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## Russia and Japan strengthen their ties

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After the end of the World War II the Russo-Japanese relations experienced many ups-and-downs. Today it is clear that the two countries are frankly trying to move on and strengthen their ties. This effort began in 2012 when Putin and Abe were re-elected as the president of the Russian Federation and the Prime Minister of Japan respectively. The Russian President from the beginning supported that the two countries should intensify their economic and diplomatic relations in order to solve their territorial problem (Kuril Islands) in a beneficial way for both countries. On his part, Prime Minister Shinzo Abe responded positively to these suggestions and the two leaders finally met in 2014 in Sochi, during the Winter Olympics opening ceremony. However, soon, the relations between the two countries deteriorated, due to the Kiev-Maidan riot, the Russian annexation of Crimea and the conflicts in eastern Ukraine and the role of Russia in them. These events led Japan to participate – though on a moderate scale – in G7 sanctions against Russia. Thus until the end of 2015 the Russo-Japanese relations remained in a low level. Indicative of this is that during the first 10 months of 2015 the volume of the bilateral trade decreased by 38% (from 28.3 billion dollars in 2014 to 17.7 billion dollars in 2015). However, this decrease in the bilateral trade is more related to low oil prices than the sanctions against Russia.

The situation clearly improved from the beginning of 2016. This may have happened due to the fact that Japan participated in the sanctions against Russia in a more moderate scale, comparing to its western allies and in some cases Tokyo even rejected some suggestions from the White House. These events were perceived from the Kremlin with strong interest. Since the events in Ukraine Russia has faced a global isolation (e.g. suspension from G8) and the need of a strong partner became urgent. President Vladimir Putin seized the opportunity and within a short period he held several meetings with the Japanese leader (Sochi in May 2016, Vladivostok in September 2016, Lima in November 2016 and Tokyo in December 2016).

During the first meeting in Sochi, Shinzo Abe suggested a possible cooperation with Russia on energy projects (e.g. renewable energy sources, oil and gas facilities), but also on other economic matters. The Japanese Prime Minister stated to reporters before the meeting that he wanted to have a frank and open discussion on bilateral relations, including the still-unsigned World War II peace treaty. On his part President Vladimir Putin called Japan "important partner for Russia in the Asia-Pacific region". In the summit of Sochi Shinzo Abe also presented an eight-point economic plan which included a possible cooperation in many areas such as the development of the Russian Far

East, the construction and the development of medical centers, the improvement of the Russo-Japanese energy relations, etc.

The next meeting between Vladimir Putin and Shinzo Abe took place in Vladivostok which is Russia's underdeveloped gateway to the Asia-Pacific. The main goal of this meeting was to soothe over the territorial stalemate of Kuril Islands which is a legacy of World War II and stands in the way of the full Russo-Japanese rapprochement. More specifically, these islands, Japan calls them the "Northern Territories" while in Russia they are known as the "Southern Kuriles", were seized by Soviet forces at the end of the World War II, while 17.000 Japanese residents were forced to flee. However, the results of this meeting were not so optimistic. In fact the Russian President stated that Russia has not any intention to trade territories although concluding a peace treaty with Japan would certainly be a key issue that would make it easier to find a solution in the territorial dispute of the Kuril Islands. On his part the Japanese Prime Minister proposed a closer cooperation between the two countries in the Russian Far East and especially in the wider area of Vladivostok and expressed his vision for a Vladivostok as a model city for bilateral economic cooperation in various fields in the near future. However, for the moment, Vladivostok still remains an underdeveloped area in the borders of some of the world's largest economies —China, Japan and South Korea— which suffers from endemic corruption. This is easily understood since the past three mayors of Vladivostok charged with illicit activities.

### ***East Russia and Kuril Islands***



## ***Kuril Islands***



After the summit in Vladivostok, many articles in Japan started claiming that the two countries are about to proceed to territorial negotiations. Many of these articles made a point that a possible solution in the territorial dispute was that of the Joint Soviet-Japanese Declaration in 1956. According to this declaration the Soviet Union would transfer two of the Kuril Islands (Habomai and Shikotan) to Japan after the sign of a peace treaty between the two countries. This news came together with the announcement of the Japan–Russia eight-point economic plan launched in Sochi and the appointment of a new Minister of Economy, Trade and Industry to officially promote economic relations between Russia and Japan.

