

FAR EASTERN FEDERAL UNIVERSITY
Oriental Institute – School of Regional and International Studies

**THE FUTURE DEVELOPMENT
OF KOREAN – RUSSIAN RELATIONS:
IN SEARCH OF TRILATERAL COOPERATION
IN NORTHEAST ASIA**

Monograph

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*This publication has been sponsored by the Korea Foundation
(Policy-Oriented Research Program 2017)*

Vladivostok



2018

UDC 327(470:5-11)
LBC 66.4(2Poc),9(55)
T44

Title of the Project “A Multi-Level and International Study on the Development of Korean – Russian Relations and the Formation of New Order in Northeast Asia: In Search of Mini-lateralism”

T44 The Future Development of Korean – Russian Relations: in Search of Trilateral Cooperation in Northeast Asia : monograph / ed. by Sergei Sevastianov and Ik Joong Youn. – Vladivostok : Publishing House of the Far Eastern Federal University, 2018. – 182 p.

ISBN 978-5-7444-4253-8.

This collective monograph is a result of collaboration between experts from Russia, Republic of Korea, Japan and other countries in the study of Russia-South Korea and Russia – Japan bilateral relations within the framework of regional cooperation in Northeast Asia. It was modified and supplemented based on the results of the international conference arranged at the Akita International University in Japan on January 23, 2018. In this volume the authors analyzed current status of ROK-RF relations and attempted to link their future improvement with the recent positive changes in RF-Japanese ties and development of ROK-RF-Japan's Trilateral cooperation (mini-lateralism) in Northeast Asia, covering in their chapters such various aspects as politics, history, security, economics, trade, etc.

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CONTENTS

PREFACE	4
Section I. CRITICS FOR EXISTING PROBLEMS OF ROK-RF RELATIONS	7
<i>Suh Dong-Joo</i> . CONSTRAINTS AND CHALLENGES OF ROK-RF RELATIONS: THE NORTH KOREAN NUCLEAR ISSUE & THAAD	7
<i>Igor Tolstokulakov</i> . RUSSIA’S POLICY TOWARD THE KOREAN PENINSULA: PROBLEMS AND PERSPECTIVES	28
<i>Sung-kyu Lee</i> . CHALLENGES AND FUTURE PROSPECTS FOR INCREASING SOUTH KOREA-RUSSIA ECONOMIC AND ENERGY COOPERATION	42
<i>Marina Kukla</i> . KOREA’S TRADE IMBALANCE WITH RUSSIA: WHAT DO WE LEARN FROM IT?	56
Section II. RECENT DEVELOPMENT OF RUSSO-JAPANESE / RUSSO- ROK RELATIONS FOR THE FUTURE TRILATERAL COOPERATION ...	72
<i>Artyom Lukin</i> . RUSSIA-JAPAN AND RUSSIA-KOREA RELATIONS: COMPARATIVE ANALYSIS	72
<i>Tetsuya Toyoda</i> . THE NORTH KOREA FACTOR IN RUSSO-JAPANESE RELATIONS AND PERSPECTIVES FOR A TRILATERAL COOPERATION.....	87
<i>Paul B. Richardson</i> . FOREVER TURNING TO ASIA: RUSSIA’S DEVELOPMENT, DESTINY AND FAR EASTERN NEIGHBOURS.....	101
<i>James D.J. Brown</i> . JAPANESE AND SOUTH KOREAN RELATIONS WITH RUSSIA SINCE 2014	117
<i>Sergei Sevastianov</i> . RECENT IMPROVEMENTS IN RUSSIA- JAPAN RELATIONS: IMPLICATIONS FOR RF – ROK TIES AND FOR NORTHEAST ASIA REGIONALISM	135
<i>Seiko Mimaki</i> . EAST ASIAN HISTORY PROBLEMS IN THE AGE OF HISTORICAL JUSTICE	151
<i>Beom Shik SHIN</i> . TRILATERAL RELATIONS AND REGIONAL COOPERATION IN NORTHEAST ASIA: FOCUSING ON RUSSIA-JAPAN-SOUTH KOREA RELATIONS	166

PREFACE

This volume is a final result of 2017 policy-oriented research project for ROK-RF relations funded by Korea Foundation for the better development of their bilateral relations within the framework of regional cooperation in Northeast Asia, entitled ‘A Multi-level and International Study on the Development of ROK-RF Relations and the Formation of New Regional Order in Northeast Asia: In Search of New Paradigm for Bilateral and Regional Cooperation in Northeast Asia’.

In principle, this project has been jointly carried out by Far Eastern Federal University, Russia and Seoul National University Asia Center, Korea. However, more organizations, such as Institute of Russian Studies, Hallym University, Korea and Institute for Asian Studies and Regional Collaboration, Akita International University, have been involved in this project.

A policy-oriented research project for ROK-RF relations funded by Korea Foundation had been started between Far Eastern Federal University, Russia and Hallym University of Graduate Studies, Korea from 2016. The title for 2016 project was ‘New Developments of RF-North Korean Relations within the Context of RF-Chinese cooperation in Northeast Asia: from the Perspectives of Vladivostok and Seoul’. The main purpose of the 2016 project was to see how South Korea’s non-Russian experts looked at the development of the ROK-RF relationship and the reaction of the Russia’s experts on Korean affairs to it. This was a new attempt to develop their bilateral relations. As has been well known, most of the seminars on the development of relations between ROK and RF since the establishment of diplomatic relations in 1990 were discussed between Korean experts on Russian affairs and Russian experts on Korean affairs. Although there was no concrete result of the seminar, it was evaluated as meaningful in terms of new experiment.

The 2017 KF project continued with new experiments on future ROK-RF relationship development. It tried to link the future development of the ROK-RF relationship with the development of RF-Japanese relations and ultimately attempted the possibility of regional cooperation in Northeast Asia in a new way. In addition, the 2017 project sought to dis-

cuss new perspectives on the development of ROK-RF relations by drawing the participation of Russian experts from various countries such as Japan, Great Britain, United States, and Germany. The ultimate goal for 2017 project sought to discuss a new future ROK-RF relations based on ROK-RF-Japan's Trilateral cooperation (mini-lateralism) in Northeast Asia. The reason for pursuing this goal is due to the limitation of development of bilateral relations and the absence of multilateral cooperation system in Northeast Asia region in the 21st century. Therefore, the future development of ROK-RF relations should be something new and different from existing methods.

For this purpose, the 2017 KF International Seminar was held at the Akita International University in Japan on January 23, 2018 with the interest and cooperation of Institute for Asian Studies and Regional Collaboration, Akita International University. This was a historic seminar entitled, 'The Future Development of ROK-RF Relations: In Search of Trilateral Cooperation in Northeast Asia', where the seminar on the development of ROK-RF relations was held for the first time outside Korea and Russia.

In the first session, Korean experts from Russia and Russian experts from Korea deeply analyzed and criticized major problems of their bilateral relations for the future development. This session was chaired by Professor Kimitaka Matsuzato of the University of Tokyo, Japan. The discussions for the session were carried out by scholars from Great Britain and the United States. In the second session, experts on Russian-Japanese relations from Russia, Japan, and Great Britain sought to discuss the possibility of trilateral cooperation that links Russian-Japanese relations with ROK-RF relations. In other words, the 2017 KF International Seminar has encouraged Western and Russian experts on Russian-Japanese relations to be more interested in the development of ROK-RF relations. In the third session, we sought to explore new cooperation on the development of relations among ROK, RF and Japan from the perspective of new regional cooperation in Northeast Asia. Dr. Seliger (Hanns Seidel Stiftung, Germany) who has significant experience in Europe's regional integration and Northeast Asian situation including the Korean peninsula played a role as chairman for the session.

This monograph was modified and supplemented based on the results of the 2017 KF international seminar mentioned above. As a project manager, we would like to express our gratitude to all those who have cooperated and assisted in the implementation of this project. Above all, our special thanks go to Professor Tetsuya Toyoda of Akita International University for his interest and cooperation in this project's international seminar. 2017 KF International seminar would have been impossible without his interest and cooperation. We also would like to thank Professor Beom-Shik Shin (research associate for this project) and Mr Jong-yo Park (research assistant for this project) who participated in this project. Finally, we are also deeply grateful to the scholars who participated in the Akita International Seminar and wrote valuable articles for this monograph as a result of this project.

We conclude this preface with emphasis on the need to continuously develop new forms of bilateral relations and multilateral regional cooperation in Northeast Asia in the future.

Thank you.

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Section I

CRITICS FOR EXISTING PROBLEMS OF ROK-RF RELATIONS

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CONSTRAINTS AND CHALLENGES OF ROK-RF RELATIONS: THE NORTH KOREAN NUCLEAR ISSUE & THAAD

Introduction

The key word that best defines the world order as of 2018 is 'Hyper Uncertainty'. In January 2017, the US's Trump administration launched the 'America First' policy, which shows foreign policy different from previous ones such as withdrawal from climate change agreement, withdrawal from TPP, renegotiation of FTA, and withdrawal from UNESCO. In addition, the progress of Brexit, the continuation of the Syrian and Ukrainian crises, and the terrorist attacks in Europe including the Islamic States are also showing signs of global uncertainty.

The security situation on the Korean peninsula linked to Eurasia and East Asia is also an extension of 'super uncertainty'. Above all, along with North Korea's successive nuclear and missile provocations, regional security tensions are rising. North Korea launched various missile launch tests from early 2017, and on July 28, it fired Hwasung-14, which could reach Guam. On September 15, it launched an international medium-range missile (IRBM) Hwasung-12. On September 3, it carried out the sixth nuclear test, and on November 29, it launched ICBM Hwasung-15, which could reach Washington. And then, the UN Security Council unanimously adopted resolutions 2375¹ and 2397², which contained strong sanctions.

During a series of processes, US President Trump told a hard-nosed speech to North Korea through the September UN Speech, "All options are

¹[www.un.org/en/ga/search/view_doc.asp?symbol=S/RES/2375\(2017\)](http://www.un.org/en/ga/search/view_doc.asp?symbol=S/RES/2375(2017))

²[www.un.org/en/ga/search/view_doc.asp?symbol=S/RES/2397\(2017\)](http://www.un.org/en/ga/search/view_doc.asp?symbol=S/RES/2397(2017))

on the table." Trump referred to Kim Jong-un as a "little rocketman", and North Korea also responded to Trump calling him a "dotard" and "mad dog". In December 4-8, US-ROK 'Vigilant Ace' training was conducted with 230 military aircraft including F-22 Raptor and F-35A squadron. The confrontation and conflict between North Korea and the US have increased, and the crisis on the Korean peninsula is escalating.

The core of the Northeast Asian security order on the Korean Peninsula is the "North Korea issue," more specifically the North Korean nuclear and missile problem. Therefore, resolving this issue is very important. The security environment on the Korean Peninsula is at a turning point in whether or not it can move forward in stability, peace, prosperity and development in the future in the reorganization of regional security order. Although it is not easy to solve the North Korean nuclear issue, it is still important to constantly seek solutions and make efforts to practice them.

In this article, firstly, I'd like to review the reshaping of the East Asian international order and the security situation on the Korean Peninsula, and to examine the Putin administration's policy position on North Korea's nuclear, missile and THAAD. Next, I will deal with the North Korean policy of Korea's Moon Jae-in government, and the North Korean nuclear issue. By focusing on questions such as "What are the obstacles to the development of Korea-Russia relations in the foreign affairs and security sector?" and "What are the future challenges?", I will try to evaluate the relationship between Korea and Russia and propose policy ideas for the future cooperation and development of relations between Korea and Russia.

Reshaping of International Order in the East Asia and Security Situation on the Korean Peninsula

The reorganization of the international order in East Asia is linked to the change of world order. The world order since the global financial crisis in 2008 is characterized by the relative decline of the US and the rise of China. In the East Asia, the G2 has become more visible and the US-China cooperation and competition are growing more intense. There are, of course, debates on the US decline. Some argue that the United States is not

declining but is returning to a single hegemony³. It is the fourth wave of change in the period.⁴ It needs close examination on the factors that has great influence on the regional order. At the global level, the balance of power, reorganization of power, and power transition phenomenon are proceeding at the same time. The nature of the international system is a combination of uni-multipolar system, the G2 system, and trilateral system among the US, EU and Russia.

After March 2014, the "Great Power Russia" became a major actor in the international arena in the wake of the Ukrainian crisis such as the Crimean Peninsula merger. The movements of the block formation between the G7 and China-Russia, including the US, EU and Japan, are becoming more visible. On October 18, 2017, US Secretary of State Rex Tillerson mentioned on the importance of India and the movement towards a new architecture in the Indo-Pacific at Center for Strategic and International Studies (CSIS).⁵

Overall, the competition for vital interest among major powers such as the US, Russia, EU, China and Japan is intensifying. The instability of the international environment is also increasing due to the influx of Middle Eastern refugees into Europe and the international terrorism of the Islamic State and so on. International political scientists explain the return of geopolitics, the Thucydides trap, and the arrival of the New Cold War on the possibility of intensifying conflicts between core interests of major countries, possibility of US–China power transition, and complex interdependence.

As mentioned above, the biggest obstacle to peaceful construction and common prosperity on the Korean peninsula is North Korea. North Korea already conducted its fourth and fifth nuclear tests in 2016 and did its military provocation with its long-range missile tests, including the sixth nuclear test in 2017. Of course, the international community, includ-

³ Joseph South Nye, *Is the American Century Over?* (Seoul: Book Publishing Preview, 2015), Daniel Lynch, "The End of China's Rise," *Foreign Affairs*, Snapshot (January 11, 2016).

⁴① Transition of Eastern Europe to 1989 and collapse of the Soviet Union; ⇒② Developed in the era of terrorist attacks since September 11, 2001; ⇒③The third wave of global restructuring after the global financial crisis in 2008; ⇒④Brexit in 2016 and 'hyper uncertainty' since the Trump administration was launched in 2017.

⁵www.csis.org/analysis/defining-our-relationship-india-next-century-address-us-secretary-state-rex-tillerson.

ing the United Nations, is responding with more strengthened sanctions against North Korea.

Let's take a look at the situation on the Korean Peninsula, where sanctions are being imposed on North Korea. It has the following features and policy implications.

First, the situation on the Korean peninsula is playing out amidst the competing 'policy and strategy games' such as 'America First', 'Belt & Road Initiative', 'China's Dream', and 'Greater Eurasia'⁶ by major powers. Second, the key leaders in the security issues on the Korean peninsula are the US and China. It suggests that US-China dialogue and negotiations will play a major role in the future. Russia, in principle, prefers policy cooperation with China.

Third, the internationalization of the Korean peninsula issue began after the fourth nuclear test by North Korea. After the sixth nuclear test and the launch of Hwasung-15, the United States highlighted the most urgent international issue, even referring to using military options if necessary.⁷

Fourth, the isolation of North Korea is intensifying. The effect of sanctions, social change and the spreading influence appear in North Korea. In response, Kim Jong-un been strengthening internal crackdowns for regime's survival.⁸

Fifth, pressure and confrontation are widely spread in the process of development of the crisis. However, it cannot be excluded the possibility of a dramatic turn to negotiation after a phase of extreme confrontation. In the future negotiation, China's and Russia's sincere commitment to North Korea and their mediator role will become an important variable.

Sixth, in time, negotiation phase is critical on to change Kim Jong-un's regime or policy changes and become a strategic turning point to lead to de-nuclearization. It is also noteworthy that the United States will continue to

⁶Sergei Karaganov, "From East to West, or Greater Eurasia."(25 October 2016); Dmitry Yefremenko, "The Birth of a Greater Eurasia,"(12 February 2017), www.globalaffairs.ru (accessed November 21, 2017).

⁷ABC also ranked North Korea's nuclear missile issue No. 1 among the top 10 international news in 2017.

⁸North Korea claimed it finally mastered its missile and nuclear development program after launching Hwasung-15 on Nov. 29, 2017. And then the Party Cell competition was held on December 21st.

push for more pressure on China, and will implement financial sanctions, maritime blockade, or even a secondary boycott.

Finally, it is highly probable that the mutual competition and cooperation between the United States and China will continue regardless of the North Korean nuclear issue.

Russia's policy on North Korea's nuclear weapons and missiles

Russia's approach to North Korea and its nuclear issue is fundamentally linked to its policy goals for the Korean peninsula. Russia's foreign policy goals for the Korean peninsula seem to be to build a peaceful and stable security environment to enhance its sphere of influence and also to engage in the development of Siberia in the Far East. More specifically, the goals are as follows: i) to denuclearize the Korean peninsula, ii) to prevent the development and proliferation of weapons of mass destruction, iii) to prevent the anti-Russian sentiment of North and South Korea, iv) to strengthen the role of Russia in the six-party talks, v) to use the North Korean leverage on South Korea.

From an economic point of view, Russia seeks to secure a bridgehead to advance the economic block of the Asia-Pacific region as a "Euro-Pacific nation". In addition, Russia intends to strengthen cooperation in the fields of energy, transportation infrastructure and logistics, food security, marine resources, education, and science and technology. Russia also wants to maintain normal relations with the two Koreas. Russia's policy of equilibrium approach and equidistance between the two Koreas still continues.

In regard to the Korean peninsula that includes the North Korean problem, Russia seems to have taken the following policy positions.

First, Russia sees the problem of the Korean Peninsula with the perspective of the global order and the continuation of the reshaping of East Asian order. In this sense Russia intends to deepen and develop strategic partnership with China as another axis to counter the US-Japan alliance.

Second, as a major stakeholder in East Asian regional security, Russia is paying greater attention to moving away from alienation and exclusion and towards participation and engagement in East Asia. In addition, the Putin government prioritizes securing a peaceful and friendly environ-

ment for the development of Siberia in the Far East with an emphasis on stability rather than the collapse of the North Korean regime.

Third, Russia emphasizes the importance of NPT regime and denuclearization of Korean Peninsula. It maintains that North Korea's nuclear development is unacceptable.

Fourth, Russia believes that it is advantageous to deal with the two Koreas by promoting a balanced approach to the two Koreas and equidistant policies. Russia is concerned about the confrontation and tensions between the two Koreas in terms of strategic intermediaries. Russia seeks to secure its influence and the position of confident actor through a bilateral stance on North Korea's nuclear test and US-ROK military training.

Fifth, Russia supports the United Nations Security Council (UNSC) to prepare for strong nuclear sanctions on North Korea's nuclear test. Russia, on the other hand, is opposed to any actions that could lead to the collapse of North Korea as does China. In addition, Russia shows a pragmatic attitude when it comes to issues linked to its economic benefits, as it revised the draft of the resolution.

Finally, Russia seeks to control the expansion and rise of China's influence in Central Asia and the Far East through the successful development of Far Eastern Siberia and the promotion of the New East Policy. On the other hand, it has strong interests in establishing trilateral economic cooperation among ROK, DPRK, and Russia.

Regarding the North Korean nuclear issue, President Putin laid out the following policy position five years ago.⁹ First, North Korea's nuclear possession is unacceptable. Second, he supports the denuclearization of the Korean peninsula. Third, political and diplomatic solutions should be pursued and immediate resumption of the six-party talks is required. Fourth, there is a difference in access between the parties on the Korean peninsula, and it is necessary to clarify. No attempt should be made to test the rigidity of the new leadership of North Korea, which could trigger tough countermeasures. Fifth, as a neighbor sharing borders with North Korea, Russia will actively engage in dialogue to manage North Korea. Sixth, Russia will

⁹“Россия и меняющийся мир,” *Московские Новости* (February 27, 2012).

promote friendly relations with North Korea and persuade Pyongyang to give up its nuclear program. Seventh, if mutual trust is strengthened on the Korean peninsula, the dialogue between the two Koreas will be renewed again.

The above statements clearly show Putin's view on North Korea and its nuclear issues. It seem to be unchanged to this day. Comprehensively, Putin's position on the North Korean nuclear issue could be summarized as follows: i) Non-acceptance of North Korea's nuclear possession; ii) Support for the denuclearization of the Korean Peninsula; iii) Emphasis on political and diplomatic solutions, iv) Resumption of unconditional six-party talks; v) Promote friendly relations with North Korea and persuade North Korea to abandon its nuclear program.

Russia has the following characteristics in its solution of the North Korean nuclear problem. First, when the security crisis on the Korean Peninsula is heightened by the nuclear tests and the missile launches, Russia urges the concerned countries to restrain themselves with almost the same argument that "the concerned countries should act calmly and avoid any action that would aggravate the situation".¹⁰ Such consistency in its statement is in consideration of the positions taken by the two Koreas, both of which Russia maintains official diplomatic relations. Russia is showing its efforts to tackle tensions and deterioration, while on the other hand, it is also considering the role of a balanced mediator.

However, the North Korean nuclear issue is not such a high priority in Russia's foreign policy objectives. High up in the list are concerned with the Crimean merger and the Ukrainian crisis, the intervention into the Syrian civil war, the US-Russia relations, and the West's sanctions against Russia. Therefore, it is evaluated that Russia showed a passive posture rather than an active and aggressive one in solving the North Korean nuclear issue.

At the same time, Russia continued to maintain the basic arguments such as the insufficiency of the North Korean nuclear program, the denuclearization of the Korean Peninsula, the resumption of the six-party talks, and the emphasis on diplomatic and peaceful solutions, and tended to favor China's position rather than present its own solution.

¹⁰www.mid.ru

Russia recently show edits own roadmap, and it shows some changes compared to the previous one. On July 4 in Germany Putin and Chinese President Xi Jinping announced a "Joint Statement on the Korean Peninsula Issue". Although it reflects the results of the summit between Russia and China, it is necessary to pay attention to the first paragraph of the six clauses. The two leaders criticized North Korean missile launch as violating a stringent UN Security Council resolution. And they also proposed North Korean nuclear roadmap to solve this problem. This seems to be related to the roadmap for solving the North Korean nuclear issue, which was announced by Vice Foreign Minister Igor Morgulov on June 27. According to media reports, it is done in the following order; i) the suspension of North Korea's nuclear missile test and the US-ROK military joint training (the so called 'double freeze'); ii) The negotiations begin; iii) Confirmation of the total principle including non-use of force, invasion, and peaceful coexistence; iv) Concluding a package deal on all issues including the nuclear issue.¹¹

The package deal is said to include pursuing a security system for the Korean peninsula and Northeast Asia, and finally realizing diplomatic normalization between the U.S. and North Korea. In view of this, Russia seems likely to support the Chinese's double-freeze(雙中斷, halting North Korea's nuclear and missile provocations and US-ROK military exercises), and dual track approach(雙軌竝行, abandoning North Korea's nuclear program and concluding a peace agreement between Pyongyang and the U.S.). This is slightly different from the US solution to the North Korean nuclear problem. It is likely that more discussions will be needed among the concerned parties in the future.

The two leaders also urged that the 9.19 Joint Statement be adhered to, and that military actions should not be an option for solving the Korean Peninsula issue. In other words, the only effective solution to the problem is 'dialogue and negotiation'. It seems necessary to observe what path this will take in conjunction with the strengthening of US sanctions on North Korea,

¹¹*JoongAngIlbo*, July 6, 2017.

which has been heightened by the launch of the Hwasong-15type. It seems to be both an opportunity factor and a limiting factor.

US Secretary of State Rex Tillerson explained the results of the US-Russia summit held in Berlin in July. He said "The ultimate goal of Russia is denuclearization of the Korean peninsula. However, there was a difference between the two sides in terms of strategies for achieving goals".¹² It showed that there were disagreements. However, President Trump and President Putin have the opportunity to foster mutual friendship and fellowship, and show enough intimacy that they can be described as having a positive chemistry between leaders.¹³ This chemistry leaves room for improvement of relations between the U.S. and Russia in the future. However, despite Trump's benevolent evaluation of Putin and his favorable perception of Russia, US-Russian relations have not improved due to hearings and investigations on the presidential election of the U.S. Congress and additional sanctions against Russia. Rather, the rebellious sentiment and hardship of the U.S. Congress seem to have had a greater impact. Trump's leadership is important, but the policy system, such as the traditional U.S. Congress's anti-Russia sentiment and sanctions resolution, appears to have had a greater impact.¹⁴ The conflict between the two countries is increasing.

Now, from the Russian perspective, the North Korean nuclear issue is another challenge and opportunity. The new Korean government, which emphasizes dialogue, has been launched. As North Korea and China's relations have worsened, North Korea's approach to Russia has become even greater. Putin is very interested in the development of Far Eastern Siberia, including promoting the New East Policy and hosting the Eastern Economic Forum.¹⁵ He also needs to look at the development of China's influence and the development of the Three Northeast Provinces from a geopolitical and strategic point of view.

Since the inauguration of the new government in South Korea, inter-Korean relations will be improved and there is a possibility that the trilat-

¹²*Yonhapnews*, July 7, 2017

¹³*Maeil Business Newspaper*, July 10, 2017.

¹⁴Suh Dong-Joo, "Security environment in the East Asia and Korean peninsula, and ROK-Russia relationships," *JPI Policy Forum* (20117-07), www.jpi.or.kr

¹⁵<https://forumvostok.ru>

eral economic cooperation among South Korea, North Korea and Russia will be better than before. It is inevitable that any strategic choice should be seriously examined through a strategic balance sheet, which is in line with peace in the region and maximizing national interest.

Russian perspective and position on ROK's THAAD Deployment

In view of the global strategy, Russia is closely watching the deployment of MD system in Europe under US leadership and the expansion of NATO to the east. Russia, in particular, recognizes that the deployment of THAAD is part of the United States' efforts for global MD.

From the time of South Korea's discussions on THAAD deployment, Minister of Foreign Affairs Sergey Lavrov and Alexander Timonin, Russian Ambassador to Korea, have repeatedly expressed opposition to it.¹⁶

In addition, the Russian academic community, including diplomatic and security departments as well as Korean-friendly personnel, expressed their criticism and opposition to the deployment of THAAD. They warned that it would hinder the development of future relations between Korea and Russia.¹⁷

Overall, Russia's perspective and position on the deployment of THAAD in the ROK carries the following policy implications and characteristics. First, Russia regards the deployment of THAAD in Korea as part of US global MD, and opposes it. Russia acknowledges that South Korea is exercising its sovereign right to defend itself. However, it is believed that the system will be a direct threat to Russia's security, serving beyond the purpose of deterring North Korea's nuclear and missile programs, and it would change the strategic balance of Northeast Asia.

¹⁶The Russian Ambassador Alexander Timonin said, "The THAAD deployment will not help peace and stability in Northeast Asia and will not help solve the Korean peninsula nuclear issue." and "there will be negative impact on bilateral relations." (Feb.22, 2016); Foreign Minister Sergey Lavrov also pointed out that 'the deployment of the MD system elements in the United States could lead to an arms race in Northeast Asia and further complicate the nuclear issue on the Korean peninsula.' (February 23, 2016, Munich Security Conference)

¹⁷ Alexander Xramchihin, Deputy Director of the Institute for Political and Military Analytical Studies, said: "Russia's attitude toward THAAD deployment is sharply critical and will deteriorate relations between Korea and Russia. It will also begin to look at Korea as a military target and potential adversary." ("THAAD's deployment in Korea and Russia's reaction," *JPI PeaceNet*, 2017-9).

Second, Russia's strength of opposition is weaker than that of China, and Russia has not taken any visible counter measures (i.e. trade retaliation) against South Korea. Third, in response, Russia is on the bandwagon on China softly. In other words, it supports China by the back side. Russia, being fully aware that the issue will be China's top foreign policy priority, is taking a step back and weighing the odds of using it as a strategic card against the U.S. when the need arises. On the other hand, Korea and China are facing great conflicts over the THAAD issue. The South Korean government is trying to resolve the uncomfortable conflicts through a '3-No' statement and the Korea-China summit, but it still has a potential conflict without being fully resolved.

Fourth, Russia recognizes that THAAD is a defensive weapon, and seems to have some confidence that it is able to cope with it rather than perceive it as a direct threat. Finally, Korea is making an effort to persuade¹⁸ and seek Russia's understanding, as THAAD is a defensive weapons system, and North Korea's provocations were sufficient cause for it. Russia perceives it as proceeding with American influence, and is trying to cope with the balance between East Asia strategy, anti-US and anti-China policy. Rather than dealing directly with Korea, Russia is in a position to look at and solve problems within the framework of the East Asian order such as the US, China, and Japan. Overall, there is a difference between the ROK-Russia position and perception regarding the THAAD issue, and it is a potential obstacle to the development of the ROK-Russia relationship.

Moon Jae-in government's policy toward North Korean nuclear problem

The new Korean government's foreign policy trend and direction, which was launched on May 9, 2017, can be seen in several key words emphasized as the following. In the case of Northeast Asian and Asian policies, Moon Jae-in administration pursues "dignified international cooperation," including the realization of responsible defense, denuclearization of the Korean peninsula, and development of inter-Korean relations.

¹⁸www.mnd.go.kr

Lim Sung Bin, the first Vice Minister of the Ministry of Foreign Affairs, expressed the four principles in the Jeju Forum (31 May 2017). Key words he said were 'peace', 'responsibility', 'cooperation' and 'democracy'. It was mentioned as 'Peaceful Asia, Responsible Asia, Cooperative Asia and Democratic Asia'. We can see where the emphasis of foreign policy lies.

More specifically, if we look at the policy direction of the diplomatic security sector, it is within the following framework. The national vision of the Moon Jae-in government is "A nation of the people, A Republic of Korea of Justice" and the policy objective of the foreign affairs and security sector is "the Korean Peninsula of Peace and Prosperity". The following are key diplomatic tasks¹⁹:

- Providing an impetus for resolving the North Korean nuclear issue
- Developing relations with major neighboring countries of the Korean Peninsula
- Promoting the Northeast Asia Peace and Cooperation Initiative and expanding cooperation with Eurasia
- Playing a role as a responsible middle power contributing to world peace and progress
- Protecting the safety and rights of Korean nationals residing abroad and expanding both public diplomacy and jobs diplomacy
- Strengthening the capacity for economic cooperation.

In the case of defense, "strong security, responsible defense" is emphasized, and in the case of unification of the two Koreas, "a nuclear-free Korean peninsula" is emphasized. The Ministry of Unification has been promoting "reconciliation between the two Koreas and denuclearization of the Korean Peninsula" as a national unification policy.

And policy tasks are as follows: i) Realizing the "New Economic Map" Initiative and economic unification of the Korean peninsula, ii) Signing Inter-Korean basic agreement and redefining inter-Korean relations, iii) Resolving humanitarian issues including North Korean human rights and separated families, iv) Improving inter-Korean relations through

¹⁹www.mofa.go.kr/eng/wpge/m_5727/contents.do#btnPrint (accessed February 12, 2018).

exchanges, v) Spreading consensus on unification and initiating the National Unification Contract.²⁰

In addition, Moon Jae-in's policy on the Korean peninsula emphasizes peace and prosperity. It consists of three goals, four major strategies, and five principles. The three goals are the pursuit of 'peace first', spirit of 'mutual respect', and 'open policy' with the people.²¹ The four strategies are: i) taking a step-by-step and comprehensive approach, ii) tackling the issues of Inter-Korean relations and the North Korean nuclear threat simultaneously, iii) ensuring sustainability through institutionalization, iv) laying the foundation for peaceful unification through mutually beneficial cooperation.²² The five principles are: i) Korea-led Initiative, ii) strong defense, iii) mutual respect, iv) interaction with the people, v) international cooperation.²³

President Moon announced his plans for North Korea through the Berlin Declaration and made four proposals to North Korea.²⁴ First, the five principles of the North Korea policy are; i) to exclude attempts of artificial reunification such as absorption unification and to pursue peace, ii) to pursue denuclearization of the Korean peninsula to ensure stability of the North Korean system, iii) to promote the conclusion of a peace treaty on the Korean Peninsula, iv) to promote the economic community on the Korean Peninsula, v) support for non-governmental private exchanges separated from political and military situations. There are four proposals to North Korea: i) Chuseok family reunion; ii) participation in the PyeongChang Winter Olympics; iii) mutual interdiction of hostilities in the military demarcation line; and iv) inter-Korean contact and resumption of dialogue.

The Berlin Initiative was a road map for North Korea to conclude a comprehensive agreement on the denuclearization of the Korean peninsula and a peace treaty. The conceptual diagram is as follows; i) Step 1: principle of pursuing peace, ii) Step 2: seeking denuclearization of the Korean

²⁰ www.unikorea.go.kr/eng_unikorea/policyIssues/policytask/vision (accessed December 27, 2017).

²¹ www.unikorea.go.kr/unikorea/policy/koreapolicy/policyinfo/goal/ (accessed December 27, 2017)

²² www.unikorea.go.kr/unikorea/policy/koreapolicy/policyinfo/strategies/ (accessed December 27, 2017)

²³ www.unikorea.go.kr/unikorea/policy/koreapolicy/policyinfo/principles/ (accessed December 27, 2017)

²⁴ www.unikorea.go.kr/unikorea/policy/koreapolicy/berlin/ (accessed December 28, 2017)

peninsula, iii) Step 3: economic cooperation, iv) Step 4: establishing a peace system.²⁵

Moon Jae-in's basic position on the North Korean nuclear issue is to respond to North Korea's provocations through sanctions and pressure, but they are means of bringing North Korea back to the negotiation table. In the end, the North Korean nuclear issue should be solved peacefully through dialogue.

It emphasizes dialogue unlike the former administration, and is in line with sanctions and dialogue on the North Korean nuclear issue. In addition, South Korea will play a leading role in creating a peaceful reunification environment on the Korean peninsula, and has been paying a great deal of attention and efforts to open dialogue with North Korea.

More broadly, the North Korean nuclear issue is being resolved peacefully through the ROK-US alliance, and the ROK is planning to build a peace regime on the Korean peninsula through various exchanges with North Korea. Such a position has been well demonstrated in the Korea-US-Japan Summit, Korea-China Summit, and Korea-Russia Summit, which took place at the G20 summit in Hamburg, Germany.

Comprehensively, the Moon Jae-in government's policy toward North Korea and its solution for the nuclear problem have the following characteristics:

First, it promotes dialogue, sanctions, and pressure in parallel. However, sanctions and pressure are the means for dialogue, and ultimately he seeks to resolve them diplomatically and peacefully. Currently, the Moon administration puts more emphasis on sanctions and pressure in response to international sanctions against the North through the sixth nuclear test.

Second, President Moon advocates a phased and a comprehensive approach. It emphasizes that the freezing of North Korea's nuclear development will be the entrance to dialogue and the exit will be complete nuclear dismantlement. It is a two-step approach to freezing the nuclear program and then discarding it.

²⁵*Donga Ilbo*, July 7, 2017.

Third, he emphasizes the improvement of inter-Korean relations through the resumption of inter-Korean dialogue, and ultimately seeks the establishment of a peace regime on the Korean peninsula. Of course, North Korea's response is the key for them.

Fourth, the Presidential Committee on Northern Economic Cooperation is established and is in operation. The new government is expected to focus on diplomacy so that North Korea can change its ideas and policies, bring about denuclearization and peace and stability on the Korean Peninsula.

Evaluation and latent conflicts of Korea-Russia relations

In 2018, Korea and Russia are celebrating the 28th anniversary of diplomatic relations. Since the establishment of diplomatic relations in September 1990, the official diplomatic title between two nations has changed as follows; 'A Constructive and Mutually Complementary Partnership'(1994); 'A Comprehensive Partnership Based on Mutual Trust'(2004); 'A Strategic Cooperative Partnership' (2008). The nature of the development by period has also been developed in six stages: i) expectation, ii) stepping up/down, iii) cooling/worsening, iv) reshaping, v) progress, vi) seeking to jump again.

The Korea–Russia relationship has been somewhat unsettling in the past, but overall, it has been evaluated to have achieved considerable cooperation and development in all areas including political diplomacy, economy, social culture, military, and science and technology. For example, trade volume is over US \$18.9 billion by 2017²⁶ and a visa waiver agreement was signed in 2014. High-level personnel exchanges, cultural exchanges, Korean-Russian Dialogue(KRD)²⁷, the Korea-Russia Economic Forum, and the Korea-Russia Business Forum are also being held on a regular basis.

On the other hand, the relationship between Korea and Russia is evaluated as "diplomatic rhetoric and sacrament of speech"(NATO: No Action Talk Only). It is also true that they have not progressed as much as expected because of failing to actualize the current 'strategic cooperation partnership'. There is a problem on both sides.

²⁶<http://stat.kita.net/stat/kts/ctr/...>

²⁷<http://ekrd.or.kr>

In the case of Korea, in the early stage of bilateral cooperation, there were differences in the approach and what each considered a priority – security vs. economic cooperation. In other words, while Korea focused on security, Russia placed priority on economic cooperation. In addition, from Korea's standpoint, there were limitations in advancing relations with Russia, as it placed priority on US-centric diplomatic and security framework. In addition, the Korean public's negative perception and lack of understanding of Russia also were as an obstacle.

In the case of Russia, first of all, there are legal and institutional problems such as the difficulty in settling the market order and the customs procedure due to Russia's unique the political and economic characteristics. Second, Russia is pushing for a policy on the Korean peninsula as an extension of the strategy development for the U.S. In addition, differences in perceptions of North Korea between Korea and Russia also act as impediments to the development of bilateral relations.

