



## NORTHERN TERRITORIES AND JAPAN-RUSSIA RELATIONS: WILL THE KNOT EVER UNTIE?

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### Abstract:

The onset of a new administration in September 2009 headed by Yukio Hatoyama, leader of the Democratic Party of Japan, put an end to the almost uninterrupted rule by the Liberal Democratic Party (LDP) since the end of the Second World War. The new administration brought also a promise of new diplomatic orientations. Japan-Russia relations, as ever before, blocked by the festering problem of the “Northern Territories”, as Japan calls the four southernmost Kurile Islands belonging to the Russian Federation and which she claims as her own, saw for many new and positive prospects. However, the “diplomatic revolution” which many expected, ended miserably not even a year later, with Hatoyama’s resignation. No progress had been achieved in bilateral relations. His successor, Prime Minister Naoto Kan, had to face an assertive Russia which symbolized her Asian strategy with the landmark visit by President Medvedev in November 2010 to the Island of Kunashiri and who has since then taken a course of economic development and military reinforcement of the Kurile Islands. This reorientation and reaffirmation of Russia’s position as legitimate owner of the “Northern Territories” occurred while Japan tried to mend relations with the US, saw her relations with China sour and had to cope with the devastating consequences of the 11 March 2011 Great Tohoku Earthquake. Under current Prime Minister Yoshiko Noda, Japan and Russia have to mend the worst bilateral relations since many years. While bilateral cooperation remains stuck, both countries do find complementarity in the energy field. It remains to be seen, whether this increasing cooperation will in the future spill over into other realms of Japan-Russia relations.

**Keywords:** Russia, Japan, Democratic Party of Japan (DPJ), Bilateral Relations, Territorial Problem, Kurile Islands, “Northern Territories”, Energy.

### Resumen:

La llegada del Partido Democrático de Japón (PDJ) al poder en Septiembre del 2009 de la mano de su líder, Yukio Hatoyama, ponía fin al reino casi ininterrumpido del Partido Liberal Democrático (PLD) desde el fin de la IIª Guerra Mundial. Con el nuevo gobierno llegaban también promesas de cambio en la diplomacia japonesa. Las relaciones Japón-Rusia, bloqueadas como siempre por el persistente contencioso territorial de los “Territorios del Norte”, nombre bajo el cual Japón reclama las cuatro islas más meridionales del Archipiélago de las Kuriles y que pertenecen a la Federación Rusa, tenían para muchos, buenas perspectivas por delante. Sin embargo, apenas un año más tarde, las esperanzas depositadas en la “revolución diplomática”, se venían calamitosamente abajo con la dimisión de Hatoyama. Su sucesor, el primer ministro Naoto Kan, se tuvo que enfrentar a una Rusia mucho más asertiva que manifestaba su estrategia asiática con la inédita visita de su presidente Dmitri Medvedev en noviembre del 2010 de la Isla de Kunashiri y que desde entonces viene apostando por el desarrollo económico y refuerzo militar de las Islas Kuriles. Tal reorientación ocurría precisamente cuando Japón hacía frente a unas relaciones con los EEUU muy dañadas, con nuevas disputas con China y con las devastadoras consecuencias del Gran Terremoto del Tohoku del 11 de marzo del 2011. Bajo el actual primer ministro, Yoshihiko Noda, ambos países tienen pendiente mejorar unas relaciones que han alcanzado su peor nivel desde hace años. Queda por ver si la creciente cooperación en un ámbito en el que presentan una clara complementariedad, el de la energía, redundará en una mejora de aquellos otros ámbitos donde reina el más absoluto inmovilismo.

**Palabras clave:** Rusia, Japón, relaciones bilaterales, Partido Democrático de Japón (DPJ), contencioso territorial, “Territorios del Norte”, Islas Kuriles, energía.

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[http://dx.doi.org/10.5209/rev\\_UNIS.2012.n28.38492](http://dx.doi.org/10.5209/rev_UNIS.2012.n28.38492)



## 1. Introduction

Among all contentious territorial disputes in the international arena, the Kurile dispute surprises both because of its protracted character and the oddity of its persistence.<sup>2</sup> The Russian Federation and Japan are the two states confronted in this dispute. They both share many common potential interests that would eventually advise a compromise: the former, as dubbed by many, is an energy superpower, and the latter is a world economic powerhouse devoid of energy resources. Russia could take advantage of Japanese financial power both to develop her energy resources and to boost the economy of her underdeveloped Far East, while Japan would enjoy a flow of energy not hostage to Middle-East instability. However, the territorial dispute represents since the end of World War II a stumbling block precluding any satisfactory development in this respect. Formerly belonging to Japan as part of the Kurile Archipelago, the four islands of Habomai (actually a grouping of islets), Shikotan, Kunashiri and Etorofu were occupied by the Soviet Union as a result of the Japanese defeat in World War II. A very complex set of reclamations, has since then opposed Japan to the Soviet Union and now the Russian Federation.

Many solutions for this problem have been attempted since the beginning of the territorial dispute, but all of them have failed. Japan and the USSR managed to re-establish diplomatic relations in 1956, and subsequent, even if scarce cooperation has been indeed undertaken. However, the territorial disputes remains: whereas an inflexible Japan insists upon the return of the four islands,<sup>3</sup> the Russian side has hardly been readier to alternative proposals that may have at least temporarily sidelined the problem. At the time of writing this article, the Russian Federation and Japan are placed in a context where mutual co-operation seems to be the least of the concerns. The world economy is still in the midst of the worst global downturn since the 1929 crash and many countries seem poised to suffer a double dip recession in 2012. With the European Union at the brink of economic collapse and the United States fighting with high unemployment rates, ballooning debt and political blockade, prospects are bleak and Russia and Japan can hardly escape the consequences of the economic maelstrom. Both enjoy the advantage of being big exporters (Russia exports natural resources whereas Japan exports industrial end-products) and the latter enjoys the proximity of a major economic powerhouse as China is. However, Japan suffered in March 2011 the Tohoku Great

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<sup>2</sup> For a short introduction on the topic, see: Kimura, Hiroshi: "The Soviet-Japanese Territorial Dispute", *Forum*, The Harriman Institute, vol. 2, nº 6 (June 1989) and Segal, Gerald: "Normalizing Soviet-Japanese Relations", *RIIA Special Paper*, The Royal Institute of International Affairs (1991); Togo, Kazuhiko: "The inside story of the negotiations on the Northern Territories: five lost windows of opportunity", *Japan Forum*, vol. 23, no. 1 (2011).

Further bibliography on the topic can be found in: Kimura, Hiroshi (1998): *The Kurilian Knot: A History of Japanese-Russian Border Negotiations*, Stanford University Press, Stanford, California; Hasegawa, Tsuyoshi (1998): *The Northern Territories Dispute and Russo-Japanese Relations*, vols. 1-2, University of California at Berkeley, International Area Studies; Togo, Kazuhiko (2011): □□□□□□□□ : □□□□□□□□ (The Inside Story of the Negotiations on the Northern Territory: Five Lost Windows of Opportunity), Shinchosha, Tokyo; Stephan, John J. (1974): *The Kuril Islands: Russo-Japanese Frontier in the Pacific*, Clarendon Press, Oxford; Hellman, Donald C. (1969): *Japanese Foreign Policy and Domestic Politics*, University of California Press, Berkeley and Los Angeles; Robertson, Myles L. C. (1988): *Soviet Policy towards Japan*, Cambridge University Press, Cambridge; Rozman, Gilbert (1992): *Japan's Response to the Gorbachev Era, 1985-1991: A Rising Superpower views a Declining One*, Princeton; New Jersey, Princeton University Press; Sirakov, David (2006): *Die russische Japanpolitik in der Ära Putin: Innergesellschaftliche Präferenzbildung un die Kurilenfrage*, Mitteilungen des Instituts für Asienkunde Hamburg (no. 393), Hamburg.