However, in the next summit in Lima (November 2016) the optimistic mood changed. In Lima the Japanese Prime Minister stated that Russia and Japan can reach an agreement, regarding their territorial dispute, only step-by-step. On his part the Russian President stated that the two countries should not place timetables and that the two countries may begin some joint economic activities on the Kuril Islands in the future. In response, Japanese press and media started reporting the Japanese government’s reaction that joint economic activities on the islands can only be carried out if they will not cause any harm to the respective legal positions.

The last official meeting between Shinzo Abe and Vladimir Putin was held in Japan, last December. During this two-day visit to Japan the Russian President visited Shinzo Abe hometown Nagato as well as the capital city. This meeting was initially planned for 2014 but had been postponed for two years because of the Ukraine crisis and the Russian involvement. This was the 16th summit meeting between Abe and Putin, counting those held during Abe's first tenure as Prime Minister and the fourth meeting during 2016. The two leaders met in private with only their interpreters present. They both agreed that the two countries should start talks over joint economic activities on the Kuril Islands, under a special framework that it would allow to former Japanese residents of the islands to return to them without any restriction. They also confirmed that the eight-point economic cooperation between Russia and Japan will be put in motion and signed more than 65 agreements. These agreements will cover economic projects which will be run mainly by private enterprises and other entities. The main activities of this eight-point economic cooperation will cover fields such as the oil and gas production, the development of the Russian Far East, the development of renewable sources of energy and the construction and improvement of many medical centers. Following the talks, a joint press statement took place in which both leaders expressed their sincere determination and will to find a solution to the still unsolved issue over a peace treaty between Russia and Japan. Furthermore Vladimir Putin expressed his intention to base the negotiations on the 1956 Japan-Soviet Joint Declaration. As mentioned previously, according to the Joint Declaration the Habomai group of islets as well as the Shikotan Island, the smaller two of the four islands in dispute, would be delivered to Japan right after a peace treaty between the two countries is signed. Despite the fact that the above objectives would not be an easy task to accomplish, it would be a significant step toward the improvement of the Russo-Japanese relations. In the same time Russia also proposed the strengthen of the ties between Russia and Japan in the field of security that has stalled after the Ukraine crisis. In fact the Foreign Policy Concept of the Russian Federation, which the Russian government adopted on November 30, includes the building of good-neighborly relations with Japan to ensure the stability and the security in the area of East Asia and the Pacific Ocean. During the meeting in Japan the two leaders confirmed the significance of the bilateral security talks and also agreed to continue a dialogue in response to the increasingly challenging security environment in the Asia-Pacific. Abe and Putin shared the common view that strategic cooperation between Russia and Japan is important not only in order to advocate the stability in East Asia but also in order to contribute to the settlement of the territorial issue (Kuril Islands) and the achievement of a peace treaty.

Despite the differences between Russia and Japan, as it concerns the regime of Kuril Islands, the two leaders, Putin and Abe, seem to agree to an important improvement and intensifying of the bilateral relations. This was made clear not only with the initiative of the eight-point economic cooperation but also due to the fact that the two leaders have held many meetings the past few years in order to discuss the future of the Russo-Japanese relationship. It is also important to mention that Russia is looking for a strong ally in order to reduce the economic and diplomatic impacts of its isolation from the West (United States and EU) since the events of the Ukraine crisis. This is the reason why Russia, the past few years, is trying to improve its relations with other countries such as the BRICS and of course Japan. However, Abe and Putin are not feeling any pressure to proceed in hasty choices since they have plenty of time. Both the Japanese and the Russian leader have enough time left in their respective domestic tenure — Abe's term expires in September 2021, and Putin will probably be re-elected at the Russian presidential election of 2018. The two sides will

hopefully be wise enough to expedite talks, concerning the regime of Kuril Islands and the sign of a peace treaty, during 2017 and reach a breakthrough within the Abe–Putin leadership in the not too distant future. In the same time the two countries would probably make an effort to intense not only their economic relations but also their diplomatic ties in order to balance the Chinese power in the wider area.

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