On the whole, it is true that Korea and Russia face structural limitations in terms of foreign policy. In other words, there exists a difference both in terms of the scope and priorities of foreign policies between the two countries. There were also differences in what each considered a priority in the areas of common interest and diplomatic security issues.

For example, in the case of the North Korean nuclear issue, Korea treats it as a vital, core interest, as a matter of survival, while it is not so for Russia. In the case of the Crimean Peninsula, it is a very important issue for Russia, but Korea is one step behind. How to overcome these structural limitations remain challenges. Recently, it is noteworthy that they are looking for common grounds through the key word 'Eurasia'.

In the same vein, some Korean experts on the North Korean nuclear issue hold the view that Russia does not understand very well the position Korea is being placed in, and chooses to remain merely as a bystander. In other words, Korean scholars are wondering whether Russia is not properly implementing sanctions against North Korea. In addition, it is said that Russia does not participate in pressure on North Korea and that Russia is lukewarm in solving the North Korean nuclear issue and has a somewhat invisible attitude.

It is natural that Moscow will pursue its geopolitical interests in the region. On the other hand, it is not only dealing with the North Korean nuclear issue only in line with the relationship between the US and Russia, but is also suggesting that Russia should take a more active role in considering various ripple effects of the North Korean nuclear issue.

The North Korean nuclear issue has already become a top priority for the US and China. The North Korean nuclear issue is becoming a problem for Russia itself. In addition to the economic damage caused by the nuclear and missile provocation and sanctions, there is the possibility of radioactive leakage on the nuclear test site, possibility of nuclear proliferation to the Eurasia beyond the Korean peninsula, and possibility of nuclear materials being smuggled to terrorist groups. So, it seems desirable for Russia to play a more active role in resolving the North Korean nuclear issue with a deeper interest.

The potential elements of conflict between Korea and Russia can be summarized as follows: i) Some disagreement over the solution of the North Korean nuclear issue, ii) Opposition to the THAAD deployment, policy coordination between Russian and China, iii) Implementation of sanctions against North Korea²⁸, iv) Human rights of North Korean workers in Russia, v) Interruption of Rajin-Khasan logistics project. There are also challenges for Korea and Russia to overcome in the future.

On the other hand, the positive aspect of bilateral relations is that the trade volume has recently increased again, rendering economic cooperation a chance to achieve actual results through the establishment and activities of the Presidential Committee on Northern Economic Cooperation.²⁹

Future Cooperation between Korea and Russia

In the field of diplomacy and security, the cooperation measures for the development of relations between Korea and Russia are as follows.

First, it will enhance cooperation between Korea and Russia to resolve the North Korean nuclear issue. There is a need to find common interests in

²⁸Reuters reported that China and Russia provided oil products to North Korea by ship to ship transfer. Of course, the Russian foreign ministry said it was faithfully implementing the UN Security Council sanctions and has not violated illegal trafficking of its vessels. But doubts are being raised as to whether the sanctions are being implemented well. *JoongAngIlbo*, January 1, 2018.

²⁹www.bukbang.go.kr

policy cooperation between the Moon and the Putin administrations regarding the North Korean nuclear issue. The consensus between Korea and Russia is the dismantlement of the North Korean nuclear program, denuclearization of the Korean peninsula, resolution through the six-party talks, diplomatic and peaceful settlement through dialogue, improvement of inter-Korean relations, and gradual and comprehensive solutions and so on. It is desirable to resolve disagreements based on such consensus.

Korean scholars know that the Russian government has high expectations for the Moon Jae-in government. The new Korean government is well aware of the importance of Russia and expects to play a major role as a partner for peace and prosperity in the region as well as the North Korean nuclear issue.

Second, the role of Russia as the constructive mediator is to be realized. In terms of reorganization of the international order, Russia plays a role as a "strategic balancer" between the US and China, helping to maintain a regional balance of power. It seems that Russia is well prepared to establish 'Strategic Balance in Eurasia' and 'Eurasian Solidarity Building of Balance of Power' presented as a regional policy goal.

Furthermore, Russia is also acting as 'coordinator and mediator' of security issues in the region. On the security issues in the Korean peninsula, including the North Korean nuclear issue, Russia can play roles of a participant as well as a coordinator and a mediator. Russia has positive effects on North Korea's reform and opening up, and may well act as a benign sponsor to the unified Korea. In line with the heightened crisis on the Korean Peninsula, Russia has recently shown a more active intervention in the region, paying attention to North Korea's nuclear and missile issues as well as changes in regional security order.

In contrast to the deteriorating relations between North Korea and China, Russia dispatched delegates and military representatives to North Korea.³⁰ In addition, Russia is seeking a mediator role through visits to

³⁰A member of the House of Representatives delegation headed by House Representative Morozov(October 2017) and House of Representatives Taishaev(November 2017) visited North Korea, and a military delegation headed by the deputy head of the National Defense Command Center of Kalkanov(December 2017) discussed the implementation of the "accidental military conflict prevention" treaty.*Yonhapnews* , December 14, 2017.

high-ranking North Korean officials, including Choi Sun-hee, and wants to increase its influence on the Korean peninsula. In particular, it was reported that the Russian delegation from the Russian parliament (head of the Communist Party of Taishaev) visited the DPRK(2017.11.27-12.1) and that requested Kim Jong-un's visit to Russia next year.

Recently, military tension on the Korean peninsula has been rising, and international sanctions are being tightened. In the future, it seems desirable for Russia to intervene more actively to resolve the North Korean nuclear issue by using the contacting channels with North Korea in accordance with the changing situation. I hope Russia to contribute peace building on the Korean peninsula by faithfully carrying out its role as a strategic balancer, a constructive mediator, and a guarantor of peace regime on the Korean Peninsula.

Third, it is necessary to pay attention to the role of Russia in various mini-lateral frameworks such as Korea-US-China, US-China-Russia, Korea-US-Russia, and Korea-US-Japan and so on. In the future, it is essential to seek out common agenda and build network in order for such instruments to take on the form and nature of mini-lateral frameworks for cooperation. The following are some examples: Participation of Korea and Russia on China's Belt & Road Initiative; Joint training of maritime disaster rescue among Korea, US and Russia; Activation of GTI; Participation of North Korea in mini-lateral cooperation framework such as Korea-Russia-Japan. These frameworks would eventually contribute to enabling North Korea to reform, become a normal member of the international community that observes international norms and rule of law.

Fourth, it is to seek out the cooperation elements of Putin's New Eastern Policy and Moon Jae-in government's New Northern Policy. This is one of the policies to go into the future vision of Korea-Russia. Moon and Putin laid a foundation for mutual trust and friendship between the leaders through the telephone conversation(5.12), the Hamburg summit(7.7) and the Vladivostok summit(9.6). It is desirable to strengthen cooperation between Korea and Russia on the basis of such trust building, and to strengthen cooperation in the way where both sides benefits. In particular, the summit meeting between Korea and Russia held in Vladivostok

was carried out immediately after the 6th nuclear test on September 3rd. In line with the UN Security Council's new sanctions on North Korea, international attention has been focused on the summit, alongside the Korea-Japan and Russia-Japan summit.

From the standpoint of South Korea, the summit meeting was important in the following aspects : i) to establish cooperation on the Far East and Siberia and Eurasia, ii) to cooperate with sanctions and pressures after North Korea's sixth nuclear test, iii) to present a vision of New Northern Policy and so on. The Korea-Russia summit has achieved the following results: i) to establish a strategic cooperation base at the normal level between Korea and Russia, ii) to participate in the development of the Far East region at the bilateral level of Korea and Russia and to establish a basis for substantive cooperation, iii) to share the policy consistency and cooperation recognition between the New Northern Policy and the New Eastern Policy.

On the other hand, President Putin has taken a negative stance on imposing further pressure and sanctions against North Korea, including the demand to stop supply of crude oil, and he has actually refused. From the standpoint of South Korea, it has shown limitations in persuading Russia, and it remains a challenge to overcome in the future.

Conclusion

In the East Asia, all countries in the US, Russia, Japan and China basically are hoping for stability, peace and prosperity. It is the goals of each country to promote national development on the basis of regional stability and peace. It also contains elements of conflict, containment, and competition.

The key for building peace on the Korean Peninsula is the resolution of the North Korean nuclear issue. This will be realized only when North Korea should abandon its nuclear program and abide by international laws and rules such as the non-proliferation of WMD and the maintenance of the NPT system.

It is desirable that North Korea changes stance and come out in dialogue. In addition, North Korea should not do military provocations against South Korea and should not increase military tensions on the Korean Peninsula. Above all, North Korea must move away from international isolation and move to reform and openness. At the moment, North Ko-

rea is full of negative images such as cyber terrorism, rogue state, failed state, human rights abuses, and hereditary dynasties. It is crucial for North Korea to transform itself into a normal nation and join the international community through reforms, openness, and compliance with international rules, such as in the case of Vietnam, Myanmar and Cuba.

Both Korea and Russia have some limitations, but have willingness to contribute to peace and stability in the region since there are no vital conflicts between the two such as historical or territorial disputes. Korea and Russia can work together to maximize common interest and share a cooperative vision.

The future direction of the Korea-Russia partnership vision is to realize the potentials for success that has not been achieved in the last 28 years. The year 2018 marks the tenth anniversary of Korea-ROK relations being upgraded to 'strategic cooperation partnership'. It is desirable to plan the re-leap of Korea-Russia relations by holding various events including holding memorial conferences related to this issue.

Furthermore, if we raise our eyes a little bit, the world peace events will be held in Northeast Asia in succession such as the PyeongChang Winter Olympic Games in February 2018,³¹ the FIFA Russia World Cup in June 2018,³² the Tokyo Summer Olympics in 2020³³ and the Beijing Winter Olympic Games in 2022.

All countries in the region should work together to ensure that the above events, which provide opportunities for peace and prosperity, will be held successfully. I hope that Korea and Russia will play big roles as key peace makers in this process. Finally, I look forward to the further development and leap of Korea-Russia relations in the future overcoming some obstacles.

³¹www.pyeongchang2018.com

³²www.fifa.com/worldcup/index.html

³³<https://tokyo2020.org>

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RUSSIA'S POLICY TOWARD THE KOREAN PENINSULA: PROBLEMS AND PERSPECTIVES

Introduction

In assessing the current situation in Northeast Asia, it becomes apparent that the Russian Federation is still playing both not peripheral and not leading role in regional politics, despite its strong aspirations to participate in Northeast Asia political and economic interactions on equal terms. It has been repeatedly declared that changes in Russia's foreign policy, formulated as «turn to the East», in fact, do not bring any radical changes to the Pacific policy of the Russian Federation in recent years. If we analyze the whole history of Russian interaction with Pacific Asia and sum up the stages of its political and economic presence in the Asia-Pacific Region, as well as recent foreign policy, we will conclude that the thesis «turn to the East» does not imply the essential geographic reorientation or new tactical goals and objectives while maintain the traditional regional strategy and foreign policy priorities. It is based on the fact that Pacific Asia has been a significant region for the Russian Federation for a long historical period. An obvious feature of Russian foreign policy in recent years has become not its radical geographical reorientation, but rather new tactical goals and tasks which were not so evident earlier, if the official discourses contained them at all.

All that has been said above should be fully attributed to the policy of the Russian Federation on the Korean Peninsula. Close attention to any change in the situation on the peninsula and the interest in developing relations with the both Korean states can be explained: Russia pursues its own economic and political interests, and first of all, takes care about the security and stability of our Pacific borders. This is a strategic plan of modern Russia according to which we build relations with the DPRK and the Republic of Korea, and takes seriously the Korean problems in all its complexity and versatility.

For a long time, the Korean issue has remained one of the hottest political problems in Northeast Asia; recently the situation has been aggravated and become very unstable, and now the problems of the Korean Peninsula go beyond the regional framework and become a factor of global policy and this is due not only to the nuclear and missile ambitions of the DPRK, which are real global threat for the world community, but also by the raw, financial and human resources of two Korean states, and the power of their armed forces and military-industrial complexes.

At the same time, the Republic of Korea has been attempting to act as one of the key states in Northeast Asia. Since the late 1990s, the South Korean authorities have repeatedly claimed that Korea «deserves a proper position» in the system of international and regional relations. This is with good reason: the situation on the Korean Peninsula does not only depend on the policies and interests of the neighboring states, but also defines greatly the situation in the sub region, and in the Pacific Asia as a whole. While considering the USA, China and Japan as main players in Northeast Asia international relations, it is very important to see growing efforts of both Russia and the Republic of Korea to become equal partners in the region's political and economic processes¹. This is possible not only due to the capacity of goods and investment markets, financial and human resources or an active participation in various forms of exchange and cooperation with Pacific Asia and Northeast Asia countries, but also thanks to the political strategy of South Korean government since the late 1990s. This strategy is designed to provide the Republic of Korea with «the status it is worthy of and deserves in the system of regional and international relations»².

For Russia modern South Korea, along with other Pacific Rim countries, is one of the fast-developing strategic area of the world and «a long-

¹Russia, America, and Security in the Asia-Pacific / Ed. by R. Azizian, B. Reznik. Honolulu: Asia-Pacific Center for Security Studies, 2006. P. 146.

²As pointed out in lot of official South Korean documents, see for example: Address by President Kim Young Sam on National Policies for 1996 (January 9, 1996): To Build a First-Class Nation by Righting the Wrongs of the Past and Improving the Quality of Life // Korea Observer. Spring 1996. Vol. XXVII, № 1. P. 135-144; Inauguration Address by President Kim Tae Joung // Chungang Ilbo. February 26, 1998 (in Korean); Address to the Nation by Roh Moo-hyun, Winner of the 16th Presidential Election. December 20, 2002. URL: http://www.korea.net/kwnews/put_b_focus/main.html.

term interest of Russia as a Euro-Asian Power»³. The system of regional stability in Northeast Asia is provided by a number of states, and the Republic of Korea is among those topping the list. In this connection, it becomes clear why Russian political and academic circles have become so interested in Korean issues including the North Korea.

Russia and the Republic of Korea

Russia's interest in developing relations with the Republic of Korea and its sensitivity to any change on the peninsula relate to Russian economic and political concerns, and for the first place with enhancing security and stability in Russian Far Eastern region. Pursuing these strategic goals, Russian Federation has significantly improved relations with China and South Korea, and now treats Korean problem seriously enough. This new kind of Russian policy became possible after an obvious and substantial transformation in the political course of Russian leadership in the early 2000s. The new regional policy is based on a clarified definition of Russian national interests in Northeast Asia⁴.

From the perspective of ensuring peace and security in the region of Northeast Asia, one of the most significant decisions of the Russian government was the intention to improve inter-state relations between Russia and the Democratic People's Republic of Korea. It was well-timed and very reasonable decision. From that time the Russian Federation seeks a balanced relationship with both Korean states, basing its policy on separating political and economic interests. Today, Russia tends to preserve the status quo in the Korean question on the basis of a neutral position of «equal distance». At the same time, Russia is supporting political and feasible economic contacts with North Korea, and strengthening comprehensive relationships with South Korea. Despite the policy of equal distance, some foreign experts are still convinced that in case of a common threat or

³Bolyatko A. V. *Dal'nij Vostok: v poiskah strategicheskoi stabilnosti* (Russia's Far East in Search of Strategic Stability). Moscow, 2003. P. 3 (in Russian).

⁴Tolstokulakov I. A. *Rossiia, Koreya i vyzovy XXI veka* (Russia, Korea, and XXI Century Challenges) // *Vyzovy bezopasnosti v Aziatsko-Tihookeanskom regione. Vzgljad iz Rossii i SSHA* (U.S. – Russia Perspectives on Asia-Pacific Security). Vladivostok: Far Eastern Univ. Press, 2006. P. 132 (in Russian).

adversary, Moscow and Pyongyang could reinstate close military interaction based on the previous alliance of the Soviet era⁵. In reality having signed the new Treaty of Friendship and Cooperation in 2000, the Russian Federation and the DPRK have succeeded in settling their bilateral relations. This entailed Moscow's shift from the previous course of giving priority to developing relations with Seoul to the policy of *Two Koreas*. Soon after the collapse of the Soviet Union, the new Russian leaders erroneously assumed that the regime in North Korea was doomed to the destiny of East European countries.

Before 2000s the state leaders of Russia have made the conclusion that Korea would be unified in the near future, and it would happen on South Korea's terms. As a result, Russia started to cooperate with Seoul, virtually ignoring the DPRK. But the Pyongyang regime proved its vitality and relative stability and showed no signs of «inevitable collapse». Given this situation, president Putin's administration reconsidered its policy concerning the Korean Peninsula and started normalizing relations with North Korea.

Obviously, Russia should keep developing an unbiased position and making well-balanced efforts in its relations with both South and North Korea. At the same time, it should separate its own political and economic interests. In practice, this may lead to certain problems or even complications in the relations with the Republic of Korea and the DPRK on some policy issues. In other words, Russia must be neutral in its relations with the two Koreas in the political sphere, especially in the matters of inter-Korean relations. On certain international issues – for example, regarding the US pressure on the DPRK or its attempts to impose international sanctions on Pyongyang in connection with North Korea's nuclear and missile programs – Russia may resort to its veto right in the UN Security Council. At the same time, all sensible experts seem to have no doubts that the Russian Federation, in keeping with its own and South Korean interests, supports the nonnuclear status for the Korean Peninsula and insists on a peaceful solution of the Korean problem.

⁵ Joo Seung-Ho. DPRK – Russian Rapprochement and Its Implications for Korean Security // Pacific Observer. 2003, Vol. 2. P. 38.

There is no point ignoring the fact that Seoul is a more important partner to Russia than Pyongyang in terms of trade, economic, investment, and military/technical cooperation. This was reaffirmed several times during South Korean – Russian summits and recently at Vladivostok East Economic Forum – 2017 when two presidents «defined new ways of economic cooperation»⁶. The leaders of the two countries expressed similar positions on enhancing trade, economic, and military-technical ties. The leading role of South Korea in investments in the Russian Far East was again acknowledged. Apparently, this could be correlated with the new turn of the Japanese policy toward Russia⁷.

The South Korean direction in the economic policy of the Russian Federation remains one of its top priorities, which is explained not only by the interests and intentions of the Republic of Korea government and businesses to participate in a number of significant projects on the territory of the neighboring state, but also by the fact that Russia is not able and willing to provide economic support to the DPRK. Under the present conditions, the bilateral economic cooperation between Russia and North Korea has no prospects for considerable growth. Given Russian economic interests and the inability of Pyongyang to solve the problem of its debt to Moscow, we should not expect any breakthrough in their economic relations.

It is therefore likely that Russia will be neutral in its approach to both Koreas for some time to come. Russian presidential administration, while separating political problems from possible economic advantages, will be trying to gradually strengthen its reputation and influence on the peninsula and, simultaneously, will keep developing economic cooperation with South Korea, especially in the field of transportation and energy.

Current Russian policy toward the Korean Peninsula (mentioned above as the policy of *Two Koreas*) is based upon the principles of *limited involvement* and *equal distance* toward the two Korean states and maintain the positive attitude toward unification of Koreas in future. Any conflict in the Northeast Asian region is a direct threat to military, political, and economic security of the Russian Far East. At the same time, it would hardly

⁶Vladivostok Daily. September 8, 2017.

⁷Ibid.

suit Russian interests to have a powerful, but hostile, state as a united Korea in its close neighborhood. In this regard, most Russian experts argue that Russia should seek the assurances of permanent and positive neutrality of the reunited Korea in the future. The priority in raising this question belongs to a prominent Russian expert on Korea, V.F. Lee⁸. But there are no guarantees that the process of unification and nation building of the reunited Korean state will go according to a scenario favorable to Russia. A reunited Korea maintaining close military and political alliance with the US and/or Japan may become a more serious threat to Russia than it is now. Therefore, the main priority for Russia is to preserve the status quo on the Korean Peninsula, at least in the short term. As for long-term objectives, Russian foreign policy has to secure a positive neutrality from the future unified Korea.

The North Korean and American Factors

The North Korean leaders are no less ambitious in estimating their role as South Koreans, and in accordance with *seongoon* and *pyongjin* ideology, took up the responsibility for the «historical destiny of the world socialism»⁹. According to official propaganda, the DPRK is to become «a powerful and prosperous nation» by 2020¹⁰. Except military aspect, missile and nuclear activity has also to be considered in a similar vein, since it is interpreted to the population as success of the adopted policy. You can be skeptical about the official guidelines and slogans to build a «mighty and prosperous power» in North Korea, but it would be mistaken to deny Pyongyang's apparent ability to affect the situation in Northeast Asia significantly, based on its nuclear-missile trumps.

This approach looks more pragmatic and reasonable than the policy of the USA and its allies. We are sure that the North Korean regime has proved its viability and relative stability without showing signs of any «inevitable collapse» in very difficult situations. It is obvious political reck-

⁸ Lee V. F. O bessrochnom neitralitete Koreiskogo poluostrova v svete mirovogo opyita dvadtsatogo veka (On Permanent Neutrality of Korean Peninsula in the Context of the 20th Century Developments). Moscow, 1999 (in Russian).

⁹ Kim Cholwoo. Seongoon or Kim Cheong Il's Policy of «Military First». Pyongyang: Foreign Language Literature Publ., 2002. P. 6.

¹⁰Ibid. P. 15.

lessness and adventurism to hope for the disappearance of the DPRK from the political map of the world in the near future or to try to apply against it with Egyptian, Libyan or, especially, Iraqi scenarios – all of it cannot be justified in any way.

For the USA, the Korean Peninsula remains a buffer zone protecting its vital interests against the continental pressure from China and Russia, and is very important in ensuring stability in Northeast Asia¹¹. According to some American experts, the development of American-Korean relations and the prospects of Korean reunification are close/-connected with the complex process of international interaction between the USA, Japan, China, and, in some way, Russia.

It is very important for the USA to preserve South Korea as military and political ally. However, the geopolitical situation in Northeast Asia makes it possible for Seoul – which would like to be free from the traditional American protection – to enter some new alliances. The Republic of Korea has not fully solved the problem of its national security since the beginning of the new millennium, and still depends on the military and political support of the USA. It is almost certain that this question will hardly be resolved in the near future, so the USA troops will continue to remain on the Korean Peninsula. At the same time, the American administration has tried to gradually shift the burden of protecting South Korea to South Korea's own military and at own expenses.

Meanwhile, South Korea continues to pursue the course of gradually softening the American guardianship and disengaging from it. In the last few years, Seoul has undertaken numerous steps including research in missile and nuclear technologies. Some of these steps in the international arena demonstrate increasing South Korean independence. It is obvious that South Korea is trying to ensure its own national security as the Americans reduce their military presence. For this reason, such actions by the South Korean government must not cause anxiety on the part of its neighbors because the withdrawal of American troops is the principal condition for establishing normal relations between the two Koreas.

¹¹ Turning Point in Korea: New Dangers and New Opportunities for the United States / Ed. by Selig S. Harrison. Chicago: Chicago Univ. Press, 2003. P. 17-18.

Within the American political and military establishment there are different assessments of the goals of the USA policy toward the Korean Peninsula. It is evident that the so-called hawks prevail in the US administration. These officials wish to retain the status of America as the world superpower and predominant force, while preventing any potential competitor from challenging US interests. Unfortunately, the DPRK together with Russia are currently on Washington's blacklist. Previously, the consistent efforts by the peacemaking team under the Clinton administration had some positive influence on the situation in Northeast Asia and contributed greatly to the establishment of contacts between Pyongyang and the world community. However, these improved relations were brought to nothing when Pyongyang has been included in famous «axis of evil» list.

The pursuit of neo-hegemonic ideology is based on a strong belief in the US economic and social superiority, and on US's mission to help other countries in finding ways to progress democracy. Other possibilities for development are not even considered by the present American leaders. However, we should say that here we do not mean the imperial model of *hegemonism*, which is characterized by imposing one's will; we understand *neo-hegemonism* as the USA aspiration for becoming the global example and pattern for every country to follow. From this point of view, the North Korean regime was doomed to attract American foreign policy interest, and the only question was the way in which Washington was going to deal with Pyongyang.

It is clear that the USA hawks have been preparing the most radical option of pressuring the DPRK, and that President Trump seems to support them. Under the national security doctrine, Washington is ready to attack any country and any area if it threatens «American values and way of life». It is obvious that the substantiation of nuclear threat from the DPRK is only the first step in that direction. One might suggest that Pyongyang has not become a military target of the USΦ only due to the burdensome military campaigns in Iraq, Syria and Libya...

In this regard, we would like to see Russia's more active position dealing with Western partners, including Americans, who are apparently still trapped in delusions about the possible collapse of the North Korean

regime and the existence of some internal opposition ready to struggle with it. We believe that the only way to resolve the situation on the Korean Peninsula is to recognize North Korea as an equal partner by Washington and the other neighbor states, to establish normal interstate relations with Pyongyang and to return the DPRK to the world community. At the same time, we should not deny the necessity of solving the DPRK nuclear problem in the interests of the world community, but this solution is possible only with equal participation of Pyongyang.

North Korean leadership considers the preservation and development of nuclear and missile capabilities as one of the conditions for the DPRK survival in the international arena. And this is not only a guideline of the ruling elite; this idea is firmly fixed in the public consciousness of the North Koreans. The DPRK needs nuclear and missile weapons for two aims: 1) as a means to confront external aggression (to defend the only stronghold of real socialism in the world) and 2) as a means to conduct diplomatic maneuvers on the international and regional arena. The political and especially the military elite of North Korea believes that as long as the DPRK has nuclear-missile potential, socialist Korea will not be attacked by the imperialist powers, including the United States. Fears of the American invasion in the DPRK are quite objective, there is no need to justify them after the events in Iraq or Libya.

It is clear that the threat to regional security from Pyongyang, already affects its relations with Russia and China. «Disobedience» and the growing military power of North Korea cause growing annoyance in Moscow and Beijing, but the main problem is not that we have a new nuclear arsenal near to our borders, but that Pyongyang actions play into the hands of the United States, which eventually got legitimate reasons to develop and deploy the missile defenses and increase their presence in Northeast Asia. Both Russia and China believe that in fact Washington is deploying a regional arms race not against North Korea but against Russia and China, under the pretext of North Korea's missile threat. Unfortunately, the Republic of Korea is forced to take an active part in this, not being fully aware of a possible result – as irreversible aggravation of relations not only with Pyongyang, but with other North-East Asia neighbors as well.

The greater the external pressure on the DPRK, the stronger the closure of the country, oysters are tightly clamped shut when tapped, – this is the situation in which North Korea has appeared since the 1990s. In order to pacify Pyongyang, it is necessary to «soften» the pressure first; if you like, to «pacify» it in the traditional understanding of this word for the Far Eastern diplomacy. And it can happen by means of shifting from a multilateral format to a bilateral dialogue. Six-party talks in Beijing can be resumed, but will they be effective next time? We are pessimistic about it. Pyongyang needs guarantees of security, and the guarantees can be provided only on the basis of bilateral agreements with the United States.

People who did not ever live in the society with one sole ideology find it difficult to understand and accept many North Korean realities, and therefore foreign colleagues are often inclined to demonize the DPRK regime. The authorities of North Korea do not set a task to starve people to death or force them to work deathly hard labor; they also would like to see their country safe and prosperous.

Let's repeat: we would like Russian scientific and diplomatic community to formulate more clearly this idea in the course of contacts with foreign colleagues who are interested in a fair solution of the Korean problem.

Unfortunately, not only Pyongyang, but its vis-a-vis often behave quite destructively. The endless joint military exercises of the United States and the Republic of Korea, and the resumption of anti-North-Korean propaganda by Seoul can be considered as a clear provocation against DPRK. No one is trying to assess the possible destructive consequences of such behavior in case of easing the situation on the Korean Peninsula, and we consider that this looks at least unconstructive.

Politicians in the US do not understand or do not want to understand that the young North Korean leader, who might not be so strong and authoritative, is forced to react to such provocative actions; he cannot keep silence or neglect the situation for the sake of stability, he also must remember how popular he is with ordinary people and the ruling elite. All sharp actions of Pyongyang are caused solely by external irritation.

We believe that Russia's balanced and reasonable position do not need self-promotion, but also we consider the necessity to emphasize that only China and Russia are making a real contribution to the strengthening stability on the Korean Peninsula. Only they are ready to implement in the north of the peninsula joint projects with North Korea involving it in the international cooperation and teaching its leaders to behave in a civilized manner and to be guided by generally accepted norms.

Naturally, both Russia and China consider their own economic interests, but cooperation in the Free Economic Zone «Rason» and on the border rivers Amnokkan and Tumangan is a much greater contribution to solving the problems of the Korean Peninsula than short-term actions prepared with politicized pre-election purposes. North Korea can become an easy country to get on with not owing to the military maneuvers made directly near its territory, but owing to specific economic and humanitarian programs that are able to release tension of its economic, social, food and other problems...

Both sides need to break the vicious circle and stop aggravating the situation and this is the only way out. It is necessary to weaken the external pressure on Pyongyang so that North Korea does not have the feeling of «being forced into a corner» and try to make it so that the nuclear program will no longer seem to be the only trump card to DPRK leadership.

It is clear that the efforts of an individual party are not enough for this, the six-sided format should be changed, and firstly the five of them should decide what Pyongyang can be offered. The first step on this path has already been made: on behalf of the China and Russia, a real road map has been proposed, and now it is able if not to stop completely, then at least to prevent further degradation of the situation on the peninsula. Unfortunately, this initiative has been followed by further tightening of sanctions. In my opinion, the sanctions pressure on DPRK doesn't work and it already causes the opposite effect. We constantly stress the fact that anti-Russian sanctions help us solve many internal problems by mobilizing our own resources. The nature of North Korean society is initially (more than seventy years) built on a mobilization, a self-reliance basis, so it cannot be vulnerable to sanctions.

Conclusions and recommendations:

The North Korean nuclear program can hardly be influenced effectively as there is no any international mechanism that would ensure denuclearization of the peninsula. All parties would be interested in restarting the six-party talks with the adjusted agenda, where the denuclearization of the peninsula would include not only military and energy, but also socio-economic and political-psychological aspects. Another serious obstacle is that the DPRK is not integrated into the world's international community. Meanwhile it is well known that economic cooperation is the basic aspect of solving acute military and political problems.

So what can and should be done in this situation?

First, the demonization of the North Korean regime is a way to nowhere. The regime in the DPRK is odious and does not meet many criteria of the modern world but is it only one the same in whole world? There are enough countries on our planet you can keep making claims, but it won't figure out an escape from the situation. The North Korean regime should be treated as it is, and not sort of marginal as the «civilized» world community would like to see it. Let me remind that Russia, together with the DPRK, is referred to the «axis of evil» from the point of view of Washington, but for some reason Korean and Japanese colleagues are ready for dialogue with us.

In other words, we can come closer to understanding the real goals of the DPRK if we objectively assess the situation and the essence of Pyongyang's policy.

According to the American approach, North Korea is a *pariah* state which must be either altered or destroyed, and such approach doesn't contribute to mild transformation of the Pyongyang regime, but to its further mobilization and conservation in an unchanged form. It would be more rational to remove the factor of the external threat and to create more peaceful conditions for Pyongyang, then the turn of events will force the North Korean leadership to resort to controlled reforms.

Secondly, Russia has to make a choice what we really need. On the one hand, Russia cannot safely treat violation of the non-nuclear status of the Korean Peninsula, therefore we are not enthusiastic about the expansion of the «nuclear club» and cannot ignore the fact that the DPRK consistently violates one ban imposed by the UN Security Council after an-

other. But even more important to us is cross-border stability in the Russian Far East. Let me speak frankly: the American fuss over the «North Korean problem» and, especially, deployment of an American missile defense system along our Far Eastern borders – all this works against the interests of Russia. Scenario, which is prepared for the Korean Peninsula in Washington, is not good for us. On one side of the scale is the North Korean nuclear missile program, we have accepted coexisted with it for almost 20 years, on the other side – unpredictable American scenario.

Any political or military aggravation of the situation on the Korean Peninsula is not good for Russia as it threatens the internal stability of our state, and any conflict from there (humanitarian and technogenic) can be transferred to the territory of Russia. In such a situation, Russia should adhere to a neutral position in relations with North and South Korea in the political sphere, especially from the point of view of developing inter-Korean relations. Russia needs to be more independent and stand up for its views, for example, regarding US pressure on the DPRK, and express them on different levels. At the same time Russian Federation from the perspective of our national interests supports the denuclearized status of the Korean Peninsula and insists on a non-violent and diplomatic solution to the Korean problem as a whole and the DPRK nuclear missile problem in particular.

Russia should try to strengthen our influence on the peninsula specifically through cooperation with the Republic of Korea or in a trilateral format with participation of the DPRK, especially in the sphere of transport connection and the fuel and energy complex. Russia keeps its priorities straight as well as it realizes unconditional need to participate in solving the Korean problem, which requires the leadership of the Russian Federation to adhere to the principles of «limited inclusion» and «equal remoteness». Russia's Far East Policy contains only Positive Attitude towards the Unification of Korea. Moreover, any conflict in the Northeast Asia region directly threatens the military, political and economic security of the Russian Far East. Unfortunately, the existing paradigm on the Korean Peninsula for recent years has made this threat rather real. Under such conditions, the elimination of the main reason – the confrontation between the Republic of Korea and the DPRK – beyond any doubt, fits the fundamental interests of Russia in Northeast Asia.

If we call the American partners for restraint on North Korea and ask to stop demonizing it, then we should ask our South Korean colleagues to realize their full responsibility for the development of the situation on the Korean Peninsula. Not only Pyongyang, but Seoul is also responsible for preserving regional peace and security, and it is possible under conditions of a balanced relationship between two Korean states. It is time to remember that the Nobel Peace Prize 2000 was awarded to Kim Dae-jung «for his work... for peace and reconciliation with North Korea» and to proceed to the restoration of political and economic contacts between North and South¹². Otherwise it can result in a large-scale catastrophe that will go far beyond our region.

In a situation when the United States consistently and purposefully exerts a destructive effect on inter-Korean relations and uses gunboat diplomacy Seoul needs to restore the two foreign policy principles laid down since the late 1990s. and forgotten when the Conservatives came to power: (1) focus on reconciliation and cooperation with Pyongyang and (2) independency in foreign policy. South Korea should more independently solve the North Korean problem within the framework of direct contacts with North. At the same time, we recognize that the North Korea has to cease both missile launches and nuclear weapons tests for talks to begin. It is just what Moscow and Beijing are seeking today in the framework of the proposed roadmap. The South Korean leadership once again faces a choice: either to help Washington implement gunboat diplomacy in Korea, which is doomed to failure in advance, or to support the efforts of Russia and China. We can see the outcome of each of these two options, the question is how clear it is to the colleagues from Seoul...

The beginning of this year has brought a lot of positive to the situation on the Korean Peninsula, first of all, the position of the North Korean leadership has changed – they called Seoul to resume inter-Korean dialogue¹³. However, it's only a hope, and South Korea will have to show considerable flexibility and independence to succeed in coming it true, making it a reality.

¹²Seulskij vestnik (Seoul Herald). October, 25. 2000. URL: <http://vestnik.kr/people/2667.html> (in Russian).

¹³Nodong Sinmun (Labour Daily). January 2, 2018 (in Korean).

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**CHALLENGES AND FUTURE PROSPECTS
FOR INCREASING SOUTH KOREA-RUSSIA ECONOMIC
AND ENERGY COOPERATION**

Introduction

Russia and South Korea have cooperated in the economic and energy sectors for a long time, but the two countries' trade and investment volumes remain small. Northeastern China has a bigger economy and development potential than the Russian Far East, which has made investors focus on Northeastern China. Russia and South Korea promoted large-scale businesses with North Korea in the energy, transportation, and other sectors. However, North Korea's nuclear program left the businesses in the planning stage. Furthermore, low oil prices and Western sanctions against Russia have undermined investments between the two countries.

Companies of Russia and South Korea have taken a wait-and-see attitude toward the counterpart's market – in particular toward the Russian Far East. Meanwhile, the governments of the two countries have made a concerted effort to strengthen bilateral cooperation regarding diplomacy and security. Indeed, the current governments of Putin and Moon Jae-in strategically regard each other as a crucial partner. Despite that, the two countries have not produced a successful outcome in the Russian Far East. When it comes to gas import contracts, Russia sticks to the existing conditions (oil-indexed gas prices, destination clauses, and take-or-pay clauses) while South Korea, in which the share of new renewable is growing, needs to import gas based on flexible contract terms. If many petroleum products and petrochemical products are produced in the Russian Far East and exported to the Asia-Pacific region, the products will compete with those of South Korea. This is why South Korea's refining and petrochemical companies are reluctant to make investments in the Russian Far East. It seems that companies of both Russia and South Korea cannot find investment object and cooperation conditions which guarantee satisfactory results for their investments in the Russian Far East.

This study is to explain why Russia-South Korea trades and investments in the Far East have not increased considerably and see how this situation can be solved. In addition, conclusion of this study will show how the two countries seek co-prosperity in developing natural resources in the North Pole, cooperating with each other in shipbuilding and plant construction industries. The conclusion also includes ways for South Korea to participate in certain industries that the Russian Federation and the Far East want to develop and that need foreign investments.