Developments on the issue in the latest phase of LDP rule can be found in: Pardo, Eric: "Northern Territories and Japan-Russia Relations: Latest Developments under Prime Minister Taro Aso", *UNISCI Discussion Papers*, no. 20 (May 2009), at <http://www.ucm.es/info/unisci/revistas/UNISCI%20DP%2020-%20PARDO.pdf>.

<sup>3</sup> 四島返還論 (Yontou Henkanron) which could be rendered as "Four Islands Thesis" in its closest translation.



Earthquake and its devastating Tsunami followed by the worst nuclear accident since Chernobil in the nuclear power plant of Fukushima Daiichi. In 2012 Japan is still at grips with an economy stagnated since the last 20 years. The world economy downturn, the effect of the Earthquake, a public debt soon to reach 200% of the GNP and a complicated international environment in the Asian region bode ill for Japan's future. It may thus be understandable that Japan considers Russia as a diplomatic backyard.

In this article, I will analyse the latest developments since the arrival of the Democratic Party of Japan (DPJ) in Japan in 2009 both in the territorial dispute and other areas of her bilateral relations with Russia.

## 2. Political Change in Japan in 2009: Yukio Hatoyama and the DPJ Administration

2009 welcomed a landmark political revolution with the demise of the LDP as the unchallenged ruler since the end of World War II. In the parliamentary elections for the Lower Chamber, the main opposition party, the DPJ, won in a landslide with 308 seats. In sharp contrast, the LDP reached a record low with only 119 seats. As the DPJ already managed to muster a blocking majority in the Diet in 2007, that meant that the new ruling party could rely on a relatively stable ruling majority.<sup>4</sup>

The second fact that deserves our attention is that the new Prime Minister Yukio Hatoyama was the grand-son of former Prime Minister Ichiro Hatoyama who ruled from 1954 to 1956. This heralded for some a new start in relations with Russia: Ichiro Hatoyama is remembered for having re-established diplomatic relations with the Soviet Union,<sup>5</sup> even if a peace treaty could not be signed and the territorial problem remained unsolved as the initially agreed upon "Two Islands Solution"<sup>6</sup> would be scrapped. In accordance to that "Russia-friendly" family legacy, Yukio Hatoyama chaired the Japan-Russia Association until his nomination as Prime Minister. Even if, as we will see below, Hatoyama would end up abiding to the classic formula of "Four Islands", early signs warranted optimism: beyond anecdotal evidence as the fact that his son was studying in Moscow and his family ties as already mentioned,<sup>7</sup> the DPJ's appointment of Suzuki Muneo as chairman of the Diet's Foreign Relations Committee<sup>8</sup> was the most significant sign of a real change. Suzuki Muneo was a former convicted on charges of corruption but was also one of the main supporters of the "Two Islands Solution".<sup>9</sup>

<sup>4</sup> As for the reasons of the LDP demise and the rise of the DPJ, see: Pempel, T., J.: "Between Pork and Productivity: The Collapse of the Liberal Democratic Party", *The Journal of Japanese Studies*, vol. 36, no. 2 (2010), pp. 227-254, and Kaihara, Hiroshi: "A Dawn of Two-Party System in Japanese Politics?: The Emergence of the Democratic Party of Japan", *East Asia: An International Quarterly*, vol. 27, no. 3 (2010), pp. 221-244.

<sup>5</sup> Itoh, Mayumi: *The Hatoyama dynasty: Japanese political leadership through the generations*, New York, Palgrave; Macmillan, pp. 133-137; Hellman, *op. cit.* pp. 29-39; Braddick, C. W. (2004): *Japan and the Sino-Soviet Alliance, 1950-1964: in the shadow of the monolith*, New York, Palgrave Macmillan; Oxford, pp.22-34.

<sup>6</sup> 二島返還論(Nitou Henkanron) or "Two Islands Thesis".

<sup>7</sup> Until his nomination as Prime Minister, Yukio Hatoyama chaired the Japan-Russia Friendship Association. Chairmanship was subsequently passed on to his brother Kunio.

<sup>8</sup> Ferguson, Joseph: "Japanese Prime Minister Hatoyama Meets President Medvedev in New York", *Eurasia Daily Monitor*, vol. 6, no. 183 (October 6, 2009), at [http://www.jamestown.org/single/?no\\_cache=1&tx\\_ttnews\[tt\\_news\]=35583](http://www.jamestown.org/single/?no_cache=1&tx_ttnews[tt_news]=35583).

<sup>9</sup> See: Rozman, Gilbert: "A chance for a breakthrough in Russo-Japanese relations: will the logic of great power relations prevail?", *The Pacific Review*, vol. 15, no. 3 (2002), pp. 325-357.



A last fact related to the “DPJ revolution” which set the tone for changes in Japan’s foreign policy, was the turn away from the US and towards a more Asia-centred policy.<sup>10</sup> Whether this opened the door for a revision of the Japan-Russia relations in a more cooperative direction could not be told yet. However, if the DPJ government was to be “brave” enough as to challenge the main tenets of Japan’s US-centred foreign policy, hopes could be warranted for similar changes in relations with Russia.<sup>11</sup>

## 2.1. First Contacts Under the New Administration

### 2.1.1. The Inherited Situation:

Japan-Russia relations as they stood before the advent of the new administration were in a state of impasse.<sup>12</sup> Economic cooperation, namely the start of supplies of LNG from Sakhalin to Japan in March 2009, a positive Russian political rhetoric (as expressed by: “*need to solve the issue in our present generation*” and to “*solve the problem in an unconventional and creative way*”) and a bombastic draft proposal from the Japanese side to split by half the disputed territories, leaked to the press, seemed to warrant a certain optimism.<sup>13</sup> However, positive progress in the energy sector notwithstanding,<sup>14</sup> expectations came to nil: Amidst the uproar provoked by the leakage of the “3.5 / 0.5 proposal”<sup>15</sup>, Japan passed a legal resolution proclaiming her full sovereignty on the four islands. As it should have been expected, this caused Russian protests.

Even if the Japanese government did its best to highlight that the expression, as referred in the new legislation, 固有領土 (*koyuu ryoudo*), meaning “indigenous territory”, lacked any practical legal consequences,<sup>16</sup> the ultranationalist Liberal Democratic Party of Russia (LDPR) reciprocated with a similar legislative project where the Russian equivalent, неотъемлемой частью РФ, “inalienable part of the RF”, was endorsed in relation to the disputed territories.<sup>17</sup> Japan had a big interest in not antagonizing the Russian government before a sideline meeting could take place between Dmitri Medvedev and Taro Aso in the G-8 Summit celebrated in L’Aquila. However, striking a balance between appeasing public opinion and Russia was hard indeed. That bilateral meeting took finally place and despite scarce prospects for a breakthrough, a cordial atmosphere could at least be preserved: Taro Aso strikingly avoided the territorial issue, whereas Medvedev both emphatically disapproved of any call to suspend non-visa exchanges and withheld any support to the LDPR’s legislative initiative.

<sup>10</sup> Yukio Hatoyama’s project of East Asia n Community hailed from the concept of 友愛, “Yuuai” or fraternity as defended by his grandfather Ichiro: Takahashi, Kosuke: “Japan on the brink of a new era”, *Asia Times*, August 29, 2009, at <http://www.atimes.com/atimes/Japan/KH29Dh01.html>.

<sup>11</sup> For an analysis on Japanese foreign policy changes, see: Fry, Graham: “Japan’s New Government: What Has Changed?”, *Asian Affairs*, vol. 41, no. 2 (2010), pp. 178-187.

<sup>12</sup> See: Pardo, *op. cit.*

<sup>13</sup> Ma, Jie: “Japan’s new move creates hurdle to settle northern territory row with Russia”, *Xinhua*, 04 July 2009, at [http://news.xinhuanet.com/english/2009-07/04/content\\_11652658.htm](http://news.xinhuanet.com/english/2009-07/04/content_11652658.htm).

