

Japan–Russia Relations: The View from Moscow

By Chris Miller

Japan remains committed to building closer ties with Russia, as Prime Minister Shinzo Abe believes that better relations with Moscow would promote the country's long-term interests in the Asia-Pacific region. Russia may be ready to develop economic relations with Tokyo, but the Kremlin has made no sign that it intends to compromise on territorial disputes or improve ties as a means of hedging against China.

Japan needs to understand the political and ideological links that support the Russia–China relationship, and be aware of Russia's history with previous Asian "pivots." Washington should understand the strategic logic of giving Russia diplomatic options in Asia besides reliance on China, and assess whether engaging Russia in Asia could induce Russia to play a less disruptive role in Europe.

At a time when Russia is criticized across the West for invading Ukraine, annexing Crimea, and meddling in elections, Japan remains committed to trying to build closer ties with Russia. Japanese Prime Minister Shinzo Abe believes that better relations with Moscow would promote Japan's long-term interests in the Asia-Pacific region, and he has devoted significant political capital to improving ties. Tokyo sees its relationship with Moscow as an area of focus over the next several years.

What are Russia's goals in its relation with Japan? How does Russia expect relations to develop given current trends in Asia-Pacific politics? Moscow is happy to develop relations with Tokyo, seeking both to benefit in economic terms and to puncture further the semi-isolation that followed Russia's annexation of Crimea in 2014. But the Kremlin has made no sign that it intends to compromise on the status of the four disputed Kuril Islands, which Russia occupies but Japan claims. Nor does Russia's foreign policy elite see an immediate need to improve ties with Japan as a means of hedging against China, though some recognize the long-term logic of such a move. For now, though, there is little reason to expect substantive Russian concessions designed to improve Russo–Japanese relations. Russian leaders are happy to attend meetings, sign memoranda, and accept promises of foreign investments from Japan. When it comes to the Kuril Islands, however, the Kremlin sees no need to offer Tokyo anything new.



Japan's Place in Russian Foreign Policy

Two factors limit the importance to Russia of relations with Japan. First, the Kremlin places relatively little emphasis on its foreign policy in Asia. Second, many Russians believe that Japan's security alliance with the United States means that Tokyo is not a fully independent diplomatic actor. Both factors mean that Moscow is not prepared to spend significant diplomatic energy or political capital in developing relations with Japan.

"Asia is playing an ever greater role in the world, in the economy, and in politics, and there is simply no way we can afford to overlook these developments," declared Russian President Vladimir Putin in 2014, announcing Russia's own "pivot" to Asia.¹ In speeches, Putin has repeatedly emphasized Russia's commitment to playing a bigger role in Asia. But in practice, Russia's Asian "pivot" has underperformed. True, Russia has strengthened diplomatic, military, and energy ties with China. But the Kremlin has done so not because it is interested in Asia per se, but rather because it wants to show Western powers that it has other diplomatic options, thereby increasing Russia's leverage in negotiations with the West.

Russia's main foreign policy aims remain largely focused on its Western front — in Eastern Europe, in the Black Sea, and increasingly in the Middle East. Russia's political elite keeps its money in Europe, educates its children in Europe, vacations in Europe, and assesses its geopolitical stature in relation to the United States. The reference point for nearly all Russian leaders remains the West — which is simply seen as being more important than Asia.

Because of this, and despite rhetoric about an Asian "pivot," Russia's foreign policy resources remain focused on the West. The wars in Ukraine and Syria are the two most significant examples, but there is much other evidence as well. While Russian leaders

regularly attend summits in the West, they often skip key meetings in Asia.² Moscow devotes far more resources to managing its relations with the West. That leaves little time for Tokyo.

On top of this, some Russian foreign policy circles do not view Japan as an independent actor due to its security relationship with the United States. A significant strain in Russian foreign policy thinking interprets U.S. alliances less as agreements between equal sovereign countries, and more as command-and-control relationships, with dictates coming from Washington. The perception in Moscow that Japan cannot make independent decisions reduces Russia's willingness to spend political capital improving relations. Combined with the Kremlin's general lack of focus on Asia, this means that Japan plays only a minor role in Russia's foreign policy agenda. In Russia's official foreign policy concept, Japan is listed fourth among priority partners in Asia, after China, the ASEAN countries, India, and even Mongolia.³

The Economic Agenda

Meetings between Japanese and Russian diplomats are often accompanied by promises of large Japanese investment in Russia. The Putin-Abe summit in December 2016 was no different. Japan believes that investing in Russia demonstrates tangible benefits that could accompany improved relations between the two countries.⁴ Russia is happy to accept foreign investment. But the prospect of significantly expanded economic relations between the two countries is limited. And even a significant expansion of trade is unlikely to induce Russia to offer political concessions.

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1 Joshua Kucera, "Putin Signals Russia's Shift to Asia," *The Diplomat*, October 31, 2014, <http://thediplomat.com/2014/10/putin-signals-russian-shift-to-asia/>.