Current Situation and Tasks for ROK-RF Economic Cooperation and Energy Trade

1) Current Situation

The import and export structure between Russia and South Korea is complementary. Russia exports to South Korea natural resources including energy resources and aquatic products, and Korea's exports to Russia are concentrated in manufacturing goods including automobiles and electronic products. Furthermore, the trade volume of the partner country (South Korea or Russia) accounts for just 2-3% in total trade volume. Although the share of South Korean products in the Russian market is declining, the share of Russian products in the South Korean market is increasing.¹

South Korea has global competitiveness in petroleum products, petrochemical products, machinery and equipment, automobiles and other transportation equipment, IT, sound and communication equipment. Russia has global competitiveness in hydrocarbon mining, coke and petroleum products, forestry, logging and related services, wood and wood products, nuclear fuel fabrication and metal manufacturing. However, South Korea's major export products are fiercely competing in the world market while Russia has a monopoly on the world market. Of course, the US is emerging as a new export powerhouse in the world energy market, and especially in Northeast Asia, so competition between US and Russian energy products (crude oil, LNG, coal) is expected.

¹ K-stat, <http://stat.kita.net/stat/kts/ktsMain.screen>

Over the past decade, bilateral trade in the service industry has increased very rapidly. Imports of services in Russia are growing at a rapid pace, and service exports from South Korea to Russia have also increased rapidly. However, in both countries, the service industry is far behind that of developed countries, so it will be difficult to increase the trade volume between the two countries within a short period of time.

South Korea has following strengths for entry into Russian market: quality products with price competitiveness, strong will of companies to open up export markets, relatively high competitiveness in advanced technology and innovation fields such as IT, comparative advantage of steel, automobiles, electric and electronics, machinery and shipbuilding, and various and aggressive marketing skills. South Korea, however, has weaknesses: lack of mid- to long-term vision and strategy to advance into the Russian market, lack of absolute information about Russia in general, lack of capital compared to competing multinational companies, and practical and psychological distance to the Russian market.

2) Main Obstacles and Tasks

There are several obstacles to increasing bilateral trade. Companies in both countries have pointed out quantitative restrictions, tariff and non-tariff barriers, complex customs procedures, and protection of intellectual property rights as main obstacle. A solution to this is to conclude a free trade agreement(FTA) between the two countries. There are various quantitative restrictions that Russia has taken in Korea. However, South Korea's restrictions on Russia were minimal. This is because Russian exports to Korea are mostly energy resources and raw materials.

Non-tariff barriers such as the Trade Technology Barrier (TBT) and the Sanitary Quarantine Measures (SPS) are also the main obstacles to increasing bilateral trade. According to the World Bank's Doing Business report for 2015,² Russia ranked 155th out of 189 countries in the "Foreign Trade Environment" category in 2015, and South Korea ranked third. Russia ranked 62nd and South Korea ranked 5th in the ranking of business en-

²The World Bank, Doing Business, <http://www.doingbusiness.org/>

vironment index. Meanwhile, the two countries are currently seeking to further expand cooperation in the field of government procurement. However, the Russian government procurement market is more closed to foreign companies than South Korea. Protectionism in the procurement sector is a trend that has continued in recent years after Russia joined the World Trade Organization (WTO). Therefore, it is very important to keep ongoing dialogue between the two governments in the field of government procurement.³

To eliminate these obstacles, first, the two countries should discuss various aspects and find some solutions such as improvement of customs clearance system, protection of investors and expansion of investment field, protection of intellectual property rights, transfer of manpower, securing of quota of fisheries and cooperation of energy resources. To strengthen the institutional basis for promoting these cooperative activities, the two countries should establish and expand consultative platform for each sector among government, business, institutes and expert groups.

Second, the two countries should continue their efforts to expand the share of trade with their counterparts and diversify their export and import product structure. Russia should secure global competitiveness for price, quality and terms of trade in the energy, commodity, energy processing, aerospace, and pharmaceutical industries. South Korea is highly dependent on foreign countries for energy resources, food resources and agricultural products. Therefore, in order to reduce dependence on imports from certain countries (the Middle East, the US, etc.), South Korea needs to strategically increase imports of energy, agricultural products and food products from Russia. In addition, Russia and South Korea need to build trust between the two countries by strengthening the market information provision system.

Third, the two countries will continue to nurture professional staff with expertise in market and trade regimes. In particular, transports of South Korea's manufacturing goods and Russian energy resources through the Arctic route are expected to increase in the long term, and it is imperative to nurture experts regarding the Arctic sea.

³Jae-Young LEE et al. (2015), Evaluation of Korea-Russia Economic Cooperation and its mid-to long term Visio, KIEP, Korea, p.65

Finally, the creation of a free trade zone between the Eurasian Economic Union (EAEU) countries and Russia will benefit all. Through the FTA negotiations, it will be possible to establish a production and sales network, promote direct investment between the two countries, and pave the way for a solid foundation for the development of new markets.

The following table is tasks for increasing trade for energy between Russia and South Korea. To increase trades for oil, natural gas and coal, it is necessary for Russia to increase the supply capacity of East Siberia and the Russian Far East. Furthermore, South Korea should have a bigger bargaining power in order to stably import Russian energy at a reasonable price. In order for the two countries to accomplish these goals, there are internal and external factors that affect in positive and negative ways.

Table 1

**Tasks for Increasing Trade for Oil, Natural Gas and Coal
between Russia and South Korea**

<i>Internal and External Factors Affecting Goals in Positive and Negative Ways</i>	
Tasks of Russia	Tasks of South Korea
<ul style="list-style-type: none"> - Increasing the supply capacity of East Siberia and the Far East (off-shore, onshore) • Internal Factors: limited foreign investment in upstream sector, rising development costs, strategies for expanding cooperation with Northeast Asian countries (New Eastern Policy of the Putin government), state-owned companies' monopoly in the energy industry • External Factors: released Western sanctions against Russia, low oil prices, expected increases in US energy exports to Northeast 	<ul style="list-style-type: none"> - Bigger bargaining power for importing Russian energy in a stable way at a reasonable price • Internal Factors: promotion of energy transition policy (de-nuclear, de-coal policy, promotion of new and renewable energy development), diversification policy of energy import area, transportation security strategy, consistent and effective policy promotion for overseas resource development • External Factors: North Korea's Nuclear/Ballistic Missile crisis, trade pressure of the US - Comprehensive negotiations with the Russian

<p>Asia, fiercer competition among energy suppliers in Northeast Asian markets, major countries' policy for energy conversion</p>	<p>government on the economy and energy sectors</p> <ul style="list-style-type: none"> • Internal Factors: South Korea's nine-bridge strategies • External Factors: Russia's development program for the Far East region and policy for developing strategic industry
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Source: Compiled by author

Current Situation and Tasks for ROK-RF Investment

South Korea's foreign direct investment accounted for less than 1% of Russia's foreign direct investment, and its share of foreign direct investment in Russia is similar. In the case of South Korea, direct investment in Russian automobile and auto parts is concentrated in Russia (60% in 2014), followed by wholesale and retail (10%), agriculture, forestry and fisheries (8%), mining (7%) and so on. What makes South Korean companies enter the Russian market is to advance into the local market, promote exports, and develop resources. In addition, South Korea's direct investment in the Far East and Siberia (about 35%) is second only to Moscow (about 46%). In particular, South Korea's investment in the Russian energy sector is discouraged due to low oil prices, Western sanctions against Russia, and resource nationalism of Russia. Furthermore, the United Nations and the US imposed sanctions against North Korea, which interrupted the North-related energy businesses (electrical grid connection, gas pipeline connection, modernization of energy supply facilities in North Korea, resource development in North Korea, etc.).⁴

Although the foreign investment environment in Russia has improved considerably with the accession to the WTO, the policy of resource nationalism in the energy sector continues. In addition, Russia's political risk is an important factor in the decision to invest in Russia. In particular,

⁴ The Export-Import Bank of Korea, <http://211.171.208.92/odisas.html>

the recent Western (the US, EU and Japan) sanctions against Russia caused by the Ukrainian crisis has been a major negative factor. Increases in oil and gas production due to the low oil price situation and the shale revolution in the US also greatly reduced investments in Russia in energy resources development.

There are ways to stimulate investment between the two countries. First, financial conditions need to be improved. In particular, Russian companies are transferring the burden of financing to foreign-invested enterprises entirely, especially since Western sanctions against Russia in 2014. In 2013, an investment fund called "South Korea-Russia Investment Platform" was prepared, but it has not been used yet. This is because financial support is limited to large-scale development projects in the Far East and Siberia such as energy, petrochemical, infrastructure and shipbuilding.⁵

Secondly, it is necessary to establish investment success stories in the fields of heavy industry such as energy, transportation, infrastructure, shipbuilding, offshore plants for resource development, high-tech industries such as medical devices, pharmaceuticals and IT devices, and agriculture, fisheries and groceries.

Table 2

**Tasks for Expanding Investment for Energy Processing
Products in the Russian Far East**

<i>Internal and External Factors Affecting Goals in Positive and Negative Ways</i>	
Tasks of Russia	Tasks of South Korea
<ul style="list-style-type: none"> - Expanding facilities and securing sales market •Internal Factors: inadequate technology and capital, poor foreign investment environment, limited introduction of foreign capital and technology, long-term availability of cheap raw materials as a resource 	<ul style="list-style-type: none"> - Growing interests in investments in Russia •Internal Factors: anxiety about investing in future competitors, uncertainty of investment economics, necessity of restructuring of energy consuming industry

⁵Jae-Young LEE et al.(2015), p.155

<p>producing country</p> <ul style="list-style-type: none"> • External Factors: fierce competition for petroleum and petrochemicals products in the Northeast Asian market - Consistently promoting development policy for the Far East with financial support • Internal Factors: needs for balanced regional development for political stability, sustain financial support for the Far Eastern region, fostering future growth industry in the Far East 	<ul style="list-style-type: none"> • External Factors: responding to climate changes and reducing greenhouse gas emissions - South Korean companies' EPC contracts in the Russian Far East • External Factors: severe Competition with Japanese and Chinese companies to win orders
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Source: Compiled by author

Expanding investment for energy processing in the Russian Far East requires new facility construction, sales market securing and governmental policies promoting local economic development in case of Russia, and changes in a passive, pervasive attitude to investment in Russia.

Outlook and Strategy for ROK-RF Economic and Energy Cooperation

1) Strategy to Increase Cooperation with Russia by Moon Jae-in Government of Korea

(1) New Northern Policy

Bilateral relations between Russia and South Korea have been improved since President Moon Jae-in took office. This came from the will of the Moon Jae-in government to actively promote the new northern policy. The government emphasizes cooperation with Russia in the following areas for the tasks of the administration of the top 100 projects.⁶

- Implementation of Korean Peninsula New Economy Map and Implementation of Economic Unification (National Policy Task 90): estab-

⁶ National Planning Advisory Committee (July 2017), 100 Point National Policy Agenda of Moon Jae-in Administration.

lishment of East Sea Energy and Resource Belt linking East Sea and Russia after co-development of Mt. Kungang, Wonsan.

- Establishment of a South-North Basic Agreement and Re-establishing Inter-Korean Relations (National Policy Task 91) and Peaceful Resolution of the North Korean Nuclear Issue and Establishing a Peace System (National Policy Task 95): establishment of peace on the Korean Peninsula through the redefined relations between the North and the South and denuclearization of the North. This is a necessary condition for resuming investment projects among South Korea, North Korea and Russia.

- Promoting diplomatic cooperation with the four neighboring countries (National Policy Task 97): promoting strategic development of South Korea-Russia strategic cooperation partnership through strategic communication for resolving the North Korean nuclear issue and strengthening South Korea-Russia economic cooperation, promoting high-level exchanges and expanding development cooperation in the Far East.

- Establishment of a responsible community in Northeast Asia (National Policy Task 98): promoting new Northern policy as a continental strategy such as strengthening Eurasia cooperation, foundation establishment for North-South-Russia triangular cooperation (Najin-Hassan logistics project, railroad/gas pipeline/electrical grid connections, etc.), an FTA between South Korea and the EAEU.

(2) Nine-Bridge Strategy to Increase Cooperation between Russia and South Korea

President Moon said, "the Russian Far East is a space where the policy of New Eastern Policy with Russia and the new Northern policy of Korea meet." If the rich energy resources of the Russian Far East are combined with Korea's capital and advanced technology, it would be the land of opportunity for the common prosperity of Russia, said President Moon at the Eastern Economic Forum in Russia held in Vladivostok in September, 2017. In addition, President Moon proposed a "Nine-bridge" strategy for cooperation in the Russian Far East.⁷

⁷ KBS World Radio, "Moon Jae-in government's New Northern Policy", http://world.kbs.co.kr/english/program/program_economyplus_detail.htm?No=6273

In other words, the South Korean government intends to cooperate with the nine bridges simultaneously: shipbuilding, port, railway, gas, electric power, arctic route, jobs, agriculture and fisheries. In addition, the government has set up the Northern Economic Cooperation Committee, which is the office under the presidency.

Furthermore, the South Korean government will promptly promote an FTA with the Russia-led EAEU in order to lay the foundations for a more robust and sustainable northern cooperation. Simultaneously, the South Korean government will actively cooperate with Russia based on the **Great Tuman Initiative (GTI)** within the multilateral framework of cooperation. The South Korean government intends to reopen the three-way cooperation between South Korea, North Korea and Russia, which had been suspended for the purpose of establishing peace on the Korean peninsula. If it is difficult to realize the current situation now, the South Korean government will seek cooperation with Russia to find viable projects and expand cooperation step by step.

2) Russia's Strategy to Increase Cooperation with South Korea based on Putin's New Eastern Policy

The Russian government is actively promoting the introduction of capital and technology from Northeast Asian countries including South Korea in economic development in the Russian Far East. To this end, the Russian government intends to build a large number of free trade zones in the region of Primorskiye and significantly increase its energy supply capacity for NEA. Russia has a strategy of negotiating comprehensive investment and trade in economic and energy sectors in cooperation with neighboring countries. In other words, the Russian government provides the opportunity to participate in the relevant investment projects (resource development, processing facilities and infrastructure construction, offshore plant construction, shipbuilding, etc.) for countries that import their energy resources in a stable way. In addition, Russia is demanding advanced technology transfer in cooperation with neighboring countries. For example, the Russian government has set up a resource-related plant and in-house production of transportation vessels as an important policy task, and is

proposing a strategic alliance linking South Korea's shipbuilding and plant companies with technology transfer and business license.

Although Russia is an attractive investment destination in that it has a large market and high profitability as well as a high potential for future investment, the risk is still high. If the Russian government continues to improve its trade and investment environment, South Korean companies will further increase their presence in the Russian market.

Both countries need to build a three-way traffic, logistics and energy network connecting the South Korea, the North Korea, and Russia to expand investment targets by constructing and operating ports. Once the inter-Korean relations are normalized, Russia's business in North Korea and North-South-Russia businesses will be revitalized.

In addition, Russia and North Korea have already begun work on the creation of the Special Economic Zone (SEZ) including the Advanced Development Territory (ADT) by South Korea, North Korea and Russia not only in the Russian Far East but also in the North Korean territory.⁸ When the ADT is established in North Korea, South Korean companies can produce products necessary for domestic demand and export, similar to the existing Gaeseong Industrial Complex, as well as products necessary for North Korea through cooperation with Russia. Finally, the two countries will create a special economic zone between South Korea and Russia to secure next-generation growth engines. South Korea has entered into an agreement in 1999 to establish industrial parks within the Free Economic Zone of Russia and Nakhodka, but has not yet been implemented. Since it is deemed difficult to fulfill the agreement due to changing environment over 10 years, we propose to set up joint production bases of the two countries in the ADT. It is also necessary to actively seek participation of Korean companies in the process of establishing an ADT.

Conclusion

Up until now, South Korea-Russia economic energy cooperation has largely been shrunk by major internal and external factors. When it comes

⁸ Integrated Foreign Economic Information Portal by Ministry of Economic Development of the Russian Federation, <http://www.ved.gov.ru/eng/investing/sez/>

to the internal factors, first, participation of foreign companies in Russia's resource development sector is limited. In Russia, foreign companies are not allowed to participate as operators of oil and gas deposits development. Second, the market size of the Russian Far East is small, making it difficult to attract foreign investment targeting the Far Eastern market. In those conditions, the investable target in the Russian Far East is the export industry that is targeting the Asia-Pacific market. However, the Russian Far East region is less competitive than the three northeastern provinces of China, as an industrial complex for export. Industries which the Russian government (the Russian Federation and local governments) want to foster are likely to compete in export markets with South Korea, China, and Japan, and therefore South Korean, Japanese and Chinese companies in these industries tend to be reluctant to invest in the Far East. For example, when petroleum refining and petrochemical complexes are built in the Far East, petroleum products and petrochemical products produced there will have to compete with products from China, South Korea and Japan in the Asia-Pacific market. Finally, there is a great lack of social overhead facilities and a large investment and time is required to build them. The Russian federal government is actively investing in infrastructure construction in the Far East with the Asia-Pacific Economic Cooperation (APEC) summit in Vladivostok in 2012, but it is far below the expectations of companies. Without inflow of private investment funds including foreign investment, it is impossible to solve the insufficient infrastructure problem.

In terms of the external factors, first, low oil price situation and the North American shale revolution showed a decrease in investment in Russian resource development and a decrease in demand for Russian oil and gas. Second, due to Western sanctions against Russia, the Arctic marine resources development project was stopped and foreign investment in Russia decreased significantly. Finally, UN sanctions against North Korea have resulted in the suspension of all North Korea-South Korea-Russia projects.⁹

⁹ Ministry for the Development of the Russian Far East, <https://minvr.ru/docs/>. Jeh Sung Hoon, Min Jiyong, Kang Boogyun, and Sergey Lukonin (August 28, 2015), "Recent Development in the Russian Far East-Baikal Region and Its Implication, KIEP World Economy Update, Vol.5, No.17.

The South Korea-Russia relationship is recovering with the announcement of President Putin's new strategy for the Russian Far East in 2016 (the Development Zone, Free Port of Vladivostok, and the Far East Development Fund to support investment projects) and South Korean government's new Northern policy in 2017. However, as mentioned above, the three external factors are unlikely to change significantly in the future. Above all, international oil prices have been rising in recent years, but it is not expected to rise rapidly as in the past. This is because major countries in the world are pursuing energy transition policies that promote the development of renewable energy. Western sanctions against Russia are not expected to be lifted in a short period of time. It is also unlikely that the North Korean nuclear crisis will be as soon as possible. If these external factors do not show signs of improvement in the mid-term, they should focus on improving internal factors.

In order to attract foreign investment in the Russian economy/energy sector in the Russian Far East, first, it is necessary to expand the range of foreign companies in the resource development sector. In addition, the supply of Russian gas to South Korea should be similar price to that of Middle East and US LNG exported to South Korea, and the contract conditions are as flexible as US LNG contracts (elimination of destination restrictions, take or share clauses).

Second, there is a need for government incentives, such as the introduction of investment return guarantee system, to attract private investment in infrastructure projects. In this regard, the introduction of Public Private Partnership (PPP) by the Russian government will have a positive impact on attracting private capital.

Third, investors should select the industries that do not have a conflict of interests between the Russian and South Korean companies, and that do not have a large initial investment or risk. Revised program “Socio-Economic Development of the Far East and Baikal Region until 2025” in April 2014, the federal entities in the Far Eastern federal districts were planning to develop industries for transportation, logistics, agricultural and aquatic products processing, wood processing, oil refining, petrochemical, and tourism. Among them sectors that are not mutually competitive and do

not have a high investment risk would be agricultural products, aquatic products processing, wood processing, and tourism. Russian and South Korean companies will be able to cooperate in the form of a joint venture to build a production plant in the Russian Far East. In addition, if infrastructure investment by PPP is activated, investment opportunities in transportation and logistics service industries will increase. Cooperation in the fields of petroleum refining, petroleum and gas chemistry and shipbuilding also requires a strategic cooperation between the two governments and two companies from Russia and South Korea. In this regard, Russia's Arctic resource development projects are some sectors that can dramatically increase South Korea-Russia cooperation. The two governments and related companies should find ways to create synergies in using Arctic sea route, expanding Arctic seaport facilities in the North Pole, developing resources, constructing offshore plants, and building icebreaking LNG carriers. If so, the economic and energy cooperation between the two countries will be dramatically increased, and bilateral relations will be further developed.

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KOREA'S TRADE IMBALANCE WITH RUSSIA: WHAT DO WE LEARN FROM IT?

Introduction

In the past several years economic relations between Korea and Russia have become more complicated. On the one hand, the 2010s are marked by the new opportunities for the development of bilateral and multilateral exchanges involving our countries. On the other hand, the geopolitical situation, as well as a number of objective economic factors, does not allow the relations between Russia and Korea to reach a high level.

Considering that South Korea and Russia's contemporary interactive history is about 25 years, most experts agree that the current economic relationship has barely reached its potential. Trade, which includes merchandised trade and service trade, do not provide a solution to the mutual objective of achieving a strategic partnership, which was proclaimed in 2013 as an ideology of relations between South Korea and Russia¹.

In this paper, when analyzing bilateral trade dynamics and structure author tries to highlight one of its peculiarities – “imbalance”. In the paper we make an attempt to understand the implications of trade imbalances regarding trade between Russia and Korea and identify conditions under which we should regard trade imbalance between Korea and Russia to be detrimental or benign. Taken together, imbalance dilemmas are worth examining in greater detail because they shed light on similar problems facing Russia's and Korea's trade policy as a whole.

Breaking down “trade imbalance”

Trade imbalance is a common term that means the difference between the monetary value of exports and imports in an economy over a certain period. A positive balance is when the amount of exports is greater than the amount of imports, and this is known as a trade surplus. Whereas

¹Joint statement of Russia and Republic of Korea// Problemy Dalnego Vostoka. 2014. # 1. P. 10. (*In Russian*)

the opposite (a negative balance), where there are greater imports than exports, is known as a trade deficit or trade gap.

In some cases bilateral trade balances reflect political judgment as to whether the foreign country is a “good” or “bad” trade partner as it is for Trump’s administration in USA for example². Actually this type of classification is not a useful guide for formulating trade policy even if we mention overall trade deficit. Bilateral trade balances make little economic sense as a guide to trade policy in the 21st century. The bilateral balance approach recalls mercantilist doctrines of the 17th century.

The presence of a trade deficit, or an increase in the trade deficit is commonly reported as a sign of distress. Similarly, a decrease in a trade deficit, or increase in a trade surplus, is commonly viewed as a sign of strength in an economy. In general, it is simply not true that a trade deficit is a sign of a weak economy and a trade surplus is a sign of a strong economy.

One of the main reasons trade deficits are considered deleterious is because of a common argument that trade deficits result in job losses. The effect of excessive imports is said to be the purchase of cheaper foreign goods by domestic consumers rather than purchasing the slightly more expensive domestic varieties. Thus it is said that trade deficits cause the loss of domestic jobs³. Another reason given for low exports, especially in the developed countries, is the relatively high barriers to trade in developing countries.

An ongoing trade deficit is detrimental to the nation’s economy when a country is a large international debtor and when growth or prospective growth is low. Trade deficits become a problem if accumulated borrowings result in a substantial reduction in consumption and standard of living for its citizens during the repayment periods.

Alternatively, trade deficits are less worrisome if they accompany increased investment and other stimuli to economic growth. Trade deficits may represent a country that is merely drawing down previously accumulated foreign savings or selling other productive assets, in which case there

²US Bilateral Trade Balances: A New Guide to Trade Policy? <https://piie.com/blogs/trade-investment-policy-watch/us-bilateral-trade-balances-new-guide-trade-policy>

³ Policy and Theory of International Finance. <https://2012books.lardbucket.org/books/policy-and-theory-of-international-finance/s06-02-trade-imbances-and-jobs.html>

is no potential for default or reduced living standards in the future. Here, the trade deficit is either immaterial or even beneficial in that the nation is able to achieve a higher current living standard because of it.

Finally, in a free market economy, trade deficits may simply reflect the aggregated choices of many individuals to forgo future consumption to achieve more current consumption. In this case, the trade deficit should be viewed as immaterial since it merely reflects the free choices of the nation's people⁴.

A country's balance of trade is influenced by all of the factors that affect international trade. These include factor endowments and productivity, barriers to trade, investment activity and fiscal policy, even a lack of infrastructure as it can increase the relative cost of getting goods to market. Demand also affects the balance of trade. Merely knowing that a country has a trade deficit, or that a trade deficit is rising, is not enough information to say anything about the current or future prospects for a country. The truth about trade deficits is that sometimes they are good, sometimes they are bad, but most times, they just don't matter.

Russian-Korean Trade History: From 1990s to 2010s

Economic relations between Russia and Korea have a relatively short history. In 1970s economic contacts took place episodically or in some cases through third countries.

In 1987 President Roh Tae Woo proclaimed "Northern Policy" to promote exchanges with socialist's countries. After Soviet Union team participated in the 1988 Summer Olympics in Seoul Moscow took steps to establish official contacts with South Korea. In 1989, trade offices were opened in Moscow and Seoul, direct sea and air routes established between the two countries, visits of businessmen and officials increased. All these contacts and actions stimulated to the rise of direct trade between the countries.

Russian-Korean economic relation began to develop actively in 1990s, when diplomatic ties between the two countries were established. At that time Korean interest towards Russia stemmed from a desire to gain

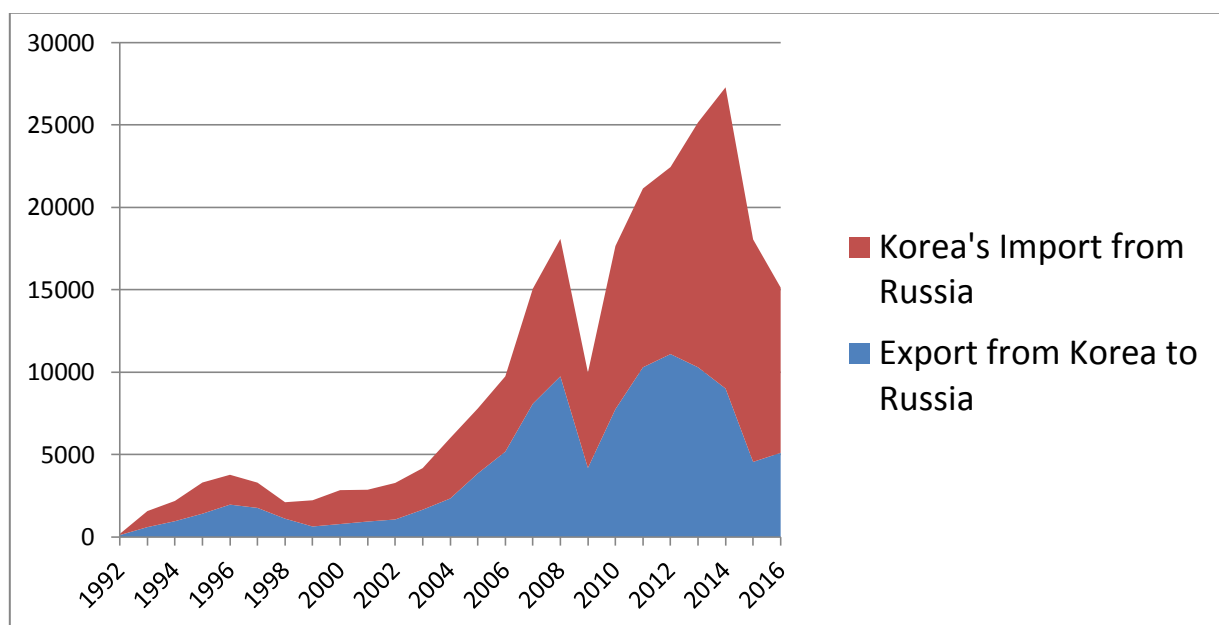
⁴What Do We Learn From Bilateral Trade Deficits? <http://econofact.org/what-do-we-learn-from-bilateral-trade-deficits>

access to the rich mineral resources of Russia. Russia, on the other hand, urgently needed to attract investment and spur economic development of the country, especially the backward regions of the Far East⁵. Republic of Korea in the early 1990s was regarded as a source of investment in the manufacturing sector as well as the supplier of high-quality consumer goods for Russian market.

Given all that, merchandised trade between Korean and Russia mainly settled into Korean exports of electric home appliances (color TVs, refrigerators etc.), textiles, footwear, furniture, and Korean imports of raw materials (oil, steel, metal goods, wood, coal, seafood, non-metallic ore) from Russia.

At that time, Russia had just begun opening its market, so awareness of Western products was limited. It made entry of South Korean consumer goods easy but due to the low purchasing power in Russia Korean export did't grew fast. On the other hand, abundant and cheap Russian natural resources and raw materials found Korean sales channels rapidly⁶.

Russia-South Korea Trade in 1992–2016



⁵Konstantin Korenevsky. "Russia-Korea trade and investment cooperation: current tendencies and perspectives" A Joint Conference of AKES, RCIE, and KDI. July 3-4, 2004. Sungkyunkwan University, Seoul, Korea. at <<http://faculty.washington.edu/karyiu/confer/seoul04/papers/korenevskiy.pdf>>

⁶Konstantin Korenevsky, Op.cit.

As we can see from the tables, there are several phases in the dynamics of trade between Russia and Korea. In the period 1992-1996 a rapid growth in trade was recorded, the turnover increased almost 20 times in a four year (from \$ 193 million to \$ 3,770 million). At the same time, Korean imports grew faster, which led to an increase in the Korean trade balance deficit.

In 1990s bilateral trade grew steadily, but the sheer volume of trade remained low, reaching only 2.23 billion USD in 1999 (1.59 bln USD for Russian exports and 0.64 for Korean export). At the period Russia maintained a trade surplus with Korea.

Table 1

South Korea – Russia Trade in 1992–2004 (mln. USD)

	1992	1994	1996	1998	1999	2000	2001	2002	2003	2004
Korea's Export to Russia	118	961	1967	1114	640	788	940	1066	1660	2339
Korea's Import from Russia	75	1229	1810	999	1590	2058	1930	2217	2522	3671
Turnover	193	2191	3777	2113	2227	2846	2870	3283	4180	6010
Korea trade balance with Russia	43	-267	157	115	-953	-1270	-990	-1151	-862	-1332

Source: <http://stat.kita.net/>, <http://www.customs.ru/>

The period of rapid growth was interrupted in 1998 by the consequences of the financial crisis in Korea (1997) and Russia (1998). Turnover fell by 36% in 1998, and entered a new phase of stable growth only in 2001. While South Korea-Russia trade grew quickly, the other areas of cooperation such as attraction of investments, tourism, scientific and technical cooperation. etc., didn't progress. Even though Korean companies had made various attempts at direct investment in Russia, it only resulted in a few small investments. This was partly caused by post-Soviet Russia's unstable social circumstances and institutional chaos after its implementation of radical reform. However, the main reason was the lack of information that South Korean companies had about Russia's domestic market

and the Russian people, which made it difficult to carry out investments. Therefore, the share of Russia in the South Korea's overseas direct investment remained very small, less than 1%.

So in late 1990s the relationship has fallen short of expectations because both trade and investment cooperation in was not growing as fast as the mutual interest promised. Situation changed in 2000s, when economic relations between the two countries entered a full-blown growth phase, as Russia's economic situation took a favorable turn.

The following tables indicate the dynamics of Russia-Korean trade turnover in 2005-2010s.

Table 2

South Korea – Russia trade in 2005–2016 (bln USD)

	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
Turnover	7,80	9,75	15,07	18,09	9,98	17,66	21,15	22,45	25,18	27,29	18,06	15,14
Korea's exports to Russia	3,86	5,18	8,09	9,75	4,19	7,76	10,30	11,10	10,30	9,01	4,56	5,11
Korea's Imports from Russia	3,94	4,57	6,98	8,34	5,79	9,90	10,85	11,35	14,86	18,28	13,50	10,03
Trade balance (as for Korea)	-0,08	0,61	1,11	1,41	-1,6	-2,14	-0,55	-0,25	-4,56	-9,27	-8,94	-4,92

Source: <http://stat.kita.net/>, <http://www.customs.ru/>

In the period from 2001 to 2014, the turnover, and both its components – exports and imports, with a few exceptions, grew steadily: the trade turnover increased almost 10 times, from \$ 2 billion 870 million in 2001 to \$ 27 billion 290 million in 2014.

In the 2000s, the composition of traded products changed. The growth in trade in mid-2000s was attributed to increase in the supply of cars and auto parts, while in early 2000s it has been enhancing because

to the growth in the supply of consumer and food products as well as investment flows into Russia. Since 2005 vehicles, parts and accessories, buses account for 65.9% of total South Korea's exports to Russia. The rest of the exports were presented by construction equipment, synthetic polymers, electronics etc.

Major Russia exports to South Korea include crude oil, natural gas, ferrous metals, fish, timber. Russia ranked ninth in the list of oil suppliers to South Korea, the first place as a supplier of natural gas, 9th place – an uranium supplier. Since 2015, for 30 years 7.5 million tons of gas from Russia will be annually supplied to Korea, which is 25% of the domestic consumption in South Korea [3].

It was after the mid-2000s when direct investments of South Korean companies in Russia increased, although this was not strictly a Korean phenomenon since Russia was becoming a global host country. Korean Investments inflows into Russia are unstable. 2008 and 2009 gave a big boost in investment, and their annual volume reached a record figure of \$ 427,873 in 2009, in 2010 started their decline due to the unhealthy situation in the global financial markets.

At the initial stage of Russian- Korean relations Korean investments were primarily concentrated in the Russian Far East, specializing mostly in the exploitation of natural resources. In the 2000s investors started to switch over to the European part of the country, in which consumer demand is much higher. While other countries concentrated on investing in material resources in Russia, South Korean companies invested in local production and the sale of processed goods, including automobiles.

The share of the Republic of Korea in Russian Far East turnover was far above the national average, amounting to 28.2% in 2012. Russian Far East in became the flagship of the Russian-Korean cooperation, although its role is still limited to raw material supplies and transit functions. Russian Far East lacks labor market and consumer market density to be important for Korean exports and for investments that are often tied to the market.

As for investment, so far the accumulated amount of direct investment of South Korean companies in Russia, over \$2 billion, had been less than one percent of South Korea's entire overseas direct investment.

It does not correspond to the relatively high activity of South Korean investors in the world. Considering this figure, investment relations had not been as active as trade relations during this same time period.

In 2014 the trade volume between South Korea and Russia exceeded \$27 billion. Turnover average growth accounted for 25% in the period from 2002 to 2014. In the early 2010s the Republic of Korea entered the top ten exporters in Russia with a share of 3.8%. Russian export to the Republic of Korea share less – 2.6%. In 2012 Russia became the 10th largest importer and the 12th largest exporter of the Republic of Korea.

Sudden collapse of the Russian currency in 2014, when ruble fell for more than twice within a year, resulted in a sharp decline in trade turnover in 2015 – it was reduced to the level of 2010. In 2015 Russia took only 23th place in the list of importers of Korean products (in 2012 – 10th place). Import from Russia decreased slightly less than in 2015 – 27.8%, and Russia has maintained 9th place in the list of exporters to Korea. As it was already mentioned, starting from 2004 – 2005 years almost half of the exports of the Republic of Korea in Russia were automobiles and parts. In 2015, imports of this particular commodity group decreased more significantly.

Commodity Trade Imbalance

Let us consider the dynamics of commodity exports and imports of the Republic South Korea in regard with imbalance in commodity turnover. The graph below reflects the dynamics of the trade balance between the two countries from the position of Korea.

The statistics showed several phases in the trade deficit dynamics. In the 1992-1996, there was a rapid growth in trade, when in several years the trade increased almost 20 times. In this period Korean imports grew faster, which has resulted in the increase of the trade balance deficit for Korea⁷.

In the period from 1999 to 2005, this process intensified, which resulted in an even greater predominance of Russia's export over Korea's.