<sup>14</sup> See: Zarakhovich, Yuri: “Sakhalin-Khabarovsk-Vladivostok Pipeline Launched”, *Eurasia Daily Monitor*, vol. 6, no. 154 (11 August 2009), at ?

<sup>15</sup> Splitting the territory of the four disputed islands by half would yield the Habomais, Shikotan, Kunashiri and a small part of Etorofu to Japan and the rest to Russia, namely “3.5 islands + 0.5 islands”

<sup>16</sup> “Правительство Японии не признает Курилы исконной территорией (The Japanese Government does not recognize the Kurils as indigenous)”, *Kommersant*, 02 July 2009, at <http://www.kommersant.ru/news/1196756>.

<sup>17</sup> “В Госдуму внесен законопроект о Курильских островах” (In the State’s Duma a legal Project is introduced), *Kommersant*, 07 July 2009, at <http://www.kommersant.ru/news/1200205/rubric/2>.



Taro Aso's administration ended its poor record of progress on bilateral political issues with news that Russia would terminate reception of humanitarian aid from Japan for the Kurile Islands; this aid had been coming since the 1994 devastating earthquake in the Kurile Islands. Russia was ready to highlight that the decision had been taken since long and had therefore nothing to do with Japan's new legislation regarding the status of the disputed territories.<sup>18</sup> If no political motivations were really behind this decision, the decision nevertheless represented the disappearance of an important tie between Japan and Russia, in particular with Local Administrations in the Kurile Islands.

### 2.1.2. Hatoyama and Medvedev's meeting in New York and its aftermaths

The new Prime Minister Yukio Hatoyama traveled in late September to New York to attend the General Assembly of the United Nations. Grasping the occasion, the delegation led by Russian President Dmitri Medvedev requested a bilateral meeting. Russia seemed to welcome the new government and to be expecting expanded cooperation.<sup>19</sup> During the meeting, President Medvedev actually went as far as to express his desire to consider every issue, both relating to cooperation and to existing disputes. Hatoyama in his reply expressed his willingness to resolve the territorial dispute and to sign a peace treaty. However, while Medvedev seemed to prefer concrete talks regarding economic cooperation, Hatoyama kept to the classic line of emphasizing the tight relatedness between both economic and territorial issues, using the quite explicit metaphor "two wheels of a cart".<sup>20</sup> If Hatoyama had been expected to abandon the inflexible classic mantra as assumed by the Japanese diplomacy since the 50s, this was a disappointing start indeed.

These hints at renewed inflexibility came precisely at a moment of Russian eagerness to forge closer relations with Japan. This move was closely linked to Japan's U-turn in diplomatic relations exemplified by harsh criticism to the US by the new DPJ administration and a more pro-Asian orientation. Russia was quick to perceive the cracks in the so far solid Japan-US block and praised the changes brought forward by the new government.<sup>21</sup> An analysis from the prestigious *Sentaku* magazine at the time expected Russia to downplay the territorial issue, praise the Japanese stance, agree with Hatoyama's Asian multilateral vision and eventually insist on the reversion of the two southernmost islands.<sup>22</sup> Could really Japan's new diplomatic stance and Russia's sympathetic response be the prelude to an improvement in their bilateral relations and a breakthrough in the territorial dispute?

Unfortunately, hopes were dashed when on the 24<sup>th</sup> November the Japanese government published a policy document where the traditional official line was endorsed with no deviation whatsoever. The lobbying of Muneo Suzuki, Chairman of the Diet's Foreign

<sup>18</sup> "Южные Курилы перестали принимать гуманитарную помощь от Японии (The South Kuriles stop receiving humanitarian aid from Japan)", *Kommersant*, 07 August 2009, at <http://kommersant.ru/doc/1218312>.

<sup>19</sup> "Russia anticipates cooperation with new Japanese government", *RIA Novosti*, 31 August 2009, at <http://en.rian.ru/world/20090831/155977536.html>.

<sup>20</sup> "Japanese PM wants to resolve territorial dispute with Russia", *RIA Novosti*, 23 September 2009, at <http://en.rian.ru/world/20090923/156230270.html>; "Хатояма хочет заключить с Россией мирный договор по Курилам (Hatoyama wants to sign a peace treaty with Russia regarding the Kuril islands)", *Kommersant*, 23 September 2009, at <http://www.kommersant.ru/news/1242658>; Ferguson, *op. cit.*

<sup>21</sup> See positive wording from the Russian MFA: "Briefing by Russian MFA Spokesman Andrei Nesterenko, September 03, 2009", Ministry of Foreign Affairs of the Russian Federation, at [http://www.mid.ru/brp\\_4.nsf/0/4ff6731bd78ae22bc325762a001e86df?OpenDocument](http://www.mid.ru/brp_4.nsf/0/4ff6731bd78ae22bc325762a001e86df?OpenDocument).

<sup>22</sup> "Kremlin cajoling Hatoyama", *Japan Times*, 19 October 2009, at <http://www.japantimes.co.jp/text/eo20091019a1.html>.



Relations Committee had proved to yield no influence at all.<sup>23</sup> The visit by the Head of the Presidential Administration of the RF, Sergei Naryshkin on the 1<sup>st</sup> December did manage to ease tensions as the result of the government's official position. However, with the endorsement of the classic policy, previous expectations had come to an early end. Changes waiting in the months to come were very different to what hopes had entertained: Japan and Russia were headed to a record low in their bilateral relations.

## **2.2. Hatoyama's Administration and Japan-Russia Relations: Back to a Confrontational Stance**

Japanese diplomacy was not only geared to confrontation with Russia, but also with her chief ally in the Asia-Pacific, the US. The reasons were Japan's new diplomacy running counter to many tenets of the "LDP diplomacy": while a new cooperative and multilateral policy was pursued in Asia, including a rapprochement to the main threat in the continent, China, many important aspects of Japan's relation with the US were to be revised. From the very beginning, the main stumbling block jeopardizing a good start for the new administration was the festering problem of the US base in Okinawa.

Lack of space prevents us from making a thorough and detailed analysis of the problematic deriving from the location of the US base in Okinawa.<sup>24</sup> It suffices to know that the location of the Futenma base in Okinawa right in the middle of the city of Ginowan had been for decades a source of frustration and anger for the population. Actually both the US and Japan had agreed in 2006 on the need to proceed with its relocation. However, they now differed on provisions included in the previous agreement and were at odds regarding the location for the new base. It had been previously agreed that 8000 marines would be relocated to Guam, while the remaining contingent would settle down in a new base also within the island of Okinawa. The chosen location, in the city of Nago, Henoko district, raised concerns because of its environmental impact. The new government therefore decided to oppose the deal and insisted on two options: 1) either a full move out of Okinawa altogether, or at least, as Minister of Foreign Affairs Katsuya Okada once put forward, 2) a merger of Futenma with the existing base of Kadena.<sup>25</sup> After months of political tension and in the face of the US unyielding stance, Hatoyama's administration finally had to concede and revert to the previous agreement as signed in 2006.<sup>26</sup> The result had been both an unnecessary strain in bilateral relations which would take much work for the upcoming administrations to heal, and a disappointment for the Japanese public opinion.

<sup>23</sup> "Власти Японии настаивают на «незаконной российской оккупации» Южных Курил (Japan insists on "unlawful Russian occupation)", *Kommersant*, 24 November 2009, at

<http://www.kommersant.ru/news/1280181>; "Курилы вернулись в оккупацию (Kurile islands revert to occupation)", *Kommersant*, 25 November 2009, at <http://www.kommersant.ru/doc/1280323>.

