufficient” // Kommersant, 18 December 2017.  
URL: <https://www.kommersant.ru/doc/3500982> (In Russian)

<sup>82</sup> A View from the Land of the Rising Sun // Roscongress, 6 September 2018.  
URL: <https://www.roscongress.org/en/materials/vzglyad-so-storony-voskhodyashchego-solntsa>

<sup>83</sup> Soviet–Japan Cultural Ties // History of Japan.  
URL: <http://www.nippon-history.ru/books/item/f00/s00/z0000006/st024.shtml> (In Russian)

<sup>84</sup> Ambassador of Japan to Russia: Holding Bilateral Years Has Been My Long-Cherished Dream // Parlamentskaya Gazeta.  
URL: <https://www.pnp.ru/politics/posol-yaponii-v-rossii-provedenie-perekryostnykh-godov-bylo-moey-davney-mechtoy.html> (In Russian)

<sup>85</sup> Selected Statistics Calculated in Accordance with the Official Statistical Methodology for Estimating the Number of Inbound and Outbound Tourist Trips // Federal Agency for Tourism of Russia.  
URL: <https://www.russiatourism.ru/contents/statistika/statisticheskie-pokazateli-vzaimnykh-poezdok-grazhdan-rossijskoy-federatsii-i-grazhdan-inostrannykh-gosudarstv/vyborochnaya-statisticheskaya-informatsiya-rasschitanaya-vsootvetstviu-s-ofitsialnoy-statisticheskoy-metodologiyey-otsenki-chisla-vezdnykh-i-vyezdnykh-turistskikh-poezdok> (In Russian)



ist exchanges between the two countries.<sup>86</sup> It should be noted that tourism holds significant potential, although realizing this potential to a large degree depends on whether or not the sides can agree on a visa-free regime for tourists. Russia's relations with South Korea could serve as an example here. A visa-free regime between the two countries was established on January 1, 2014. As a result, some 254,000 South Korean tourists visited Russia in 2017 (almost 2.5 times more than the number of Japanese tourists who vacationed in Russia), while 232,000 Russians visited South Korea (3.6 times more than Russians who vacationed in Japan).<sup>87</sup> Given Russia's willingness to discuss the issue of abolishing short-term visas,<sup>88</sup> progress in this area will depend on what steps the Japanese side is ready to take on this issue.

Much has to be done in the field of education, particularly in terms of Japanese language teaching in Russia and Russian language teaching in Japan. According to the Japan Foundation, an organization that promotes Japanese language and culture around the world, there were only 8,650 people studying Japanese in Russia in 2015, down from 11,401 in 2012.<sup>89</sup> To compare, there were around 56,000 Russians learning Chinese in 2017.<sup>90</sup> The number of people sitting the Japanese Language Proficiency Test (JLPT) in Russia could serve as another indicator of how popular the Japanese language is in the country: 1,190 people took the exam in July 2018,<sup>91</sup> compared to just 685 Japanese nationals who took the equivalent Russian language proficiency exam in October 2018.<sup>92</sup>

There is hardly a boom in the popularity of Japan and Japanese culture in Russia. According to the results of a public opinion survey carried out in Russia in November 2018, only 14 per cent of respondents said that they were interested in Japanese culture, and less than a third said that they would prefer to travel to Japan rather than to a European country they had already visited (30 per cent compared to 47 per cent). The results of the same survey suggest that the Rus-

<sup>86</sup> On the Simplification of Visa Formalities for Citizens of Russia and Japan on a Reciprocal Basis // Ministry of Foreign Affairs of Russia, 27 December 2016.

URL: [http://www.mid.ru/ru/foreign\\_policy/news/-/asset\\_publisher/cKNonKJE02Bw/content/id/2581079](http://www.mid.ru/ru/foreign_policy/news/-/asset_publisher/cKNonKJE02Bw/content/id/2581079) (In Russian)

<sup>87</sup> Selected Statistics Calculated in Accordance with the Official Statistical Methodology for Estimating the Number of Inbound and Outbound Tourist Trips // Federal Agency for Tourism of Russia.