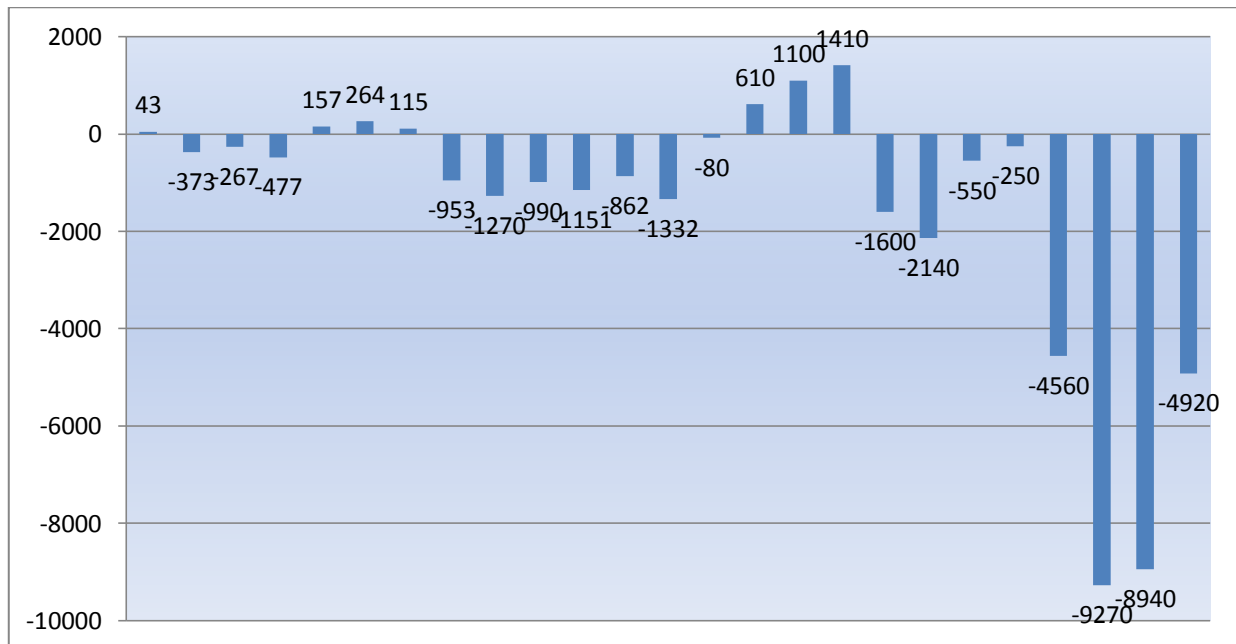
The period from 2006 to 2009 was marked by the growing Russia's bilateral deficit with Korea. During this period, the demand in Russia had grown

⁷ Konstantin Korenevsky. Op.cit.

significantly, and this led to the active promotion of Korean goods. In 2009, exports from Korea once again became less than Russia's and Korea start to record trade deficit with Russia. Since 2013 the Korea's bilateral trade deficit was growing and reached record figures in 2014 (9270 billion USD).

The general imbalance of trade implies the need for an in-depth analysis of trade dynamics and structure.

Korea Trade Balance with Russia in 1992–2016



The trade intensity index (T) is used to determine whether the value of trade between two countries is greater or smaller than would be expected on the basis of their importance in world trade. It is defined as the share of one country's exports going to a partner divided by the share of world exports going to the partner. It is calculated as: $T_{ij} = (x_{ij}/X_{it})/(x_{wj}/X_{wt})$, where x_{ij} and x_{wj} are the values of country i 's exports and of world exports to country j and where X_{it} and X_{wt} are country i 's total exports and total world exports respectively. An index of more (less) than one indicates a bilateral trade flow that is larger (smaller) than expected, given the partner country's importance in world trade.

The intensity index of Russian-Korean trade, calculated according to data for 2016, was 1.26 for Russia's exports, and 0.86 for Korean exports. This means that Russia's exports to Korea are more intense than Korean

exports to Russia. To some extent it can be argued that South Korea is a more significant trading partner for Russia than Russia for Korea.

The export diversification (or concentration) index (DX) for a country is defined as: $DX_j = (\text{sum } |h_{ij} - x_i|) / 2$, where h_{ij} is the share of commodity i in the total exports of country j and h_i is the share of the commodity in world exports. The related measure is the concentration index or Hirschman (H) index, which is calculated using the shares of all products in a country's exports: $H_j = \text{sqrt} [\text{sum } (x_i/X_t)^2]$. The *concentration index* takes values between 0 and 1. A value closer to 1 indicates a country's exports or imports are highly concentrated on a few products. On the contrary, values closer to 0 reflect exports or imports are more homogeneously distributed among a series of products.

Thus, the export concentration index of the Republic of Korea to Russia was 0.202 in 2012, and it was 0.120 in 2015, thus demonstrating a downward trend. In both cases it means a high degree of diversification of Korean exports. As for Russian exports to Korea, the concentration index in 2012 was 0.632, and 0.560 in 2015. Thus, it is obvious that Korea's export to Russia is more diversified than Russia's exports to Korea. The fall in the ruble exchange rate, which occurred in 2014, contributed to the further diversification of Korean exports, as exports of cars fell drastically. The high degree of concentration of Russian exports is due primarily to the predominance of raw materials in its structure – energy resources, fish, timber. So far Korea's export should be seen as a more stable so far, less vulnerable to change in prices.

So far the Korea's trade deficit with Russia is growing, but for a number of reasons it is not a significant or critical phenomenon for Korea.

First, the Korea's trade deficit with Russia is quantitatively small given its overall trade surplus. Relatively small deficit with Russia does not lead to a debt increase, since in general Korea is maintaining a trade surplus.

Secondly, the trade deficit with Russia does not take jobs from the Korean economy. This judgment comes from the analysis of commodity structure. It is obvious that there is practically no intra-industry trade between Russia and Korea.

The third concern about the trade deficit is the statement about the competitiveness of the Russian economy itself, that is Russia's exports inefficient structure. However, if we Russia's exports will acquire a more favorable structure and high-value-added goods will prevail in it, and if this export pattern spreads to Korea, the question of whether Korea has lost jobs in these industries will cease to be theoretical. However, in our opinion, this is a problem of a very remote perspective, but quite real.

Given the above observations, it should be noted that the problems associated with the trade deficit for each country is different. For Korea, the growing trade deficit can cause a problem of job losses, for Russia, given its inefficient trade structure – the trade surplus does not seem to be a significant achievement.

Service trade

In the modern economy, it is surely too limiting to consider goods only. International trade in services is growing and its importance to trade overall is increasing relative to trade in goods. The services economy and trade in services are becoming more important for the growth and development prospects. Although it was too early to conclude that Russia's share of international trade in this sector would be significant, the aim of integrating Russia into the world economy naturally meant the expansion of participation of its services suppliers in the international division of labor.

As of 2015, the total export of services of Russia amounted to \$ 49 billion 123 million, while imports – \$ 87 billion 124 million. Trade in services in Russia is characterized by a chronic deficit, which continues to increase, especially after a significant depreciation of the ruble in 2015.

As for services trade between Russian and Korea, Table 3 indicates the dynamics in the period from 2002 to 2015.

As can be seen from the table, the volume of trade in services between the two countries has continuously increased in the period up to 2014, exceeded 1 bln USD in 2008. The import of services from the Republic of Korea also showed a steady upward trend in the period from

2002 to 2014, while in the export of Russian services to the Republic of Korea, during the period under review, there were periods of spasmodic growth and decline. In 2015 a sharp decline in service trade was recorded. The reason was the devaluation of Russian currency.

Table 2

Service Trade between Russia and South Korea

	Service Trade Turnover	Korean Service Exports to Russia	Russian Service Exports to Korea	Trade balance (as for Russia)
2002	426 165 346	218 265 657	207 899 689	- 10 365 968
2003	475 099131	218 739 631	256 359 500	37 619 859
2004	538 990310	194 420 990	344 569 320	150 148 330
2005	636500861	260 971 387	375 529 474	114 558 087
2006	810 592000	358 833 000	451 759 000	92 926 000
2007	881 943 213	371 749 042	510 194 171	138 445 129
2008	1120 239109	518 834 189	601 404 920	82 570 731
2009	1 140 790338	602 539 969	538 250 369	- 64 289 600
2010	1221319194	665 497 985	555 821 209	- 109 676 776
2011	1133321140	666 015 353	467 305 787	- 198 709 566
2013	1389963240	824 452 221	565 511 019	- 258 941 202
2014	1 394 018259	824 146 137	569 872 122	- 254 274 015
2015	1151935404	715 957 320	435 978 084	- 279 979 236

Source: <https://comtrade.un.org/data>

There are no reliable data on the structure of trade in services, but it can be assumed that their basis is made up of tourism services trade, in particular medical tourism to South Korea, which had been growing from the mid-2000s.

The visa-waiver agreement of short-term visitors between South Korea and Russia, which went into effect in early 2014 boosted the tourist ex-

changes. Due to its transport accessibility Far Eastern Russia attracts a lot of tourists from Korea. On the other hand the devaluation of the ruble made trips to Russia cheaper for foreigners. The number of Koreans who visited Russia in 2014 amounted to 135 thousand people, while 214 thousand Russians visited Korea. The number of Koreans who visited Russia in 2015 increased by 13% the previous year. Roughly the same figure the number of Russians who visited Korea in the same year has decreased⁸.

The balance of bilateral trade in services demonstrates an interesting dynamics. In the period from 2002 to 2009, Russia recorded a positive balance of trade in services with South Korea, whereas since 2009, when the balance became negative, the deficit is constantly growing, so Russia has been confirming its status of a net importer in service trade.

The deficits in service trade, which is associated with travel in this case, can be explained by the lack of adequate infrastructure capable of satisfying the demand of tourists from Korea and other countries. Another problem exists. A significant part of profits from tourists are not invested in the development of the region as it is re-exported to Korea through Korean tourist firms.

With regard to trade in services, the most pressing concern of the Russian Federation, which was still a net importer of services, is to develop its national services infrastructure and an adequate legislative basis, and to strengthen its export potential in services.

Russian – South Korean Trade Relations: Current Issues

As Russia's President Putin and South Korea's President Moon stated after their meeting in Vladivostok in September, 2017, both countries are deeply interested in promoting bilateral relations. As we can see from the analysis given above, bilateral trade is not balanced qualitatively and quantitatively and requires attention in formulating new trade patterns from both sides.

First, Russia's ineffective export commodity structure is already a well-known problem. What makes the situation worse is that the attempts

⁸Alexander Galushka: tourists from Asia should spend money in the Far East <https://minvr.ru/press-center/news/11073/> (*In Russian*)

to improve the situation seem to be vain. For example sudden collapse of the Russian currency in 2014, when ruble declined 40 percent against the dollar, never made Russian exports more competitive and didn't increase it. Due to ineffective structure of Russia's export and declining oil prices in 2015 Russian export to Korea shrunk from \$18.28 billion in the previous year to \$13.5 billion⁹. In this regard overall export competitiveness should be Russia's priority.

Second, much of the trade that would naturally take place between countries fails to materialize due to insufficient trade-related infrastructure. The physical infrastructure for trade (ports, roads, pipelines and handling facilities) in Russian Far East is inadequate. Less visible but no less important are the soft trade-related infrastructures of border and logistics management (shipping, air transport, telecommunications, business environment). Thus both countries should seek for the development of the trade-related infrastructure. It means a wide range of things – from tourist infrastructure regarding service trade to new logistic schemes involving North Korea.

In this regard geo-economic conditions should be mentioned. North Korea crisis do not contribute to the growth of trade, while North Korea itself can be viewed as a factor conducive to the formation of effective logistic schemes in North East Asia. Both Russia and South Korea can use the opportunities provided by the economic relations with North Korea for the Russian-South Korean cooperation. This is one of the reasons to seek for the dialogue with North Korea.

For example, investing into the Rason Trade intermodal transshipment complex and reconstruction of the railway between Khasan and Rajin is currently one of such projects. The primary goal of the project was to launch international container traffic from the station of Rajin along the Trans-Siberian Railway but because of the deterioration of the Inter-Korean relations the project purpose was switched to the coal transportation from Russia. New coal transportation corridor from Russia is primarily profitable for consumers in the South and Southeast China, as well for South Korean conglomerates. In December 2014, the Rajin logistic project

⁹Russian Federation Customs Service Trade Statistics. – http://www.customs.ru/index.php?option=com_newsfts&view=category&id=125&Itemid=1976

the first Russian shipment of coal was delivered to the South Korean city of Pohang. The Rajin-Khasan logistic scheme was examined and positively evaluated by POSCO. However, after a deterioration of the situation on the Korean Peninsula in 2016 Rason temporarily lost relevance as a project contributing to the development of Russian-Korean relations.

Third, Russia should take into account new South Korean administration proactive policy towards Russia and be ready to make an adequate answer. Korea made some steps to the institutionalization of cooperation with Russia – the Presidential Committee of Northern Economic Cooperation was established as an institution to promote cooperation with Russia. Some proposals in the sphere of energy from Korea has been made¹⁰. They imply the increasing gas imports to reopening the discussion of a long envisioned project to build a natural gas pipeline through North Korea. Institutionalization of bilateral relations will help to promote major projects involving the two countries: developing agriculture in the Russian Far East; fishery or forest products processing, infrastructure projects like Trans-Korean Railway Trans-Siberian Railway (TKR-TSR) linkage etc.

Last but not least is the issue of free trade agreement between the countries. An FTA could help raise trade by liberalizing the flows of goods and investments, build better economic relations. However, in the current circumstances FTA will not bring significant benefit at bilateral level, regarding Russia and South Korea trade policy and trade structure liberal status. But if we mention the Eurasian economic Union (which now consists from Russia, Belarus, Kazakhstan) as a counterpart for FTA agreement the situation is supposed to be more promising.

Conclusions

1. In late 1990s the relationship between Korea and Russia has fallen short of expectations because both trade and investment cooperation was not growing fast. Situation changed in 2000s, when economic relations be-

¹⁰Statements of Russia's President Putin and South Korea's President Moon Regarding Economic Cooperation and North Korea. Sep 6, 2017. <https://www.globalresearch.ca/statements-of-russias-president-putin-and-south-koreas-president-moon-regarding-north-korea-and-economic-cooperation/5608089>

tween the two countries entered a growth phase. In the period from 2001 to 2014, the turnover increased almost 10 times to \$ 27 billion. Sudden collapse of the Russian currency in 2014, when ruble fell for more than twice within a year, resulted in a sharp decline in trade turnover in 2015.

2. Korea's growing trade deficit with Russia is not a significant or critical phenomenon for Korea. First, the Korea's trade deficit with Russia is quantitatively small given its overall trade surplus. Secondly, the trade deficit with Russia does not take jobs from the Korean economy. This judgment comes from the analysis of commodity structure which shows there is practically no intra-industry trade between Russia and Korea.

3. In the period from 2002 to 2009, Russia recorded a positive balance of trade in services with South Korea, whereas since 2009, when the balance became negative, the deficit is constantly growing. The deficits in service trade, which is associated with travel, can be explained by the lack of adequate infrastructure capable of satisfying the demand of tourists from Korea and other countries. Another problem exists. A significant part of profits from tourists are not invested in the development of the region as it is re-exported to Korea through Korean tourist firms.

4. Seeking for balance between economic and foreign policy goals seems to be the central dilemma of the Russian-Korean relations. While Russia hopes that the economic agenda in Russian-Korean cooperation will prevail or at least not be linked to the political issues, South Korea seems to be expecting for the improving of the inter-Korean relations with Russian help. Trade occupies a special place in economic relations. Trade is less connected with the political agenda, reflects the interest of small and medium-sized businesses, international and domestic market conditions, the level of development of social contacts. One of the main prerequisites for the trade integration between Russia and Korea is the complementarity or asymmetry of their structures, which almost completely excludes competition between our countries in foreign markets.

Section II
RECENT DEVELOPMENT
OF RUSSO-JAPANESE / RUSSO-ROK RELATIONS
FOR THE FUTURE TRILATERAL COOPERATION

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RUSSIA-JAPAN AND RUSSIA-KOREA RELATIONS:
COMPARATIVE ANALYSIS

This chapter compares relations within two interstate dyads in North-east Asia: Russia-Japan and Russia-South Korea. Drawing upon realist and constructivist approaches, the author analyzes structural factors in these bilateral relations, examining the current state of the relationships and assessing their prospects.

**The conundrum of Russo-Japanese relations:
too complex to be solved?**

The Russia-Japan dyad is a complex and multi-dimensional phenomenon, which features a complicated interplay of geopolitics, politics of memory, mutual perceptions, and domestic politics. In order to better understand Russo-Japanese relations, the combination of neoclassical realism and Wendtian constructivism can be especially fruitful.

1) Realism in the Russia-Japan politics: balancing and strategic diversification

The alliance with the United States remains the “cornerstone” of Japan’s security policy. However, Tokyo now proceeds from the assumption that exclusive reliance on the US is getting unsustainable and risky. Apart from Washington, new allies and partners are needed. Abe seeks to form coalitions with as many countries as possible who share Tokyo’s concerns

about “Chinese expansionism.” Such a policy can be labeled strategic diversification, or hedging.

From the very beginning of his premiership, Abe has been promoting the concept of the “security diamond,” or Quad, a coalition of the four maritime democracies (Japan, the US, Australia and India). Another thrust of Abe’s diplomacy has been the building of ties with Southeast Asian nations, especially with Vietnam, the Philippines and Indonesia. Tokyo views them as potential allies in containing Beijing’s push into the South China Sea.

Tokyo’s strategic diversification policy cannot but take into account Russia, one of the key powers in Eurasia and the Asia-Pacific. Tokyo’s best-case scenario would be for Russia to join Japan and its allies in their political-military containment of China. However, Japanese strategists are aware that this scenario is unrealistic in the foreseeable future. Unlike India and Vietnam, Russia has no major disputes with China, while Moscow and Beijing’s strategic interests converge to a great degree. Russian leaders have repeatedly made it clear that improved relations between Russia and Japan don’t change the fact that China is Russia’s chief partner in Asia.¹

The more realistic goal of Japanese diplomacy toward Russia is to secure Moscow’s neutrality in the intensifying confrontation between Tokyo and Beijing.² After the cold war, “the Northern threat” (from the USSR/Russia) ceased to be a major concern for Japan.³ Moreover, “after the deterioration of Japan’s relations with China the Japanese began to look to Russia as a moderate and reasonable force.”⁴ Having to focus its main efforts on dealing with a potential threat in the south-west (from China), it would be extremely undesirable for Tokyo to redirect resources to respond to challenges that could re-emerge in the north.⁵

¹ Лавров: визит Путина в Японию не отражает перемен в отношениях России со странами региона. January 25, 2017, <http://tass.ru/politika/3970642>

² Tsuruoka M. “Strategic Considerations in Japan-Russia Relations: the rise of China and the U.S.-Japan alliance.” In *Japan and the Sino-Russian Entente*. Seattle: The National Bureau of Asian Research, 2017, p. 14.

³ National Defense Program Guidelines. Dec. 17, 2013, http://www.mod.go.jp/e/d_act/d_policy/national.html

⁴ Kawata A. “The return of the LDP’s Old Guard.” Russian International Affairs Council. Feb. 6, 2013, http://russiancouncil.ru/inner/?id_4=1366#top-content (in Russian).

⁵ Jimbo K. “Sino-Russian Military Cooperation and Japanese Defense Policy.” In *Japan and the Sino-Russian Entente*. Seattle: TheNationalBureauofAsianResearch, 2017, p. 27.

Russia understands Tokyo's concern and is apparently playing a diplomatic game to get Japan to buy its neutrality with the maximum benefit for Moscow. One of the Kremlin's tactical lines may be to demonstrate Russia's ability to complicate the military equation for Japan in the geographic areas Tokyo considers sensitive and important to Japan's security. Russian Ministry of Defense has been emphasizing "unprecedented measures" to develop military infrastructure on the Kuril Islands and Sakhalin.⁶ In particular, military facilities are to appear on the Northern Kuril island of Matua. In 2016, on the islands of Kunashir and Iturup, in close proximity to Japan, anti-ship missile batteries were deployed. Furthermore, it was announced that an army division will be placed on the Kurils.⁷ Russian strategic bombers regularly buzz Japanese airspace⁸, while Russian Pacific Fleet's warships and submarines have become more frequent visitors off Japan's shores. This, unsurprisingly, causes some apprehension in Tokyo.⁹

One more troubling signal to Tokyo was the appearance, in June 2016, of Russian warships near the Senkaku Islands in the East China Sea. Given that Chinese military vessels were simultaneously spotted close to the disputed islands, this looked like a coordinated action.¹⁰ In November the same year a Russian naval helicopter was detected near the Senkakus.¹¹ Furthermore, Russia and China have been holding annual naval exercises in East Asia. In September 2016, the drills were for the first time held in the South China Sea. The same month Putin made the statement in Hang-

⁶ Минобороны принимает "беспрецедентные меры" для усиления военного присутствия на Курилах и Сахалине. May 27, 2017, <http://www.newsru.com/russia/27may2016/minoborony.html> ; Курилы накачивают мышцы. June 17, 2016, <https://www.utro.ru/articles/2016/06/17/1286577.shtml#ad-image-0>

⁷ Минобороны разместит дивизию на Курилах в 2017 году. Feb. 22, 2017, <http://www.kommersant.ru/doc/3226851>

⁸ Franz Stefan-Gady. "Japan Scrambles Fighter Jets to Intercept 3 Russian Strategic Bombers." Jan. 26, 2017, <http://thediplomat.com/2017/01/japan-scrambles-fighter-jets-to-intercept-3-russian-strategic-bombers/>

⁹ Ministry of Defense (Japan), Defense of Japan 2016 (Tokyo, 2016), p. 78–79, http://www.mod.go.jp/e/publ/w_paper/pdf/2016/DOJ2016_1-2-4_web.pdf.

¹⁰ Япония озадачена появлением кораблей КНР и РФ у спорных островов Сэнкаку. June 9, 2016, <https://ria.ru/world/20160609/1444812469.html>

¹¹ Russian patrol helicopter spotted near Senkakus. Nov. 23, 2016, http://www3.nhk.or.jp/nhkworld/en/news/20161123_05/?utm_content=buffer21b2f&utm_medium=social&utm_source=twitter.com&utm_campaign=buffer

zhou rejecting the validity of the Hague Tribunal's verdict on the South China Sea, thus expressing solidarity with Beijing. Display of the ever closer political and military ties between Russia and China serves as a message to both Washington and Tokyo.

What does Moscow seek through such military and diplomatic gestures? This pressure tactic can be called "inducement to be a good neighbor". In such a manner, the Kremlin telegraphs that until Tokyo shows readiness for full normalization of bilateral relations, Russia's military capabilities in the Pacific will hold Japan at close range, while the Russian-Chinese strategic partnership on the issues that are most sensitive to Tokyo, such as the East and South China Seas, will continue to grow stronger. Moscow's another objective is to convince Tokyo to think twice before making any moves under the US-Japan alliance that might jeopardize Russia's national security. First and foremost, Moscow is concerned about Japan's participation in regional and global missile defense systems being built by the US.¹²

Russia's use of political-military pressure as a leverage with Japan is akin to Japan's traditional tendency to employ trade and investment to induce Moscow to make concessions on the territorial issue. This is very much in line with the realist logic: in executing their foreign policies states rely on those dimensions of their material power where they enjoy comparative advantages. For Russia, this is political-military potential, for contemporary Japan, it is economy.

Similar to Japan, Russia is interested in strategic hedging and diversification, even though for Moscow this is arguably less pressing than for Tokyo. The Kremlin seeks to avoid too much dependence on China. Moscow's steps towards Tokyo are part of its realist strategy to craft a more balanced diplomacy towards Asia.

2) *A constructivist approach to Russo-Japanese relations*

Alexander Wendt's constructivism draws analogy between interstate interactions and interpersonal relationships. According to Wendt, states are anthropomorphic actors which, like humans, can develop amicable or hos-

¹²Vladimir Putin's remarks during the meeting with the heads of international news agencies. June 1, 2017, <http://kremlin.ru/events/president/news/54650>

tile relations. It is important that both friendly and unfriendly relations are not predetermined. They develop in the process of the states' interaction. The initial encounter of actors carries special significance: "The very first social act creates expectations on both sides about each other's future behavior...If repeated long enough, these 'reciprocal typifications' will create relatively stable concepts of self and other..."¹³

The Wendtian model of interstate interaction may appear somewhat speculative and notional. In reality, it is often impossible to capture the moments of initial meaningful contacts between states, especially if their ties go deep into ancient history. Yet in the case of Russia and Japan it can be done. It is well known that their first interstate contacts occurred in the late 18th – early 19th century. In 1792-93, Russia's first diplomatic mission, led by Adam Laxman, visited Hokkaido and secured permission for a future visit to Nagasaki for official negotiations. However, Russia only decided to use this permission a decade later. Russia's second embassy in 1804-05, headed by Nikolai Rezanov was rejected by Japanese authorities. Angry with the refusal of the shogunate to start negotiations on trade and diplomatic ties with Russia, Rezanov ordered military action to punish and intimidate the Japanese. From October 1806 to June 1807, two Russian warships, *Yunona* and *Avos`*, under the command of the naval officers Nikolai Khvostov and Gavriil Davydov, raided Japanese settlements on Sakhalin, Iturup and the Rishiri Island off Hokkaido. Japan's response was predictable. Expecting another assault by the Russians, the Japanese authorities stepped up military presence in Hokkaido, Iturup and Kunashir. In 1811, the Japanese garrison on Kunashir captured the captain of the Russian boat *Diana* Vasily Golovnin and several of his men, who spent in Japanese captivity over two years.

Even though the Russian government disavowed the actions by Khvostov and Davydov, the damage was done. The incident was crucial to the entrenchment of the "Northern threat" notion in Japan. Of course, one should not deduce the entire history of the Russo-Japanese relationship exclusively from the pirate raid of *Yunona* and *Avos`*. Yet there is no doubt

¹³Alexander Wendt. "Anarchy is What States Make of It: The Social Construction of Power Politics." *International Organization*. 1992. Vol. 46. № 2 (Spring), p. 405.

that this sad event greatly affected its further trajectory. Subsequent multiple hostile acts, repeated over two centuries from both sides, have formed the prevailing environment of distrust and alienation between the two nations. These include: rivalry for domination over Korea and Manchuria culminating in the 1904-05 Russo-Japanese war; the Japanese intervention in the Russian Far East in 1918-22; the tense military standoff in the late 1930s with the battles at Khasan and Khalkhingol (Nomonhan); the Soviet Union's entry into the war against Japan in August 1945, which, in the Japanese view, violated the 1941 Neutrality Treaty; the fate of over 600,000 Japanese prisoners of war, of which one in ten perished in the Soviet captivity. In the post-war period, the relationship was aggravated by Japan's participation in the cold war as a US ally against the Soviet Union and by the emergence of the South Kuril/Northern Territories problem. Finally, today the bilateral relations are complicated by Tokyo's support for the US-led anti-Russian sanctions and Japan's collaboration with the US on missile defense systems.

As Wendt points out, “[s]elf-help security systems evolve from cycles of interaction in which each party acts in ways that the other feels are threatening to the self, creating expectations that the other is not to be trusted.”¹⁴ This sounds like a very apt description of the condition in which Russia and Japan find their bilateral relations after more than two hundred years of interstate contacts.

Is it possible to break out of this “vicious cycle”? This requires exercise of political will. The first step must be a resolute political choice to normalize relations. Ideally, it should be a simultaneous decision by Moscow and Tokyo. In practice, such a synchronousness is unlikely. Someone must make the first step or a series of steps in the hope that the other side would reciprocate. It seems that it is Japan, under Shinzo Abe, who is trying to convey goodwill toward Russia. This is manifested in a number of ways, such as unprecedented personal courtship of a Russian top leader by a Japanese prime minister, establishment of a unique ministerial office dedicated specifically to Russia, “2+2” meetings of foreign and defense ministers (this format had previously

¹⁴Wendt, *op. cit.*, p. 406.

been reserved only for Tokyo's closest partners), hosting in Tokyo of Russia's top military officers blacklisted in other G7 countries.

The problem is, Abe's goodwill gestures toward Russia are still mostly of symbolic nature. Tokyo may imagine them to be a wholly "new approach", but, from Moscow's perspective, these measures do not go far enough. What the Kremlin wants from Tokyo is not some vague promises about Japan's willingness to assist in the technological modernization of Russia and the development of the Russian Far East, but massive investment and trade contracts. In this respect, the results of Abe's "new approach" are still extremely modest. Moscow is especially unhappy about the absence of big economic projects that could indicate a new, higher level of bilateral relationship.

Furthermore, the Kremlin is disappointed that Tokyo continues to support the regime of anti-Russia sanctions.¹⁵ For Japan, alliance with Washington is still far more important than the improvement of ties with Moscow and the resolution of the territorial dispute. At the Nagato summit in December 2016, on which the Japanese side pinned high hopes, the Russians signaled their displeasure in a very constructivist spirit, using the semantics of gestures. Putin was three hours late with the arrival in Nagato, rejected the gift of another Akita dog puppy and politely refused Abe's invitation to bathe in a hot spring. Putin's accentuated restraint, contrasting with Abe's enthusiasm, was meant to send a message: Russia expects from Japan more substantive economic and political steps that could prove Tokyo's desire to normalize relations. That said, it is important that Putin personally refrains from moves that might offend the Japanese and complicate the dialogue. It is, for example, very telling that Putin has never visited the disputed islands.¹⁶

¹⁵ Михаил Коростиков. Япония подводит территориальные итоги. Dec. 19, 2016, http://www.kommersant.ru/doc/3175044?utm_source=kommersant&utm_medium=mir&utm_campaign=four

¹⁶ In the Russia-Japan story, Putin apparently plays the good cop, while the bad cop role is assigned to Prime Minister Dmitri Medvedev. When he was President, Medvedev became the first Russian leader to make a trip to the South Kurils, provoking Japanese indignation. In February 2017, Medvedev ordered the naming of previously nameless Kuril islets, including some of those under dispute. One of these islets was named after the Soviet general Kuz'ma Derevyanko who received Japan's surrender on September 2, 1945. Unsurprisingly, this decision caused Japanese protests.

3) *Is there still any hope left for Russia-Japan relations?*

From the realist perspective, now is a very opportune moment for Russia and Japan to finally set about mending ties. Japan is ever more alarmed about China and is increasingly unsure about the US security guarantees. What is no less important is that Japan's political class appears to seek more independence and sovereignty for the country. This makes it both possible and necessary for Japan to improve relations with Russia. Normal and good-neighborly relations with Moscow would give Tokyo more comfort and confidence in an increasingly uncertain geopolitical environment. Pursuing stronger ties with Russia is part of Japan's hedging strategy, along with the making of coalitions with India and Southeast Asian countries.

Russia, too, is interested in some strategic rapprochement with Japan. First, this will hedge the risks stemming from Russia's rising geo-economic dependence on China. Second, a more independent and less pro-Western Japan would be in line with Moscow's vision for a multi-polar, or polycentric, world order.

It is important that each side possesses specific kinds of material resources that the other lacks. Russia holds vast geopolitical and military potential. Japan seeks to ensure that Russia's hard power is at least not directed against it. For its part, Japan is rich in capital and technology while also boasting a very deep market. These are just what Russia badly needs to spur the growth of its Far East. Thanks to such mutual complementarity, the territorial dispute could be de-emphasized and cease to be the most significant factor in bilateral relations. It is noteworthy that some Japanese experts have begun to propose the formula of "security in exchange for economic cooperation" for Russo-Japanese relations, without even mentioning the territorial issue.¹⁷

The constructivist analysis paints a far less optimistic picture. Over more than two centuries of interaction Russia and Japan have accumulated too much negative perceptions and feelings toward each other, with the territorial problem being just the most visible symptom of the miserable state of bilateral relations. To demolish the walls of mutual distrust and bitter-

¹⁷Masato Kamikubo. "Sharing the wealth to melt the ice: Japan and Russia." PacNet #18. Feb. 22, 2017, <https://www.csis.org/analysis/pacnet-18-sharing-wealth-melt-ice-japan-and-russia>

ness, geopolitical and balance-of-power motives may not be enough. Positive gestures toward each other, based on mutual political will to end the vicious cycle of enmity, are essential. Such gestures should be not only symbolic but also substantive, aiming to considerably upgrade economic, social and humanitarian links between the two countries. So far the two sides have been making limited and cautious steps which no doubt have some positive impact, but are not nearly enough to transform the relationship.

By the end of 2017, much of the high expectations, on both Russian and Japanese sides, is gone. Tokyo is beginning to sense that the resolution of the territorial problem has hardly become any nearer. In turn, it has become exceedingly clear to Moscow that, for Japan, alliance with the US is much more important than any promise of better relations with Russia. Also, Moscow appears to get disillusioned with the prospects for large-scale Japanese investments.

That said, the current situation in Russia-Japan relations may not be hopeless. There is still potential for some progress in economic, humanitarian and political-security ties. And, as Wendtian constructivism reminds us, there always remains a possibility, however slight, for political leaders to exercise existential freedom and achieve a breakthrough. So I wouldn't completely dismiss the potential significance of the Putin-Abe personal relationship.

Russia and South Korea: a more optimistic story?

1) Positive factors in Russia – Korea relations

Compared to the complexity and controversies found in the Russo-Japanese relationship, the Russia – Korea story is more optimistic. There are at least four major factors that make Russian – South Korean ties more 'normal' and more sustainable.

First, bad historical memories do not drive the Russian – Korean politics. It is fair to say that Russia and Korea have significantly less negative perceptions between them than is the case in the Russia-Japan dyad. In particular, it is important that Russia and Korea have never fought a war against each other. They have no territorial and sovereignty disputes. This is not to say that Russian-Korean relations are free of any bad legacies. Think, for example, of the Stalin-ordered forced relocation of Soviet

Koreans from the Russian Far East to Central Asia in the late 1930s. Or consider the Soviet role in dividing the Korean peninsula after the Second World War and subsequent events of the cold war in which Seoul and Moscow were adversaries until the normalization in the late 1980s. The most tragic episode of that period was probably the downing by the Soviets of a Korean Airlines passenger jet over the Russian Far East in 1983. No doubt anti-communism is strong in South Korea and there are still residual anti-Soviet sentiments in some circles in the South Korean society. But, importantly, it seems that South Koreans tend to make a distinction between the contemporary Russia and the former Soviet Union and do not hold the modern Russia responsible for whatever damage the Soviet Union might have done to Korea. This stands in stark contrast to how Russia is perceived by Japan. The Japanese appear not to differentiate much between the Tsarist Russian Empire, the Soviet Union and the modern Russia. For the Japanese, all the three political entities are exactly one and the same.

Second, the role of the ethnic Korean community is important. There are over 100,000 thousand people of Korean descent who are Russian citizens. Many of them live in the Russian Far East. Ethnic Koreans are extremely well integrated into Russian society, with many of them succeeding in business, politics, science, education and culture. They form a natural lobby for the development of Russian-Korean ties, a powerful extra link between the two countries, and represent a living image of the Korean nation – a mostly positive image – to many Russians. In contrast, there is no ethnic Japanese diaspora in Russia. The members of the Japanese community that had begun to form in Russia at the turn of the 20th century, mostly concentrated in Vladivostok, chose to return to Japan after the communist Soviet forces took control of the Russian Far East in the 1920s.

Third, there is a powerful incentive why South Korea needs good relations with Russia. Without Russian support, the goal of reunification will be much more difficult to achieve. For its part, Russia is, in principle, interested in a unified Korea. Russia does not see a swift, or accelerated, unification of Korea as desirable or possible. Yet, in the long term, Russia would welcome the emergence of a united Korean state, provided the uni-

fied nation is fully independent and not subordinate to any of the great powers. In Moscow's strategic thinking, a single and fully sovereign Korea would contribute to a multi-polar balance of power in Northeast Asia, a kind of the regional order that Russia sees as highly desirable. The preference for Korean unification, albeit as a long-term prospect, sets Russia apart from China and Japan who have little interest in the emergence of a strong unified state on their borders. For Beijing, it would be difficult, if not impossible, to absorb a united Korea into its sphere of influence. For Tokyo, a single and powerful Korea could mean a new rivalry exacerbated by the negative historical memories. The US would prefer a unified Korea that is in alliance with Washington. However, in the long run, it is not inconceivable that the US would value a non-aligned Korea, especially if America shifts to an offshore balancing grand strategy. This leads to potential convergence of Russian and US interests on the future of Korea.

Fourth, and finally, South Korea's alliance with the US inevitably imposes limitations on how far cooperation between Moscow and Seoul can advance. As long as Russia and the US remain adversaries, Washington will simply not allow its junior allies to get too close with Russia. This is certainly the case with Japan, America's most important ally in the Asia-Pacific. However, measured against the US–Japan alliance, South Korea's strategic ties to America are arguably less assured, while the country's anti-American sentiments are much more widespread, compared to Japan. In the eyes of many in Washington, in terms of alliance reliability and loyalty, Seoul ranks behind Tokyo and Canberra. South Korea's alliance with the US is mainly the result of the threat from the North. Once this threat is gone, it is far from certain whether the South Koreans will keep the alliance with America, especially considering China's growing displeasure with South Korea providing a foothold for American military forces on the East Asian landmass. Under Chinese pressure, gradual finlandization of South Korea cannot be ruled out. This could lead to the hollowing out of the alliance or its outright demise. The fact that Seoul's alliance with Washington is not quite "iron-clad" – and can become even less so – is clearly a plus for Moscow and provides more space for the development of ties between Russia and the Republic of Korea.

2) *Russia – Korea relations under Moon Jae-ing*

Since the late 1990s, Russia has made a point of maintaining amicable and equidistant—or equally close—relations both with the North and the South. Moscow learned—especially from its experience in the 1990s, when it all but abandoned the DPRK and prioritized the ROK, that tilting exclusively toward either party diminishes its diplomatic influence on the peninsula. Therefore, Russia gives equal value to its political relations with Pyongyang and Seoul, even though economic ties with the South outstrip those with the North by far.

Under the conservative administration of Park Geun-hye (February 2013 – May 2017), Russia-ROK relations somewhat cooled. Even though, unlike Japan, South Korea has not formally joined Western sanctions against Russia, Moscow saw Park as being too pro-US. It was also unhappy with Park’s hard-line stance toward the North. The Kremlin was irritated at what it viewed as Seoul’s persistent attempts to get Russia to ramp up pressure on the North in exchange for some vague promises of economic megadeals that South Korea would be willing to grant Russia once the North Korea issue was “solved.”