<sup>24</sup> See: Mulgan, Aurelia George: "Managing the US Base Issue in Okinawa: A Test for Japanese Democracy", *Japanese Studies*, vol. 20, no. 2 (2000), pp. 159-177; "U.S., Japan Discuss Future of Okinawa Military Base", *Foreign Policy Bulletin*, vol. 20, no. 2 (June 2010), pp. 97-106; "The new battle of Okinawa", *The Economist*, vol. 394, no. 8665 (16 January 2010); Hook, Glenn D.: "Intersecting risks and governing Okinawa: American bases and the unfinished war", *Japan Forum*, vol. 22, no. 1-2 (2010), pp. 204-217. On strained relations between the US and Japan under the DPJ, see also: Sunohara, Tsuyoshi: "The Anatomy of Japan's Shifting Security Orientation", *The Washington Quarterly*, vol. 33, no. 4 (2010), pp. 51-53.

<sup>25</sup> Tanaka, Miya: "Okada's Futenma-Kadena merger gambit fizzles", *Japan Times*, 18 November 2009, at <http://www.japantimes.co.jp/text/nn20091118a3.html>.

<sup>26</sup> Fackler, Martin: "Japanese Leader Gives In to U.S. on Okinawa Base", *The New York Times*, 23 May 2010, at <http://www.nytimes.com/2010/05/24/world/asia/24japan.html>.



It is reasonable to surmise that such an intense diplomatic row took Japan's diplomacy a lot of time and attention which could have been devoted to other issues. Among these issues, we would of course think about relations with Russia. However, it seems fully unwarranted to imagine that there was any real agenda which might have been constrained. A constructive vision to improve bilateral relations did not exist altogether. A good example thereof was the Japanese refusal to engage in projects of joint cooperation in the disputed islands: even if the proposal was the result of a series of previous meetings and discussions, the Ministry of Foreign Affairs was clearly opposed to the project as a result of the hawkish discourse endorsed on Japan's territorial claims.<sup>27</sup> When Hatoyama resigned in June 2010 not having been able to complete even one single year as Prime Minister, amid allegations of involvement in money-politics and as a result of his plummeting support rate, no progress whatsoever had been achieved. Hopes that Hatoyama would prove a leader committed to a new vision in Japan-Russia relations, had been completely dashed. However, the worst was yet to come.

### **3. Naoto Kan is Elected Prime Minister: Heir to a Fizzling Revolution**

The profile of the new Prime Minister poised to rule Japan could hardly have been more different than that of his predecessor: instead of being the scion of a wealthy family of politicians and businessmen, Naoto Kan grew up in a middle-class family. He managed to climb the political ladder starting as a civil grassroots activist who dealt with environmental issues and who was affiliated to the Socialist Democratic Federation. He became a political hero in 1996 as Health Minister when he confronted bureaucrats on the issue of HIV-tainted blood, a role which earned him credit as a brave politician of a much different brand than what Japanese citizens were used to. However, this precedent did not translated into any bold revision of Japanese politics, even less in the realm of diplomacy. Actually Naoto Kan had scarce experience in foreign policy and kept to a conservative line which arguably bode ill for improved relations with Russia.

#### **3.1. New Administration and New Foreign Policy Course: Back to the Old Good Days**

After the Hatoyama administration backed away from its attempt to revise the 2006 agreements on the relocation of Futenma, Kan's administration reaffirmed the US-Japan alliance. As a dangerous flare-up of another territorial dispute, this time involving the Senkaku-Diaoyu Islands which China claims, soon occurred, this pro-US turn came in an appropriate moment. It actually may have reinforced the new administration's decision to mend relations with the US.

The territorial dispute that pits China against Japan lies in the Chinese rejection of Japanese historical arguments put forward to justify the occupation of the Islands in 1895 and subsequent "re-occupation" after the US abandoned their administration in 1972.<sup>28</sup> After bilateral relations strained under the premiership of Junichiro Koizumi, Prime Minister Yasuo Fukuda managed to correct the damage done and reached an agreement to jointly develop the

<sup>27</sup> "Токио душит приемательскую инициативу (Tokyo "kills" a welcoming initiative)", *Kommersant*, 28 January 2010, at <http://kommersant.ru/doc/1311554>.

<sup>28</sup> See for a short introduction: Lee, Joyman: "Islands of Conflict", *History Today*, vol. 61, no. 5 (May 2011), pp. 24-26. For more background information, see also: <http://www.globalsecurity.org/military/world/war/senkaku.htm>.



gas fields of Chunxiao-Shirakaba lying in the Chinese Exclusive Economic Zone.<sup>29</sup> However, the incident of September 2010 set the contentious back to confrontation:<sup>30</sup> on the 27<sup>th</sup> September a Chinese fishing trawler collided against a Japanese Coastguard vessel. As a result, the trawler was seized and its captain put under arrest (he was eventually released on the 25<sup>th</sup> September). Although this incident did not escalate any further, it nevertheless kindled a series of acrimonious declarations from both Japan and China who reasserted their sovereignty over the Islands.

It is therefore in this tense context where Prime Minister Kan, clearly supported by the ex-Minister of Foreign Affairs Katsuya Okada and his successor Seiichi Maehara (moderate pro-US national/moderate politicians, following Tsuyoshi Sunohara’s classification)<sup>31</sup>, confirmed the classic Japanese pro-US foreign policy. The New National Defense Program Guidelines of December 2010 confirmed that Hatoyama’s little foreign policy “revolution” was over. Three new key terms included deserving our attention, are: 1. Dynamic defense force 2. Active contributions to creating global peace and 3. Stability and seamless responses to contingencies. If we consider both the expression “*Japan will further deepen and develop the Alliance to adapt to the evolving security environment*” and the contents of both points one and three, we can perceive how China may easily rank as one of the main threats.

### 3.2. New Russian Moves Further Worsen Relations

While relations with China were under strain and relations with the US were on the contrary on track to recover, Russia suddenly made her act of presence. President Medvedev’s bold action was perceived in Japan as an unheard of provocation: on the 1<sup>st</sup> November, Medvedev undertook a three-hour long visit to the island of Kunashir. This was indeed a highly symbolic move as Medvedev was the first Russian head of state ever to set foot on these territories. His calls to make living conditions in the Islands “like those in the very heart of Russia”, as we will see later, hinted at something more than just a symbolic act. Japan’s reaction, as it could have been expected, was vitriolic: the Japanese ambassador was temporarily recalled prompting the reaction of the Russian Ministry of Foreign Affairs, which considered such a measure unacceptable given that Kunashir was considered Russian territory.<sup>32</sup> Japan again recalled her ambassador when she considered that explanations given by the Russian side regarding the visit were not satisfactory.<sup>33</sup>

<sup>29</sup> Zhou, Shan: “China and Japan Agree on Joint Gas Exploration in East China Sea”, *The Epoch Times*, 27 June 2008, at <http://www.theepochtimes.com/n2/china-news/doing-gas-exploration-china-japan-1081.html>.

<sup>30</sup> A detailed account of the incident, as well as more background information, can be found in: McCormack, Gavan: “Small Islands – Big Problem: Senkaku/Diaoyu and the Weight of History and Geography in China-Japan Relations”, *The Asia-Pacific Journal*, vol. 9, no. 1 (3 January 2011), at <http://www.japanfocus.org/-gavan-mccormack/3464>. *Japan Focus* published several articles related to the issue of the Senkaku-Diaoyutai dispute. See: Lee, Peter: “High Stakes Gamble as Japan, China and the U.S. Spar in the East and South China Seas”, *Japan*

*Focus*, 25 October 2010, at <http://www.japanfocus.org/-Peter-Lee/3431>; Tanaka, Sakai: “Rekindling China-Japan Conflict: The Senkaku/Diaoyutai Islands Clash”, *Japan Focus*, 21 September 2010, at <http://www.japanfocus.org/-Tanaka-Sakai/3418> (Translation of <http://www.tanakanews.com/100917senkaku.htm>); Wada, Haruki: “Resolving the China-Japan Conflict Over the Senkaku/Diaoyu Islands”, *Japan Focus*, 25 October 2010), at <http://japanfocus.org/-Haruki-Wada/3433>.

<sup>31</sup> Sunohara, *op. cit.*, pp. 44; 52-53.

