

Putin's Diplomatic Victory in Tokyo: Regional Perspective on Russia-Japan Relations

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By Hisane MASAKI

Known as a black-belt judoist, Russian President Vladimir Putin has scored wazaari, if not ippon, in his diplomatic bout with Japanese Prime Minister Koizumi Junichiro.

Putin ended a three-day official visit to Japan on Tuesday (Nov.22), his first in more than five years, after meeting with Koizumi and signing a dozen documents on expanding business cooperation and technological issues. But as widely expected, the two leaders failed to achieve a breakthrough on the long-standing territorial dispute. Even worse, the gulf between the two sides over the islands row had grown so wide that no joint political statement on the dispute was issued, dealing a significant setback to Tokyo. It is quite unusual that no political statement is issued when top leaders of Japan and Russia make official visits to each other's capitals.

Japan and Russia have long been at loggerheads over the sovereignty of the islands Japan calls the Northern Territories and Russia the Southern Kurils. The dispute over islands off northeastern Hokkaido has prevented Japan and Russia, both members of the Group of Eight (G-8) major countries, from concluding a peace treaty formally ending World War II hostilities. The islands in question are the Etorofu, Kunashiri and Shikotan Islands plus the Habomai islet group, which were all seized

by Soviet troops in the closing days of World War II.

In 1956, Japan and the then Soviet Union issued a joint declaration normalizing bilateral diplomatic ties. In that declaration, Moscow promised to return Shikotan and the Habomai islet group - the two smaller islands - after the signing of a peace treaty. At the height of Cold War tensions, Japan and the U.S. revised the bilateral security treaty in 1960. The then Soviet Union reacted sharply to the Japan-U.S. security treaty revision and declared the 1956 joint declaration between Tokyo and Moscow null and void. Moscow then continued to insist until the end of the Cold War that no territorial issue existed any longer between Tokyo and Moscow.

But when then Soviet President Mikhail Gorbachev visited Tokyo in April 1991, he and then Japanese Prime Minister Kaifu Toshiki issued a joint statement in which Moscow recognized the existence of the territorial issue over the four islands. After the demise of the Soviet Union, Russian President Boris Yeltsin visited Tokyo in October 1993 and issued the Tokyo Declaration with then Japanese Prime Minister Hosokawa Morihiro calling for conclusion of a peace treaty after resolving the dispute over ownership of the four islands based on the principles of "law and justice" and past documents agreed upon between Tokyo and Moscow, including those of the Soviet era. Despite changes of government on both sides, Japanese and Russian leaders have since issued political statements reaffirming the importance of resolving the territorial dispute based on the past documents signed between the two

countries, especially the 1993 Tokyo Declaration, when they visited each other's capitals.

Although Japan wanted Koizumi and Putin to sign a new political statement reaffirming their determination to resolve the islands row based on the 1993 Tokyo Declaration and other previous documents, Russia hardened its stance and balked at going along with the Japanese idea. Russia is widely seen as seeking to make the 1993 document a dead letter because it calls for a settlement of ownership of all the islands in question. Russia now wants to resolve the territorial tiff in line with the 1956 Japan-Soviet Joint Declaration, which stipulates that Moscow would return only the two smallest of the islands after the conclusion of a peace treaty. In addition, Japan and Russia interpret the 1956 document differently. Russia regards it as a promise to return the two smaller islands only as a "goodwill gesture" after concluding a peace treaty and insists that negotiating over the two larger islands is out of the question. Japan regards the 1956 document as having resolved the fate of the two smaller islands and left only the two larger ones on the negotiating table. Koizumi pressed Putin to reaffirm the effectiveness of the 1993 Tokyo Declaration, but in vain.

Before arriving in Tokyo, Putin had shown an unwillingness to discuss the islands issue with Koizumi and tried to put business and energy on the top agenda for the summit. To emphasize that point, Putin was accompanied by 100 business leaders along with his industry and energy, and information ministers. In fact, energy and economic cooperation issues took center stage, as Putin wished. Among the 12 documents, Japan signed an agreement to back Russia's bid to join the World Trade Organization (WTO). The deal will also cut tariffs on about 9,000 Russian products. Japan also signed an agreement to provide financial assistance for the dismantling of five of decommissioned Russian nuclear-powered

submarines abandoned in Russia's Far East.