In September 2016, President Park visited Vladivostok, attending Russia’s Eastern Economic Forum and holding a meeting with Putin, their first bilateral talks since November 2013. The atmosphere at the Russia-Korea summit was polite, but the meeting failed to deliver any significant results. This was especially obvious compared to all of the excitement of the Putin-Abe summitry in 2016, with the Japanese leader unveiling in Vladivostok a grandiose vision of how Tokyo could help boost the development and modernization of Russia and its Far East. Park’s promises of South Korea’s economic collaboration with Russia were tepid and modest, failing to impress the Russian hosts.¹⁸ She primarily came to Vladivostok to persuade Putin to put more pressure on North Korea, essentially linking any future large-scale South Korea’s investments in the RFE with the resolution of the North Korea problem. In this respect, she went away with little. Moscow made it clear that, despite serious concerns about North Ko-

¹⁸ Олег Кирьянов. Итоги встречи Путина и Пак Кын Хе во Владивостоке: поулыбались и остались при своем мнении. Sep. 5, 2016, <http://olegkir2002.livejournal.com/76567.html>

rea's nukes and missiles, Russia was not willing to assist the South in bringing about the Pyongyang regime's collapse. Even if promised a few billion dollars of South Korean investments, Russia was – and still is – unlikely to be persuaded to turn its back on the DPRK.

The premature departure of Park and the election, in May 2017, of the progressive candidate Moon Jae-in was met in Moscow with cautious optimism. The Kremlin sees the new South Korean leader as less pro-Washington, much more open to engagement with the North, and more willing to strengthen relations with Russia.

Moon considers Russia as one of the four major powers who are crucial to South Korea, the three others being the US, China and Japan.¹⁹ Even before he visited Tokyo and Beijing, one of Moon's first foreign trips was to Russia: Moon attended the Eastern Economic Forum in Vladivostok in early September 2017 and met with Putin. According to various sources, the meeting was quite cordial and probably more productive than Park's talks with Putin a year earlier.²⁰ In October 2017, Sergey Lavrov noted with satisfaction that Moscow's relations with Seoul "have been visibly growing."²¹ As a sign of giving a higher priority to Russia, Moon created the Northern Economic Cooperation Committee, a presidential body tasked with boosting economic ties with Russia, China, and possibly, North Korea.²² The committee is chaired by former Mayor of Incheon Song Young-gil, a prominent political supporter of Moon and an old friend of Russia. The committee chairman position gives him the rank equivalent to that of a deputy prime minister of the South Korean cabinet. In May 2017, just after taking office, Moon dispatched Song to Moscow as his special envoy to meet Putin. Song is known as an enthusiast of closer cooperation with Russia. Song went on the record saying that Russia is "ex-

¹⁹ "Moon urges improved ties with four major powers for peaceful end to NK nukes," *Korea Herald*, October 25, 2017, http://www.koreaherald.com/view.php?ud=20171025000807&ACE_SEARCH=1&__s=uodw3dvouwdwzbqqastf.

²⁰ Authors' conversations with Russian and South Korean diplomats, Vladivostok, Moscow, Sept. 2017.

²¹ "Russia's relations with South Korea on the rise, Lavrov says," *TASS*, October 13, 2017, <http://tass.com/politics/970539>.

²² "Song Young-gil to head presidential panel," *Korea Times*, August 25, 2017, http://www.koreatimes.co.kr/www/news/nation/2017/08/356_235428.html.

tremely important for normalization of inter-Korean relations and for reduction of tensions in the region.” Pointing out that “the leaders of China and North Korea are not getting along well,” Song suggested that Russia—and Putin personally—“can act as the mediator to facilitate improvement in Pyongyang’s relations with Seoul, Beijing and Washington.”²³

Although Moscow has some positive expectations for the Moon administration, the Kremlin entertains no illusions. Russian analysts and policymakers are aware that Moon’s freedom of maneuver is rather limited. On the one hand, he is constrained by the alliance with Washington, in which South Korea is a junior partner. Even though Moon is apparently uncomfortable with Trump’s tough stance on North Korea, he cannot afford to openly contradict the US president. On the other hand, he cannot ignore the South Korean military and security establishment who are overwhelmingly pro-American and anti-North. Thus it remains to be seen how far the current rapprochement in Russian-South Korean ties goes and what impact, if any, it will have on the security situation on the Peninsula.

Conclusions

The prospects for Russia – South Korea relations look much better than is the case in the Russia – Japan dyad. Two main factors constrain the improvement of Russo-Japanese relations: first, the problematic legacy of history, aggravated by a territorial dispute; and, second, Japan’s alliance with the US. By contrast, between Russia and South Korea, there are no major mutual grudges and historical traumas. Furthermore, in the Korean case, alliance with the US seems less sacrosanct. In future Seoul may well decide that, for the sake of better relations with China and Russia, the US alliance can be downgraded. Because of the North Korea problem, South Korea needs Russia more than Russia needs South Korea. This provides another strong incentive for Seoul to be on good terms with Moscow. There is definitely much warmer atmosphere in the Russian-South Korean interactions compared to the Russo-Japanese relations, additionally supported by a large and well-integrated community of Russian Koreans. One

²³ Interview with Song Young-gil, *Rossiyskaya Gazeta*, June 6, 2017, <https://rg.ru/2017/06/09/iu-zhnaia-koreia-rossiia-eto-shans-dlia-resheniia-severokorejskoj-problemy.html>.

crucial indicator is the visa-free travel regime that exists between Russia and Korea, which facilitates tourism and other exchanges. Unfortunately, no such thing exists between Russia and Japan.

There are objective limitations to the Russia – South Korea cooperation. After all, South Korea's economy is relatively small, just one-third the size of Japan's and one-tenth that of China's, measured at purchasing power parity. For this reason, and out of considerations of strategic hedging, Russia cannot afford to concentrate on Korea and China while ignoring Japan, just as Korea cannot turn its back on Japan in favor of the Eurasian continental neighbors, China and Russia.

On a more general note, it is well known that efforts at multilateral regional cooperation and community building can significantly contribute to alleviating and transcending long-standing bilateral problems between nation-states. Northeast Asia is long overdue for initiating an inclusive regional community, in which Russia, Korea, Japan, as well as China and perhaps Mongolia, must be primary participants.

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THE NORTH KOREA FACTOR IN RUSSO-JAPANESE RELATIONS AND PERSPECTIVES FOR A TRILATERAL COOPERATION

Introduction

Does the North Korea factor affect the Russo-Japanese relations and, if yes, how? And how does it affect the perspectives for a trilateral cooperation between Russia, Japan and South Korea? To answer these questions, we shall consider, first of all, the current status of proposed partnership between Russian and Japan, then what have been discussed between Moscow and Tokyo, and finally in what scenario the weight of South Korea's leverage may tip the delicate balance between different options for Moscow and Tokyo as well as Beijing and Washington.

Russo-Japanese "Partnership"

To discuss the current status of the proposed Russo-Japanese partnership, it would be convenient to start with the most official statements made by the Japanese and Russian governments. Here is a quotation from the Japanese government's diplomatic bluebook 2017, published on 25 April 2017:

"In recent years, Russia places importance on the development of the Russian Far East and the East Siberia and has been proactively enhancing relations with the states in the Asia-Pacific region that is a center of the growth of global economy. The development of the relations with Russia as a partner in the Asia-Pacific region contributes not only to Japan's national interests but also to peace and prosperity of the region. Japan and Russia have developed cooperative relations in various fields including security, economy and human exchange; whereas, the Northern Territories Issue restricts development of Japan-Russia relations. While placing importance on close relations between the leaders and for-

... eign ministers, the Government of Japan is strenuously working to resolve the Northern Territories issue and conclude a peace treaty with Russia." (Diplomatic Blue Book 2017)¹

The basic logic here is that the development of Russo-Japanese relations benefits Japan's national interests as well as the peace and prosperity in the region and that the territorial dispute is the major obstacle. Only if the territorial dispute should be solved, they would become partners not only for the benefits of the two nations but also for the entire region of the Asia-Pacific. This is very different from what was stated in bluebook 2007, published during the first premiership of Abe Shinzo (Sep. 2006 – Sep. 2007), in which the focus was on the bilateral relations:

"In Japan-Russia relations, private-sector economic relations deepened to a level never seen before, while intergovernmental relations developed further through active dialogue. The heads of state held frequent telephone dialogues, as did the Foreign Ministers. Japan and Russia also utilized international meetings, including the G8 summit, to hold direct bilateral talks. The first dialogue between Prime Minister Abe and President Putin was held on the occasion of the APEC Summit in November. At that time, the leaders agreed on further development of cooperation between the two countries across a broad range of fields based on the "Japan-Russia Action Plan." (Diplomatic Blue Book 2007)²

In 2007, the Russo-Japanese relations didn't have much more than bilateral issues. Multilateral frameworks such as G8 or APEC were mentioned here, not for the two country's multilateral cooperation, but just as occasions for bilateral meetings. Compared to the 2007 edition, it is clear that in ten years the Japanese side has become more interested in working with the

¹ <http://www.mofa.go.jp/policy/other/bluebook/2017/html/chapter2/c020501.html>

² http://www.mofa.go.jp/policy/other/bluebook/2008/html/h2/h2_05.html [visited 28 January 2018].

Russian government not only in bilateral terms but also "as a partner in the Asia-Pacific region" including the issues of regional security.

The Russian side is not officially interested in a partnership with the Japanese government. Here is the statement in *Foreign Policy Concept of the Russian Federation* published in 2016:

*The Russian Federation will continue to build good-neighbourly relations and promote mutually beneficial cooperation with Japan, including with a view to ensuring stability and security in Asia-Pacific.*³

As Sergei Sevastyanov pointed out, the 2016 version of the *Foreign Policy Concept* "somewhat mirrored the statement in the 2016 Japanese Diplomatic Bluebook about ties with Russia"⁴ and, in any way, is much more favorable for Russo-Japanese relations than the previous version of 2013 which limited the scope of the Russo-Japanese relations strictly bilateral⁵. But what is striking is that even in the 2016 version there is no mention of partnership between the two countries. The 2016 version of the *Foreign Policy Concept* paper talks about Russia's partnership with the EU⁶ and NATO,⁷ in spite of the difficult relations with those international organizations especially after the outbreak of the crisis in Crimea and

³ "Foreign Policy Concept of the Russian Federation (approved by President of the Russian Federation Vladimir Putin on Nov 30, 2016)", http://www.mid.ru/en/foreign_policy/official_documents/-/asset_publisher/CptICk6BZ29/content/id/2542248 [visited 28 January 2018], paragraph 88.

⁴ Sergeu Sevastyanov, "Hopes and Realities in Relations Between Russia and Japan: Is a Breakthrough Possible?", 34 *East Asia* (2007), pp. 39-62, at 47.

⁵ "The Russian Federation is willing to promote dynamic development of good-neighborly and multi-dimensional relations with Japan. In parallel with progress on the whole range of bilateral and international cooperation issues, Russia will continue the dialogue to find a mutually acceptable solution to unsettled issues." ("Foreign Policy Concept of the Russian Federation (approved by President of the Russian Federation Vladimir Putin on 12 February 2013)", <https://www.rusemb.org.uk/in1/> [visited 28 January 2018], paragraph 85)

⁶ "The EU remains an important trade and economic and foreign policy partner for Russia. The Russian Federation is interested in constructive, stable and predictable cooperation with EU countries based on the principles of equality and respect for each other's interests." (Ibid, paragraph 63)

⁷ "Russia will build its relations with NATO taking into account the degree to which the Alliance is ready to engage in equitable partnership, strictly adhere to the norms and principles of international law, (...)." (Ibid, paragraph 70)

Eastern Ukraine. It also mentions Russia's partnership with China⁸, with India⁹, with ASEAN.¹⁰ It may be understandable that it does not talk about a partnership with the U.S.¹¹ But it is striking that Moscow treats, as far as the *Foreign Policy Concept* paper is concerned, North Korea and South Korea on an equal footing¹² and does not consider Japan as a partner. In other words, China is the only partner in East Asia for Russia. If Japan and South Korea are somewhat important for Russia, it is only to avoid too much economic dependence on China¹³.

While the Japanese government seeks to establish a partnership with the Russian government to work on the peace and stability in the Asia-Pacific, the Russian government sees the relations with the Japanese government only in terms of building "good-neighbourly relations" (which should be built there in the future) and promoting "mutually beneficial co-

⁸ "Russia will continue developing comprehensive, equal, and trust-based partnership and strategic cooperation with the People's Republic of China, and proactively step up cooperation in all areas." (Ibid, paragraph 84)

⁹ "Russia is committed to further strengthening its special privileged partnership with the Republic of India based on shared foreign policy priorities, historical friendship and deep mutual trust, as well as strengthening cooperation on urgent international issues and enhancing mutually beneficial bilateral ties in all areas, primarily in trade and economy, with a focus on implementing long-term cooperation programmes approved by the two countries." (Ibid, paragraph 85)

¹⁰ "Russia seeks to reinforce a comprehensive long-term dialogue partnership with the Association of Southeast Asian Nations (ASEAN) and achieve a strategic partnership." (Ibid, paragraph 80)

¹¹ "The Russian Federation is interested in building mutually beneficial relations with the United States of America, taking into consideration that the two States bear special responsibility for global strategic stability and international security in general, as well as vast potential in trade and investment, scientific and technical and other types of cooperation." (Ibid, paragraph 72)

¹² "Russia is interested in maintaining traditionally friendly relations with the Democratic People's Republic of Korea and the Republic of Korea, and will seek to ease confrontation and de-escalate tension on the Korean Peninsula, as well as achieve reconciliation and facilitate intra-Korean cooperation by promoting political dialogue." (Ibid, paragraph 89)

¹³ Jeffrey Mankoff is right: "Recent tensions between Russia and the West highlight Russia's growing ties with Asia, particularly China. Before the Ukraine crisis, this pivot to Asia had more to do with Moscow's assessment that Asia will be the major source of future economic growth. Russia seeks Asian, especially Chinese, investment to open up new sources of oil and gas, which will in turn allow it to play a larger role in regional security and diplomacy. Economic ties are the basis for the deepening Sino-Russian partnership, while Beijing has also provided important diplomatic support as the West has sought Russia's isolation. Yet to avoid excessive dependence on China, Russia has worked to cultivate relations with other Asian powers, especially India, Vietnam, and Japan. This interest in harnessing Asian economic growth gives Moscow and Washington a common interest in regional stability, but one that is unlikely to be fully realized as long as bilateral relations remain focused on Europe and Eurasia." ("Russia's Asia Pivot: Confrontation or Cooperation?", *Asia Policy*, number 19 (January 2015), 65–87, http://www.nbr.org/publications/asia_policy/free/ap19/AsiaPolicy19_Mankoff_January2015.pdf)

operation." This is against the background of Tokyo's such an unreciprocated call for strategic cooperation with Moscow that we should consider how the North Korea factor plays out between the two governments.

Japan and Russia on North Korea

1) The Russo-Japanese Talk on North Korea in May 2016

In May 2016, Prime Minister Abe visited Sochi for hours of meetings with President Putin. While most of the time must have been spent on the territorial dispute and economic cooperation, they also had ample time for discussion on the North Korea issues.

The Japanese Ministry of Foreign Affairs' website offers an interesting summary of their conversation on North Korea:

Prime Minister Abe noted that North Korea started a Congress of the Workers' Party of Korea on May 6 and commented that Japan takes the continuation of provocative behavior, such as launching ballistic missiles, very seriously, that it is essential for countries to fully implement UN Security Council resolutions, and that it is important for the Security Council to send a clear and quick unified message in response to violations of the resolutions with the aim of strengthening pressure toward a comprehensive solution of the abduction, nuclear, and missile issues. President Putin stated that Japan and Russia agree in their positions toward North Korea and that North Korea's possession of nuclear weapons and risky behavior are unacceptable. The two leaders agreed that Japan and Russia will continue to work together to dissuade North Korea from further provocative actions.¹⁴

This is very much a controversial summary of the seemingly friendly conversation. It is only an inch short of being explicit about the two leaders' disagreement. They *disagreed* on most of important issues. Apparent-

¹⁴ "Japan-Russia Summit Meeting", May 7, 2016, http://www.mofa.go.jp/erp/rss/northern/page4e_000427.html

ly, Prime Minister Abe refused to say that "Japan and Russia agree in their positions towards North Korea." Only President Putin said that they agreed on the positions to take towards North Korea. What Prime Minister Abe was unsuccessful in having the Russian president say was that the both countries should "take the continuation of provocative behavior, such as launching ballistic missiles, very seriously." President Putin also refused to consider it "essential for countries to fully implement UN Security Council resolutions," and "important for the Security Council to send a clear and quick unified message in response to violations of the resolutions with the aim of strengthening pressure toward a comprehensive solution of the abduction, nuclear, and missile issues."

What more can be read between lines is that the Russian government doesn't think we should exaggerate the North Korean threat and doesn't think that the Security Council should put further pressure on Pyongyang. Moscow is also reluctant to talk about the full implementation of UN Security Council resolutions which have been already issued. It may not be just a coincidence that Russian ships have been recently reported to supply oil to North Korean vessels off the North Korean coast, in violation of UN Security Council resolution 2375 (adopted on 11 September 2017) and 2397 (adopted on 22 December 2017)¹⁵. The three meetings of Prime Minister Abe and President Putin in April¹⁶, September¹⁷, and Novem-

¹⁵ Guy Faulconbridge, Jonathan Saul, Polina Nikolskaya, "Exclusive: Russian tankers fueled North Korea via transfers at sea – sources", *Reuters*, 30 December 2017, <https://www.reuters.com/article/us-northkorea-missiles-russia-oil-exclus/exclusive-russian-tankers-fueled-north-korea-via-transfers-at-sea-sources-idUSKBN1EN1OJ>

¹⁶ "Prime Minister Abe urged Russia, which is a permanent member of the UN Security Council (UNSC) and a member of the Six-Party Talks, to play a constructive role, and the two sides affirmed that Japan and Russia will cooperate on the North Korea problem, including at the United Nations (UN). [No mention of President Putin's remarks]" ("Japan-Russia Summit Meeting", 27 April 2017, http://www.mofa.go.jp/erp/rss/northern/page4e_000603.html)

¹⁷ "Prime Minister Abe emphasized that in order to achieve denuclearization of North Korea, which is a common goal for Japan and Russia, it is essential to ensure full implementation of relevant United Nations Security Council (UNSC) resolutions. Prime Minister Abe urged Russia to play a greater role. The two leaders confirmed that Japan and Russia will continue to collaborate closely on this issue." ("Japan-Russia Summit Meeting", 7 September 2017, http://www.mofa.go.jp/erp/rss/northern/page4e_000669.html)

ber¹⁸ in the course of year 2017 did not lead to an agreement between Tokyo and Moscow on the North Korea issues, either.

The question here is not whether PM Abe is right or President Putin is right. We should consider why the two leaders' positions are so different. The divergence of positions between Tokyo and Moscow should be understood in terms of their respective national interests and leaders' personal interests.

2) Japan's policy objectives

The Japanese policy today towards North Korea is to put pressure in order to elicit Pyongyang's concessions on the abduction issue as well as the issues of nuclear weapons and ballistic missiles. It is after a quarter of century of vain attempts for a dialogue with the three generations of the Kim Dynasty that the Japanese government learned that Pyongyang never makes concessions or even keep the promises they have made unless under strong pressure. After the nuclear development program was revealed to the international community in 1993, the U.S. concluded with North Korea the 1994 Agreed Framework and Japan, with South Korea, agreed to financially contribute to the Korean Peninsula Energy Development Organization (KEDO) in 1995. In September 2002, Japanese Prime Minister Jun'ichiro Koizumi visited Pyongyang and signed the Japan-North Korea Pyongyang Declaration, in which he promised to provide economic assistance, humanitarian aid and low-interest long-term loans. Prime Minister Koizumi visited North Korea again in May 2004 without progress on the abduction issue. The Japanese government has no optimism about North Korea's readiness for cooperation.

But that is not all. Japan's policy against North Korea has also a personal tint of Prime Minister Abe. When Prime Minister Jun'ichiro Koizumi made a surprise visit to Pyongyang in 2002, Abe was a member of the delegation as the Deputy Chief Cabinet Secretary. A month after Koizumi's

¹⁸ "Prime Minister Abe emphasized that in order to achieve denuclearization of North Korea, which is a common goal for Japan and Russia, it is essential to ensure full implementation of relevant United Nations Security Council (UNSC) resolutions. Prime Minister Abe urged Russia to play a greater role. The two leaders confirmed that Japan and Russia will continue to collaborate closely on this issue." ("Japan-Russia Summit Meeting", 10 November 2017, http://www.mofa.go.jp/erp/rss/northern/page1e_000193.html)

visit, North Korea sent back 5 abductees ("North Korean citizens" according to Pyongyang) to Japan for a "temporary return." The Japanese government decided not to let the 5 abductees go to North Korea again.

According to media reports, it was at Shinzo Abe's insistence that Kim Jong-Il apologized at the meeting in September 2002 for abducting Japanese citizens¹⁹ and also that the Japanese government decided to retain the 5 abductees²⁰. Since 1980s Shinzo Abe, with his father late Shintaro Abe, has been supporting the victims of North Koreaa abductions and champions himself as the strongest supporter of the victims.

When Abe dissolved the House of Chambers and called for general elections on 14 December 2017, he labeled it "National Crisis (*kokunan*) elections," with reference to the North Korean threat. According to him, in times of security challenges against the very existence of Japan as a State we need a strong leader who can and is ready to defend the country. He was very successful in that campaign²¹. In addition to other favorable factors, the appeal of national defense helped swinging voters vote in favor of the ruling party, the Liberal Democratic Party (LDP) headed by Shinzo Abe. After the landsde victory, Prime Minister Abe promised to take a determined policy against North Korea²².

¹⁹ "In September 2002, Abe accompanied then Prime Minister Junichiro Koizumi to North Korea as a deputy chief Cabinet secretary and asked him to take a hard-line stance toward the country, which helped draw words of apology for the abductions from the country's then leader, Kim Jong Il." (Tomoyuki Tachikawa, "Abe's support for 'all options' on North Korea complicates efforts to bring abductees home", *Japan Times*, 7 Nov 2017, <https://www.japantimes.co.jp/news/2017/11/07/national/politics-diplomacy/abes-support-options-north-korea-complicates-efforts-bring-abductees-home/#.WlgCsWzHNaI>)

²⁰ "安倍官房副長官「国家の意思として帰さない」拉致、圧力路線で首相動かす(Deputy Chief Cabinet Secretary Abe's "our State's determination not to return the victims" on Abduction Issue, moving PM towards the hardline policy)", *Nikkei*, 10 January 2016, <https://www.nikkei.com/article/DGXXZO95965390Z00C16A1TZJ000/>, in Japanese.

²¹ Yoko Wakatsuki, James Griffiths, and Joshua Berlinger, "Japan's Shinzo Abe hails landslide victory in snap election", CNN, 23 October 2017, <http://edition.cnn.com/2017/10/22/asia/japan-election-results/index.html>

²² "Japan PM Shinzo Abe promises to handle North Korea threat", *BBC*, 23 October 2017, <http://www.bbc.com/news/world-asia-41717219>

Prime Minister Abe is also committed to the revision of the anti-war article in the Japanese Constitution²³. It takes years to revise the constitution for the first time since its enactment in 1946. Its revision requires a national referendum. Prime Minister Abe will certainly try to have the majority of the nation feel it necessary to revise the constitution to increase the state's defense capabilities and strengthen its military alliance with the United States. While the China-Japan relations are about to ease, it should remain important for Shinzo Abe to take a hardline posture against North Korea, especially after he presented himself as a defender of national security in the 2017 general elections.

3) Russia's policy objectives

Russia does not have a vital interest in Northeast Asia in the sense something to potentially threaten the very existence of the state²⁴. Russia only has relatively sparse and declining population in Primorskii and Khabrovskii kraia. Russia's interest here is more positively a strategic one. For Russia, Northeast Asia offers opportunities rather than challenges. According to the Moscovite perception, North Korea does not represent a threat (even though it may be seriously so for the population of Vladivostok). It is an international problem which offers Moscow great opportunities for diplomatic maneuvers.

Since ten years, the Russian policy towards North Korea has been constant and coherent. It is to manage the North Korean uncertainties in the multilateral framework of Six Party Talks. It was at the insistence of Moscow that the Six Party Talks set up in 2007 a working group on a joint Northeast Asia peace and security mechanism²⁵. Moscow takes the North Korea crisis as an opportunity to present itself as a re-emerging super-

²³ "Article 9. – 1. Aspiring sincerely to an international peace based on justice and order, the Japanese people forever renounce war as a sovereign right of the nation and the threat or use of force as means of settling international disputes. – 2. In order to accomplish the aim of the preceding paragraph, land, sea, and air forces, as well as other war potential, will never be maintained. The right of belligerency of the state will not be recognized."

²⁴ For the Russian perception on the North Korean nuclear issue, see Igor Tolstokulakov, "Current Russian Policy toward Korean Peninsula: Problems and Perspectives" in this volume.

²⁵ The other four working groups were on the denuclearization of the Korean Peninsula, normalization of North Korea-U.S. relations, normalization of North Korea-Japan relations, and economy and energy cooperation.

pwoer and regain its influence in the region. While the Russian nation itself does not have a vital interest related to the North Korea issues, what wieghs is President Putin's political interest in promoting Russia's influence in Northeast Asia. If Russia's national interest is to promote its influence in international affairs, the increase in the Russian influence on North Korea certainly is certainly good both for the Russian leader and Russian nation.

Possibilities for Partnership between Russia and Japan

1) The long-term policy convergence and divergence between Russia and Japan

In the long term, there are a number of possible scenarios, among which I would like to discuss four as the ones worth considering: 1) reunification with South Korea (immediate reunification scenario), 2) unification with the Yanbian Korean Autonomous Prefecture (Chinese annexation scenario), 3) limited sovereignty under international control (internationalization scenario), and 4) full sovereignty (self-reform scenario).

The Korean reunification scenario would be the most desirable one for Japan and one of the best for Russia in the long term. South Korea is a prosperous democracy with its indirect alliance with Tokyo. Once North Korea being absorbed by South Korea, there will be no more threat from the Korean Peninsula and there will be an immense dividend of peace for the Japanese and Korean economies. It should be also a reasonably desirable option for Russia to have a prosperous North Korea supported by its southern brother. But considering what the Kim Dynasty and the North Korean elites have been doing against South Korea and the expectation of individual punishment, this would be the most scary scenario for those who now govern North Korea. This scenario is very unlikely to happen, at least, in the short term.

Logically another possibility is the unification of North Korea with the Yanbian Korean Autonomous Prefecture (YKAP) in China. This would increase the population of YKAP from 2 million to 26 million (cf. 51 million in ROK). That would look absurd at first sight but not quite so if we accept the Chinese view on Korean history, including the Chinese

interpretation on the ethnic nature of Koguryeo. A variant of this is that the Chinese Troops be stationed in North Korea and offer a nuclear umbrella²⁶. But North Korea would then become a protectorate of China and eventually become at first economically, then politically and eventually legally part of China. The Kim Dynasty postulates the concept of "juche" (self-reliance or sovereignty) as the first principle of the state and would resist such a solution, but the Chinese Communist Party would certainly find a formula to keep the face of the Kim Dynasty. This scenario (Chinese annexation scenario) will significantly reduce the Russian influence in Northeast Asia, while it would boost the North Korean economy as would do the reunification scenario. For Tokyo, the Chinese annexation scenario will bring about the much needed stability and would be as acceptable as reunification scenario.

The internationalization of North Korea is not impossible. It would be somewhat similar to the placement of the Ruhr region in Germany under the authority of the International Authority for the Ruhr (IAR) between 1949 and 1952 before the establishment of the European Coal and Steel Community (ECSC) or the international administration of Kosovo between 1997 and 2007. This scenario is not really for the long term as a status under international control is not endurable for decades. Once an administration under a multilateral framework is set up, it would eventually lead to a final settlement which would be most appropriate from the viewpoint of international law. i.e. the reunification with South Korea, probably after a referendum in North Korea. This scenario would bring about the stability so much needed by Japan and South Korea and also the possibility for Russia to exercise influence in the region. With this scenario China can avoid burdensome annexation and South Korea can obtain the reunification in a peaceful way.

The last scenario is that North Korea makes economic reforms as China did in 1970s and Vietnam in 1990s. Our decades of experience tells that this scenario is unlikely because of some reasons particular to North

²⁶ See, for example, Alton Frye, "30,000 Troops Into North Korea: The only way to stand down from a nuclear confrontation is to reassure Kim Jong Un that the United States won't – and can't – invade", *Foreign Policy*, 28 Nov 2017, <http://foreignpolicy.com/2017/11/28/china-should-send-30000-troops-into-north-korea-symmetrical-reassurance>

Korea. In any way, once the economic liberalization takes off, Pyongyang would be more and more dependent on Beijing and would eventually lose its independence. Kim Jong-un was probably aware of such possibilities when he ordered the execution of reformist and pro-China Jang Song-thaek in 2013.

Japan's long-term goal is to become free of North Korean threat of nuclear missiles, while the Russian interest is to get involved in the peace-building process in Northeast Asia. The two countries interests converge most with the internationalization scenario, while they diverge most with the Chinese annexation scenario. For Japan, it doesn't really matter who makes peace in the region, but it does matter for Russia. China can be a reliable peacemaker in the region, but the Chinese Annexation scenario would exclude Russia from the regional affairs.

2) Short-Term Politics on North Korea

If the long-term interests of Japan and Russia converge, what would be the reasons of the present stalemate, where Japan and Russia cannot agree what to do.

The Second 2+2 ministerial meeting (meeting of the foreign ministers and defence ministers of Japan and Russia) on March 20, 2017 seems to have brought the positions of Moscow and Tokyo a little closer. According to the Japanese ministry of foreign affairs' website:

*The ministers agreed to strongly urge North Korea to refrain from further provocations and to comply with United Nations Security Council resolutions and other agreements. They also confirmed that Japan and Russia will cooperate closely, including at the United Nations. The ministers also agreed that Japan and Russia will work together on outreaching to North Korea and China through candid discussions.*²⁷

²⁷ "Japan-Russia Foreign and Defence Ministerial Consultation ("2+2" Ministerial Meeting)", http://www.mofa.go.jp/erp/rss/northern/page4e_000593.html

After Chan Seon-Taek's execution, everyone knows that China's influence is limited. It is also clear that "candid discussions" do not ease tensions if the confrontation is not caused by misunderstanding but by a fundamental difference in interests. The prolongation of suffering of North Korean citizens under the Kim Dynasty is in no one's interest but the present ruling class in the country. But as is evidenced by the Russia's recent oil supply for North Korea, Moscow is not yet fully accommodating with the Japanese hard-line policy against Pyongyang. This is what puzzles me. Does President Putin think DPRK can take a gradual political and economic reform in the Chinese or Vietnamese model?

One possibility is that President Putin does not believe in Prime Minister Abe's call for international cooperation on North Korea, for good reasons. As mentioned above, Prime Minister Abe's hard stance on North Korea is motivated probably more by his tactics to appeal to his nationalistic constituency than by the pursuit of Japan's national security. If so, he may not be serious about settling the North Korea issue in whatever form until, at least, he gets the majority approval at the constitutional referendum in two or three years. By experience Japanese politicians believe, whether right or not, that the political situations in North Korea do not change any time soon. But once the anti-war article be eliminated from the constitution, the Japanese government can fully take part in an eventual military operation/occupation in North Korea. Meanwhile, it would be in Russia's interest to promote good neighborhood ties with North Korea, including the smuggling of oil in the country.

But in the long run, the two leaders' personal interests converge. They both want to present themselves as a contributor to peace and prosperity of the nation and of the international community.

A Serious Problem for a Solid Regional Organization

What is the best policy for South Korea?

Direct negotiations with Pyongyang is not certainly for its national interest. Only a multilateral approach, with China, Japan, Russia and the U.S., should produce positive results. Because of too much economic de-

pendence, South Korea cannot have an equal partnership with China. In the same token, Japan cannot have an equal partnership with the U.S.

While the future of North Korea will be determined by military postures and maneuvers of China and the U.S., the middle powers such as Russia, South Korea and Japan can start to think about the regional framework for a post-Kim dynasty North Korea. Moscow, Seoul and Tokyo have much non-military resources which can be used to influence the course of events, especially after initial military conflicts. While nothing is clear yet, one reference is the IAR (International Authority for the Ruhr), which later developed into the EEC, EC, and EU. It is only a serious problem which can establish a solid regional organization. With the common worries and interests in the Northern part of the Peninsula, the four neighbors (Russo-Japanese, South Korea, China) and North Korea itself can work together to produce a solid organization of regional development and cooperation. The Northeast Asia peace and security mechanism working group under the Six Party Talks would be a good starting point.

The participation/non-participation of the U.S. would be an important question then. In the case of the European with the German problem, the IAR was set up with Belgium, France, Luxembourg, Netherlands, United Kingdom, United States, and West Germany. When it was developed to the EEC, the UK and US did not join. The U.S. decided to let the locals to take care of their local problem (Germany).

In any way, the course of events is not determined yet and it can tip in one way or another with addition of slightest weights in diplomatic negotiations. If the Korean government has clear ideas about what future it wants to see happen in Northeast Asia, it can add its weight in the balance of political calculations by Russian and Japanese as well as Chinese and American policy-makers and change the future to its advantage.

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FOREVER TURNING TO ASIA: RUSSIA'S DEVELOPMENT, DESTINY AND FAR EASTERN NEIGHBOURS

Introduction

Siberia and the Russian Far East have long been territories onto which could be mapped the future of Russia. These visions have oscillated between grand state-led initiatives of internally developing this vast periphery alongside periodic moments of opening the region to flows of people and trade from northeast Asia and beyond.¹ This chapter highlights some of the dreams and disappointments of a region forever turning to Asia by drawing on Russia's contemporary relations with its three key partners in northeast Asia – the Republic of Korea, Japan, and China.

The idea of a renewed Russian presence in the Far East was perhaps most dramatically stated in 2012 when Russia's President, Vladimir Putin, declared that, concerning the Asia-Pacific region: "We view this dynamic region as the most important factor for the successful future of the whole country."² It is a trajectory that has seen the share of APEC countries in Russia's trade increase from 16.2 per cent to 29.8 per cent between 2005 and 2016, while the EU's share of trade has declined from 52 per cent to 42.5 over the same period.³ Behind this material and discursive shift towards the Asia-Pacific, the first half of this chapter sketches the role that each of the major economies in northeast Asia have been assigned, while the second half turns to the successes and failures of a state-led strategy of reimagining and transforming the Russian Far East, and by extension the whole country.

Turning to Asia – Japan, Korea, or China

¹ See Mark Bassin et al. '1917–2017: The Geopolitical Legacy of the Russian Revolution' *Geopolitics* 22 (3) 2017: 665-692.

² 'Putin: Asia-Pacific Key for Russia's Future Development' *RussiaToday* Sep 6 2012. <http://rt.com/politics/official-word/putin-apec-articlesummit-493/> (accessed Jan 17 2015).

³ Jae-Young Lee 'The New Northern Policy and Korean Russian Cooperation' *Valdai Papers* 76, Oct 2017: 9.

On Russia's relations with Japan, political elites and policy experts in Russia have vacillated between optimism and pessimism. Some commentators, such as Dmitri Trenin, director of the Carnegie Moscow Center, have long argued that Japan is the key to unlocking the potential of the dynamic Asia-Pacific region for developing eastern Russia.⁴ Such a role for Japan has seemingly not gone unheeded in the Kremlin and alongside periodic attempts to resolve the territorial dispute between the two sides, most notably in November 2004,⁵ a renewed enthusiasm for improving relations with Japan emerged in the run up to the APEC summit held in Vladivostok in September 2012.⁶ During the buildup to APEC 2012, foreign minister Lavrov met with his Japanese counterpart, Koichiro Gamba, in Sochi in July 2012, highlighting after the meeting how "both sides realize the necessity to make a strong [emphasis on] modernization, innovation, energy and investment components."⁷

This was followed in April 2013 by Japan's Prime Minister, Shinzo Abe, and Putin discussing Japan's participation in a \$38 billion project by Gazprom to connect its eastern Siberian gas fields to a liquefied natural gas export hub near Vladivostok.⁸ The two sides also agreed to set up a Russian-Japanese investment platform, which would make \$1 billion available to support future projects, while Putin expressed his hope that the agreements signed with Abe would lead to Japanese investment in agriculture and forestry, as well as involvement in regional transportation pro-

⁴Dmitri Trenin 'Aziatskii Vektor v Strategii Moskvy: Glavnaya Geopoliticheskaya Problema Rossii v XXI Veke—Budushchee Sibiri i Dal'nego Vostoka' *Nezavisimaya Gazeta* Oct 27 2003. http://www.ng.ru/dipkurer/2003-10-27/9_vector.html (accessed Mar 7 2016).