URL: <https://www.russiatourism.ru/contents/statistika/statisticheskie-pokazateli-vzaimnykh-poezdok-grazhdan-rossiyskoy-federatsii-i-grazhdan-inostrannykh-gosudarstv/vyborochnaya-statisticheskaya-informatsiya-rasschitannaya-v-sootvetstvi-s-ofitsialnoy-statisticheskoy-metodologiyey-otsenki-chisla-vezdnykh-i-vyezdnykh-turistskikh-poezdok> (In Russian)

<sup>88</sup> Moscow Is Ready to Discuss Visa-Free Regime with Tokyo // TASS, 22 July 2018.

URL: <https://www.tass.ru/politika/5393744> (In Russian)

<sup>89</sup> Kaigai no nihongo kyouiku no genjū. 2015 nendo nihongo kyouiku kikan chousa yori [The Reality of Japanese Language Education Abroad. From Research in Educational Institutions in 2015] // The Japan Foundation, March 2017.

URL: [https://www.jpff.go.jp/j/project/japanese/survey/result/dll/survey\\_2015/all.pdf](https://www.jpff.go.jp/j/project/japanese/survey/result/dll/survey_2015/all.pdf) (In Japanese)

<sup>90</sup> Chinese Language is Gaining Popularity in Russia // Chinese Information Internet-Center, 29 July 2017.

URL: [http://www.russian.china.org.cn/exclusive/bxt/2017-07/29/content\\_41309901.htm](http://www.russian.china.org.cn/exclusive/bxt/2017-07/29/content_41309901.htm) (In Russian)

<sup>91</sup> Jishshikoku chiiki betsu ouboushasuu jukenshasuu / 2018 nendai ikkai (shichigatsu) [The Countries Where the Exam Was Held, the Number of Applications for It by Region and the Number of Those Who Passed It. First Exam 2018 (July)] // Japanese Language Proficiency Test.

URL: [https://www.jlpt.jp/statistics/pdf/2018\\_1\\_3.pdf](https://www.jlpt.jp/statistics/pdf/2018_1_3.pdf) (In Japanese)

<sup>92</sup> Dai 72 kai roshiago nouryoku kentei shiken kekka [The Results of the 72nd Qualification Exam of Russian Language in Japan] // Committee on the Qualification Examination of Russian Language in Japan.

URL: <http://www.tokyorus.ac.jp/kentei/72.pdf> (In Japanese)

sian people have a positive opinion about their country's relations with Japan: 59 per cent of respondents said that Russia and Japan currently enjoy good relations on the whole, which is more than in 2009 (43 per cent), but about the same level as in 2000 (62 per cent).<sup>93</sup> However, the Russian people are adamant when it comes to one of the key issues: a Russian Public Opinion Research Center poll conducted in November 2018 revealed that 77 per cent of respondents said they were against handing the South Kuril Islands to Japan, with just 14 per cent holding the opposite point of view.<sup>94</sup>

Similar trends can be identified in Japanese public opinion. According to the results of a survey carried out in October 2018 at the behest of the Cabinet of Ministers of Japan, only 17.7 per cent of respondents claimed to “feel an affinity to Russia.” It is telling that this number was slightly higher even for China (20.8 per cent), compared to 75.5% for the U.S.<sup>95</sup> The results of a survey published in the Japanese newspaper *Sankei Shimbun* in late January 2019 suggest that the overwhelming majority of Japanese still believe that Japan should insist on having all the South Kuril Islands returned to its governance: 32.9 per cent of respondents call for all four Islands to be returned, while 43.5 per cent believe that an agreement should first be reached on Habomai and Shikotan islands and then negotiations should continue on the fate of the Kunashir and Iturup islands. Only 10.1 per cent of respondents consider the handover of the Habomai and Shikotan islands only to be fair, while just 7.3 per cent of the Japanese believe that their country should give up all claims to the islands.<sup>96</sup>

<sup>93</sup> Russians Are Sharing Their Views on Japan and Relations between Our Countries // Public Opinion Foundation, 16 January 2019.