Energy was also high on the agenda at the Putin-Koizumi talks – Japan as a consumer and financier and Russia as a producer. Japan and China have lobbied for alternative routes for a pipeline from eastern Siberia's oil fields to Pacific Rim nations. Japan failed to gain a guarantee that Russia will give priority to building a "Pacific route" from Taishet near Lake Baikal to Nakhodka on the Sea of Japan coast via the halfway point at Skovorodino, near the Russia-China border, rather than to building a "China route" heading to Daqing, northeastern China, from Skovorodino. Japan and Russia signed an agreement only to accelerate talks on the Pacific route. Russian state pipeline monopoly Transneft is building the pipeline in two stages. It expects to finish the first stage at Skovorodino, far from the coast but close to China, in 2008. No date has been set for the second stage.

While cooperation in energy and other economic projects may make further progress with the latest cooperation documents, the ultimate goal of signing a peace treaty after resolving the islands issue seems to have become even more elusive.

Koizumi and Putin only confirmed their commitment to continuing talks to try to resolve the territorial dispute. "We recognized

the need to resolve the issue of the islands' ownership and conclude a peace treaty," Koizumi said at a news conference together with Putin. "But frankly speaking, there are considerable gaps between the two countries." Koizumi also said Japan wants to discuss at various levels possible joint development in the waters around the disputed islands, an idea floated several days earlier by Japanese Foreign Minister Aso Taro to his Russian counterpart, Sergei Lavrov, on the sidelines of the Asia-Pacific Economic Cooperation (APEC) forum in Busan, South Korea. Putin said he understands that resolving the issue will not be easy but expressed hope that an acceptable solution will be worked out.

This year marks the 150th anniversary of Japan and Russia concluding a treaty of commerce and friendship. But the two countries were in no festive mood during Putin's visit. Coincidentally, this year also marks the centenary of the end of the 1904-1905 Japanese-Russo War as well as the sixtieth anniversary of the end of World War II.

Euphoria and confusion

In November 1997, then Prime Minister Hashimoto Ryutaro and Yeltsin agreed at an informal summit in Krasnoyarsk, Siberia, to strive to resolve the territorial row and sign a peace treaty by the end of 2000 based on the 1993 Tokyo Declaration. This agreement generated euphoria among many Japanese, although they felt betrayed soon afterwards. Hashimoto and Putin met in Kawana, Shizuoka Prefecture, west of Tokyo, in April 1998. Hashimoto made the so-called Kawana proposal at the meeting that the dispute be dealt with as a matter of national border demarcation, not as territorial cession by Russia. When Hashimoto's successor, Obuchi Keizo, visited Moscow in November 1998, the first official visit there by a Japanese prime minister in a quarter century, Yeltsin formally rejected the Kawana proposal. Still, the two leaders issued the Moscow

Declaration reaffirming the importance of resolving the islands dispute based on the 1993 Tokyo Declaration and other documents agreed upon between the two countries after the end of the Cold War.

Koizumi's predecessor, Mori Yoshiro, visited the east Siberian city of Irkutsk in March 2001, just a month before stepping down as prime minister, but his visit was termed an "extra event," demoting its status from that of a regular official visit. Even then, Mori and Putin issued the Irkutsk Declaration reaffirming the importance of resolving the islands dispute based on the documents the two countries had agreed on, including the 1993 Tokyo Declaration.

The two nations have failed to sign a peace treaty, and Japan has stuck to a policy of seeking the return of all of the islands before burying the hatchet with Russia. There is a long-held view within the Japanese government that two conditions must be met for a settlement of the nasty territorial dispute: a strong Russian president who can overcome domestic objections and make a politically risky decision on the issue; a unified Japanese stance in the negotiations on the issue. Although Yeltsin and Putin have been widely seen as strong leaders, no significant breakthrough has been made.