⁵See Paul B. Richardson *At the Edge of the Nation: The Southern Kurils and the Search for Russia's National Identity* (Honolulu: University of Hawaii Press, 2018).

⁶ See Paul B. Richardson "A Germany in the Pacific:" The Role of Japan in Russia's Turn to Asia' *UNISCI Discussion Papers* 32, 2013: 215–229.

⁷Sergei Lavrov 'The Speech and Answers of the Russian Minister of Foreign Affairs S. V. Lavrov to Mass Media Questions in the Course of the Joint Press Conference according to the Results of Negotiations with the Japanese Minister of Foreign Affairs K. Gamba, Sochi, 28 July 2012' *Ministry of Foreign Affairs of the Russian Federation* 28 Jul 2012. http://www.mid.ru/brp_4.nsf/0/2E34D577A456DEAF44257A4C004BB760 (accessed Apr 5 2015).

⁸Jonathan Manthorpe 'Moscow and Tokyo Boost Economic Cooperation as a Prelude to Peace Treaty' *Canada.com* May 5 2013. <http://www.canada.com/business/story.html?id=8341006> (accessed Apr 5 2015).

jects.⁹ This new impetus in relations was quickly demonstrated when in November 2013 the first “two-plus-two” meeting of the foreign and defense ministers of Japan and Russia was held in Tokyo. The implementation of such a format – usually reserved for close allies¹⁰ – appeared to indicate the Russian leadership's interest in Japan for achieving its development and security ambitions. This was followed by another meeting between Putin and Abe on February 7, 2014, at the opening ceremony of the Sochi Winter Olympics, which was notable for the absence of Western leaders.

However, the days after the Sochi Olympics suddenly transformed Russia's international relations. The annexation of Crimea during March 2014 led to a dramatic worsening of Russia's relationship with the West. Tokyo also suspended talks with Moscow over easing visa restrictions, the promotion of investment, space and military cooperation, as well as issuing a list of individuals from Russia and Ukraine with asset freezes and travel bans.¹¹ Shortly afterwards, on May 21, 2014, Russia and China signed a huge deal to supply the latter with Russian gas at a reported \$400 billion over thirty years.¹² This deal, which included additional contracts and memoranda of understanding on Chinese investment in Russia, signalled an expansive economic and political partnership that seemed unimaginable just a few years earlier. Although Putin stressed that this recent prioritization of China in Russia's development strategy was not a reaction to events in Ukraine and the imposition of Western sanctions,¹³ it appeared to herald a dramatic reconfiguration of Russia's strategy in the Far East. With Putin also suggesting that China had become Russia's “natural al-

⁹Jonathan Manthorpe ‘Moscow and Tokyo Boost Economic Cooperation as a Prelude to Peace Treaty’ *Canada.com* May 5 2013. <http://www.canada.com/business/story.html?id=8341006>(accessed Apr 5 2015).

¹⁰Fiona Hill ‘Gang of Two: Russia and Japan Make a Play for the Pacific’ *Brookings* Nov 27 2013. <http://www.brookings.edu/research/opinions/2013/11/27-gang-two-russia-japan-make-play-pacific-hill> (accessed Apr 5 2015).

¹¹‘Japan Puts Russian Sanctions on Hold in View of Possible FM Talks’ *Russia Today* Sep 14 2014. <http://rt.com/business/189044-japan-russia-sanctions-postponed/2014>(accessed Jun 4 2015).

¹² Vassily Kashin ‘Russia Reorients to the Orient’ *Russia Direct Monthly Memo* 11, 2014: 6.<http://www.russia-direct.org/catalog/product/russia-direct-brief-russia-reorients-orient%E2%80%9999> (accessed Nov 11 2017).

¹³Nobuo Shimotomai ‘Post-Ukraine Agenda in the Asia Era’ *Valdai Discussion Club* Nov 13 2014. <http://valdaiclub.com/asia/74001.html> (accessed Jan 17 2015).

ly,¹⁴ it seemed that it would be China rather than Japan that Russia would be pivoting towards.

Nevertheless, Abe has maintained regular and personal contact with Putin and their meeting on the sidelines of the APEC summit in November 2017 was the 20th between the two leaders.¹⁵ At the Second East Economic Forum in Vladivostok in September 2016, Abe brought with him concrete proposals for significant investment in the Russian Far East, ranging from infrastructure to energy.¹⁶ This was followed by Putin's official visit to Japan at the end of 2016 when more than sixty deals were signed in which Japan agreed to invest over \$2.5 billion.¹⁷ This also included an agreement for joint economic activities on the disputed Southern Kurils/Northern Territories¹⁸ and the reestablishment of the "two-plus-two" format of regular meetings between foreign and defense ministers.¹⁹

Despite this activity, the value of Japan's trade with Russia more than halved (by 51.7 per cent) in US dollar terms between 2013 and 2016.²⁰ In 2017 it rebounded by 13.9 per cent to \$18.3 billion from the previous year, though this was still less than Russia's trade with the United

¹⁴Wan Fang 'Beijing and Moscow: Friends in Need?' *Deutsche Welle* Oct 14 2014. <http://www.dw.de/beijing-and-moscow-friends-in-need/a-17995990> (accessed Jan 17 2015).

¹⁵ 'Abe, Putin agree to strictly implement U.N. sanctions on N. Korea' *Kyodo News* Nov 10 2017. <https://english.kyodonews.net/news/2017/11/72bc9404db90-japanese-russian-leaders-meet-on-n-korea-disputed-islands.html> (accessed Feb 14 2018).

¹⁶Joshua W. Walker and Hidetoshi Azuma 'Abe and Putin Make Peace: Why Japan and Russia Are Working Together' *Foreign Affairs* Sep 15 2016. <https://www.foreignaffairs.com/articles/japan/2016-09-15/abe-and-putin-make-peace>(accessed Oct 2 2016).

¹⁷ The meeting took place against the backdrop of a continuing decline in Russian-Japanese trade, with Russia's deputy economic development minister, Stanislav Voskresensky, suggesting that trade turnover in the first nine months of 2016 had fallen by almost 40 per cent 'to slightly above \$10 billion.' See: 'Russia, Japan Sign over 60 Deals during Putin's Visit' *TASS* Dec 17 2016. <http://tass.com/politics/920187> (accessed Dec 18 2016).

¹⁸'Japan, Russia Have Unlimited Possibilities in Relations Development—PM Abe' *TASS* Dec 18 2016. <http://tass.com/world/920302> (accessed Dec 19 2016).

¹⁹Natalia Suslina 'Putin-Abe Summit Ended in Favor of Russia—Experts' *Russia Beyond the Headlines* Dec 16 2016. http://rbth.com/international/2016/12/16/putin-abe-summit-ended-in-favor-of-russia-experts_660483 (accessed Dec 19 2016); Ayako Mie 'Putin Exits Onsen Drama Holding All the Cards' *Japan Times* Dec 16 2016. <http://www.japantimes.co.jp/news/2016/12/16/national/politics-diplomacy/putin-exits-onsen-drama-holding-cards/> (accessed Dec 19 2016)

²⁰*Federal'naya Tamozhennaya Sluzhba* http://www.customs.ru/index.php?option=com_newsfs&view=category&id=51&Itemid=1977 (accessed Feb 14 2018).

States.²¹ Japan has also been slow to invest in the eighteen Advanced Special Economic Zones (ASEZs) in the Russian Far East which enjoy a wide range of deregulations and tax benefits, and are designed to serve as investment platforms.²² According to Kireeva and Sushentsov, writing in mid-2017, applications for Japanese investment in ASEZs amounted to only 1.8 billion roubles (behind China's 140 billion roubles and less than Australia, Italy, and Kazakhstan).²³ Foreign Direct Investment (FDI) from Japan also markedly declined to \$211 million in 2016 from \$507 million in 2015 (and a peak of \$757 million in 2012).²⁴ As obstacles for attracting Japanese business investment, Kireeva and Shushentsov cite the unattractive business climate in Russia and problems such as bureaucratic barriers, frequent changes in the rules, issues with customs clearance, the tax and accounting system, lack of transparency, corruption, transport and logistics infrastructure, a shortage of qualified experts on doing business in Russia, and the small size of the Russian Far East's domestic market.²⁵

Despite the optimism and regular dialogue between Abe and Putin, a breakthrough in Russia and Japan's economic partnership appears to be as yet unrealised, and some of these complications are mirrored in Russia's relationship with South Korea. Although Russia-South Korea relations come without some of the complications of relations with Japan (particularly the absence of any territorial issues and sanctions) they also bring their own complexities, including the South's relationship with North Korea. Nevertheless, this factor has not stopped Russia's relationship with South Korea being represented by some with an enthusiasm once reserved for Japan. The last two years have brought modest increases in economic relations with trade and investments from South Korea in the Russian Far

²¹ *Federal'naya Tamozhennaya Sluzhba* http://www.customs.ru/index.php?option=com_newsfts&view=category&id=51&Itemid=1977 (accessed Feb 14 2018).

²² Jiyoung Min and Boogyun Kang 'Promoting New Growth: "Advanced Special Economic Zones" in the Russian Far East.' In: Blakkisrud H., Wilson Rowe E. (eds) *Russia's Turn to the East. Global Reordering* (Cham: Palgrave Pivot, 2018); Anna Kireeva and Andrey Sushentsov *The Russian-Japanese Rapprochement: Opportunities and Limitations* (Moscow: Valdai Discussion Club, Aug 2017), 16.

²³ Anna Kireeva and Andrey Sushentsov *The Russian-Japanese Rapprochement: Opportunities and Limitations* (Moscow: Valdai Discussion Club, Aug 2017), 10.

²⁴ *Ibid*, 11.

²⁵ *Ibid*, 14-16.

East increasing by 6 per cent in 2016 and in the first half of 2017.²⁶ However, between 2013 and 2016 trade between Russia as a whole and South Korea saw a decline of 39.9 per cent. In 2017, trade between the two countries grew by 27.5 per cent to \$19.3 billion, which for the first time was more than Russia's trade with Japan, though less than Russia's \$23.2 billion trade with the United States.²⁷ In terms of South Korea's FDI in Russia, this peaked in 2009 at over \$400 million but fell to \$110 million in 2016.²⁸

Jung Taik Hyun, President of the Korea Institute for International Economic Policy, has noted that while Korea's trade with the Russian Far East is about 4 billion dollars this has the potential to be expanded, particularly through initiatives such as signing a free trade agreement with the Eurasian Economic Union (EEU).²⁹ Hyun also highlights projects such as fishery production, shipbuilding, delivery of LNG, the construction of special industrial complexes, and agriculture as promising areas of future cooperation. However, he has cautioned that Russian bureaucracy – also a code for corruption – is a very sensitive issue for Korean investors.³⁰ Similarly, Jae-Young Lee, Vice-President of the Korea Institute for International Economic Policy, has highlighted a number of constraining factors, notably the insufficient development of local communications, inefficient management of cooperation on development policy, and inadequate information and weak financial incentives for Korean businesses.³¹

South Korean's new President, Moon Jae-in, inaugurated in May 2017, has offered his own proposals for deepening the partnership between Russia and South Korea with nine bridges that represent spheres of cooperation to include gas, railways, the Northern Sea Route, shipbuilding, ag-

²⁶Jung Taik Hyun 'Russia-South Korea Cooperation in the Far East: Still a Lot of Potential' *Valdai Discussion Club* Sep 6 2017. <http://valdaiclub.com/a/highlights/russia-south-korea-cooperation-in-the-far-east/> (accessed Feb 11 2018).

²⁷*Federal'naya Tamozhennaya Sluzhba* http://www.customs.ru/index.php?option=com_newsfts&view=category&id=51&Itemid=1977 (accessed Feb 14 2018).

²⁸ Jae-Young Lee 'The New Northern Policy and Korean-Russian Cooperation' *Valdai Papers* 76, Oct 2017: 6-7.

²⁹Jung Taik Hyun 'Russia-South Korea Cooperation in the Far East: Still a Lot of Potential' *Valdai Discussion Club* Sep 6 2017. <http://valdaiclub.com/a/highlights/russia-south-korea-cooperation-in-the-far-east/> (accessed Feb 11 2018).

³⁰Ibid.

³¹ Jae-Young Lee 'The New Northern Policy and Korean Russian Cooperation' *Valdai Papers* 76, Oct 2017: 6.

riculture, as well as future possibilities for North Korea joining these projects.³² A renewed interest in reengaging with North Korea has also been mirrored by some Russian politicians, and a recent parliamentary delegation to North Korea was the first time members of the State Duma had made such a visit in 25 years.³³ However, as with Japan, grand plans and rhetoric can obfuscate some of the more mundane realities. Lee has called for Russia and Korea to abandon formulating strategies and programmes for the sake of abstract and unattainable goals, instead advocating “setting clear and readily attainable goals.”³⁴ Alongside a Korea-EEU free-trade area, he argues that a state-backed investment and financial platform should be expanded to overcome Korean businesses aversion to risk, as well as the development of partnership networks based around the Special Economic Zones and Free Port of Vladivostok.³⁵ He also advocates the joint development of agriculture in Russia's Far East, upgrading and re-suming the Khasan–Rajin railway project, the promotion of the Northern Sea Route for commercial cargo shipments, and the creation of a Korean-Russian energy system.³⁶

Despite these opportunities and enthusiasm, it is China that has come to define Russia's relationship with the Asia-Pacific region beyond that of any of its other partners in the region. In 2016, the value of Russia's trade with China was \$66 billion, although this represented a 25.6 per cent decrease from 2013 – the high water mark of trade between the two coun-

³² ‘Valdai Club Asian Conference Focuses on Economic Cooperation and Security’ *Valdai Discussion Club* Nov 27 2017. <http://valdaiclub.com/events/posts/articles/valdai-presser-seoul/> (accessed Feb 11 2018)

³³ Xing Guangcheng ‘The Korean Peninsula Crisis and the Role of Russia’ *Valdai Discussion Club* Dec 13 2017. <http://valdaiclub.com/a/highlights/the-korean-peninsula-crisis-and-the-role-of-russia/> (accessed Feb 11 2018).

³⁴ Jae-Young Lee ‘The New Northern Policy and Korean Russian Cooperation’ *Valdai Papers* 76, Oct 2017: 13.

³⁵ As part of this initiative, visitors from 18 countries can visit Vladivostok with an electronic visa, including citizens of India, China, Mexico, Singapore, and Japan: ‘Zhiteli 18 Stran Smogut Posetit’ *Dal'nii Vostok po Elektronnoi Vize* *Vl.ru* Apr 18 2017. http://www.newsvl.ru/far_east/2017/04/18/158452/ (accessed Feb 13 2018). A visa-free regime for tourists and business visitors between Russia and South Korea was signed in November 2013: <https://www.visahouse.com/en/news/read/rossiya-i-yuzhnaya-koreya-podpisali-soglashenie/> (accessed Feb 13 2018).

³⁶ Jae-Young Lee ‘The New Northern Policy and Korean Russian Cooperation’ *Valdai Papers* 76, Oct 2017: 15-18.

tries.³⁷ In the same year China also became Russia's only partner with growing trade turnover increasing by 4 per cent,³⁸ while in late 2017 it was reported that Putin had noted that over the past two years 80 per cent of the \$9 billion investment in the Russian Far East and Siberia came from China.³⁹ 2017 saw marked increases in the value of Russia's trade with China which increased by 31.5 per cent to \$87 billion, compared with an increase in trade value with the rest of the world by 24.8 per cent and with the EU by 22.9 per cent. In 2017 China's share of Russian trade was 14.9 per cent, an increase from 10.4 per cent in 2013, while over the same period South Korea's share of Russian trade increased from 2.9 to 3.3 per cent, and Japan's fell from 3.7 to 3.1 per cent (for comparison Russia's trade with the EU fell from 49.4 to 42.2 per cent).⁴⁰

The extent to which this relationship, and even dependency, has developed was hinted at by Andrei Sushentsov, a Programme Director at the Valdai Discussion Club, who stated at the launch of a Valdai report on *Russian-Japanese Rapprochement* that: "Any measures that could prompt Russia to sacrifice its cooperation with China will not be accepted by Moscow."⁴¹ At the same time, Sergei Karaganov, Honorary Chairman of the Council for Foreign and Defense Policy, has expressed a concern that one of the sources of tension in the region is that China is becoming too strong for its neighbours.⁴² Commentators such as Alexander Gabuev, Senior Fellow and Chair of the Russia in the Asia-Pacific Program at the

³⁷ *Federal'naya Tamozhennaya Sluzhba* http://www.customs.ru/index.php?option=com_newsfts&view=category&id=51&Itemid=1977 (accessed February 14 2018).

³⁸ 'Northeast Asia: A Difficult Road to Common Prosperity and Security' *Valdai Discussion Club* 8 Sep 2017. <http://valdaiclub.com/events/posts/articles/northeast-asia-difficult-road-to-common-prosperity-and-security/> (accessed Feb 11 2018).

³⁹ Feng Shaolei 'From Crisis to a New Starting Point Of Reconstruction: A Perspective on the Far East and Siberia' *Valdai Discussion Club* Nov 28 2017. <http://valdaiclub.com/a/highlights/from-crisis-to-a-new-starting-point/> (accessed Feb 11 2018).

⁴⁰ *Federal'naya Tamozhennaya Sluzhba* http://www.customs.ru/index.php?option=com_newsfts&view=category&id=51&Itemid=1977 (accessed February 14 2018).

⁴¹ 'Russian-Japanese Rapprochement as an Accomplishment of the Two Countries' Leaders' *Valdai Discussion Club* Sep 4 2017. <http://valdaiclub.com/events/posts/articles/russian-japanese-rapprochement-as-merit-of-the-two-countries-leaders/> (accessed Feb 11 2018).

⁴² 'Russia's Pivot to the East as a New Typology of Globalization' *Valdai Discussion Club* Sep 8 2017. <http://valdaiclub.com/events/posts/articles/russia-s-pivot-to-the-east-as-a-new-typology-of-globalization/> (accessed Feb 11 2018).

Carnegie Moscow Center, have also noted some of the implications of this leading role of China for Russia, stating in the *Wall Street Journal* that:

*China is becoming central to the Russian economy's future and to the stability of the Putin regime. Over the past four years, Beijing has turned into a major investor and lender to Russia, channeling billions through its state-controlled "policy banks" to members of Mr. Putin's entourage and Russian companies subject to sanctions*⁴³.

Elsewhere, in the wake of worsening relations with the West, Gabuev has traced how Russia's attitude towards China's One Belt and One Road (OBOR) initiative to develop Eurasian infrastructure underwent a U-turn in the autumn of 2014. Gabuev points out that increasing numbers of Russian officials began to see it as a megaproject to export Chinese overcapacity and build continental trade routes to Europe that would go through Russia and offer constructive synergies with the EEU. In May 2015, Putin and Xi signed a political declaration linking OBOR to the EEU and according to Gabuev, "[g]iven the political green light, many of Russia's oligarchs rushed to Beijing with their projects, trying to wrap them in Belt and Road slogans."⁴⁴ However, Gabuev has suggested that the last two years were "a rude awakening" for Russia and its EEU partners. In most cases China has looked for profitable projects and out of 40 projects that support transport connectivity between Western China and Europe through EEU states, Beijing has declined to invest in a single one, citing unsustainable financial models and unclear prospects for returns.⁴⁵

Eurasian Perspectives and Pessimism

This brief overview of Russia's relationship with its three key partners in Northeast Asia draws out some of the opportunities and inherent uncertainties in defining Russia's role in the wider region, as well as highlighting

⁴³ Alexander Gabuev 'China and Russia's Dangerous Entente' *Moscow Carnegie Center* Oct 4 2017. <http://carnegie.ru/2017/10/04/china-and-russia-s-dangerous-entente-pub-73310> (accessed Feb 11 2018).

⁴⁴ Alexander Gabuev 'Belt and Road to Where?' *Moscow Carnegie Center* Dec 8 2017. <http://carnegie.ru/2017/12/08/belt-and-road-to-where-pub-74957> (accessed Feb 11 2018).

⁴⁵ *Ibid.*

the primacy placed on China. For Karaganov, the idea of Eurasia is a concept designed to ease any concerns associated with this. He has suggested that: "The concept of Eurasia is to create a network of relations in the region and to dip China into mutually beneficial relations. Then it will not be considered as a threat."⁴⁶ Karaganov supervised the recent Valdai report *Toward the Greater Ocean – 5: From the Turn to the East to Greater Eurasia*, which outlined the vision of a Greater Eurasia, defining it as a conceptual "framework for geopolitical, geoeconomic and geoideological thinking that sets the vector for interaction" between the states of Eurasia.⁴⁷ The report emphasises a "continent-wide development, cooperation and security system from Jakarta (or Tokyo) to Lisbon."⁴⁸ As Bruno Mações, then Portugal's Secretary of State for European Affairs, noted in 2015 "the Russian foreign ministry has stopped talking about Vladivostok as the easternmost edge of the new supercontinent and instead drops names such as Jakarta or Shanghai."⁴⁹ For Karaganov, his vision has been even more expansive, declaring that Russia should fight for peace and security in a "common space for cooperation, joint development and security [...] stretching from Singapore and Shanghai to Lisbon or Dublin."⁵⁰

This Greater Eurasian rhetoric was recently echoed at the official level in the address of Russia's Deputy Foreign Minister, Igor Morgulov, at the eighth Asian regional conference of the Valdai Discussion Club in Seoul, when he pointed out that he would like to see the region unified as a common space of security and economy – a space of Greater Eurasia from Lisbon to Jakarta.⁵¹ This expanded version of Eurasia goes beyond earlier notions of a "Greater Europe from Lisbon to Vladivostok" promoted by

⁴⁶ 'Russia's Pivot to the East as a New Typology of Globalization' *Valdai Discussion Club* Sep 8 2017. <http://valdaiclub.com/events/posts/articles/russia-s-pivot-to-the-east-as-a-new-typology-of-globalization/> (accessed Feb 11 2018).

⁴⁷ Sergei Karaganov et al. *Towards the Great Ocean – 5: From the Turn to the East to Greater Eurasia* (Valdai Discussion Club, September 2017), 24

⁴⁸ *Ibid*, 25.

⁴⁹ Bruno Mações 'We are all Eurasian Now' *Financial Times* Nov 25 2015. <https://www.ft.com/content/e89fee7a-8a38-11e5-90de-f44762bf9896> (accessed Feb 15 2018).

⁵⁰ Sergei Karaganov 'Missiles in Europe: Back to the Future?' *Karaganov.ru* Sep 9 2016. <http://karaganov.ru/en/publications/403> (accessed Feb 15 2018).

⁵¹ 'Era of Asia: What Co-Creation in Eurasia Can Look Like' *Valdai Discussion Club* Nov 27 2017. <http://valdaiclub.com/events/posts/articles/co-creation-in-eurasia/> (accessed Feb 11 2018).

Putin since 2010.⁵² In its latest guise, for Morgulov at least, a Greater Eurasian partnership means the creation of common rules for the “economic game” in Eurasia, with Russia relying on the EEU and ready to establish integration and economic ties with the SCO and ASEAN countries.⁵³ This Greater Eurasia goes beyond economic cooperation to include non-tariff regulation, the elimination of administrative barriers, and simplification of trade terms, with Morgulov noting that in all these issues there is progress with China, but the door to participation is open to all, including the EU countries.⁵⁴

Timofei Bordachev, a Programme Director of the Valdai Discussion Club, sees the idea of a Greater Eurasian Partnership as the main achievement in Russia's foreign policy in recent years. He argues that “25 years after its withdrawal from the region, [Russia] has returned to the Asian political and information space with a new image, as a country that places the economy above ideology and is hence willing to cooperate with everyone.”⁵⁵ Yet amongst this optimism, Bordachev notes that it is taking too long to transform Russia's political relations with Asian countries into major economic achievements and the development of an export oriented economy in the Russian Far East.⁵⁶ At a recent Valdai Club session on *Russia's Turn to the East: The Next Decade*, participants also voiced their concern at the local realities undermining the development dreams of

⁵² Dmitri Trenin, ‘Russia's Evolving Grand Eurasia Strategy: Will It Work?’ *Moscow Carnegie Center* Jul 20 2017. <http://carnegie.ru/2017/07/20/russia-s-evolving-grand-eurasia-strategy-will-it-work-pub-71588> (accessed Feb 11 2018).

⁵³ ‘Valdai Club Asian Conference Focuses on Economic Cooperation and Security’ *Valdai Discussion Club* Nov 27 2017. <http://valdaiclub.com/events/posts/articles/valdai-presser-seoul/> (accessed February 11, 2018). However, trade with Indonesia, Thailand, The Philippines, Malaysia, Singapore and Vietnam collectively declined by 21.8 per cent between 2013 and 2016, while Russia's trade with India declined by 23.5 per cent over the same period: *Federal'naya Tamozhennaya Sluzhba* http://www.customs.ru/index.php?option=com_newsfts&view=category&id=51&Itemid=1977 (accessed Feb 14 2018).

⁵⁴ ‘Valdai Club Asian Conference Focuses on Economic Cooperation and Security’ *Valdai Discussion Club* Nov 27 2017. <http://valdaiclub.com/events/posts/articles/valdai-presser-seoul/> (accessed February 11, 2018)

⁵⁵ Timofei Bordachev ‘Main Results of 2017: Energetic Russia and the Greater Eurasia Community’ *Valdai Discussion Club* Dec 28 2017. <http://valdaiclub.com/a/highlights/main-results-of-2017-energetic-russia/> (accessed Feb 11 2018).

⁵⁶ Timofei Bordachev ‘Main Results of 2017: Energetic Russia and the Greater Eurasia Community’ *Valdai Discussion Club* Dec 28 2017. <http://valdaiclub.com/a/highlights/main-results-of-2017-energetic-russia/> (accessed Feb 11 2018).

Moscow's elites. Concerns included the outflow of population from the region, the low level of transport and social infrastructure development, and the above-average cost of living.⁵⁷

During the Third Eastern Economic Forum, held in September 2017 on the site of APEC 2012, Karaganov argued that Russia needs to make this region attractive not only for foreign investments, but also for the Russian youth: "Living and working in Siberia and the Far East should become fashionable. These are just the regions that need to be free [from excessive regulation] and we should turn them into the locomotives of [...] development".⁵⁸ It is a sentiment echoed by others in the region, and in November 2017, Viktor Larin, Director of the Institute of History, Archaeology and Ethnography of the Peoples of the Far East in Vladivostok, hinted at the challenges of implementing such a strategy, emphasising that living standards in the Far East are much lower than in other Russian regions and the young and educated tend to migrate from there.⁵⁹ Larin suggested that, according to polls, 60 to 70 per cent of young people would opt for living in another Russian region or abroad, while foreign investors in Eastern Siberia and the Russian Far East are mostly interested in the extractive industries. For Larin, Russia's "turn to the East" is an abstract notion, and Russia has a lot of work to do to make it more feasible, which he believes will depend mostly on its own resources.⁶⁰ He has also expressed his hope that:

The Russian government will finally stop viewing the eastern regions of the country as a colonial appendage of the European center and will focus on developing this space as an intellectual, ecologically clean and high-tech economic system. Far Eastern regions of the country will stop being ascribed with the ritual function of a bridge between Europe and Asia, as a springboard for mythical "integration

⁵⁷ 'The Far East: A Springboard for Cooperation Between Russia and the Asia-Pacific region' *Valdai Discussion Group* Dec 15 2017. <http://valdaiclub.com/events/posts/articles/far-east-russia-asia-pacific-region/> (accessed Feb 11 2018).

⁵⁸ 'Russia's Pivot to the East as a New Typology of Globalization' *Valdai Discussion Club* Sep 8 2017. <http://valdaiclub.com/events/posts/articles/russia-s-pivot-to-the-east-as-a-new-typology-of-globalization/> (accessed Feb 11 2018).

⁵⁹ 'Russia's Far East and Asia-Pacific: Problems and Prospects' *Valdai Discussion Group* Nov 28 2017. <http://valdaiclub.com/events/posts/articles/russia-s-far-east-and-asia-pacific/> (accessed Feb 11 2018).

⁶⁰ *Ibid.*

into the Asia-Pacific region," and exploited for super-profits in the interests of several monopolies⁶¹.

Larin also raises questions over Russia's identity and whether the region and the country is ready for the cultural change that will come from deeper integration with the Asia-Pacific region, in terms of flows of goods, capital, and people. As he puts it:

if Russia continues to move into Asia, Asia will also move into Russia with the corresponding social, cultural and psychological consequences. Having stated that "Russia's pivot to the East" already happened, we have to recognize ourselves that we are open to this East, are ready to accept its values, ideas and challenges⁶².

At the same time, certain business leaders in Russia have acknowledged the necessity of opening Russia to the markets of the wider region and removing restrictions on business within Russia. Alexander Ivlev, managing partner for Russia of Ernst & Young, points to the need to remove administrative barriers in order to successfully develop the region, also believing that private investors, both foreign and Russian, will follow state money. He has also noted that the cost of labour in China is now higher there than in Russia, and: "With the right approach, we have very good competitive advantages over our neighbors in many areas."⁶³ While the devaluation of the rouble has reduced labour costs in Russia in dollar

⁶¹ Viktor Larin 'Severnaya Patsifika. Chto zhdet Rossiyu o Aziyu v seredine XXI veka' *Valdai Discussion Group* Nov 27 2017. <http://ru.valdaiclub.com/a/highlights/severnaya-patsifika-rossiya-i-aziya/> (accessed Feb 19 2018).

⁶² Viktor Larin 'Looking Into The Future: Russia And Asia In The Next 20 Years' *Valdai Discussion Group* Nov 27 2017. <http://valdaiclub.com/a/highlights/looking-into-the-future-russia-and-asia/> (accessed Feb 13 2018).

⁶³ Alexander Ivlev 'What Will Be the Main Driver of Growth in the Russian Far East?' *Valdai Discussion Club* Sep 7 2017. <http://valdaiclub.com/a/highlights/growth-in-the-russian-far-east/> (accessed Feb 11 2018).

terms,⁶⁴ the idea of Russia as a low-wage competitor to China is hardly the development trajectory envisaged by Moscow.

Government elites in Moscow, such as Alexander Krutikov, Deputy Minister for the Development of the Far East, declare that the region is a new economic space that will be built on private investment, where previously there had only been state investment. In December 2017, Krutikov noted that 1000 new projects had already been attracted to the Russian Far East worth around \$55 billion.⁶⁵ While Deputy Minister of Economic Development, Stanislav Voskresensky, has pointed to future infrastructure including the development of the Northern Sea Route and the construction of a bridge to Sakhalin.⁶⁶ *Bloomberg* reported that the contract to construct a bridge from the Russian mainland would cost around \$5 billion and be fulfilled by Stroygazmontazh, the company of billionaire Arkady Rotenberg and a long-time associate of President Putin. However, for Stepan Zemtsov, a senior researcher at the Gaidar Institute in Moscow, there is not enough demand to move people and resources to warrant a bridge: “It’s more of a geopolitical project [...] It’s not about recouping the investment.”⁶⁷

As a region the economic outlook so far is mixed. The Russian Far East’s value of trade with non-CIS countries declined by 39.9 per cent between 2013 and 2016, with particularly notable declines in Primorskii Krai (55.1 per cent), Sakhalin Oblast (41.2 per cent), and Magadan (63.6 per cent).⁶⁸ These figures improved in 2017, with increases from the previous year of 11.7 per cent in Sakhalin region, 26.9 per cent in Primorskii, and

⁶⁴ Sergei Karaganov et al. *Towards the Great Ocean – 5: From the Turn to the East to Greater Eurasia* (Moscow: Valdai Discussion Club, September 2017), 9

⁶⁵ ‘The Far East: A Springboard for Cooperation Between Russia and the Asia-Pacific region’ *Valdai Discussion Group* Dec 15 2017. <http://valdaiclub.com/events/posts/articles/far-east-russia-asia-pacific-region/> (accessed Feb 11 2018).

⁶⁶ ‘Northeast Asia: A Difficult Road to Common Prosperity and Security’ *Valdai Discussion Club*. <http://valdaiclub.com/events/posts/articles/northeast-asia-difficult-road-to-common-prosperity-and-security/> (accessed Feb 11 2018).

⁶⁷ Evgenia Pismennaya and Irina Reznik ‘Putin Treads Where Stalin Failed With Plan for Mega-Project’ *Bloomberg* Oct 15 2017. <https://www.bloomberg.com/news/articles/2017-10-15/putin-treads-where-stalin-failed-with-mega-project-in-the-works> (accessed Feb 11 2018).

⁶⁸ *Federal’naya Tamozhennaya Sluzhba* http://www.customs.ru/index.php?option=com_content&view=category&id=250&Itemid=2448 (accessed Feb 14 2018).

34.2 per cent in Khabarovsk region. However, although the value of the trade of the Far Eastern Federal District increased by 17.1 per cent during 2017, this was significantly less than the country as a whole, which saw a 24.6 per cent increase in the value of its trade.⁶⁹

In 2016, the share of foreign investment in the Russian Far East was 32 per cent of the total direct foreign investments in Russia, which was a marked improvement on the less than 2 per cent of the total volume of foreign direct investment in 2011.⁷⁰ However, between 2013 and 2015, FDI into Russia as a whole had collapsed, when inflows fell from \$53.4 billion to \$11.9 billion.⁷¹ It is also worth noting that Siberia and the Russian Far East have been impacted in different ways by Russia's turn to Asia. Investments in Russia are concentrated in certain regions, with Yakutia and Sakhalin Oblast responsible for over 50 per cent of investments in the region, and Sakhalin being the only federal subject in the Far East not to rely on subsidies from the federal budget.⁷² Fluctuations in the strength of the Russian and world economy have also impacted on the government's Strategy for Socio-Economic Development of the Far East and the Baikal Region to 2025, with many projects not implemented due to the allocation of insufficient funds.⁷³

Concluding Remarks

This chapter has explored how the Russian Far East is caught between possibility and reality, and can often feel like it is a region forever turning to Asia. This is not to deny that parts of the Russian Far East have clearly been energised by a renewed attention on the domestic and international stage. However, despite some dramatic transformations, the Russian

⁶⁹Ibid.

⁷⁰ Alexander Ivlev 'What Will Be the Main Driver of Growth in the Russian Far East?' *Valdai Discussion Group* Sep 7 2017. <http://valdaiclub.com/a/highlights/growth-in-the-russian-far-east/> (accessed Feb 11 2018).

⁷¹ In 2016 FDI flows into Russia reached \$37.7 billion, mainly as a result of the privatisation of the Rosneft oil company: 'Russia: Foreign investment' *Santander Trade Portal*. <https://en.portal.santandertrade.com/establish-overseas/russia/foreign-investment> (accessed Feb 11, 2018).

⁷² The main trade partners of Sakhalin Oblast are Japan (43.4 per cent of total trade) and South Korea (40.2 per cent of total trade): Szymon Kardas 'A Region with Special Needs: The Russian Far East in Moscow's Policy' *OSW Studies* 65, June 2017: 9, 14.

⁷³ Ibid: 17.

state's engagement with the Far East has also highlighted the capacity of this region to stimulate grandiose imaginings of a renewed and reformatted Russia which coexist with the strains and tensions of a region that often resists being shaped in the way that Moscow intends. The result to date is a region increasingly reliant on China, where an expanded vision of Eurasia is promoted to deflect this dependency. At the same time, trade with Japan, the second largest economy in the region, has fallen behind that of South Korea. And although Asian countries – most notably China – make up an increasing proportion of Russia's trade, the Far Eastern Federal District of Russia saw trade grow at a lower rate than the rest of Russia in 2017.

It is a mixed picture and Far Easterners, as well as investment partners in neighbouring states, have learned to be sceptical of grand initiatives with uncertain rewards. However, this scepticism has seemingly not diminished the scope of the visions projected onto this region, nor curbed the profligacy of resources poured into trying to transform this region's relationship with the rest of the country and the wider Asia-Pacific, most notably with the recent proposal for a bridge to Sakhalin. It is a region seemingly always “pivoting to Asia” and towards a moment that would change Russia and the world.

However, the evocative and exhilarating images of a new Russia, and its associated reconfigurations and development of national space, find themselves periodically distorted by the realities of the investment environment, the limits of the local market, stifling bureaucracy and corruption, and the vagaries of the world economy. A cycle of dreams and disappointment continue to define the centre's ambitions and the realities of Russia's Far Eastern territories.

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JAPANESE AND SOUTH KOREAN RELATIONS WITH RUSSIA SINCE 2014

Introduction

Even in the long history of troubled relations between Russia and the West, the period since 2014 stands out as an obvious low point. The United States and European Union perceived Russia's annexation of Crimea, not only as a violation of Ukraine's sovereignty, but as a threat to the post-war liberal international order. They therefore responded with punitive sanctions and an increase in the deployment of NATO forces close to Russia's frontiers.

As the years have passed since Crimea's seizure in March 2014, Western leaders have become resigned to the fact that the peninsula will not be returned. The war in the east of Ukraine between government forces and Russian-backed rebels has also become a frozen conflict, albeit with sporadic flashes of violence. However, while the immediate sense of crisis may have passed, relations between Russia and the West have not recovered. Even the election of a seemingly pro-Russian president in the United States has not changed this dynamic. Indeed, allegations of Russian interference in the 2016 US presidential election and of improper contacts between the Trump campaign and Russian officials have resulted in a further deepening of tensions.

