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Russia & the Kuriles: Achilles' Heel or Bargaining Chip?

By Chris Cheang

SYNOPSIS

Russia's oft-declared "pivot" to the East, focussed principally on China, has attained a measure of success. However, to become effective and sustainable, relations between Russia and Japan must be raised to a higher level. The absence of a peace treaty between the two countries due to their dispute over the Kuriles remains a stumbling block.

COMMENTARY

PRESIDENT Vladimir Putin is scheduled to visit Japan at the end of June to attend the G-20 summit. If he meets Prime Minister Shinzo Abe, they are bound to discuss the peace treaty between their two countries and the Kuriles.

Thus far, however, the signs are not encouraging. Russian Foreign Minister Sergei Lavrov's comments that reaching an agreement was a "difficult task" confirmed that this issue would remain on the agenda for some time to come. Lavrov made this observation following his meeting with his visiting Japanese counterpart Taro Kono in Moscow on 10 May 2019.

The Kuriles Issue

The Kuriles are a group of islands which have been at the heart of a rather difficult relationship between Russia and Japan since 1945; they have thus far, prevented the two countries from conducting a normal relationship free of the outcome of the war.

Seized by the Soviets from the Japanese in the dying days of the war, the Kuriles are regarded by Moscow as strategic territory; it argues that the islands are its sovereign territory. Japan is of the standpoint that they belong to it and refers to them as the

Northern Territories and does not recognise Russian sovereignty over the islands. Japan would like to secure them back, for which there are four islands in question.

In the 1956 Soviet-Japanese Joint Declaration, which established diplomatic relations between the two countries, Moscow agreed to return two islands after the conclusion of a peace treaty. However, Japan's close security links with the United States, concluded in a 1960 treaty, led the Soviets to withdraw their agreement to return the two islands, Habomai and Shikotan.

Since then, both sides have conducted their relationship in the absence of a peace treaty and resolution of the islands' status. It is clear that these issues have held back the development of a close and friendlier relationship at the political, social and economic levels.

The conclusion of a peace treaty and settlement of the islands' status have been the focus of the reportedly more than twenty times (since 2012) that President Vladimir Putin and Prime Minister Shinzo Abe have met. Their last meeting was held in January 2019 in Moscow. The two leaders are said to enjoy personal ties but not surprisingly, these have not led to any breakthrough other than the commitment to continue discussions on the issue.

Russia's Motivations For Settlement

For President Putin, resolving this issue would help achieve his goal of securing much-needed Japanese investment and technology in developing the Russian Far East and Siberia (RFES) which are very sparsely populated and underdeveloped. Developing the region is a top priority of Moscow.

Secondly, a close and friendlier Japan would enhance his position vis-à-vis China and reduce Russia's growing dependence on China for trade and investment. Indeed, Russian fears of China's growing power in Central Asia, hitherto a Russian sphere of influence, as well in the RFES, where elements of the local political forces have doubts about the wisdom of a closer engagement with China, remain embedded despite consistent high level expressions of optimism in the relationship.

Related to this factor is that Russia's "pivot" to the East would acquire a stronger link and not be solely focussed on China. Currently, bilateral trade at US\$21 billion cannot be compared to Russo-Chinese trade which stands at US\$107 billion or even with South Korea-Russia trade which totals US\$24 billion.

Fourthly, a close relationship with Japan would help reduce and perhaps loosen its strong defence links with the US. The US' missile defence system and US military bases on Japan have never met with approval from Moscow which considers them a threat to its security and strategic position in the Asia-Pacific.

Finally, close links with Japan would further weaken the current Western effort to isolate Russia economically and politically. As it is, Japan's sanctions against Russia since 2014 are seen as weaker when compared to those of the European Union and the US.

Japan's Motivations

Abe's personal investment in this issue is related to Japan's goal of preventing the development of an even closer Russo-Chinese relationship. Secondly, the islands represent what he calls "ancestral territories".

Thirdly, Abe has a personal and emotional objective to fulfil what his father, the late foreign minister Shintaro Abe, had tried and failed to do to resolve this issue, in 1991 with Soviet leader Mikhail Gorbachev. Fourthly, a resolution of this issue would boost Abe's political standing and legacy.

Finally, resolution of this issue would ease the way for a strong economic and trade relationship. Moreover, Japan would benefit from being able to secure reliable energy supplies from a geographically close and politically friendlier neighbour. In the longer-term, investing in the RFES would ensure a prosperous market for Japan's goods and services.

Obstacles to Overall Settlement

By far, the most difficult impediment is domestic politics. While still popular, President Putin's approval ratings have fallen due to unpopular decisions like raising the retirement age and the drop in incomes and living standards in the face of five years of Western sanctions and Russia's own economic difficulties and challenges. Only 17% in a recent poll support the return of the islands to Japan.

Moreover, Russia fears that the islands could become bases for the US military, despite Abe's assurances to the contrary. Japan must put to rest Russia's misgivings in this regard. Thirdly, Russia must take into account Chinese sensitivities.

For Japan, the need to convince and assure its US ally about the ramifications of a settlement with Russia and what they would mean for bilateral security relations, is paramount. Without the US' full support, this issue cannot be fully and comprehensively resolved.

Russia's Stake is Larger

On balance, Russia stands to benefit more from a final settlement. As a great power and one of the three victors of World War II, Russia can afford to show magnanimity to Japan. In doing so, Russia would gain Japan's respect and gratitude as well as raise Russia's overall prestige in the Asia-Pacific.

President Putin still enjoys the widespread support of his people to be able to sway them from their current negative attitude towards a final settlement. His prestige and legacy would also be enhanced as a statesman who finally brought an end to one of the unfortunate legacies of WW II in the Asia-Pacific.

The question in the near future is whether Russia and Japan can muster the political will to finally resolve this issue.

Implications on ASEAN

A final settlement would enhance the stability of Northeast Asia and the Asia-Pacific region as a whole. That alone would be of indirect benefit to ASEAN. Individually and as a whole, ASEAN has neither the financial wherewithal nor politico-strategic interest in investing in the RFES in any significant way.

However, ASEAN countries interested in investing in the RFES can partner with Japan as Japanese companies have more experience and knowledge about the RFES. This cannot happen in a meaningful way until the Kuriles issue is fully resolved.

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