<sup>32</sup> “<http://www.asahi.com/international/reuters/RTR201011010090.html>” (“The Russian Ministry of Foreign Affairs on Japan’s decision to recall her ambassador as a reaction to the visit to the Northern Territories”), *Asahi*, 02 November 2010, at <http://www.asahi.com/international/reuters/RTR201011010090.html?ref=reca>.

<sup>33</sup> “Япония снимет посла за неверные данные о поездке Медведева на Курилы (Japan withdraws her ambassador because of false information about Medvedev’s trip to the Kuril)”, *Vedomosti*, 23 December 2010, at



As a result of this diplomatic war, Japan rejected several frameworks of economic cooperation with Russia: the signature of a document on economic cooperation was postponed few days after the visit.<sup>34</sup> Later, on February 2011, Japan refused to accept a proposal from President Medvedev to form a free-trade zone in the area of the Kurile Islands.<sup>35</sup> Japan was locking herself in the inflexible logic of “politics first” and holding any projects of economic cooperation hostage to the poor state of bilateral relations. Unfortunately for staunch supporters of a return of the four islands in dispute, Russia did not relent from her intentions of strengthening her hold on a territory she considered rightfully her own. Adding insult to injury, Russia invited foreign investors into the Kurile Islands. Japan was invited among them, but only as a foreign country the same way China and South Korea were. This obviously raised new protests from the Japanese side.<sup>36</sup> Actually, talks started going about a tentative South Korean-Russian venture on the Island of Kunashir. As Japan holds her third territorial contentious with South-Korea and relations become occasionally strained on the account of the Islets of Takeshima-Tok Do which Japan claims, the whole chain of events could understandably be seen from the Japanese side as less than a combination of intolerable insults and humiliations.<sup>37</sup>

As for Russian eagerness to develop the forsaken archipelago of the Kurile Islands, it responded to an ambitious scheme. Rather than just for the sake of engaging in diplomatic confrontation with Japan as matter of prestige, Russia did have strategic reasons to assert her position. In this strategy, as enunciated by the Russian President on the 9<sup>th</sup> February 2011, one side was the economic development of the Islands. The other side however, was much more worrisome: military.<sup>38</sup> The decision was taken to add to the existing division of artillery a brigade of anti-aerial missiles.<sup>39</sup> Further news confirmed that Yakhont anti-ship supersonic cruise missiles along with Tor-M2 ground-to-air missiles would also be deployed.<sup>40</sup> Along with all these decisions, included in the document “Socio-Economic Development of the

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[http://www.vedomosti.ru/politics/news/1176369/yaponiya\\_snimet\\_posla\\_za\\_nevernye\\_dannye\\_o\\_poezdke\\_med\\_vedeva](http://www.vedomosti.ru/politics/news/1176369/yaponiya_snimet_posla_za_nevernye_dannye_o_poezdke_med_vedeva).

<sup>34</sup> “Япония отложила подписание документа о сотрудничестве с Россией из-за Курил (Japan cancelled the signature of the document on cooperation with Russia because of the row on the Kuril islands)”, *Vedomosti*, 112 November 2010, at

[http://www.vedomosti.ru/politics/news/1144149/tokio\\_otlozhit\\_podpisanie\\_dokumenta\\_o\\_sotrudnichestve\\_s\\_rf](http://www.vedomosti.ru/politics/news/1144149/tokio_otlozhit_podpisanie_dokumenta_o_sotrudnichestve_s_rf).

<sup>35</sup> “Япония отказалась от предложения Медведева о создании зоны свободной торговли на Курилах (Japan rejected Medvedev’s proposal to establish a free-trade zone in the Kuril islands)”, *Vedomosti*, 08 February 2011, at

[http://www.vedomosti.ru/politics/news/1206281/yaponiya\\_ne\\_podderzhala\\_ideyu\\_rf\\_o\\_zone\\_svodnoy\\_torgovli](http://www.vedomosti.ru/politics/news/1206281/yaponiya_ne_podderzhala_ideyu_rf_o_zone_svodnoy_torgovli).

<sup>36</sup> “МИД Японии: инвестиции третьих стран осложняют ситуацию на Курилах (MOFA Japan: investments from third countries complicate the situation in the Kuril islands)”, *Vedomosti*, 11 February 2011, at

[http://www.vedomosti.ru/politics/news/1209121/investicii\\_tretih\\_stran\\_oslozhnyat\\_situaciyu\\_na\\_kurilah\\_mid](http://www.vedomosti.ru/politics/news/1209121/investicii_tretih_stran_oslozhnyat_situaciyu_na_kurilah_mid).

<sup>37</sup> “On disputed island, new problem arises”, *Asahi*, 17 February 2011, at

<http://www.asahi.com/english/TKY201102160259.html>.

<sup>38</sup> “□□□□□□□□□□□□□□□□□□□□□□□□□□□□□□□□□□ (Russian news report: President on conversations with Japan regarding the Northern Territories)”, *Asahi*, 10 February 2011, at

<http://www.asahi.com/international/update/0210/TKY201102100191.html>; “Президент призвал усилить Курилы (President called to reinforce the Kurile islands)”, *Kommersant*, 10 February 2011, at

<http://www.kommersant.ru/doc/1582112>.

<sup>39</sup> “Оборону Курил усилят бригадой ПВО (The defense of the Kurile Islands is reinforced with a brigade of anti-aerial defense)”, *Vedomosti*, 15 February 2011, at

[http://www.vedomosti.ru/politics/news/1211042/v\\_sostav\\_divizii\\_na\\_kurilah\\_vojdiet\\_brigada\\_zenitnyh\\_raketnyh](http://www.vedomosti.ru/politics/news/1211042/v_sostav_divizii_na_kurilah_vojdiet_brigada_zenitnyh_raketnyh).

<sup>40</sup> “Official: Russia to install missile batteries in Northern Territories”, *Asahi*, 03 March 2011, at

<http://www.asahi.com/english/TKY201103020259.html>.



Kurile Islands”<sup>41</sup> was also the construction of a new airport in Yuzhno-Kurilsk (previously known as Furukamappu in Japanese) in Kunashir.<sup>42</sup> As expected, Japan expressed her concern at these new military developments. These only reinforced the past diplomatic moves that had pushed Japan-Russia relations to a new low. Under such scenario, any solution to this perennial territorial dispute was utterly impossible.

As for both sides’ motives for escalating at the risk of worsening already strained relations, we can follow Georgi Kunadze’s (Russian Vice-Minister of Foreign Affairs 1991-94) simple and straightforward assessment: politicians need to show muscle whenever a dispute takes place as not to lose support among their constituencies. In the case of the latest row, he considered that a visit seen as routine by the Russian side had necessarily to be countered by the Japanese government in a show mainly meant for her domestic audience.<sup>43</sup> However, the visit was indeed a provocation, framed in a context in which the Kurile Islands may be taking an importance beyond the narrow scope of Russia-Japan relations; Fyodor Lukyanov for example suggested that this was a symbolic move meant to reassert Russia’s interest on Asia.<sup>44</sup> Given plans to reinforce both economically and militarily the Kurile Islands, this makes sense. Actually, the report “Going East: Russia’s Asia-Pacific Strategy”, by the *Russian National Committee of the Council for Security Cooperation in Asia Pacific* (CSCAP) went as far as to identify the Kurile Islands as “...Russia’s “showcase” in the Asia-Pacific region.”<sup>45</sup> Such instrumentalization of the Islands in what seems to be a rather symbolic element, may however run counter to another imperative, more substantial and equally mentioned in the report, which are Japanese investments to develop Siberia and the Russian Far East. When referred to relations with China, we actually read: “establishing industrial enterprises (perhaps using U.S. or **Japanese investments**) to process raw materials, and **selling semi-finished products to China**, while steadily increasing Russia’s share of added value”<sup>46</sup>. The strategic value of Japanese cooperation as a means to avoid being a mere supplier of raw materials to China seems self-evident. However, it is very likely that the two premises of *Kurile showcase* and *Japanese investments* might exclude each other if Japan inflexibly insists on a favorable resolution of the dispute. The report advises taking the *1956 Joint Declaration* and any agreements later signed as the basis for a resolution,<sup>47</sup> but does not go as far as to pledge the return of at least the two lesser islands, Shikotan and Habomai, as foreseen in its Article no. 9. That may be insufficient for a Japanese diplomacy obsessively bent on the return of the four islands. It would however serve as a first step which could be supplemented with making Kunashiri and Etorofu the showcase of projects of mutual economical cooperation before welcoming Japanese investments in Siberia and the Russian Far East.