The extent of the suspicion that now characterises Western policy towards Russia is apparent from the US National Security Strategy that was published in December 2017. This document explicitly identifies Russia as an adversary that is seeking to "challenge American power, influence, and interests, [and] attempting to erode American security and prosperity." It is also claimed that "Russia continues to intimidate its neighbors with threatening behavior, such as nuclear posturing and the forward deployment of offensive capabilities."¹ Adding to this assertive rhetoric, the Trump administration also announced in December that it will provide the

¹ White House, 2017, "National Security Strategy of the United States of America," December, p.2, 47, <https://www.whitehouse.gov/wp-content/uploads/2017/12/NSS-Final-12-18-2017-0905.pdf>

Ukrainian military with “enhanced defensive capabilities”, potentially including Javelin anti-tank missiles.² With the United States arming one side and Russia the other, there is the danger of the Ukraine conflict reigniting as something resembling a proxy war.

As Washington has adopted an increasingly tough policy towards Moscow in recent years, it might be expected that its closest allies would follow suit. This has been the case in Europe where the United Kingdom has been a leading proponent of continued sanctions and Prime Minister Theresa May recently condemned Russia for “actions which threaten the international order,” including “meddling in elections” and “seeking to weaponise information.”³

By contrast, the situation in Northeast Asia looks very different. Indeed, far from contributing to efforts to isolate Russia since 2014, governments in Tokyo and Seoul have been actively looking to improve relations with their northern neighbour. This is a striking development given the extent to which both countries continue to rely on the protection of their US ally and given the history of US influence over Japanese and South Korean foreign policy.

The purpose of this essay is to explore the nature of this policy discrepancy. It does so by describing the features of first Japan and then the Republic of Korea’s (ROK) policy towards Russia since 2014. It then proceeds to analyse the reasons for these Western allies’ determination to maintain and deepen cooperation with Moscow in spite of the intensifying frictions in U.S.-Russian relations. The paper ends by drawing conclusions about the prospects for future ties between Russia and both Japan and ROK.

Japan’s relations with Russia since 2014

The Japanese government would certainly reject the suggestion that they have shown a lack of solidarity with Western partners when it comes to

² Sevastopulo, D. and Olearchyk, R., 2017, “Trump to supply Ukrainian military with weapons,” *Financial Times*, December 23.

³ Gov.uk, 2017, “PM speech to the Lord Mayor's Banquet 2017,” November 13, <https://www.gov.uk/government/speeches/pm-speech-to-the-lord-mayors-banquet-2017>

responding to Russia's actions in Ukraine. Officials might, for instance, point to Prime Minister Abe's forceful comments in March 2014, when he stated:

*“We must never condone changes to the status quo with force in the background. Russia's attempt to annex Crimea is clearly in contravention of international law and is no longer merely an issue for a single region, Europe, but rather a global issue that exerts an impact on Asia as well.”*⁴

It might further be noted that Japan followed other G-7 members in imposing financial sanctions and visa bans on Russia, and that these measures remain in place in 2018. Furthermore, the Japanese government has shown support to Ukraine since 2014 by pledging \$1.5bn in aid, plus an additional \$7m to assist with the reconstruction of conflict-affected areas.⁵ In an agreement that took effect on January 1 2018, Tokyo also eased visa requirements for Ukrainian citizens visiting Japan.⁶

These steps enable Japan to claim that they have joined the West in taking a firm stance against Russia's intervention in Ukraine. The reality, however, is quite different. To begin with, Japanese sanctions are much weaker than those of the United States and European Union, and they have been designed to have no meaningful impact. For instance, while Japan did impose visa bans of 23 Russian individuals in 2014, the names have never been released. In addition, Japan has undermined the effectiveness of Western sanctions by welcoming to Tokyo Russian officials who have been banned from travelling to the United States and/or EU. These include Nikolai Patrushev, Valentina Matvienko, Sergei Naryshkin, Igor Sechin, Valery Gerasimov, and Viktor Ozerov. What is more, in October 2016, it was reported that the government-backed Japan Bank for International

⁴ Prime Minister of Japan and His Cabinet, 2014, “Press Conference by Prime Minister Shinzo Abe,” March 25, http://japan.kantei.go.jp/96_abe/statement/201403/0325naigai.html

⁵ Embassy of Japan in Ukraine, 2017, “Message from Ambassador,” November 14, http://www.ua.emb-japan.go.jp/itpr_en/en_ambassodor.html

⁶ MOFA, 2017, “Japan-Ukraine Foreign Ministers' Meeting,” December 15, http://www.mofa.go.jp/erp/csee/ua/page4e_000730.html

Cooperation would lend 4bn yen (\$38.5m at the time) to Sberbank, a Russian lender subject to Western sanctions.⁷

More than simply being a reluctant applier of sanctions, Japan has been actively pursuing closer economic and political ties with Russia since 2014. This did not happen immediately. Indeed, during the second half of 2014 and 2015, bilateral relations were largely frozen. By the start of 2016, however, the Abe administration had evidently decided that a respectful period of time had passed since the annexation of Crimea, and that efforts at rapprochement with Russia could now resume.

The clearest indication of this policy choice was Abe's decision to travel to Sochi to meet with President Putin in May 2016. This was a bold move by the Japanese leader, not least because President Obama phoned Abe in February to directly warn him against engaging with Russia.⁸ Having ignored the advice of his US ally, Abe used the opportunity of the Sochi summit to announce a "new approach [to bilateral relations] that is not stuck in a traditional way of thinking." He also presented an eight-point plan to promote Japan-Russia economic exchange, including by "extending healthy life expectancies," "developing comfortable and clean cities easy to reside and live in," and by fundamentally expanding "medium-sized and small companies exchange and cooperation".⁹ To oversee implementation of this plan, Abe created a new post of Minister for Economic Cooperation with Russia, the only cabinet-level position to mention a foreign country by name. Sekō Hiroshige, Minister of Economy, Trade, and Industry, and a key Abe loyalist, was appointed to this post.

This economic programme has been accompanied by an intensification of political ties. This has involved a steady stream of Russian national and regional politicians visiting Japan, with a similar number of Japanese officials going the other way. The most high-profile meetings have, of course, been between the national leaders. These have been extremely numerous. Indeed, while Putin has been shunned by Western politicians,

⁷ *Reuters*, 2016, "Japan to lend to sanctioned Russian bank to push island talks – Nikkei," October 22.

⁸ *Kyodo*, 2016, "Abe snubs Obama over Russia visit," February 24.

⁹ MOFA, 2016, "Japan-Russia Summit Meeting," May 7, http://www.mofa.go.jp/erp/rss/northern/page4e_000427.html

Prime Minister Abe appears to be engaged in a one-man competition to meet with the Russian leader as often as possible. By the end of 2017, this tally had reached 20.

Many of these summits have taken place in Russia, including in Vladivostok where Abe has now attended the Eastern Economic Forum for two years in succession. The most noteworthy meeting, however, was that which took place in December 2016, when Abe welcomed Putin to his hometown in Yamaguchi prefecture. It was during this summit that the leaders agreed to discuss conducting joint economic activities on the disputed Southern Kuril Islands, which are known in Japan as the Northern Territories. When Putin and Abe met again in September, it was determined that these economic activities should focus on five priority areas: aquaculture, greenhouse agriculture, tourism, wind power, and waste management.¹⁰ In the course of 2017, two Japanese survey visits were made to the islands in order to identify the most promising sites for these joint projects.

Japan's cultivation of these economic and political ties with Russia since 2014 has been a source of disquiet in several Western countries. However, even greater alarm has been caused by the Abe administration's contemporary interest in closer security cooperation with its northern neighbour. This aim is made explicit in Japan's National Security Strategy of December 2013. Unlike the U.S. security doctrine quoted above, Japan's counterpart makes no mention of Russia as a potential threat or destabilising actor. Instead, it emphasises that, "Under the increasingly severe security environment in East Asia, it is critical for Japan to advance cooperation with Russia in all areas, including security".¹¹

The most important forum for Japanese security discussions with Russia is the "2+2". These meetings between the countries' foreign and defence ministers are particularly significant because traditionally Japan has reserved this format for its closest security partners, including the United States and Australia. It was therefore a symbolic step forward when

¹⁰ MOFA, 2017, "Japan-Russia Summit Meeting," September 7, http://www.mofa.go.jp/erp/rss/northern/page4e_000669.html

¹¹ Cabinet Secretariat, 2013, "National Security Strategy," December 17, <https://www.cas.go.jp/jp/siryu/131217anzenhoshou/nss-e.pdf>

the first Japan-Russia “2+2” was held in November 2013. No further meeting took place for the next three years on account of the Ukraine crisis, but Japan indicated its willingness to return to the pre-2014 status quo by agreeing to the revival of this format in March 2017.

In recent years the countries have also maintained regular contacts between Nikolai Patrushev, Secretary of the Russian Security Council, and Yachi Shōtarō, his Japanese counterpart. These talks are given added weight by the fact that both men have close relations with their respective leaders. In conducting these discussions, the Japanese side is evidently unperturbed by Patrushev’s inclusion on the E.U. sanctions list for his role in “shaping the policy of the Russian Government threatening the territorial integrity, sovereignty and independence of Ukraine.”¹²

Even more contentious from a Western perspective was Japan’s decision to welcome a visit in December 2017 from Valery Gerasimov, Chief of the General Staff of Russia’s armed forces. Not only is Gerasimov subject to E.U. sanctions, he is also controversial as the creator of the “Gerasimov Doctrine”, a theory of modern warfare that prescribes the use of non-military means to provoke a permanent state of unrest within an adversary’s political system. This doctrine is thought to have guided Russia’s efforts to interfere in the 2016 U.S. presidential election. Despite this reputation, Gerasimov was granted meetings in Japan, not only with counterpart Kawano Katsutoshi, but with Japanese Defence Minister Onodera Itsunori.

Gerasimov was not the only senior Russian officer to visit Japan at the end of 2017. Just two weeks earlier, head of the Russian army Oleg Salyukov was also in Tokyo where he held talks about expanding military exchanges and strengthening relations of trust between the countries’ armed forces. Salyukov also visited a military training centre where he was photographed test driving a Japanese type-10 tank.¹³ This image clearly illustrates the gulf in perceptions of Russia that exists between Japan and its NATO partners since,

¹² Council of the European Union, 2017, “List of persons and entities under EU restrictive measures over the territorial integrity of Ukraine,” September 14, p.28, <http://www.consilium.europa.eu/media/21891/20170914-list-of-designated-persons-and-entities.pdf>

¹³ MOD, 2017, “Heisei 29-nen 12-gatsu 14-nichi (moku) rikujō bakuryō-chō yori Roshia chijō-gun sō shirei-kan Saryukofu taishō kōshiki shōtai ni tsuite,” December 14, <http://www.mod.go.jp/g sdf/about/2017/20171214.html>

in the current geopolitical environment, it is unthinkable that the head of the Russian army would be permitted access to advanced military hardware in a country such as the United States or United Kingdom.

It is also notable that joint exercises have been continuing between Japan and Russia, most recently with the Hamagiri, a Japanese destroyer, visiting Vladivostok in November to take part in the SAREX 2017 search and rescue drills. This came just one month after visits to the same port by the destroyer Harusame and training ship Kashima. More such exchanges and joint exercises can be anticipated in the coming months since, following his visit to Japan, Chief of the General Staff Gerasimov announced that the Russian and Japanese ministries of defence would conduct 27 joint events in 2018.¹⁴

Lastly, while less controversial than developments in the security field, it should not be overlooked that Japan has also made a concerted effort in recent years to use cultural exchange as a means of strengthening political relations with Russia. There has long existed an annual festival of Russian culture in Japan, but in 2017 this was upgraded to a grander series of cultural events called “Russian Seasons”. In 2018, the profile of bilateral cultural exchange becomes even higher with the simultaneous celebration of the Year of Japan in Russia and the Year of Russia in Japan. These year-long cultural activities have the full backing of the Abe administration, which has named an ambassador to oversee the Year of Japan in Russia. Prime Minister Abe is also anticipated to visit Moscow in May to attend the official opening ceremony of the cultural exchange year at the Bolshoi Theatre. Abe is expected to use this opportunity to conduct further talks with President Putin.

ROK’s relations with Russia since 2014

If Western countries are disappointed by the lack of bite in their Japanese ally’s sanctions against Russia, they should be even more frustrated by South Korea’s response. This is because, despite the urging of U.S. diplomats, Seoul opted not to introduce any punitive measures whatsoever

¹⁴TASS, 2017, “Ministerstva oborony Rossii i Yaponii provedut 27 sovместnykh meropriyatiy v 2018 godu,” December 11, <http://tass.ru/armiya-i-opk/4800662>

following Russia's intervention in Ukraine in March 2014.¹⁵ Korean officials have also been hesitant about publicly criticising Russia's behaviour. For instance, the ROK's Defence White Paper of 2016 makes no mention of the "annexation" of Crimea, preferring the neutral-sounding "integration of the Crimean peninsula."¹⁶

As with Japan, rather than joining Western partners in attempting to isolate Russia, South Korea has actually sought to foster closer ties. This has included a willingness to deal with Russian companies that are subject to Western sanctions. For instance, Samsung C&T joined the project to construct the Lakhta Centre, a supertall skyscraper in St Petersburg that will serve as the headquarters of Gazprom Neft.¹⁷ In October 2014, it was also announced that Samsung Heavy Industries would build three Arctic tankers for this same sanctioned Russian oil firm.¹⁸ Such deals are criticised, not only because they weaken the effect of the sanctions regime, but also because they are won in the absence of competition from countries that have adopted a firmer line against Russia.

Aside from these specific deals, both the Park and Moon administrations have sought to more broadly enhance economic cooperation with Russia. In the case of President Park Geun-hye, her flagship Eurasia Initiative sought to link the infrastructure (rail networks, oil and gas pipelines, and electricity grids) of Europe and Asia. This inevitably entailed a major role for Russia. Although initially unveiled in October 2013, President Park continued to promote the initiative after 2014, including by attending the Eastern Economic Forum in September 2016. During this visit, Park pleased her Russian hosts by describing the Russian Far East as "a treasure

¹⁵ Wong, C.H. and Taylor, R., 2014, "U.S. Seeks Asian Backing for Sanctions on Russia," *The Wall Street Journal*, July 30, <https://www.wsj.com/articles/u-s-seeks-asian-backing-for-sanctions-on-russia-1406713409>

¹⁶ Ministry of National Defense, 2016, "2016 Defense White Paper," December 31, p.14, http://www.mnd.go.kr/user/mndEN/upload/pblicitn/PBLICTNEBOOK_201705180357180050.pdf

¹⁷ Hess, M., 2016, "Does it matter that South Korea has not imposed sanctions on Russia?" *Intersection*, May 17, <http://intersectionproject.eu/article/russia-world/does-it-matter-south-korea-has-not-imposed-sanctions-russia>

¹⁸ *Reuters*, 2014, "S.Korea's Samsung Heavy to build oil tankers for sanctioned Russian firm – sources," October 10, <https://www.reuters.com/article/russia-southkorea-sanctions/s-koreas-samsung-heavy-to-build-oil-tankers-for-sanctioned-russian-firm-sources-idUSL6N0S42ZM20141010>

trove of resources, a transport hub, a new heart of Russia”. She also promised that South Korea would invest in Russian shipyards, logistics, waste management, and pharmaceuticals. Moreover, she raised the prospect of the ROK signing a free trade agreement with the Eurasian Economic Union, the Russian-dominated trade bloc.¹⁹

The Russian leadership appreciated President Park’s decision to visit Vladivostok, and President Putin presented her with a personal gift of an ornamental scroll on which her father, President Park Chung-hee, had written his New Year wish for 1979, the year of his assassination.²⁰ However, despite this friendly gesture, the Russian side did not always find it easy to deal with Park Geun-hye on account of her advocacy of a hard-line approach to North Korea, a position deemed unhelpfully provocative by Moscow. The Russian leadership was therefore not overly disappointed by her removal from office in March 2017.

After taking power in May 2017, Park’s successor Moon Jae-in lost little time in re-emphasising the goal of deepening economic ties between South Korea and Russia. Following Park’s example by attending the Eastern Economic Forum in September 2017, President Moon told his audience in Vladivostok that, “During my term in office, I intend to forge a very close relationship with Russia.” He also characterised South Korea as “the optimal partner in the development of the Russian Far East”.²¹ Moon then continued by outlining the details of his “New Northern Policy”. This is intended to connect with President Putin’s plans to develop the Russian Far East by means of “nine bridges”. These are “shipbuilding, port construction, the Northern Sea Route development, gas exploration, railway construction, power generation, job creation, farming industry and fishing

¹⁹ Fedorov, G., 2016, “How Park Geun-hye lost the battle for the Russian Far East to Abe,” *Russia Beyond the Headlines*, September 5, https://www.rbth.com/international/2016/09/05/how-park-geun-hye-lost-the-battle-for-the-russian-far-east-to-abe_627099

²⁰ Jung, N.Y. and Kim, J.M., 2016, “Park Gets Surprise Gift from Putin,” *Chosun Ilbo*, September 5, http://english.chosun.com/site/data/html_dir/2016/09/05/2016090501211.html

²¹ Korea.net, 2017, “Address by President Moon Jae-in at the 3rd Eastern Economic Forum in Vladivostok, Russia,” September 7, <http://www.korea.net/Government/Briefing-Room/Presidential-Speeches/view?articleId=149834&pageIndex=1>

industry”.²² It is perhaps no coincidence that, by having “nine bridges”, Korea goes one better than Japan’s “8-point plan”.

To put the “New Northern Policy” into action, President Moon has created a Presidential Committee for Northern Economic Cooperation, which is intended to function as a counterpart to Russia’s Ministry for the Development of the Russian Far East.²³ The head of this new committee, Song Young-gil, was despatched to Moscow in October, where he met with Russian Foreign Minister Lavrov. Separately, in November, South Korean trade minister Kim Hyun-chong also travelled to the Russian capital to meet with Russian Deputy Minister of Economic Development Alexei Gruzdev. The main purpose of this visit was to lay the foundations for formally opening negotiation on the free trade agreement between the ROK and the Eurasian Economic Union. Such a deal would effectively include a bilateral free trade agreement with Russia.²⁴

Further to pressing for closer economic ties, South Korea has been exploring the prospects of improving security cooperation with Russia. This is not a new initiative since, in September 2008 (just one month after Russia’s military intervention in Georgia), Seoul agreed to upgrade the ROK’s relationship with Russia to a “strategic cooperative partnership”. This has entailed an expansion in exchanges between senior military officials, as well as a deepening of cooperation between the countries’ defence industries. In March 2012, the sides also held their first formal strategic dialogue. Other significant developments include the visit to Russia of the ROK’s Vice Minister of National Defence in March 2013, which “established the momentum to reinforce strategic communication regarding military cooperation between the two nations.”²⁵ When President Putin visited South Korea in November 2013, the joint statement also committed the sides to further strengthening dialogue in the fields of politics and security.

²² Korea.net, 2017, “Address by President Moon”.

²³ Korea.net, 2017, “Address by President Moon”.

²⁴ Kim, K.T., 2017, “S. Korea turning to Russia for free trade deal amid pressure from U.S.,” *Yonhap News*, November 22, <http://english.yonhapnews.co.kr/news/2017/11/22/0200000000AEN20171122009500320.html>

²⁵ Ministry of National Defense, 2016, p.157.

While the Ukraine crisis transformed security thinking about Russia in the West, the same was evidently not the case in South Korea where security relations with Russia have continued largely unchanged. For instance, in November 2015 Deputy Minister for Policy of the Korean Ministry of National Defence and Vice Minister for International Cooperation of the Russian Ministry of Defence conducted a strategic conference to promote regular meetings among senior national defence personnel. The next year in December, there followed the fifth bilateral strategic dialogue between First Vice Foreign Minister Lim Sung-nam and First Deputy Foreign Minister Vladimir Titov. Furthermore, at a practical level,

*“through JCS [Joint Chiefs of Staff] chief director-level dialogue and joint military committee meetings, the two countries are continuing to develop their strategic cooperation at the working level, and broadening the scope of their military cooperation via exchanges between units and mutual education exchanges.”*²⁶

These activities were given renewed political backing in September 2017 when, during Moon’s meeting with Putin in Vladivostok, “the two heads of state came to an agreement to advance Korea-Russia relations into a strategic partnership in the genuine sense”.²⁷

Analysis of Tokyo and Seoul’s motivations

The above sections clearly demonstrate that both Japan and South Korea have decided, not only to refrain from joining Western efforts to isolate Russia for its intervention in Ukraine, but to actively cultivate closer relations in the fields of economics, politics, and security. For two countries whose foreign policies usually track that of their U.S. security provider, this represents an interesting case of policy divergence. Japan and South Korea’s post-2014 Russia policies also open them up to potential

²⁶ Ministry of National Defense, 2016, p.157.

²⁷ Cheong Wa Dae, 2017, “The President and Russian President Vladimir Putin Hold Summit,” September 6, http://english1.president.go.kr/activity/briefing.php?srh%5Bboard_no%5D=21&srh%5Bpage%5D=1&srh%5Bview_mode%5D=detail&srh%5Bseq%5D=19701&srh%5Bdetail_no%5D=85

criticism. This is because Western diplomats believe that Russia's annexation of Crimea represents a threat to the entire international liberal order and should therefore be a matter of concern to all responsible members of the international community, and not merely to European countries. Added to this, as economies that rely heavily on trade, it might be felt that Japan and South Korea should take a particular interest in upholding the international legal order.

With regard to Japan, there is a particular sense of frustration in the West at what is viewed as Tokyo's double standards. This is due to the Abe administration's eager demand that other countries sign up to its agenda of a "free and open Indo-Pacific", which is widely understood to be directed against China's increasingly assertive behaviour in the region. The perception is that Japan is enthusiastic about promoting liberal international principles when it comes to encouraging others to become involved in East Asian security affairs, but takes a narrowly self-interested approach with regard to comparable issues in other parts of the world.²⁸ From a U.S. point of view, some may also be inclined to ask why the United States should continue to commit so many resources to the defence of Japan and South Korea when these countries are unwilling to support U.S. foreign policy interests, even if only through diplomatic means.

What then accounts for Tokyo and Seoul's persistent desire to deepen relations with Russia since 2014? In Japan's case, the explanation provided to other G-7 members has been that Japan must continue to engage with the Russian leadership in order to make use of a historic opportunity to resolve the longstanding territorial dispute between Russia and Japan over the Southern Kurils (Northern Territories in Japanese).²⁹ This does indeed partially explain Japan's behaviour. In particular, part of the aim of Abe's eight-point economic cooperation plan, as well as his tireless series of meetings with Putin, is to create a positive dynamic in bilateral relations that could ultimately lead to Russian concessions on the status of four dis-

²⁸ This observation is based on discussions held with diplomats from G-7 countries in Tokyo in 2017.

²⁹ *Kyodo*, 2015, "Germany backs Abe bid to meet top Russian leaders over territorial dispute," June 8, <https://www.japantimes.co.jp/news/2015/06/08/national/politics-diplomacy/germany-backs-abe-bid-meet-top-russian-leaders-territorial-dispute>

puted islands. This optimism is reinforced by the belief that Putin holds a more favourable attitude towards Japan than many of his compatriots and may be willing to compromise on the question of sovereignty. This conclusion is derived from some of Putin's public statements, including his suggestion in March 2012 that the issue should be resolved as a "hikiwake" or draw.³⁰ As a consequence, there is the hope that 2018-19 may represent a window of opportunity since, after winning re-election for a final time in March 2018, it is thought Putin may be willing to consider concessions on this sensitive issue.

The specific area identified by the Japanese side as representing the best possibility of a breakthrough is the joint economic activities. Agreement on this point would require a concession from Russia because Japan will only participate in economic projects on the disputed islands if these take place under a special legal system and not under Russian law. This is because submitting to Russian legal jurisdiction when operating on the islands is considered by Japan to be tantamount to acknowledging Russian sovereignty. One intriguing suggestion for ameliorating this problem is to create a broader visa-free zone between Japan's Hokkaidō and Sakhalin, the Russian region that administers the disputed islands. This proposal was made by Konstantin Kosachev, chair of the foreign affairs committee of the Russian Senate, during a visit to Japan in January 2018.³¹

Gaining a foothold by means of some small-scale joint economic activities seems a small step compared with Japan's official goal of regaining all four islands. However, the Abe administration sees this as just an opening gambit. By enabling Japanese businesses and individuals to return to the islands in a serious way for the first time in over seven decades, Japan plans to begin exerting greater influence over the territory. Longer term, the hope is that this leverage will enable Japan to secure a more favourable permanent resolution to the dispute, thereby enabling the signing of a peace treaty.

³⁰*RIA Novosti*, 2012, "Putin schitaet vozmozhnym reshit' territorial'nyu problemu s Yaponiei," March 2, https://ria.ru/vybor2012_putin/20120302/583726908.html

³¹*TASS*, 2018, "Kosachev: otmena viz pomozhet RF i Yaponii v realizatsii sovместnoi deyatel'nosti na yuge Kuril," January 27, <http://tass.ru/politika/4907608>

In pursuing this strategy, the key for Japan is to gain Russia's initial agreement to allow Japanese entities to operate on the islands under a special legal framework. In order to have the best chance of successfully negotiating this concession, it is understandable that Japan would want to avoid doing anything, such as adopting punitive sanctions, that would antagonise Russia. Instead, the Abe administration's priority is to use economic, political, and security cooperation to create a positive atmosphere in bilateral relations, thereby demonstrating the value of Japanese investment, building trust with the Russian leadership, and assuaging Russian security concerns about making concessions to a key U.S. ally.

The territorial dispute thus goes some way towards explaining Japan's determination not to abandon cooperation with Russia after the Ukraine crisis. It cannot, however, be the full explanation. For a start, Japanese leaders cannot be too confident of success. After all, the Russian side can hardly be blind to what Japan is trying to do. Indeed, the proposed joint economic activities on the Southern Kurils have already been described in the Russian media as Japan's "Trojan Horse".³² Several Russian officials, including Putin's chief foreign policy aide Yury Ushakov, have also dismissed the possibility of joint projects on the islands occurring under any jurisdiction other than Russian law.³³ Given the slim prospects of success, it seems unlikely that this strategy alone can account for the enthusiasm with which Tokyo has continued to pursue better relations with Moscow since 2014. In addition, Japan's territorial dispute clearly cannot explain South Korea's parallel interest in closer ties with Russia. Logically, there must be another motivating factor.

This additional factor would appear to be security. As made explicit in the U.S.'s hawkish National Security Strategy, Russia is considered a security threat in the West on account of it being seen as a revisionist actor intent on reshaping the European order and interfering in the domestic affairs of opposing states. To countries in East Asia, however, Russia looks

³² Koshkin, A., 2016, "Troyanskiy kon' na Kurilakh," *Regnum*, December 17, <https://regnum.ru/news/2218837.html>

³³ Mie, A., 2016, "Putin exits onsen drama holding all the cards," *Japan Times*, December 16, <https://www.japantimes.co.jp/news/2016/12/16/national/politics-diplomacy/putin-exits-onsen-drama-holding-cards>

very different. It has no pretensions to a sphere of privileged interests in the region, nor is there a significant Russian-speaking minority that Moscow feels an obligation to protect. Indeed, in East Asia, Russia looks more like a status quo power that has an interest in maintaining stability so as to better serve its primary goal of promoting the integration and development of the Russian Far East. There is also no comparable fear in East Asia of Russia interfering in domestic elections or manipulating the local media. This being so, it is little surprise that Japan and South Korea do not share Western perceptions of Russia as a security threat.

With specific regard to Ukraine, there is also the question of geographic distance. Although elites in Tokyo and Seoul no doubt have some misgivings about the annexation of Crimea, Japan and South Korea are not truly global powers when it comes to political matters, and developments in Ukraine appear remote and abstract, especially when compared with growing security concerns within Northeast Asia. There is also little domestic pressure for decisionmakers to prioritise matters in Eastern Europe. For example, Andrei Lankov describes the prevailing attitude of the South Korean public and media to events in Ukraine as follows:

*“Somewhere, several thousand kilometres away, a territorial-ethnic conflict is taking place that does not concern us. Within the conflict, each side no doubt has its own arguments but it is not necessary for us Koreans to decide exactly where the truth lies. We have enough of our own worries.”*³⁴

Added to this comparative lack of concern about Moscow’s international behaviour is the recognition that Russia could prove an important partner in addressing more immediate security concerns about China and North Korea. In Japan’s case, while Russia is not deemed a security threat on its own, there are worries about the implications of the increasingly close relationship between China and Russia, which has led to the countries holding joint military exercises in the Sea of Japan in 2015 and South China Sea in

³⁴ Lankov, A., 2014, “Pochemu Yuzhnaya Koreya ne vvela santsii protiv Rossii,” *Slon.ru*, September 8, https://republic.ru/world/koreya_i_sanktsii-1153950.xhtml

2016. As a consequence, Japan's semi-official *East Asian Strategic Review* warns of "the potential dangers posed by this Russo-Chinese 'united front against Japan'".³⁵ This risk has become more pronounced following the Ukraine crisis since isolation from the West has forced Moscow to rely more heavily on Beijing. There was therefore a clear incentive for Japan to maintain ties with Russia after 2014, including in the security field, in order to provide Russia with other options in East Asia and thereby attempt to neutralise the threat of a potential Sino-Russian alliance.

As for South Korea, while China remains a concern, the leading security threat is, of course, North Korea. In this regard, Russia represents a useful interlocutor since it retains active political ties and economic exchange with the North Korean regime. Moreover, Russia-DPRK relations have gained added importance in recent years on account of the souring of ties between Pyongyang and Beijing. Seoul therefore needs to engage with Moscow to encourage it to join international sanctions against Pyongyang's nuclear and missile programmes. There is also the potential to use Moscow's influence to encourage restraint from the North Korean regime. Although there were some tensions between presidents Park and Putin over North Korea policy, President Moon's greater openness to dialogue with Pyongyang is closer to Russia's favoured approach. Indeed, the Russian Foreign Ministry welcomed the holding of inter-Korean talks at the start of January 2018, saying: "This is exactly the kind of dialogue that we said was necessary".³⁶

In another move favoured by Moscow, President Moon has also spoken of the potential for economic cooperation with Russia to assist in promoting security on the Korean peninsula. Specifically, he told the Eastern Economic Forum in Vladivostok that

"I believe that succeeding in the development of the Russian Far East through cooperation among Northeast Asian countries is one of

³⁵ NIDS, 2016, "East Asian Strategic Review 2016," pp.223-4, http://www.nids.mod.go.jp/english/publication/east-asian/pdf/2016/east-asian_e2016_07.pdf

³⁶ *Reuters*, 2018, "Moscow welcomes dialogue between North and South Korea," January 9, <https://www.reuters.com/article/us-northkorea-southkorea-talks-moscow/moscow-welcomes-dialogue-between-north-and-south-korea-idUSKBN1EY0RR>

the fundamental accomplishments that can help solve the North Korean issue. If North Korea witnesses Northeast Asian countries succeeding in economic cooperation in the Russian Far East, it will also realize that participating in it would be beneficial. Moreover, the North will also understand that it is the way to prosper peacefully without nuclear development.”³⁷

Conclusion

Following the outbreak of the Ukraine crisis in March 2014, the policies of Japan and South Korea towards Russia sharply diverged from those of the West. Specifically, while G-7 countries actively sought to isolate and punish Moscow for its annexation of Crimea, Tokyo and Seoul continued to promote economic, political, and security cooperation. As well as reporting the details of this ongoing and intensifying engagement, this article has identified the reasons for this difference in approach, emphasising Japan’s continuing hopes of resolving its territorial dispute, as well as the distinctive security thinking about Russia that prevails in Tokyo and Seoul in comparison with Washington and Brussels.

Despite this comparatively positive attitude that has prevailed in Japan and South Korea towards Russia since 2014, it would be remiss not to at least briefly mention the serious obstacles that remain to closer relations. Firstly, in terms of economics, despite the grand ambitions of both Abe’s eight-point cooperation plan and Moon’s nine bridges, it is doubtful to what extent these initiatives will prove successful. Not least, this is because Korean and especially Japanese private enterprises remain cautious about investing in a market they deem risky and lacking in legal protections. In the Japanese case, there is also the likelihood that the government’s interest in promoting economic cooperation will fade if (as seems likely) the hoped for territorial breakthrough does not materialise.

Even more fundamentally, since Japan and South Korea remain close U.S. allies, Tokyo and Seoul’s relations with Russia cannot be isolated from the intensifying tensions between Moscow and Washington. This has

³⁷ Korea.net, 2017, “Address by President Moon”.

most recently been evident in Russia's condemnation of Japan and South Korea's decisions to install the THAAD and Aegis Ashore missile defence systems respectively. Although each country insists that these systems are intended for national defence against the North Korean threat, Russia sees these moves as complicit in U.S. efforts to construct a global missile defence network that surrounds Russia and undermines its nuclear deterrent.³⁸ Another concern is that, if tensions between the United States and China were to escalate further, Russia and both Japan and South Korea could be dragged further apart by their need to remain close to their principal partners.

On account of these considerations, the forecast certainly does not show a cloudless horizon with regard to Japanese and South Korean relations with Russia. Nonetheless, this assessment of Tokyo and Seoul's policies since 2014 does demonstrate that, when it comes to perceptions of the Russian bear, it clearly does matter a great deal whether one is looking at the head or the tail.

³⁸ Ezmest'eva, E., 2017, "V MID Rossii otsenili posledstviya resheniya Yaponii razvernut' PRO SSHA," *Argumenty i Fakty*, December 28, http://www.aif.ru/politics/world/v_mid_rossii_ocenili_posledstviya_resheniya_yaponii_razvernut_pro_ssha; Ministry of Foreign Affairs, 2017, "Outcome of the 16th ROK-Russia Vice Ministerial Policy Consultation," July 9, http://www.mofa.go.kr/eng/brd/m_5676/view.do?seq=316761

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**RECENT IMPROVEMENTS IN RUSSIA-JAPAN
RELATIONS: IMPLICATIONS FOR RF – ROK TIES
AND FOR NORTHEAST ASIA REGIONALISM**

Introduction

The Asia-Pacific region (APR) is one of the Russia's foreign policy priorities. The main strategic task for Russia in the APR is to use regional economic integration to boost socioeconomic development of its vast and under populated Far East's territories. At the same time Moscow is very keen to promote initiatives to shape new security architecture in Asia. For a variety of reasons Russia's policy in Asia gives clear priority to partnership with China. The crisis in Ukraine has worsened Russia's relations with Western states and thus elevated the priority of Russian-Chinese ties for Moscow even higher. Making "turn to the East", Russia is interested in increased role of the Northeast Asia (NEA) countries in investing into hydrocarbon, transportation and other projects in the Russian Far East (RFE), and in transferring modern technology. However, nowadays most Russian proposals to sell oil, gas and electricity to its neighbors cannot be implemented until issues concerning the Korean Peninsula security are resolved, and lately trilateral infrastructure development projects, involving Russia, North and South Korea, were making little progress. Finally, dangerous behavior by the DPRK in early 2016 (the nuclear test on January,6, 2016 and the rocket launch on February,7) initiated a strong reaction of the world community and particularly in Seoul. As a result all trilateral projects at Korean Peninsula have been stopped. In this situation Russia is trying to make an input into forming a stable security regime on the Peninsula based on its full denuclearization, while most critical issue for Moscow is to prevent resolution of the DPRK problem with the use of military force. Such negative developments could worsen socioeconomic positions of the RFE population, because in this case Korean Peninsula would never become Russian gates into East Asia, and regional infrastructure development projects (that should boost export of the RFE natural resources to

Asia and cargo transportation between East Asia and Europe) would be put indefinitely on hold. Taking into account that unstable situation at the Korean Peninsula is preventing realization of “classical” multilateral cooperation projects in NEA with an active DPRK role, as an initial (not an alternative) step in this direction Russia proposed to start regional integration process with joint realization of multilateral and bilateral projects at the territory of the RFE. To realize them Moscow need to ensure compliance with such an approach and active participation in these projects of all NEA partners. Addressing this issue at the Eastern Economic Forum (EEF) in 2017 Putin assessed the contribution of NEA countries into developing business at the RFE. According to him, 80% of foreign investments into the RFE during last two years had been made by China, while China’s Vice Prime Minister Wang Yang (he was in charge of economic cooperation with Russia) has been recently awarded with the Russia’s State Order of Friendship. So, Putin praised China’s role, and indirectly demonstrated dissatisfaction with low level of cooperation with other NEA countries. To improve this situation he suggested that it may help if Abe promote already designated minister in charge of economic cooperation with Russia to the level of a Vice PM, thus providing him with more capabilities to engage Japanese companies to work at the RFE. He also asked Presidents of ROK and Mongolia to designate special high level officials to develop cooperation with Russia.¹ In this context research goals of this chapter are as follows. Firstly, to compare current status and recent dynamics in developing relations between Russia and ROK, and between Russia and Japan. Secondly, to study causes and factors that have contributed to substantial improvement of the latter during last five years, and based on those findings to propose some measures that may facilitate improvement of ties between Moscow and Seoul. Finally, to elaborate on how improvement of bilateral and trilateral ties between Russia, ROK and Japan can contribute to restarting NEA regionalism using joint development of the RFE as a main geographical space for that.