Also there was a period just several years ago when Japan seemed in disarray over Russia Policy. During Mori's one year tenure as prime minister, influential lawmakers of the ruling Liberal Democratic Party -- most notably Suzuki Muneo, a former state minister in charge of Hokkaido development -- made remarks interpreted as favoring the return of only Shikotan and the Habomai group. Mori himself disclosed after stepping down as prime minister that he had proposed to Putin in Irkutsk a month earlier to negotiate for Kunashiri and Etorofu separately from Shikotan and the Habomai group, a revelation that

immediately drew harsh criticism from Koizumi's first foreign minister, Tanaka Makiko.

This caused waves in the government's policy toward Russia, and also led to deep divisions and confusion within the Foreign Ministry, even to the point of affecting personnel changes. The disarray within the ministry over Russia policy continued after Koizumi replaced Mori in April 2001. The formal appointment of Togo Kazuhiko, a former director general of the ministry's European affairs bureau who had close ties to Suzuki, as ambassador to the Netherlands was delayed due to strong objections from Foreign Minister Tanaka.

Both Koizumi and Tanaka seemed opposed to departing from Japan's long-held policy of seeking the return of all the disputed islands, and it was already widely believed at the time that Russia wanted to sign a peace treaty with Japan by agreeing to return Shikotan and the Habomai group alone. In a key policy speech immediately after taking office in April 2001, Koizumi said, "Based on the consistent position that we should conclude a peace treaty by resolving the issue of the attribution of the four islands, I intend to earnestly carry forward the negotiations."

When Koizumi made an official visit to Moscow in January 2003, he and Putin signed an "action plan" calling for long-term cooperation in trade, energy development and other areas. They also issued a statement expressing their determination to expand bilateral ties. On the territorial dispute, however, they did little more than confirm previous statements, although the action plan reiterated the need to sign a peace treaty "as early as possible" by resolving the sovereignty claims. It was the first official visit to Russia since Obuchi's 1998 trip. Koizumi himself boarded a boat and skirted the islands in September 2004 in a symbolic reaffirmation of Tokyo's claims. Two of his predecessors -Suzuki Zenko in 1981 and Mori Yoshiro in

2001-had inspected the islands, but both did so on helicopters. Putin and Koizumi met in late November 2004 on the sidelines of the APEC summit in Santiago, Chile. But they failed to narrow their differences over the territorial row.

A harder Russian stance

Putin has drawn international criticism in the past year or two for his increasingly autocratic governing style. He has stepped up his drive for centralization of power by securing legislation that enables him to effectively appoint local government leaders who previously had been directly elected. He has cracked down on businesses deemed to be supporting anti-Putin forces, like the head of the oil company Yukos. He also has muzzled media organizations that are not considered to be pro-Putin.

Putin's hard stance has extended across the Russian border as far east as Japan. Since shortly before meeting Koizumi in Santiago, Chile in November 2004 during an APEC summit, Putin has made it clear that Russia will seek an early conclusion of a peace treaty with Japan by returning only the Shikotan Island and Habomai islet group based on its own interpretation of the 1956 Joint Declaration. This new stance sparked resentment in Japanese political circles. Previously the Russian leader, who took office in early 2000, had held to the position of his predecessor, Boris Yeltsin, that the territorial dispute should be resolved based on the 1993 Tokyo Declaration. The 1993 document names all the islands in question and states that a peace treaty should be signed after the sovereignty issue over them is resolved. Putin's Japan trip, originally expected early this year, had been delayed due to deepening differences between the two sides.

Putin said in a press conference in late September that although Russia is willing to continue negotiating the issue with Japan,

there is no room for further discussion of Russia's sovereignty over the islands. Putin defended the occupation of the islands by the former Soviet Union, saying Russian sovereignty is in line with international statutes and reflects the outcome of the war. Japan has demanded that Russia return all of the islands or at least acknowledge that they belong to Japan. Tokyo has said that if Russia confirms that they belong to Japan, it will respect Moscow's plans on when and how to return them.

For Putin, surrendering the islands would be a politically risky decision in a country whose pride is still smarting from the collapse of the Soviet empire. According to an opinion poll published on Nov.17, 83 percent of Russian people questioned believe cooperation with Japan is important. But 67 percent of those polled expressed opposition to returning the disputed islands, up 20 percentage points from 47 percent six years ago.