In the frame of what is explained above, the visit by the Russian President makes full sense. That no one in Russia expected a Japanese backlash seems however unlikely, and

<sup>41</sup> See: <http://fcp.economy.gov.ru/cgi-bin/cis/fcp.cgi/Fcp/ViewFcp/View/2012/232/>.

<sup>42</sup> “Россия будет строить новый аэропорт на Южных Курилах (Russia will build a new airport in the Southern Kurile islands)”, *Vedomosti*, 25 March 2011, at [http://www.vedomosti.ru/politics/news/1239080/rossiya\\_budet\\_stroit\\_novyj\\_aeroport\\_na\\_yuzhnyh\\_kurilah](http://www.vedomosti.ru/politics/news/1239080/rossiya_budet_stroit_novyj_aeroport_na_yuzhnyh_kurilah).

<sup>43</sup> Kunadze, Georgi: “Цена вопроса”, *Kommersant*, 09 November 2010, at <http://www.kommersant.ru/doc/1532767>.

<sup>44</sup> Lukyanov, Fedor: “Uncertain World: The disputed Kuril Islands and Russia’s broader Asian strategy”, *RIA Novosti*, 11 November 2010, at <http://en.rian.ru/columnists/20101111/161292198.html>.

<sup>45</sup> CSCAP - the Russian National Committee of the Council for Security Cooperation in Asia Pacific: “Going East: Russia’s Asia-Pacific Strategy”, accessed from *Russia in Global Affairs*, 25 December 2010, p. 7, at <http://eng.globalaffairs.ru/number/Going-East-Russias-Asia-Pacific-Strategy-15081>.

<sup>46</sup> *Ibid.*, *Idem*.

<sup>47</sup> *Ibid.*, *Idem*.



points rather to a growing neglect of Japan as a partner whose alienation is considered as an acceptable side effect. Was there however a deeper underlying strategic reason for this symbolic act precisely few weeks from a major diplomatic incident between Japan and China? The “domestic politics” explanation cannot be easily dismissed, with Japanese governments deeply unpopular and Russia getting closer to the presidential contest of March 2012.<sup>48</sup> One might however also consider the possibility of a move to reinforce Russia’s partnership with China by way of opening a “second territorial front” against Japan as somehow suggested by Tetsuo Kotani from the Okazaki Institute.<sup>49</sup> The disappointment with Hatoyama and the more conservative pro-US turn under the Kan administration could provide an explanation for a “militant” reaffirmation of a Russia-China vs. Japan-US logic. The presidential visit came after a series of steps that pointed to both an exaltation of the memory of the WWII and a close focus to reinforce the alliance with China, as seen in the law signed on the 7<sup>th</sup> July 2010 establishing the 2<sup>nd</sup> September (day of the Japanese rendition), as the day to commemorate the end of the war and the Joint Statement with Secretary General Hu Jintao on the 28<sup>th</sup> September commemorating the 65<sup>th</sup> anniversary of the war.<sup>50</sup> Russia however is in the grips of an ambivalent situation in Asia: it has been forging a growingly closer partnership with China, both for economic and diplomatic reasons (balancing US global pre-eminence), but has never lost sight of the dangers of the Chinese embrace and the possibility of turning into the lesser partner in this thriving partnership. Actually, the military exercises Vostok 2010 from the 29<sup>th</sup> June to the 8<sup>th</sup> July 2010, took place in the Russian Far East, and apart from their utility as a first step towards implementing the “New Look Strategy”, they were suspected to be meant as a rehearsal in case of contingencies against China.<sup>51</sup> This may be a “soft balancing” not meant to start a new confrontational relation with China, but rather meant as a correction given the fact that the Sino-Russian partnership will become even stronger. Other analysts, as Alexander Golts, simply considered that the aims of the exercises were only defensive and were not directed against any concrete country, but were rather meant to prove the capacity to defend the vulnerable and sparsely populated Russian Far East.<sup>52</sup> In any case, some of the exercises also involved an attack on the Kurile Islands, which also points to the US-Japan threat. Whatever the “real” hypothetical target of the exercises, a Russia worried about her standing in the Asia-Pacific and in need to reassure herself by means of military shows of force, will hardly find suitable the use of the disputed islands as a bargaining chip to improve relations with Japan. If the Kurile Islands remain within the Russian military logic, it bodes ill for Japan-Russia relations.

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<sup>48</sup> See: Ogoura, Kazuo: “Deciphering Russian aims”, *Japan Times*, 24 February 2011, at <http://www.japantimes.co.jp/text/eo20110225ko.html>; Kotani, Tetsuo: “Turbulent Changes: The Democratic Party Government and Japan’s Foreign Policy”, *Russia in Global Affairs*, 25 December 2010, p. 6 at <http://eng.globalaffairs.ru/number/Turbulent-Changes-15082>.

<sup>49</sup> Kotani, *op. cit.*, p. 6.

<sup>50</sup> Akaha, Tsuneo: “Russia–Japan territorial disputes, divisive as ever”, *East-Asia Forum*, 23 February 2011, at <http://www.eastasiaforum.org/2011/02/23/russia-japan-territorial-disputes-divisive-as-ever/>.

<sup>51</sup> McDermott, Roger: “Russian Military Prepares for Vostok 2010”, Jamestown Foundation, *Eurasian Daily Monitor*, vol. 7, no. 106 (02 June 2010), at [http://www.jamestown.org/programs/edm/single/?tx\\_ttnews\[tt\\_news\]=36445&cHash=b5f2878bb9](http://www.jamestown.org/programs/edm/single/?tx_ttnews[tt_news]=36445&cHash=b5f2878bb9).

<sup>52</sup> Nitova, Ana: “Vostok-2010 – Unprecedented War Games in Full Swing in Russia’s Far East”, *Global Crises News*, 05 July 2010, at <http://www.globalcrisisnews.com/general/vostok-2010-unprecedented-war-games-in-full-swing-in-russias-far-east/id=1718/>. Given however that the only suitable candidate to endanger the Russian Far East is arguably China, this interpretation does not seem to amount to a big difference to the “China threat”; it can nevertheless make much sense if the audience targeted was domestic sectors weary of China and who needed to see their fears allayed.



### **3.3. Japan Sinks into the Abyss: The Great Tohoku Earthquake, the Tsunami and the Fukushima Accident: Another Missed Opportunity for Japan-Russia Relations?**

Diplomatic concerns faded temporarily into oblivion on the 11<sup>th</sup> March 2011 when Japan faced a destructive earthquake followed by a devastating Tsunami in the North-Eastern coast and a protracted accident in the nuclear power-station of Fukusima Daiichi, which after uncontrolled radioactive leaks, may turn a big swath of the prefecture of Fukushima into a human wasteland the same way Chernobil did in 1986. Japan had been struck by the worst imaginable nightmare and the Russian reaction was cooperative since the very first moment: Russia was one of the first countries to send a message of condolence and to lend her support. This support initially materialized in badly needed supplies of LNG gas, critical to solve the energy crisis and even coal. Russia also contributed with humanitarian aid.<sup>53</sup>

However, promising as these signs of cooperation might have appeared, nothing substantially changed between Russia and Japan in their territorial dispute: Russia did not stop her plans of reinforcing the Kurile Islands, including visits by high-ranking members of the government and Japan did not relent in her protests.<sup>54</sup> The visit to the Island of Kunashiri of three Korean representatives from the opposition party belonging to the Parliamentary Committee for the Defense of Tokdo/Takeshima was an additional and surely unnecessary provocation.<sup>55</sup> When both Naoto Kan and Dmitry Medvedev had an opportunity to discuss the problem at Deauville on the sidelines of the G-8 Summit, no progress was made beyond the pledge to further discuss and consider solutions. Possible projects of cooperation were agreed upon.<sup>56</sup> Japan and Russia remained as far apart as ever since a very long time and the festering issue of the Northern Territories, the very stumbling block that prevented any improvement in mutual relations had become an even more intractable problem.