URL: <https://www.fom.ru/Mir/14158> (In Russian)

<sup>94</sup> Kuril Islands – No Return // Russian Public Opinion Research Center, 28 January 2019.

URL: <https://wciom.com/index.php?id=61&uid=1619> (In Russian)

<sup>95</sup> Gaikou ni kansuru yoron chousa 2018. Chousa kekka no gaiyou [*Public Opinion Survey on Foreign Policy Issues 2018. Summary of Results*] // Public Relations Office. The Government of Japan.

URL: <https://www.survey.gov-online.go.jp/h30/h30-gaikou/2-1.html> (In Japanese)

<sup>96</sup> Sankei FNN goudou yoron chousa. Shitsumon to kaitou (ichigatsu bun). Ryoudo mondai ga shinten suru to omowanai 72.9% [*Joint Opinion Poll by Sankei and FNN. Questions and Answers (January). 72.9% of Respondents Do Not Think that Negotiations on the Territorial Issue Will Progress*] // Sankei Shimbun, 21 January 2019.

URL: <https://www.sankei.com/politics/news/190121/pl1t1901210016-n1.html> (In Japanese)

## **Conclusions and Recommendations**

East Asia and the Asia Pacific are strategically important for Russia's foreign policy. Russia's position as a global and regional power and the task of developing the Russian Far East, a strategic priority for the 21<sup>st</sup> century, mean that political, economic and cultural cooperation with the regional countries, especially Japan, needs to be strengthened.

Moscow's approach to regional security in the Asia Pacific is based on the fact that the system of military and political alliances inherited from the Cold War era should be replaced by a collective system, one that is based on the principles of equal and indivisible security and is not directed against third countries.

Japan is pursuing a policy of increasing its independence and engagement in international affairs and boosting its influence in solving global and regional problems. Tokyo's baseline is determined by its alliance with the United States and its membership in the G7. Japan sees China's growing influence and the North Korean nuclear missile programme as the main threats to its national security in the region.

In matters of defence, Tokyo is limited by the provisions of its "pacifist" Constitution, and the country continues to rely on the Treaty of Mutual Cooperation and Security between the United States and Japan. Russia proceeds from the assumption that Japan will continue to focus on its military and political alliance with the United States and will not take any serious diplomatic steps that would run counter to the political line drawn out by Washington, unless the demands of the latter contradict Japan's national interests.

At the same time, Japan is stepping up its participation in network security structures in East Asia, promoting the idea of a "security diamond" and creating "soft coalitions" with friendly nations, which are gradually replacing the system of bilateral alliances. In addition, the country's regional policy is based on the need to build multilateral regional integration mechanisms in East Asia, and Tokyo takes an active part in the formation of a number of large-scale initiatives, including the CPTPP.

Japan has embarked upon a policy of active development of military cooperation with the countries of the Pacific and Indian oceans – South Korea, Australia, the Philippines, India and others that share its concern regarding the rise of China, the tightening of its foreign policy and its possible global domination. Japan is concerned about the prospect of military and political cooperation between Russia and China that in its eyes might lead to the formation of a foreign political alliance in opposition to the liberal bloc of the United States and its allies. As far as Tokyo sees it, an active political dialogue with Moscow could send a signal to Beijing that Russia is not limiting itself to cooperation with China, and that could strengthen Japan's own negotiating positions in its dialogue with China.

It is in the interests of both Russia and Japan to maintain good neighbourly partner relations in the context of the tasks facing the two countries in terms of strengthening their global and regional influence and dealing with the growing security challenges.