Putin has said he won't seek a third term in 2008 and reiterated that he opposes changing the constitution to prolong his time in power - a possibility that has been widely discussed because of his popularity and control over parliament. But he has also hinted vaguely of a continuing role for himself even while saying that he will try to groom a successor. There is a growing speculation that Putin might be seeking to retain his influence by hand picking one of his confidants as the next leader. Some experts say even more bluntly that what he wants is "rule by the retired emperor."

On Nov.14, Putin abruptly shook up his government, fueling speculation about whom he might choose as his successor. Putin placed his close ally and Kremlin chief of staff, Dmitry Medvedev, in a new No. 2 post in the government as first deputy prime minister. Defense Minister Sergei Ivanov, another trusted Putin confidant, was appointed to the additional post of deputy prime minister, giving

him added authority in areas including the defense industry. Speculation is rife that Putin's preference will be made known when he makes one of them prime minister in the months ahead. Any territorial concession to Japan at this delicate time could weaken Putin's strong position and thereby derail his veiled plan for the post-2008 era, some experts say.

Rising Russia and declining Japan?

Many experts point out that for Russia, the strategic significance of Japan has declined. While Japan's economic power has been in relative decline amidst the prolonged stagnation since the burst of the asset-inflated "bubble economy" of the late 1980s, the Russian economy has been barreling ahead in recent years thanks to high prices of crude oil, the country's main export item. Russia, the world's second largest oil producer, posted strong economic growth of 7.1 percent in 2004. The Russian central bank announced on Nov.3 that the country's gold and foreign currency reserves hit a record high of 164.3 billion U.S. dollars. Yeltsin's issuance of the Tokyo Declaration in 1993 is now seen by many within the Russian government as driven by the need to seek Japanese help in turning around the then ailing economy. But now the situation has changed.

These days, the attraction of the Russian economic magnet for Japan seems even stronger than that of the Japanese one for Russia. Japanese businesses are showing a growing interest in investing in the economically booming and resource-rich Russia. Japanese companies are investing billions of dollars to help extract natural gas in nearby regions of Russia. Japan is also competing with China for an oil pipeline from Siberia. Russia has enjoyed success in playing off Japan and China against each other over the pipeline while preserving its options as to the final destination of the pipeline.

Japan's direct investment in Russia jumped more than seven-fold in fiscal 2004, which ended in March 2005, to US\$51 million, from fiscal 2003, although the figure represented a still minuscule 0.1 percent of the country's overall direct investment abroad. In one of the most high-profile Japanese investments in Russia to date, Toyota Motor Corp. held a groundbreaking ceremony in St. Petersburg in mid-June for a car factory. Putin and Toyota Chairman Okuda Hiroshi participated in the event, which marks the first auto plant in Russia set up by a Japanese carmaker. It is rare for a Russian president to attend a corporate event for a single firm.

In Tokyo, Putin praised Toyota's construction of an auto plant as the "right decision" and challenged other Japanese investors to follow suit in order to gain a larger slice of the growing business pie in Russia. "Since my last visit in the year 2000, Russia has changed in a positive way. In our country, the economy has been growing by about seven percent a year ... (but) Japanese investors are still making only very hesitant steps into Russia," Putin told a gathering of some 500 Russian and Japanese business executives. Putin noted that Japan accounts for only 1 percent of overall foreign investments made in his country. Putin also said the Russian business environment will improve further with its admission to the WTO expected as early as next year. "Expanding the geography of our business relations will help us expand our ties in general, he told the economic forum.

Japanese government officials have long said that two conditions must be met for the settlement of the islands row: a strong Russian leader who can overcome domestic objections and make a politically difficult decision, and a unified negotiating stance within the Japanese government and strong public support for it. But what they have taken for granted as a negotiating chip - Japan's economic power - seems to have lost much of its luster, at least in

the eyes of Russian leaders.