### **4. Naoto Kan Resigns and Yoshihiko Noda Takes Over: What Horizons for Japan- Russia relations?**

Naoto Kan stepped down at the end of August after having proved unable to satisfactorily manage the disastrous fallout of the nuclear catastrophe that beset Japan. Yoshihiko Noda, Minister of Finances since June, was elected to succeed him. He inherited a country devastated by the effects of the tsunami and found Japan's foreign policy in shambles.

<sup>53</sup> “Толчки к сближению (Un impulso hacia el acercamiento)”, *Kommersant*, 14 March 2011, at <http://kommersant.ru/doc/1600365>; “□□□□□□□□□□ □□□□ □□□□□□(Russia will send a rescue team of around 75 people)”, *Asahi*, 14 March 2011, at <http://www.asahi.com/international/update/0314/TKY201103140078.html>.

<sup>54</sup> “Япония восстановила статус Курил (Japan reestablished the status of the Kurile Islands)”, 13 May 2011, at <http://www.kommersant.ru/doc/1639022>; A visit in May 2011 by Deputy Prime Minister Sergei Ivanov drew particular anger from Japan: “Russian visit to Northern Territories draws anger from Japan”, *Asahi*, 17 May 2011, at <http://www.asahi.com/english/TKY201105160101.html>.

<sup>55</sup> “□□□□□□□□□□□□□□□□□□□□□□—□□ (“Don't meddle”, says Japan reacting to the visit of Korean representatives to the Northern Territories)”, *Asahi*, 25 May, at <http://www.asahi.com/international/jiji/JJT201105250043.html>.

<sup>56</sup> “Kan, Medvedev far apart on Northern Territories”, *Asahi*, 29 May, at <http://www.asahi.com/english/TKY201105280188.html>. Both had met the last time at the APEC Meeting of Yokohama on the 13<sup>th</sup> November 2010 right after Medvedev's controversial visit with similar results. See: <http://www.bbc.co.uk/news/world-asia-pacific-11748433>.



The new Prime Minister was quick to confirm the agreement on the relocation of the Futenma base with the US in an effort to mend damaged relations with the US and pledged support for the US-supported project of Trans-Pacific Partnership. He has been pursuing a course of increased economic and strategic cooperation with India, while he has also improved relations with China after the incident of late September 2010. Regarding South-Korea, with whom relations also soured after a new flare-up of the Takeshima/Tok-Do dispute, both Noda and President Lee held two bilateral summits in October and December. They were however not able to agree on the controversy of “*comfort women*” that had resurfaced in the last weeks.<sup>57</sup>

In what regards Japan-Russia relations, few political progresses have been made to date since the new government came to power, even if on the trail of energy cooperation gathering momentum, political statements have become more promising. Close to the end of Naoto Kan’s administration, the Chief of the Presidential Administration, Sergei Naryshkin, paid a visit to Japan in order to soothe relations and to remove some of the huge tension accumulated over the last months. Naryshkin’s statement that, “*Recently, we’ve felt a new atmosphere in the dialogue between Russia and Japan; it has become more favorable to discussing complicated issues. Our relations are flourishing in all areas*”, might appear somehow overblown. However, the emphasis on energy cooperation does point to a field where mutually beneficial cooperation has showed advances as the last months have proved.<sup>58</sup>

Well into Noda’s Administration, Japan can claim progress in the energy field (boosted by the opportunity offered by Japan’s energy breakdown after 11 March), together with some timidly positive signs on the political side as the main achievements. The new administration inherited a Russian proposal to develop so far neglected joint-projects in the field of energy and even to step up a system of direct electric supply from the island of Sakhalin. Subsequently, Noda and Putin discussed energy in their first phone call on the 14<sup>th</sup> October 2011, focusing on LNG increased supply, electricity supply from Sakhalin and joint development in the Russian Far East. Meanwhile, Japanese companies are poised to take part in the development of the Sakhalin III Project and a prospective LNG-Deal involving a LNG plant in Vladivostok which would be ready for 2020 and could sell gas from Sakhalin I, maybe Sakahalin III or even gas coming from the gas fields of Kovykta near the Lake Baykal.<sup>59</sup> These developments invite us to see future Japan-Russia relations in the field of energy cooperation in a very positive light.

<sup>57</sup> “Noda claims successful diplomatic debut”, *The Japan Times*, 25 September 2011, at <http://www.japantimes.co.jp/text/nn20110925a3.html>; “Japan, India hike defense, economic ties”, *The Japan Times*, 30 December 2011, at <http://www.japantimes.co.jp/print/nn20111230a1.html>; “Mr. Noda’s Beijing summit”, *The Japan Times*, 28 December 2011, at <http://www.japantimes.co.jp/text/ed20111228a2.html>; Smith, Sheila: “Japan Steps Up Asia Diplomacy”, *The Diplomat*, 06 January 2012, at <http://the-diplomat.com/2012/01/06/japan-steps-up-asia-diplomacy/>.

<sup>58</sup> “Working visit by Chief of Staff of the Presidential Executive Office Sergei Naryshkin to Japan”, *Office of the Russian Presidency*, 05 July 2011, at <http://eng.state.kremlin.ru/face/2551>; “Сергей Нарышкин навел мосты с японским кабинетом (Sergei Naryshkin builds bridges to Japan’s government)”, *Kommersant*, 06 July 2011, at <http://www.kommersant.ru/doc/1673398>.

<sup>59</sup> “Japan, Russia step up cooperative energy supply efforts”, *Asahi*, 20 July 2011, at <http://www.asahi.com/english/TKY201107190351.html>; “Noda and Putin talk energy in first phone call”, *Asahi*, 15 October 2011, at [http://ajw.asahi.com/article/behind\\_news/politics/AJ2011101514685](http://ajw.asahi.com/article/behind_news/politics/AJ2011101514685); “Токио присматривается к «Сахалину-3» (Tokyo interested in Sakhalin-3)”, *Kommersant*, 23 November 2011, at <http://www.kommersant.ru/doc/1822437>; “Japanese companies may join Sakhalin-III project”, *RIA Novosti*, 23 November 2011, at <http://en.rian.ru/world/20111123/168962225.html> and “Russia-Japan LNG deal imminent”, *Yomiuri*, 07 January 2012, at <http://www.yomiuri.co.jp/dy/business/T120106005109.htm>.



Political developments that have occurred parallel to energy deals and agreements seen in the paragraph above, are, as we already mentioned at the beginning, quite modest. As it has become usual, they do not move beyond vague rhetorical statements and promises: as an example, in the wake of Naryshkin's trip, Russian Minister of Foreign Affairs, Sergei Lavrov, exposed in a phone call in September 2011 to his Japanese counterpart, Minister of Foreign Affairs Koichiro Genba, his willingness to discuss matters related to the signing of a peace treaty but keeping to the already classical expression of the “*quiet atmosphere*” which is needed before holding such a discussion. This formula was repeated when Medvedev and Noda met on the sidelines of the APEC Summit in Honolulu but nothing beyond it came to concretion.<sup>60</sup> However, Russian military and economic projects in the Kurile Islands continue: launchers for anti-air missiles will be established and a new battalion of tanks deployed. According to the same source at the Russian Defense Ministry, new military facilities are to be built in both Kunashiri and Etorofu.<sup>61</sup> Among civilian projects, Russia plans the construction of a wharf and a maritime station in Etorofu for 2013.<sup>62</sup> As the Russian daily *Kommersant* pointed out in a recent article, new projects and investments are turning life in the formerly forsaken islands much easier;<sup>63</sup> Russian intentions to attract Japanese investments to the Kurile Islands are quite unlikely to succeed in the short term, but as President Medvedev pointed out recently, plans to develop these territories will not be thwarted by lack of Japanese contributions.<sup>64</sup> Russia clearly sees the development of the Kurile Islands as a strategic goal; if any, Japan can contribute as an economic partner, always within the framework of Russian plans, and will hardly be able to exert any leverage withholding investments. Political progress in this contentious issue has hardly ever had so bleak prospects.