2 Denis Pinchuk, "Russia's Putin has decided to miss APEC summit in Manila: spokesman," *Reuters*, November 12, 2014, <http://www.reuters.com/article/us-russia-apec-putin-idUSKCN0T10XD20151112>.

3 The Ministry of Foreign Affairs of the Russian Federation, *Foreign Policy Concept of the Russian Federation (approved by President of the Russian Federation Vladimir Putin on November 30, 2016)*, http://www.mid.ru/en/foreign_policy/official_documents/-/asset_publisher/CptIckB6BZ29/content/id/2542248.

4 "Abe hopes investment in Far East will aid progress on Russia peace talks," *The Japan Times*, December 4, 2016, <http://www.japantimes.co.jp/news/2016/12/04/national/politics-diplomacy/japan-russia-create-%C2%A5100-billion-fund-boost-economic-ties-far-east-region/#.WN5v6G-LRHE>.

Two main factors limit the prospects of economic ties between Japan and Russia. First, foreign investors of all nationalities find Russia a difficult place to do business. Even if economic sanctions on Russia are lifted, the country offers few attractive investment opportunities. Russian economic growth over the next few years is expected to hover around 2 percent — a fraction of the growth rate in China or other fast-growing Asian economies. Russian business is mired in corruption and red tape. And the government has a worrisome track record of expropriating private businesses. Political support from Japan's government is unlikely to convince Japanese firms that Russia is an attractive place to invest.

On top of this, the region in which Russian and Japanese officials want Japan's firms to invest — the Russian Far East — remains relatively unappealing in comparison to other provinces. The Russian Far East is not economically important to Moscow, and infrastructure lags behind that of Russia's most developed regions. The removal of sanctions would not change this, since Japan's participation in sanctions is important primarily in symbolic terms. Most of Russia's capital-raising activities take place in London and other European and North American markets. It is difficult to see what factor could significantly change economic dynamics between Japan and Russia. Even if Japanese firms decided to significantly increase investment, there is no reason to think this would change the Kremlin's political calculations that drive diplomacy with Tokyo.

The Security Agenda

For Tokyo, a key rationale for improving relations with Russia is the rise of China. Japan's logic is straightforward: China's power is increasing, and Russia is currently aligned with China on many questions of Asian politics and security. Improving ties between Russia and Japan would make Russia less dependent on China, thereby weakening Beijing's position. From Japan's perspective, the goal is not to forge an alliance with Russia but to ensure that Russia is not forced into a de facto alliance with China because Moscow lacks other partners in the Asia-Pacific region.

Russian foreign policy experts understand this logic. There are few illusions in Russia about the ramifications of China's rise in the long run. Russia is already the weaker power, and current trends suggest the differential will only increase. In theory, the logic of hedging against China's rise is obvious to most Russian analysts.

“ *The specifics of Tokyo's defense build up make Russia worried.* ”

Yet Japanese and Russian policymakers differ in terms of the time horizon in which they assess China. For Japan, China is an immediate threat, given the risky maritime encounters around the disputed Senkaku Islands. For Russia, China is a medium or even a long-term threat. For now, Beijing is content to tolerate Russia's claims of political hegemony in Central Asia, even as China becomes the region's dominant economic partner. China and Russia no longer have active territorial disputes. And Beijing is happy to see Moscow play a large role on the world stage — both because they agree on many global issues and because Moscow's willingness, for example, to veto controversial U.N. resolutions takes negative attention away from China.

For now, therefore, Russia gets along well with China. Moscow continues to see the United States as its main security threat, both because of ongoing disputes over Ukraine and Syria, because of NATO expansion, and most importantly because of continued fears that the United States is looking to topple Putin's nondemocratic political regime. Japan wants improved ties with Russia today to hedge against China. But for Russia, the most urgent priority is good ties with China to hedge against Washington. Until Russia's priorities or threat perceptions change, the long-term logic of better relations with Japan will remain a question for tomorrow rather than today.

Japan's increasing military power illustrates this dilemma. On the one hand, a stronger and more independent Japanese military capability strengthens Japan's ability to offer Russia a meaningful hedge against growing Chinese military might. In theory, Moscow is interested in some fashion of military cooperation with Japan.

However, the specifics of Tokyo's defense build up make Russia worried. For example, Japan sees missile defense investment as crucial to mounting an effective defense against North Korean missiles. But Russia interprets Japanese investments in this sphere — which take place in close cooperation with the United States — as potentially part of U.S. efforts to strengthen anti-missile capabilities along Russia's border. Thus Russia finds itself in the position of criticizing Japanese defense efforts — the exact opposite of what a strategy of hedging against China would suggest. For Moscow, hedging against the United States is the immediate challenge. In that context, Russia sees Japanese military spending today less as an opportunity than as a potential threat.