China vs. Japan

During their meeting in Beijing in October 2004, Putin and Chinese President Hu Jintao signed an agreement on a border demarcation that resolved 40 years of bilateral disputes. The agreement finalized the demarcation of their border along the Ussuri river, near the Russian Far Eastern city of Khabarovsk. The agreement is widely believed to have become possible after Russia made more concessions than China did. This contrasts starkly with the Russian leader's harder stance in the past year or so toward Japan over the territorial row.

Many analysts say Russia made the territorial concessions last year in light of the growing significance of relations with China, now the world's seventh largest economy in terms of gross domestic product. But business is not the only reason why Russia made the territorial concession to China, the rapidly ascending military as well as economic power with the world's largest population of about 1.3 billion. Russia apparently shares substantial strategic interests with China.

Most recently, Putin and Hu met on Nov. 18 on the sidelines of the APEC summit in Busan, South Korea, and hailed their countries' burgeoning partnership and said they were determined to expand it. Hu noted that Sino-Russian relations had seen strong development and "major successes" in the past year. "We held our first joint military exercises and launched a mechanism for consolidation on issues of strategic importance" to the two countries, Hu said, pointing to other advances in political, trade and economic bonds between Russia and China. Putin said Russia felt the same way. "I must confirm that Russia has no doubt that development of relations between the Russian Federation and the People's Republic of China fully conforms to our national interest," Putin said.

Putin plans to travel to China twice next year, first in March and then in June for a summit of the Shanghai Cooperation Organization, a new regional forum driven by Beijing and Moscow. Russia is emerging as a major new source of energy that China needs to fuel its high-flying economy. For Russia, China is also a major export market for weapons. Meanwhile, the U.S. and Japan are dead set against lifting the 25-nation European Union's arms export ban against China, claiming that would further destabilize the volatile Taiwan Strait situation. Japan's relations with Russia - measured by trade volume and number of visitors, for example - pale in comparison to those with China and many other nations. And to most Russians, Japan remains a distant country. Trade between Russia and China, by contrast, is growing rapidly, totaling US\$21 billion in 2004, compared with only US\$8.8 billion in Russia-Japan trade.

The US and China often clash over human rights, democracy and Taiwan, as well as over trade. Furthermore, apparently referring to the US, Chinese leaders often express objections to having the world dominated by a single superpower and stress the need to promote multipolarization. Russia agrees with China on this point. In August, China also conducted its first, high-profile joint military exercise with Russia. Both the statement and military exercise were widely seen as countering US domination of world affairs.

The US-China "relationship of constructive cooperation" began to show stresses after the US went to war in Iraq in the spring of 2003. The Iraq war also caused deep schisms between the US and some Cold War allies, like France and Germany, as well as Russia. The U.S. has expressed concerns that Russia is retreating from democracy. Freedom House, the U.S.-based nongovernmental organization, said in its annual study, Freedom in the World 2005, that Russia has restricted rights to such an extent that it has joined the countries that

are not free for the first time since the 1991 fall of the Soviet Union. "This setback for freedom represented the year's most important political trend," it said. The G-8 countries are supposed to be bound together by common values of democracy, freedom, respect for human rights and market economy. The U.S. and Russia have differences over Iran's suspected nuclear ambitions as well.

At a time when Japanese relations with Russia, China, and South Korea are encountering conflicts, Japan and the U.S. are strengthening their security alliance. The centerpiece of the new arrangements involve the realignment of American forces on Japanese soil as part of the ongoing global "transformation" of the U.S. military. The Bush administration insists that the transformation of the US military is aimed at ensuring stability in the "arc of instability" stretching from the Middle East to North Asia via South Asia and Southeast Asia. While details remain under negotiation, the First Corps will transfer from Washington State to Japan and Japan is preparing to assume an expanded role in US military planning throughout the Asia Pacific.

