



IIPS
Public Lectures
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Capitol Tokyu Hotel, Tokyo

Recent Developments in the Russia-Japan Relationship

Speaker: His Excellency Alexander Nikolaevich Panov

Report by Keiichi Nishimoto (senior research fellow, IIPS)

On 22 April the Institute for International Policy Studies, with the assistance of the Japan Foundation, hosted a speech on the topic of recent Russo-Japanese relations delivered by Alexander Nikolaevich Panov, Ambassador Extraordinary and Plenipotentiary of the Russian Federation to Japan.

Ambassador Panov opened his presentation by remarking that great strides had been made in Russo-Japanese relations in the seven years since he had assumed his post as Russian ambassador in Tokyo, and that the two nations were continuing to develop friendly ties. However, in order for the two nations' enhanced relationship to yield a future political solution to the existing territorial dispute, economic relations too need to be improved.



Russia and Japan—now enjoying friendly relations



Seven years ago, when the ambassador first assumed his post in Tokyo, Russia and Japan were showing little interest in each other and stereotyped images abounded on both sides. However, as awareness has grown within Japanese government and political circles that (just like Japan) Russia is a democracy, a market economy and a member of the G8, the two countries have come to share a basic understanding. Evidence of this can be found in Prime Minister Koizumi's comments on the commonalities between the two nations, which he

made during his January summit meeting with President Putin. This understanding is extremely important—if it can serve as a foundation for the construction of new ties, it might eventually yield a solution to the territorial issue. From the perspective of defense, Russia and Japan pose no threat to one another, and the two countries' top brass participate actively in mutual exchanges. Except for the territorial dispute, there is no source of hostility or conflict between the two nations. Moreover, on many international issues Russia and Japan are in close accord. In addition, the two countries are also growing closer in the cultural sphere, with Japanese food, cinema and kabuki currently enjoying great popularity in Russia.

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The pressing issue of economic ties

Ambassador Panov expressed regret that, despite the improved bilateral relations that have arisen from this growth in mutual understanding, no comparable progress has been made in the economic sphere. Neither trade nor investment have grown, and the ambassador frankly admitted that he was at a loss to explain why this was so. While it has been suggested in some quarters that the territorial dispute is the root of the problem, this seems an improbable explanation, since during the Soviet era (when the dispute's very existence was denied) there was active trade between Japan and the USSR. Admittedly, Russia's business environment may not represent an enticing prospect for all foreign investors; however, in sharp contrast to Japan, fellow G8 nations Germany, France, the UK and Italy all enjoy vigorous business relations with Russia. Ambassador Panov expressed disappointment with the emphasis in Japan on business ventures in Russia that have proved unsuccessful. Every year Russia's Far East has hosted numerous Japanese business missions, in the hope of attracting new business. Disappointingly, however, none of these efforts has ever borne fruit. Without the enhancement of economic ties, no meaningful lobby can be nurtured in either country—a state of affairs that clearly rules out the formulation of any peace treaty between Japan and Russia. It must be hoped that the pipeline construction project can improve this situation in some small way, and all efforts are now being made to ensure that this will be the case.



The territorial dispute—a possible political solution



While the territorial dispute represents a very thorny problem (certainly, one that cannot be resolved at a single stroke), with sufficient political resolve it should be possible to devise a solution. This will, however, require both a certain change in mood (for example, Russian public opinion must be brought around to a recognition of the necessity for a peace agreement) and a new relationship framed in terms of a non-military quasi-alliance. Both countries will have to engage in acts of compromise—as exemplified by President Putin

when, for the first time, he formally recognized the 1956 Soviet-Japanese Joint Declaration.

Ambassador Panov concluded his presentation by echoing the sentiments expressed by both the Russian and Japanese leaders at their January summit: that while there is no easy answer to the problem of the territorial dispute, it is imperative that a solution that is based on the relations between the two countries be found.