The Trump Factor

Putin arrived three hours late for his meeting with Abe in Tokyo in December 2016.⁵ He regularly keeps foreign leaders waiting — the longer the wait, the more Russia believes it has demonstrated the strength of its negotiating position.⁶ Indeed, the optics of the Abe-Putin summit provides a clear image of how Russia views Japan. Putin is happy to pocket diplomatic concessions and promises of foreign investment from Tokyo. Abe's hope of convincing Russia to offer more than the two Kuril Islands it offered Japan in 1956 as part of a peace deal is unlikely to be fulfilled. Russian foreign policy experts believe the likelihood of additional concessions from the Kremlin is close to zero. True, Putin has the domestic political credibility need to sign a deal that turned over additional territory. But he has also portrayed himself as the “collector

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of Russian lands,” especially after the annexation of Crimea. Surrendering islands to Japan would not fit this self-image.

Russo-Japanese relations do not, of course, exist in a vacuum. Improving Russia–U.S. ties would reduce the Kremlin's belief that it must hedge against the American threat by moving closer to China. Such a move would sharpen the rationale for Russia to improve relations with Japan. For now, though, the multilateral context of Russian–Japanese ties look likely to make the relationship more rather than less complicated. For one thing, European and U.S. sanctions on Russia appear set to persist. The increased focus on North Korea's nuclear and missile programs will highlight divergence between Moscow's view — which focuses on conciliating Pyongyang — and Tokyo's more hardline stance.

From Russia's perspective, the status quo is acceptable. Asia is not a focus of Russian foreign policy. Such attention on Asia as exists in Moscow is directed toward maintaining stable relations with China. Japanese investment in the Russian Far East is welcomed by the Kremlin, but the region has never been a priority for Russia's political elites. Tokyo and Moscow, in other words, look set to continue placing very different levels of emphasis on the bilateral relationship. Unless Japan is prepared to make significant concessions to Russia, for example by vastly increasing investment, accepting Russia's existing offer on the Kuril Islands, or tacking away from its security relationship with the United States, the status quo in the relationship is likely to persist.

Some analysts in Japan and Russia believed that the election of Donald Trump as U.S. president might change this. There were two rationales for this. First, Trump has made no secret of his desire to improve Russia–U.S. ties. Second, Trump's early rhetoric focused on the need to contain China, with which better Russian–Japanese ties would help. Yet over two months into the Trump administration, drastic change on either of these fronts looks unlikely. Russia–U.S. relations look unlikely to improve soon, in part because of the domestic political cloud that

⁵ Reiji Yoshida, “Tardy tactics: Late arrival common for Russian leader,” *The Japan Times*, December 15, 2016, <http://www.japantimes.co.jp/news/2016/12/15/national/politics-diplomacy/putin-keeps-abe-waiting-and-continues-time-worn-tradition-of-tardiness/#.WN5xZG-LRhG>.

⁶ Tom Batchelor, “Why is Vladimir Putin so late for meetings with world leaders?” *Independent*, January 3, 2017, <http://www.independent.co.uk/news/world/politics/vladimir-putin-russia-president-late-meetings-world-leaders-queen-pope-angela-merkel-barack-obama-a7507916.html>.

hangs over Trump's ties to Moscow.⁷ Meanwhile, Trump's early hawkish moves toward Beijing have been replaced with a policy of unilateral concessions. Some analysts now expect a grand bargain between China and the United States. For both reasons, hope in Tokyo that the Trump presidency would boost the chances of a Russia–Japan deal look likely to be disappointed.

Policy Recommendations

Tokyo should not overestimate Russia's willingness to compromise. Moscow believes that Japan needs a deal — so the Kremlin is willing to wait for Japanese concessions. Tokyo should not underestimate the role of domestic politics in Russian decision-making. Putin has built credibility on his status as a “collector of Russian lands.” A policy should be coordinated with the United States and other Western allies. A Japan–Russia deal that is seen as coming at the expense of unity on Russia sanctions will increase divisions in a way that may leave Japan less secure. Japan needs to understand the political and ideological links that support the Russia–China relationship, and be aware of Russia's history with previous Asian “pivots,” all of which have been under resourced and short lived.

Washington should understand the strategic logic of giving Russia diplomatic options in Asia besides reliance on China, and assess whether engaging Russia in Asia could induce Russia to play a less disruptive role in Europe. Washington should also understand that Russia does not significantly threaten U.S. interests in the Asia-Pacific region unless Moscow aligns with Beijing on issues such as the South China Sea. The United States needs to back Japan's efforts to resolve territorial disputes with its neighbors, and support efforts to boost trade and economic exchanges between Russia and Japan, so long as such efforts do not violate sanctions.

⁷ Chris Miller, “U.S.–Russian Relations in the Next Presidency,” The German Marshall Fund of the United States, December, 2016, <http://www.gmfus.org/publications/us-russian-relations-next-presidency>.

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