## 5. Epilogue

The prospects of better Japan-Russia relations seemed to increase with the inception of a new administration headed by the DPJ. A seemingly Russia-friendly Prime Minister as Yukio Hatoyama and poised to push for a big revision of Japan's foreign policy represented for many a one-time opportunity to satisfactorily solve a long-drawn contentious. However, the new government soon endorsed the classical inflexible stance on the territorial dispute, thus thwarting any attempt to move beyond old patterns that had proved self-defeating. While Japan devoted most of her attention to solve the more pressing need of abiding to electoral

<sup>60</sup> “Лавров готов обсуждать с Токио мирный договор без «предварительных условий» японской стороны (Lavrov ready to consider a Peace Treaty with Japan without previous conditions from the Japanese side)”, *Vedomosti*, 09 September 2011, at [http://www.vedomosti.ru/politics/news/1362203/rossiya\\_gotova\\_obsuzhdat\\_mirnyj\\_dogovor\\_s\\_yaponiej\\_no](http://www.vedomosti.ru/politics/news/1362203/rossiya_gotova_obsuzhdat_mirnyj_dogovor_s_yaponiej_no) and “Japan, Russia agree to discuss territorial dispute in 'quiet atmosphere’”, *Japan Times*, 14 November 2011, at <http://www.japantimes.co.jp/text/nn20111114a4.html>.

<sup>61</sup> “□□□□□□□□□□□□□□□□□□□□□□□□□□—□□□ (Russian source: Anti-air missiles, a battalion of tanks and military facilities to be established in the Northern Territories)”, *Asahi*, 12 October 2011, at <http://www.asahi.com/international/jiji/JJT201110120148.html>.

<sup>62</sup> “На Курилах построят грузопассажирский комплекс стоимостью более 1 млрд руб. (A Facility for passenger and ware transportation will be built in Iturup – value more than one billion rubles)”, *Kommersant*, 30 November 2011, at <http://www.kommersant.ru/doc/1826905>.

<sup>63</sup> “Новые горизонты — на островах (New horizons in the islands)”, *Kommersant*, 29 November 2011, at <http://www.kommersant.ru/doc-rss/1826144>.

<sup>64</sup> “Медведев пригласил японских инвесторов вложиться в Южные Курилы (Medvedev invited Japanese investors into the Kuriles)”, *Vedomosti*, 11 November 2011, at [http://www.vedomosti.ru/politics/news/1418709/medvedev\\_priglasil\\_yaponskih\\_investorov\\_vlozhitsya\\_v\\_yuzhnyu](http://www.vedomosti.ru/politics/news/1418709/medvedev_priglasil_yaponskih_investorov_vlozhitsya_v_yuzhnyu).



promises on the relocation of the Futenma base in Okinawa, Russia was relegated into oblivion while the grand project of an East-Asian Community fizzled.

Naoto Kan's administration brought a more conservative pro-US diplomacy. This came at the same time as Russia was deciding on a new course in her Asian policy. This new course entailed a reinforcement of her partnership with China and strained relations with Japan. The Kurile Islands became a symbol of Russian intentions to make her presence felt in Asia. As a consequence therefore of Medvedev's highly symbolic visit to Kunashiri, Japan reacted with fury. That Russia did not care about the Japanese reaction to what would most likely be seen from Tokyo as an unnecessary provocation, said much of how Japan had become totally secondary in Russian calculations. In this context, not even Russian readily available aid to Japan after the triple crisis (earthquake, tsunami and nuclear accident), could open the door to a new rapprochement. The successor of Kan, Yoshihiko Noda, would inherit one of the most dead-locked situations ever found in Japan-Russian relations.

To date, Noda's administration has not been able to change much in such dire a state of affairs. The new administration however seems to have been able so far to skillfully move in the diplomatic arena: relations with the US seem to be on the mend, a closer strategic partnership is being established with India, while relations with China have also improved after the latest diplomatic confrontation on account of their territorial dispute. What prospects exist for the weakest link, Japan-Russia relations? Politically, they remain deadlocked, but economic relations in the energy field seem to be moving on satisfactorily; both countries have not pushed their mutual aversion as far as to turn mutually beneficial patterns of partnership hostage of their political differences. With Russia betting strongly on her presence in Asia and both heavily investing and reinforcing her military in the Kurile Islands, flexibility regarding the territorial contentious is not to be expected. If Japan wants to improve her relations with Russia, she will surely have to accept a postponement of her territorial claims and take advantage of Russian renewed assertiveness and willingness to accept investments and cooperation. Russian need to develop her Far East opens the door for Japan to play a decisive role. If Japan jumps on this door of opportunity, she will have to focus more on direct economic benefits than on prospective political solutions of the territorial contentious. Whether Japan will be willing to run the risk of reinforcing Russia's foothold in Asia and therefore push the prospect of reversion further away is quite unlikely in the current state of affairs. However, if Noda's administration's current pragmatism prevails, Russia's organization of the Vladivostok APEC Summit in September 2012 under the helm of a new President, most likely, current Prime Minister Vladimir Putin, will be an opportunity to further pursue economic deals and deepen the energy partnership. The next months will tell whether even modest prospects can be accomplished.

Russia and Japan seem not to be able to do much for improving their mutual relations, but solidification of strategic divides in Asia with a China-Russia and a US-Japan block in opposing sides, will make it even harder in the coming years.<sup>65</sup> Japan has the key for Russia to develop her Far East and to become a balance to China's smothering embrace. Japan has also the key to detach, at least partially, Russia from Chinese partnership, something that as Wikileaks exposed, has not gone unnoticed in the US strategic thinking.<sup>66</sup> However, short

<sup>65</sup> For an interesting discussion on this, see: Rozman, Gilbert: "Can Japan, Russia Transform Asia?", *The Diplomat*, 24 December 2011, at <http://the-diplomat.com/2011/12/24/can-japan-russia-transform-asia/>.

<sup>66</sup> "WikiLeaks о Южных Курилах (Wikileaks on the Southern Kuriles)", *Kommersant*, 13 May 2011, at <http://kommersant.ru/doc/1639370>; "Russia Flirted as China Flexed, Documents Show", *The Wall Street Journal (Blog: Japan Real Time)*, 11 May 2011, at <http://blogs.wsj.com/japanrealtime/2011/05/11/russia-flirted-as-china-flexed-documents-show/>; "cable 07TOKYO2690, ABE-PUTIN G-8 SUMMIT: RUSSIA AGREES TO",



term concerns will most likely bring about the reinforcement of these existing partnerships and kill in the bud any serious attempts to move beyond these dividing lines towards more flexible partnerships: Russia and Japan have very hard tasks ahead if they want to improve their relations. Forging the will towards that goal is the first challenge. Keeping to their silently flourishing energy cooperation will remain for years the baseline to any improvement.

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*Wikileaks*, 30-08-2011, at <http://www.wikileaks.ch/cable/2007/06/07TOKYO2690.html>; Kyodo: "U.S. criticizes Japan over island dispute with Russia: WikiLeaks+", *Breitbart*, 10 May 2011, at [http://www.breitbart.com/article.php?id=D9N4MAFO2&show\\_article=1](http://www.breitbart.com/article.php?id=D9N4MAFO2&show_article=1).