The situation on the Korean Peninsula is an important issue in the cooperation between the two countries. With practically no formal or informal channels of communication with North Korea, Japan is interested in reviving multilateral dialogue formats on the Korean Peninsula and maintaining a trust-based dialogue with Moscow, which has working contacts with both Seoul and Pyongyang. Given the fact that Russia calls for involving all regional actors in the process, including Japan, cooperation with Russia on the Korean Peninsula acquires even greater significance. In the event that the Korean Peninsula is denuclearized and the situation stabilizes, Russia and Japan could have the opportunity to develop regional economic cooperation with both North and South Korea.

Russia and Japan are engaged in an active political dialogue at the highest levels, although meetings between the two sides have thus far focused primarily on the issue of a peace treaty. Japan sees all the South Kuril Islands as part of its Northern Territories, illegally occupied by the Soviet Union, and now by Russia. The Russian side, in turn, says that Japan needs to unequivocally recognize the outcome of World War II, above all Russia's sovereignty over the South Kuril Islands.

However, political contacts between the two countries are not limited to discussions of this topic. The 2+2 meetings involving the foreign and defense ministers of the two countries are of great importance for both sides. The two countries also maintain contact at the interparliamentary level that contributes to the development of specific projects for economic, educational and cultural cooperation, including at the interregional level.

The sanctions imposed against Russia are a negative factor in the bilateral relations. Acting in accord with other G7 countries, Japan supported the policy of unilateral measures against Russia. However, the Japanese sanctions are milder than those introduced by the United States and European countries and cause little damage to the economies of the two countries. The so-called extra-territorial ("secondary") sanctions that could be imposed by the United States on Japanese companies conducting business with Russia could have a greater negative effect.

Trade and economic ties between Russia and Japan are developing at a steady pace, although they are limited. Despite the positive dynamics in the bilateral trade turnover in recent years, at \$21.3 billion in 2018, it is still well below that enjoyed by Russia and China. No significant results have been achieved in mutual investments. Given the structure of the commodity turnover, a priority task for Russia is to diversify its exports to Japan, which are made up primarily of mineral raw materials and depend on fluctuations in global prices for resources. In particular, it is important to increase sales of high value-added goods to Japan.

The countries need to go beyond the traditional spheres of cooperation and take steps to ensure that a wide range of companies in various fields across Russia and Japan interact with each other. In this context, work on creating a favourable business climate is particularly useful.

Nowadays, Moscow and Tokyo should pay special attention to developing special mechanisms in order to mitigate the negative impact of the sanctions imposed against Russia, the extra-territorial measures in particular.

Cultural exchanges and public diplomacy have been an important component of relations between the two countries since Soviet times. Ties between Russian and Japanese peoples would be promoted by the “Year of Russia in Japan” and “Year of Japan in Russia” that have been announced for 2018–2019.

The agreement on mutually simplifying the visa regimes between Russia and Japan has had a big impact on tourist flows between the two countries. Further development in this area will depend on whether the countries can reach an agreement on the abolition of visas for tourist trips or not.

At the same time, opinion polls suggest that stereotypes, often negative or outdated, are widespread in the mass consciousness of the population in both countries. Russian language and culture are not as widespread in Japan as Japanese language and culture are in Russia, still, Japanese culture is not as popular in Russia as it is sometimes thought to be. In this context, it is particularly important for the two countries to further expand people-to-people exchanges, especially at the youth level, and use instruments of soft power effectively.

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## **Russian International Affairs Council**

Russian International Affairs Council (RIAC) is a non-profit international relations think-tank on a mission to provide policy recommendations for all Russian organizations involved in external affairs.

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President of RIAC Igor Ivanov, Corresponding Member of the Russian Academy of Sciences, served as Minister of Foreign Affairs of the Russian Federation from 1998 to 2004 and Secretary of the Security Council from 2004 to 2007.

Director General of RIAC is Andrey Kortunov. From 1995 to 1997, Dr. Kortunov was Deputy Director of the Institute for US and Canadian Studies.

# Notes



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