Meanwhile, China's recent building-up of ties with such anti-US, oil-rich countries as Iran and Venezuela has unnerved the U.S. China has also strengthened ties with Myanmar in recent years, in defiance of US and European sanctions against the military-ruled Southeast Asian country. In other, perhaps much more important, recent developments that raised the eyebrows of many in the US, China issued a joint statement with Russia and four Central Asian countries at a summit of the Shanghai Cooperation Organization in July calling for an early withdrawal of US forces from Central Asia. On Nov.14, Russia and Uzbekistan signed a far-reaching treaty opening the way for a Russian military deployment in the Central Asian nation that recently evicted U.S. forces. Putin welcomed his Uzbek counterpart, Islam Karimov, in a lavish Kremlin ceremony that

contrasted sharply with Western criticism of his crackdown on the Andijan uprising in May in which hundreds were killed.

Also in the six-nation talks aimed at resolving the standoff over North Korea's nuclear ambitions, the U.S., Japan, China, Russia and South Korea are in agreement to pursue the denuclearization of the Korean Peninsula. But the U.S. and Japan take a harder stance toward Pyongyang while China, Russia and South Korea advocate a softer approach.

Relations between Japan and China are often said to be "cool in politics and hot in economy" with political ties remaining frosty due to Koizumi's repeated visits to the war-related Yasukuni Shrine, territorial disputes involving Chinese natural gas projects and other issues while bilateral economic ties boom. Indeed, China has replaced the U.S. as Japan's largest trading partner, yet Tokyo remains unable to land the richest plums in China, such as contracts for new high speed railways. Relations between Japan and Russia may be similar in increased private-sector economic exchanges at a time when official Japanese economic assistance, which Tokyo has hoped to use as a card to extract territorial concessions from Moscow, becomes less valuable.

Calls for policy review

Putin, who began to practice judo in his boyhood, won the Leningrad championship in 1976. When he made the previous official visit to Japan in September 2000, the Russian leader was granted the honorable 6 dan rank by the Kodokan Judo Institute, which was founded in 1882 by the late Kano Jigoro, who himself had established Judo. Koizumi and Putin met in St. Petersburg at a judo hall where the Russian leader practiced the martial art during his school days in late May 2003 during a ceremony marking the 300th anniversary of the city's establishment. Koizumi joked that although Putin might know more about judo, he

knows more about Russian music composed by Tchaikovsky and Rachmaninof.

Japanese judoists once dominated the judo world. But in recent years, they are struggling to grab medals in the Olympics and other international competitions, particularly in bouts with European competitors who excel at wrestling-style techniques such as ashitori, or leg pick, through tackling and kataguruma, or shoulder wheel. Japanese judoists have long stuck to the orthodox fighting method of developing various techniques in kumite, or sparring, after grabbing the sleeves or collars of an opponent's clothing.

During his visit to Tokyo, Putin has clearly scored wazaari in his diplomatic bout with Koizumi. But Koizumi seems to have managed to avoid a loss of ippon to Putin. Ippon, the highest score in judo, ends the bout immediately, like a knockout in boxing. Judo competitors gain points for skillful attacks, even if they do not lead to ippon. Referees award points depending on how good these moves are, from wazaari to yuko and koka in descending order. Two wazaari are counted as ippon, ending the contest immediately. Calls are expected to grow in Japan for a sweeping review of its negotiating tactic on the islands dispute with Russia if it is to score points or at least avoid a loss of any further points to Russia.

The conservative Yomiuri Shimbun, Japan's largest daily, said in an editorial on Tuesday, "In short, the situation between Tokyo and Moscow is such that no real progress in the longstanding territorial dispute could be expected." "It is reasonable for Russia, which has been developing friendly ties with China, to consider improving its relations with Japan, a U.S. ally, a low priority. Under the circumstances, any hasty move Japan makes on the territorial row is more likely to harm its own national interest. Since the time is not right, Japan should not try to force a change in

its relationship with Russia.”

“In response to the increasingly close ties between Russia and China, U.S. Secretary of State Condoleezza Rice visited Central Asia in October and succeeded in keeping a U.S. base in Kyrgyzstan. Washington also has tightened its ties with India, a country Russia and China are trying to improve their relations with,” the editorial said. “Japan, too, should undertake a strategic foreign policy, including enhancing its relationships with India and Central Asian

countries, and monitoring the power game played by the United States, China and Russia. As part of such strategic foreign policy, Tokyo should revise its plan for negotiations with Moscow on the northern territories to find a clue for a breakthrough.”

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