¹Plenarnoye zasedanie Vostochnogo Economicheskogo Foruma (Plenary Session of the Eastern Economic Forum). 7 September, 2017, [online]. <http://www.kremlin.ru/events/president/news/55552>

Russia-ROK ties: why stagnation?

While forming ties with Seoul, Moscow was taking into account that the ROK became one of the world leaders in several technologies (ship building, machine building, petro chemistry, etc.), and that Korean TNCs were often ready to share technology innovations with foreign partners. Besides, Russian – Korean ties have not been hindered by unresolved political, historic or other issues, while Moscow and Seoul are interested to jointly solve Korean Peninsula security problem.

Lastly several economic projects between Russia and ROK have started at the RFE, while some of them have not become successful due to geopolitical problems at the Korean Peninsula or non friendly business environment in Russia. For example, in 2008 Russian Government invited Daewoo to take part in shipbuilding project at the RFE aimed at construction of oil tankers with displacement up to 350 thousand tons, LNG ice class carriers, and other types of special vessels, including oil and gas extraction platforms for Russian oil, gas and shipping companies. But preliminary administrative, financial and other coordination had been very slow, and as a result most work for that project so far has been done at Daewoo shipyards in Korea. In September 2013 Rosneft has got a large share in that project and parameters of Russian-Korean cooperation in its realization has been changed, however Korean technological expertise, industrial capacity and financial capital in realization of this project are still welcomed.²

Several projects with Korean participation have started in car assembly and electric equipment production in Vladivostok area. For example, Russian car assembly company “Sollers” has got exclusive rights and arranged in Vladivostok an assembly line for the Korean automobile company “Ssang Yong”. Very short distance to Korean ports from Vladivostok, and availability of adequate port terminal in Vladivostok became logistical advantages of this project. In 2010 “Federal Circuit Company” and Korean “Hyundai Heavy Industries” signed an agreement to construct an electric

²Memorandum of understanding has been signed between three Russian companies (Rosneft, Sovkomflot, Gazprombank) and Korean Daewoo Shipbuilding and Marine Engineering on cooperation in forming shipbuilding center in Russia during Putin’s visit to ROK in November 2013 – see http://news.kremlin.ru/ref_notes/1563

equipment production plant in Primorskiy region (at Artyom city situated not far from Vladivostok). In accordance with it, Korean company constructed that plant. As far as air transportation, in November 2012 Korean Asiana Airlines started daily flights from Seoul to Vladivostok capitalizing on new comparative advantages of this route (brand new Vladivostok airport, expected cancellation of visa regime, etc.). That move positively changed local business environment by making stronger air tickets price competition between Asiana and two companies that had been operating on this line for many years (Korean Air and Russian Vladivostok Avia). Unfortunately, for different reasons those projects (on construction of the electric equipment production plant and regular flights to Vladivostok by Asiana) have not become successful, but the above mentioned examples demonstrated that ROK companies have been relatively active in different business spheres of the RFE.

In 2013 President Park proposed a new vision for cooperation between Europe and Asia, including a “Eurasia initiative”, that have been aimed at developing more trust among partners in NEA, and Moscow readily supported it. That document had several key dimensions, including a geo-economical one (formation of joint Eurasian space by developing economic integration on huge territory from Korean Peninsula to Russia, and construction of the Eurasian corridor in energy, transportation, technologies, etc.). Its second component envisaged the creation of peace and cooperation space on whole territory of Eurasia, including DPRK. According to Moscow, the abovementioned aims could not be achieved without establishing a true partnership with Russia, while the Eurasian Initiative agenda has been fully consonant with two strategic initiatives proposed by President Putin as a part of his global Eurasian Project: formation of Eurasian Economic Union and priority development of the Eastern Siberia and the Far East.

The visit by Vladimir Putin to ROK in November 2013 and his meeting with President Park elevated bilateral relationship to higher level. Among most important achievements of that visit we may consider governmental agreements on cancellation of visa regimes for up to two months' visits and on formation of cultural centers, while several other documents have been signed by Korean and Russian ministries and busi-

ness companies for cooperation in such fields as: energy, finance, investments, transportation, shipbuilding, and tourism.

So, summing up, we should distinguish such positive features of bilateral ties, as: compatibility of two presidents' strategic initiatives, absence of unresolved historic and other problems, dynamic development of political, economic and humanitarian contacts, etc. Based on that positive arguments, there were serious reasons to consider that Russia and ROK have a great potential for further developing cooperation in NEA security and economic spheres in bilateral and multilateral formats, and that in perspective Moscow and Seoul would rely more on each other in international politics, including such mutually beneficial project as formation of joint Eurasian space. However, that did not happen, and the author would try to suggest some measures to improve the situation in the final part of the work.

Russia and Japan: incumbent leaders' strategic vision, mutual trust, and domestic popularity

After becoming PM for the second time in December 2012, Shinzo Abe declared that improving ties with Russia would be one of his foreign policy priorities, and it was confirmed during a successful visit to Moscow in April 2013. Abe's administration is extremely anxious about the strengthening of political and economic ties between Russia and China. Taking this fact into account, Tokyo considers closer relations with Moscow as a significant means of counterbalancing Chinese growing power in the region. As far as Moscow, the current version of the Russian Foreign Policy Concept put relations with Japan ahead of Russia's ties with the two Korean states.³ It declared that "Russia will continue a course to build friendly ties and develop mutual cooperation with Japan, including for the achievement of such goals as stability and security in the Asia-Pacific region," which somewhat mirrored the statement in the 2016 Japanese Diplomatic Bluebook about ties with Russia.

In March 2012, Putin suggested that the territorial dispute with Japan could be solved on the basis of mutual compromise. But to find an ac-

³Concept of the Foreign Policy of the Russian Federation. (2016). Approved by the RF President V. Putin, 30 November 2016.

ceptable formula for it is an extremely difficult task, because Japan wants to get all four Southern Kuriles Islands at once, while Moscow is ready to discuss the peace treaty and subsequent solving of the dispute based on the terms of the 1956 Joint Declaration. Nevertheless, Putin and Abe have been very keen to strengthen friendly relations and have used any possible options for personal meetings.

The real changes in the interests of Japan and Russia and new ideas for cooperation started to crystallize in Sochi in May 2016. At Sochi summit Abe proposed a comprehensive economic cooperation plan consisting of investment projects to be executed by Japan mostly on the territory of the RFE in eight spheres, such as energy, industry, medicine, agriculture, urban development, medium and small business, high technology, and humanitarian exchanges. Interestingly, some of those projects for cooperation had already been proposed by Abe during his first term as PM in 2007. So for him, these measures became *a well-thought-out strategy that should and could be implemented*.

During a meeting with Abe in Vladivostok in September 2016, Putin endorsed the comprehensive plan for bilateral economic development and demonstrated a strong will to reach a compromise on the territorial dispute. In December 2016 Abe hosted a visit by President Putin, though it did not become a breakthrough in bilateral relations as it had been unrealistically expected by many in Japan. However, the visit clarified a path toward strengthening bilateral ties in political, economic, and humanitarian spheres. In particular, the mutual effort to develop a special initiative that could allow free movement and joint investment across the four islands has gone ahead. As far as the territorial dispute, no concrete formula has been announced. But according to indirect indications, Putin's position (that Russia will not deviate from the clauses of the 1956 Joint Resolution) has prevailed. In a very simplistic way, it means that to solve the issue, the countries should take three steps. First is to substantially increase the level of mutual trust as a result of gradual improvement in all spheres of bilateral relations. Second is to sign a peace treaty without any conditions. Third is to transfer Shikotan and Habomai to Japan as a good will gesture of Russia.

The principal question is whether Moscow and Tokyo will have enough political will to make those three steps until the end. For decades, the leaders of Japan and Russia have been aware of long-term factors that demonstrated the need for improvement in bilateral ties. For Japan, these include balancing against the strengthening of a strategic partnership between China and Russia and diversifying its energy resources – for Russia, to gain Japanese technological and economic help to facilitate development of the RFE. However, an understanding of those arguments did not bring any breakthroughs in bilateral ties, which were overshadowed by different geopolitical logic and domestic policy priorities. As Putin said at the joint press conference with Abe, “Japan lived without close cooperation with Russia for seventy years, and we lived without it. Can we live without it in the future? Yes, we can. Will it be the right decision? No.”⁴ So, Putin clarified that substantial rapprochement of bilateral ties has not been a predetermined issue, but a matter of the two leaders’ conscious political choice.

As a result, during last 5 years the political pendulum moved in the direction of substantial improvement of bilateral ties. The most critical reason for that has been the positive influence of three time-limited factors related to personal features of President Putin and PM Abe (a high level of political aspirations, personal trust toward each other, and strong popularity among domestic electorate).

Let us start from the issue of their political legacy.⁵ Putin and Abe have been considered to be strategic visionaries from the first years of their tenures as countries’ leaders (the years 2000 and 2007, respectively), as they formulated a national priority – to open a new era in bilateral relations. Both of them failed to achieve this goal at that time, but five years ago they joined efforts to start a second well-thought-out attempt. Both politicians are already in power for a long time. Putin has been President of Russia from the year 2000 (with a 4-year break between 2008 and 2012

⁴Interviyu Vladimira Putina telekompanii «Nippon» i gazete «Iomiuri» (Interview by Vladimir Putin to TV company “Nippon” & newspaper “Yomiuri”), 13 December 2016, [online] <http://www.kremlin.ru/events/president/news/53455>. Accessed 20 December 2016.

⁵ Sergey Sevastyanov, *Hopes and Realities in Relations Between Russia and Japan: Is a Breakthrough Possible?* // *East Asia: An International Quarterly* (2017). V. 34, # 1. P. 39-62. DOI 10.1007/s12140-017-9268-z

when he had been a PM). Abe may stay in power from 2012 till 2021, and then his tenure as PM would be the longest in the history of Japan. Thus he is very anxious to leave a trace in history as a leader being able to return part of the territories lost during the Second World War. Putin also hopes to leave a historic legacy as a political figure being able to solve territorial disputes with most of Russia's neighboring countries, and he had already reached a compromise in disputes with China and Norway. Secondly, both leaders are enjoying a high level of mutual trust and personal affinity. On several occasions, Abe addressed Putin as his friend, and described him as a person who was always keeping his promises. In his turn, the Russian President characterized the Japanese PM as a very reliable and honest partner with whom he is ready to reach agreement about very serious and practical issues of bilateral cooperation⁶. In fact, Putin strongly believes in and relies on personal ties with former and incumbent conservative foreign leaders (Schroeder, Germany; Berlusconi, Italy; Xi Jinping, China; etc.) in implementing international politics.

Thirdly, both leaders have strong domestic support. This is important as it is usually only popular conservative leaders who are able to solve territorial disputes without too much risk to their political standing in respective countries. Putin's political power is unchallenged in Russia, and in March 2018 he easily won a new presidential term for six more years. It is very unlikely that Russia will transfer to Japan more than two small islands, while Putin proposed to use a positive experience in solving territorial dispute with China as a model for Russia and Japan. According to him, the issue had been settled between friendly countries based on mutual compromise and concessions, and that event did not cause problems in Russia or China⁷. So, the author suggests that Putin can afford to solve a territorial dispute with Japan on the terms of the 1956 Joint Resolution without any serious risk to his political standing in the country.

⁶Interviyu Vladimira Putina telekompanii «Nippon» i gazete «Iomiuri» (Interview by Vladimir Putin to TV company "Nippon" & newspaper "Yomiuri"), 13 December 2016, [online] <http://www.kremlin.ru/events/president/news/53455>. Accessed 20 December 2016.

⁷Ibid.

assuming PM office in December 2012, Shinzo Abe has built a two-thirds majority in the lower house of the Japanese parliament for the coalition led by the Liberal Democratic Party (LDP). Abe has no serious challengers within the LDP and among leaders of the opposition parties. However, for Abe a lot depends on whether he would be able and willing to make difficult political decisions, when many of his conservative supporters would not be happy if a compromise is achieved based on the “two plus” option. After a discussion inside the LDP in October 2016, the internal rules of the LDP have been changed, and now he may stay in power as PM until 2021. But if Abe could stay in power for four more years, how high are the chances that the two leaders would be able to solve the territorial dispute? The author will attempt to answer this critical question in the concluding section.

Eastern Economic Forum and APEC Summit 2017: new features in Russia-Japan and Russia-ROK relations

After APEC summit in Vladivostok in 2012, Moscow was doing its best to improve investments climate at the RFE, while two important laws have been approved: on territories of advanced development and on granting Vladivostok a special status of a free port. Their practical implementation has been widely discussed at the Eastern Economic Forums arranged in Vladivostok every September starting from 2015. In 2017 Presidents of Russia, ROK, and Mongolia, and Prime Minister of Japan attended those events, thus transforming that forum into NEA minilateral summit. Large delegations of businessmen from China, Japan, ROK, Mongolia and other countries have been taking part in those events to get first-hand knowledge on new investments regime arranged at the RFE.

Speaking at the keynote sessions of those forums Putin promoted new investments regimes, and invited leaders and businessmen from NEA countries to invest into projects at the RFE in such fields, as: energy, processing of natural resources, transportation, ship building, infrastructure, agriculture, high tech, tourism, and other spheres, by capitalizing on advantages of those regimes. He supported the joint initiative proposed by energy companies of Russia, Japan, ROK and China to construct the ener-

gy super grid connecting all NEA countries, and offered to form a joint digital economics space in NEA in such spheres as: transport, foreign trade, customs service, etc. He also welcomed cooperation in research of space, education, culture, etc.

However, speeches by Korean President Moon Jae-in and Japanese PM Shinzo Abe at the keynote session of the third EEF at September 7, 2017 became the litmus test clarifying current status of and desired dynamics in developing cooperation between Russia and ROK, and between Russia and Japan. In his speech in 2017 Abe noted the importance of the EEF in Vladivostok as a new useful institution, and gave several examples clarifying special character of his ties with The Russian President. Then he described first positive results in implementation of the comprehensive economic cooperation plan consisting of investment projects executed by Japan mostly on the territory of the RFE in eight spheres, making a special focus on cooperation in medicine, urban development (Vladivostok and Voronezh), energy, industry, digital economics, medium and small business, etc. According to him, just during one year a great work has been done by both countries and significant progress has been achieved in all eight spheres. Based on that he predicted that, if two countries continue to go ahead with the same tempo, in a two years time the potential of Russia-Japan relations would reach the level that would be enough to sign a peaceful agreement, while it would become the historic task for Putin and him to fulfill this obligation.⁸

As far as President Moon, in a relatively short speech he demonstrated a clear intention to establish good personal ties with Putin and to improve ROK – Russia cooperation, and also proposed several practical ways to do it. To reach these goals more promptly he capitalized on some positive experience gained by PM Abe during five years of his hard work with Russia and personally with Putin. President Moon began by mentioning positive historic experience of cooperation at this geographical space between Russians and Korean ancestors. Then he made an emotional pitch claiming that both Putin and himself are courageous and brave, and in this way resemble Amur tigers

⁸Plenarnoye zasedanie Vostochnogo Ekonomicheskogo Foruma (Plenary Session of the Eastern Economic Forum). 7 September, 2017, [online]. <http://www.kremlin.ru/events/president/news/55552>

(considered as sacred animals in Korea), and thus are predestined to work together for effective development of the RFE.

As one of his priorities the ROK President mentioned the so called New Northern Cooperation Politics, and according to him, the RFE is exactly the place where New Korean Northern Politics and Russian Eastern Politics meet. To realize this strategic vision, the Presidential Committee for Northern Economic Cooperation has been formed in ROK. This is an unusual case for Korea when a special governmental system for cooperation with ROK northern neighbors has been formed. This Committee could be considered as an effective counterpart to the Russia's ministry for the development of the RFE.

Following the steps of PM Abe, Moon proposed to construct "nine bridges" between ROK and Russia for development of bilateral and multilateral cooperation, including such as: energy, gas, railways, Northern Sea Route, shipbuilding, agriculture, logistics, ecology, etc. According to him, construction (with a leading role of Russia) of the NEA electric energy ring could facilitate formation of the world largest energy community in the region, and he promised to start realization of such joint projects during his presidential tenure. Moon confirmed that many Korean companies were already working in the RFE in different spheres (agriculture, fisheries, logistics, shipbuilding, etc.), but due to objective and subjective reasons not all of them become successful. So, what is urgently needed is rapid materialization of "success stories" of Korean projects at the RFE. To facilitate that ROK and Russia already formed new financial platform (worth of \$2bln.) for joint investments into business projects at the RFE.⁹

Finally, he emphasized the importance of trilateral projects (RF, ROK, DPRK) for prosperous development of NEA. But, taking into account current unstable situation with DPRK, according to him, the best practical option to start NEA economic integration projects and to help ROK companies not to be excluded from them, is to plan and realize multilateral and bilateral cooperation projects at the RFE territory. *Thus at this*

⁹ Plenarnoye zasedanie Vostochnogo Ekonomicheskogo Forumu (Plenary Session of the Eastern Economic Forum). 7 September, 2017, [online]. <http://www.kremlin.ru/events/president/news/55552>.

forum Moscow and Seoul demonstrated similar approaches toward most workable NEA integration scenario.

Considering Russia's cooperation with Japan, an intrigue has aroused around the meeting between Vladimir Putin and Shindzo Abe at November 10, 2017 in Vietnam at the sidelines of the APEC summit. During it Putin congratulated Abe on winning elections in Japan and declared that his victory would help to realize all our plans (and it immediately provoked speculations on a probability of signing a Peace Treaty between the two countries). He mentioned that lately Russia-Japan political and economic ties have been developing very positively. Besides, he invited PM Abe to attend Petersburg Economic Forum in 2018 and official ceremonies at Bolshoi Theater in Moscow to open Russia's Year in Japan and Japan's Year in Russia that would be simultaneously arranged in 2018.

In his turn, Abe mentioned that, in accordance with agreements in Nagano in December 2016, several events has been successfully arranged in 2017 by the Russian side at Kuril islands: to allow Japanese citizens to visit places of burial of former residents, and to visit places for proposed joint activities at four South Kuriles islands. He also expressed optimistic view that next "cross year of friendship" would help to deepen mutual understanding between peoples of two nations.

However, at the next day meeting with foreign and Russian journalists Putin, while covering the substance of negotiations with Abe, sent more contradictory political signals. On the one hand, he confirmed that they were discussing the Peace Treaty, and that its conclusion has been an essential part of their joint plans. On the other hand, while speaking about the possibility to sign it, Putin made strong emphasis on two issues that earlier he did not distinguish as most critical.¹⁰ Firstly, he pointed out that in the context of the future Peace Treaty Japan should clarify what kind of obligations in security sphere it may have and must fulfill being a partner in the Bilateral security treaty with the U.S., and that due to this unclear

¹⁰Stenogramma vstrechi s rossyiskimi I inostrannimi zhurnalistami (Transcript of the meeting with Russian and foreign joutnalists), 11 November 2017 [online]. <http://www.kremlin.ru/events/president/news/56049>

sensitive issue it may take years before the Treaty could be successfully negotiated.

Secondly, during preceding meetings Abe many times assured Putin that they should conclude the Peace Treaty *by themselves* based on their historic predestination. Previously Putin did not openly confront that thesis, but this time he made a point that conclusion of the Peace Treaty has not been a matter of political leadership (Abe, Putin, or anybody else) to decide, while willingness of two nations to solve all problems and develop bilateral relations in the long-term perspective has been the key to achieve this goal. Though this thesis sounds as logical, in practical terms it is very difficult to realize it.

Conclusions and Perspectives:

1) The author suggests that the positive interaction of the long-term objective factors, which favor improving ties between two countries, and several time-limited factors related to the personal features of Putin and Abe, could form conditions suitable to sign a Peace Treaty and to resolve the territorial dispute. In 2017 Abe was able to secure an opportunity to keep the job of the Japanese PM till the year 2021 and to start several joint economic projects at the RFE. The year 2018 would be one more important year to move toward a strategic goal of an increased level of mutual trust. As a result, the practical window of opportunity to reach a compromise on the territorial dispute could become available during the following two years (2019 and 2020).¹¹

Being at APEC 2017 in Vietnam, Putin made an effort to widen his room for political maneuver in negotiating the Peace Treaty with Abe. On one hand, he declared that latest electoral victory by Abe would help both leaders “to realize all our plans”. On the other hand, he demonstrated displeasure with unclear Japanese obligations as a member of the security alliance with the U.S. that could become an obstacle to a Peace Treaty. Besides, he suggested that citizens of Japan and Russia (and not political

¹¹Sergey Sevastyanov, Hopes and Realities in Relations Between Russia and Japan: Is a Break-through Possible? // East Asia: An International Quarterly (2017). V. 34, # 1. P. 39-62. DOI 10.1007/s12140-017-9268-z

leadership) should have a final say about the fate of that Treaty. Those statements added uncertainty toward the negotiating process, however, that could be considered as another attempt to strengthen Russia's position in negotiations. It is generally recognized that transfer of Shikotan and Habomai would not create serious traditional security problems for Russia (though it may cause some losses in fishery and other resources). Besides, when President Putin successfully solved two long term territorial disputes with Norway and China, he never appealed to the Russian population to know its opinion.

Overall, further movement toward the Peace Treaty is not predetermined, and Abe's successor may have different political priorities and personal affinities. What this author suggests is that the strategic vision, personal features, and mutual trust of the two incumbent leaders during last five years have been and will continue to be a key driver for the improvement of Russia–Japan relations. There are still good odds that the hopes of Putin and Abe to solve the territorial dispute by the year 2021 could be fulfilled. If it has not happened by then, the next opportunity could occur in the very distant future.

2) Having strong political and economic interests on the Korean Peninsula, Moscow supports eventual formation of a unified Korea, and recognizes the leading role of ROK in the future reunification. In this context strengthening ties between Korea and Russia could become a valuable component of multilateral cooperation system in NEA politics, economy, etc. The author suggests that, taking into account the abovementioned arguments and recent positive trends in RF – ROK relationships (cancellation of visa regime, lack of anti Russian sanctions, two recent visits of Korean presidents to attend EEF in Vladivostok, etc.), the true potential of Korea as a valuable strategic partner has been underestimated in Russia. Moscow should cooperate more with Seoul on par with Tokyo in implementing its NEA international politics and plans to develop the RFE.

So far most part of the large potential for bilateral cooperation has been underutilized by both countries. In this context visit by President Moon to Vladivostok in September 2017 and his very well-thought speech at the EEF have become critical steps in the right direction. As far as per-

sonal ties, it may be a difficult task for Moon to establish really friendly ties with Putin. The latter tends to cultivate long term friendly relations with conservative leaders, besides he already has two personal friends in NEA (President Xi Jinping and PM Abe)...

Overall, NEA regional actors recognize the existence of at least two possibilities that, if addressed in multilateral fashion, could facilitate a practical start to long awaited NEA regionalism. As mentioned, they are as follows: the first one – realization of trilateral and multilateral cooperation projects at the territory of the DPRK (but it should be preceded by solving Korean Peninsula security problem). The second one is joint realization of business projects at the RFE territories.

Understandably, Moon, who campaigned on a platform of engagement with the North, eagerly embraced the opening to dialogue provided by Kim Jong-Un in his recent New Year's address, and we hope that it may bring some positive results. But in any scenario it will take long time before multilateral cooperation projects could be realized at the DPRK territory. In this situation Moscow welcomed the New Northern Cooperation Politics proposed by Moon, and, according to his speech at EEF 2017, the RFE has become an exact location where New Korean Northern Politics and Russian Eastern Politics meet.

So, on one hand, President Moon's "nine bridges" plan has been declared a year and four months later than PM Abe's "road map" for cooperation in eight spheres. On the other hand, the political priority for Tokyo is to activate bilateral cooperation in Southern Kuriles' area, while Seoul is free to choose joint cooperation projects at any place in the RFE based on Korean business needs, interests and possession of advanced technologies (ship building, petro chemistry, agriculture, high tech, etc.). Such a difference could help in getting support from Moscow in realization of joint projects with Korean participation. In this situation what should be done without any delay is to establish effective working contacts between Russian and Korean governmental leaders (for example, between Russian Vice PM Trutnev and Chairman of the ROK Presidential Committee on Northern Economic Cooperation Song Young-gil), and between governmental structures in charge of bilateral economic cooperation to solve two tasks: a

strategic one (to form a long term master plan for bilateral cooperation at the RFE) and a short term tactical one (to ensure several “success stories” of the projects realized by Korean business at the RFE based on new investments regimes).

3) Several projects in such spheres, as: energy, natural resources, transportation, agriculture, education, etc, could be realized at the RFE territories in a multilateral format with participation of Korean, Japanese, Chinese and other countries’ companies thus contributing to practical development of NEA regionalism. Besides, successful realization of bilateral projects with participation of Russia and Korea could be helpful in developing more trust among business partners from two countries that would be absolutely necessary in the future for realization of trilateral cooperation projects with DPRK participation.

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EAST ASIAN HISTORY PROBLEMS IN THE AGE OF HISTORICAL JUSTICE

The History of East Asian History Problems

Although conflicts over history had always been there, so-called East Asian “history problems” emerged only in the early 1980s, almost 30 years after the end of WWII. Until the 1970s, the Chinese government retained tight control of collective memory, and even suppressed popular attempts to investigate Japanese war crimes in order to safeguard the Sino-Japanese friendship. There was virtually no public commemoration of the Nanjing Massacre (1937-38). Japanese atrocities were only briefly mentioned in Chinese high school and college history textbooks, which also contained no mention of Chinese comfort women. Filmmakers and scholars who tried to document Japan’s wartime cruelties were criticized for stirring up unnecessary hatred.¹

Around 1980, however, Chinese attitudes toward the past war showed signs of shifting. The role of the Nationalists and their leader (Chiang Kai-shek) in the war against Japan was reappraised, and the cruelty of the Japanese invaders was increasingly emphasized. These developments were already underway before the Sino-Japanese textbook controversy finally erupted in 1982.²

When the MOE announced the results of the 1981-1982 textbook screening in June 1982, the major Japanese media reported that the term ‘invasion’ toward northern China was replaced by the more moderate term ‘advancement’ during the textbook screening process. Though the information turned out to be wrong, the report prompted official protests from China and South Korea, escalating into a diplomatic conflict. Since then,

¹ Daquin Yang, “Convergence or Divergence? Recent Historical Writings on the Rape of Nanjing,” *American Historical Review*, vol. 104, no. 3 (June 1999), p. 858.

² Shin Kawashima, “The East Asian Textbook Issue- Historical Background and Current Status,” *Nippon com* (May 25, 2012). [online] <https://www.nippon.com/en/in-depth/a00702/> Accessed 19 January 2018.

people in China and South Korea started to critically investigate the contents of Japanese history textbooks and demand ‘incorrect’ texts be revised, asserting that Japan’s school textbooks failed to present adequate accounts of Japan’s responsibility for its colonization of and aggressive war toward its Asian neighbors between 1937–45.

After the 1982 textbook controversy, the Chinese government began bitterly criticizing Japan’s “historical amnesia” or “distortions of history.” Such drastic change of China’s attitudes toward Japan’s wartime atrocities could be understood in light of the larger political and socioeconomic context.³ In 1982, the Chinese Communist Party was suffering a legitimacy crisis after the end of the disastrous Cultural Revolution, and the regime’s legitimacy was further questioned after the violent crackdown of the 1989 Tiananmen Square Incident. With the decline of Communist ideology as a source of legitimacy, the CCP desperately needed a new ideological framework to reestablish its legitimacy and consolidate the nation, and discovered patriotism as a useful tool to achieve this goal. In 1990, the State Education Commission launched the ‘Patriotic Education Campaign’, which was designed to present the youth with detailed information about the so-called ‘100 years of national humiliation’ from the outbreak of the first Opium War in 1840 until the end of World War II in 1945, and the role of CCP in China’s long struggle for national independence. The Sino-Japanese War from 1937 to 45, previously been regarded as one of many conflicts, was highlighted as the war which led to China’s ultimate victory after its long resistance.⁴ Since 1949, the Chinese history textbooks which adopted Marxist historiography had portrayed Japanese workers and peasants as fellow victims of militant imperialists. Now this ‘class struggle narrative’ was replaced by the “patriotic narrative,” which emphasized invasions by foreign powers.⁵ Since the late 1980s, museums and public monuments also played significant roles in commemorating na-

³ Yinan He, “Remembering and Forgetting the War: Elite Mythmaking, Mass Reaction, and Sino-Japanese Relations, 1950-2006,” *History and Memory*, vol. 19, no. 2 (2007), pp. 51-55.

⁴ He, *op.cit.*, p. 57.

⁵ Zheng Wang, “National Humiliation, History Education, and the Politics of Historical Memory: Patriotic Education Campaign in China,” *International Studies Quarterly*, vol. 52, no. 4 (December 2008), pp. 791-792.

tional humiliation. The Memorial Hall for the Victims of the Nanjing Massacre was established in 1985, and the Memorial Hall of the Museum of the War of Chinese People's Resistance Against Japanese Aggression was built in Beijing on July 7, 1987—the 50th anniversary of the Marco Polo Bridge Incident that initiated the Sino-Japanese War. On September 18, 1991, the 60th anniversary of the Manchurian Incident, the September 18 Historical Museum was built in Shenyang, a city in northeast China.

Between Japan and South Korea, history problems have become prominent in the 1990s, when the “comfort women” issue finally gathered serious attention both within and outside Korea. “Comfort women” refers to young females of various ethnic and national backgrounds, with the majority being Korean, who were forced to offer sexual services to the Japanese military before and during WWII. Though the existence of the comfort women has long been known, it was only in the 1990s that the problem was recognized as a serious war crime requiring Japanese governmental acknowledgement of Japan's responsibility. From 1946 to 1948, the International Military Tribunal for the Far East, commonly known as the Tokyo tribunal, did not punish any Japanese leaders for their sexual violence. Neither the Japanese nor the Korean governments raised the issue of comfort women during 14 years (1952-1965) of negotiations to conclude their normalization treaty.

In the 1990s, pushed by the changing international trends of the post-Cold War period, democratization in South Korea gained momentum, which in its turn empowered civil society and provoked renewed attention to Japan's wartime atrocities. In August 1991, Kim Hak-sun became the first former comfort woman to testify in public about her suffering during WWII. In December 1991, supported by South Korean and Japanese feminists, the first suit by three Korean former comfort women was filed against the Japanese government. In 1993, the Japanese government conducted a hearing of testimonies given by 15 Korean former comfort women in Seoul, which ultimately led to a historical statement by then Chief Cabinet Secretary Yohei Kono. In this statement Kono acknowledged the Japanese military's involvement in setting up wartime brothels before and during WWII, and apologized to the former comfort women. In 1995, a

Japanese government, led by Socialist Prime Minister Tomiichi Murayama, expressed its “deep remorse” over colonialism and aggression and specifically apologized to the comfort women. It set up the Asian Women’s Fund, with public donations and state funds, to offer monetary compensation and health and welfare support to the surviving victims from South Korea, Taiwan, Philippines, Indonesia and the Netherlands.⁶

However, the issue flamed up again in December 2011, when a statue symbolizing comfort women was erected by the Korean Council for Women Drafted for Military Sexual Slavery near the Japanese Embassy in Seoul. On December 28, 2015, Japan and South-Korea agreed to resolve the thorny decades-old “comfort women” issue “finally and irreversibly.” The agreement commits Japan to provide ¥1 billion to a South Korean fund to compensate the victims and their families, while it urged Korea to acknowledge Japan’s concerns about the “comfort women” statue in Seoul, and to strive to solve the issue in an “appropriate manner.”

The two governments’ deal on “comfort women” statue immediately sparked anger among “comfort women” supporters, who insisted that the Korean government has no authority to remove a privately erected statue, and pledged to continue to erect new “comfort women” statues throughout the country. In December, 2016, a South Korean civic group placed a bronze statue of a girl in front of the Japanese consulate in the southern port city of Busan. Criticizing the installation of the statue as the violation of the 2015 agreement to “finally and irreversibly” resolve the “comfort women” issue prompted Tokyo to recall its ambassador, Yasumasa Nagamine, back to Japan.

Inaugurated in May 2017, the government of President Moon Jae-in, launched the task force to review the negotiation process that led to the deal on the “comfort women” issue with the Japanese government. In December 2017, the task force finally issued the report critically analyzing the Park Geun-hye government’s failure to gather adequately the opinions of former “comfort women” before reaching the agreement. The report also details a previously undisclosed the Japanese government’s request that

⁶ The official website of the Asian Women’s Fund explains its purpose, history and activities comprehensively. See, <http://www.awf.or.jp>

the South Korean government should persuade victims' support groups, which were likely to oppose the deal, to accept it. Oh Tae-gyu, Head of the task force, insisted that, "A victim-oriented approach, which has been accepted as a norm of the international community for human rights of war-time women, has not been fully reflected in the deal." Immediately, the Japanese Foreign Minister Taro Kono issued the statement that he saw no problem with the process leading to the agreement and called anew on Seoul to steadily implement it. Also, Japanese government required South Korea to make an effort toward removing the statues outside its consulate in Busan as well as the Japanese Embassy in Seoul, claiming that they violate the Vienna Convention on Diplomatic Relations, which requires a host state to prevent any disturbance of the peace of a diplomatic mission or impairment of its dignity.

Universalization of East Asian History Problem

In July 2017, South Korea's new gender equality and family minister, Chung Hyun-back, announced a plan to construct a new museum in Seoul to commemorate former Korean women forced into Japanese war-time brothels, which would remind people of the "human rights violations caused by war," insisting that the so-called "comfort women" issue is "no longer an issue between South Korea and Japan but an international one." While Japanese government has primarily regard the "comfort women" issue as a bilateral diplomatic issue between Japan and South Korea, the issue has increasingly been shared and recognized as a genre of suffering that exists globally, and has already developed well beyond the control of the two governments.

The renewed attention to the comfort women in East Asia in the 1990s coincided with a global shift in attitudes towards sexual violence.⁷ Only relatively recently has rape been recognized as a grave violation of human rights and as a crime against humanity. Large-scale sexual violence in the Yugoslav conflict, which lasted from 1991 to 2001, created interna-

⁷ Seiko Mimaki, "Norm Dynamics and Reconciliation-Japan, US, and East Asia," in Phillip Tolliday, Maria Palme, Dong-Choon Kim (eds), *Asia-Pacific Between Conflict and Reconciliation* (Göttingen: Vandenhoeck & Ruprecht, 2016), pp. 266-274.

tional awareness of the need to build a prohibition regime against rape as soon as possible. The 1993 World Conference on Human Rights in Vienna, the International Criminal Tribunal for the former Yugoslavia (ICTY) and for Rwanda (ICTR), which were established in 1993 and 1994 respectively, as well as the Rome Statute of the International Criminal Court (1998) all prosecuted rape as a war crime and a crime against humanity. The UN Human Rights Committee increasingly emphasized that the wartime system of sexual enslavement is an issue of universal human rights present in almost every battlefield today, and that, therefore, the comfort women issue should not be relegated to history.

Pushed by these norm changes and increasing demand for historical justice for unnamed rape victims all over the world, “comfort women” statues have continuously sprung up by local activists not only in South Korea but abroad since the first installation in Seoul, 2011. In 2013, a local city council in Glendale California erects a replica of the Seoul statue in a local public park. Subsequently, other cities across the United States installed memorial statues, including Palisades Park and Union City, New Jersey; Southfield, Michigan; and Fairfax County, Virginia. In November 2017, San Francisco Mayor Edwin Lee signed a document formalizing the city's acceptance of a statue that symbolizes Korean “comfort women,” set up by a local private organization in September, and became the first major U.S. city to install a “comfort women” memorial. There are “comfort women” statues in Canada, Australia, and China, too. In May 2016, civic groups from 8 countries, including South Korea and China, made an official request for the UNESCO listing of documents on wartime “comfort women,” though in October 2017 UNESCO decided to postpone its review because of its politically sensitive character. In December 2016, a museum dedicated to the Taiwanese victims of sexual violence opened in Taipei. In March 2017, the first “comfort women” statue in Europe was erected in Germany's southeastern municipality of Wiesent. In December 2017, a statue symbolizing the “comfort women” statue was installed in Manila, the first such statue in the Philippines, with the inscription that, “This monument is a reminder of the Filipino women who were victims of abuses during the occupation of the Japanese forces from 1942-1945. Nanjing

Massacre has also been increasingly recognized as an universal tragedy. In October 2015, China secured “Memory of the World” inscription for documents relating to the Nanjing Massacre. Though UNESCO emphasized that the register exists to preserve documents and not to make historical judgments, after the inscription of the Nanjing Massacre related documents Japanese government suspended its financial contribution to UNESCO as a protest, and has increasingly accused other countries of utilizing UNESCO as a political tool. Japan has also shown discontent for the submission of a new “comfort women” dossier to UNESCO.

However, Japan itself has been accused of its “political” use of UNESCO. Together with the documents related to the Nanjing Massacres, UNESCO accepted a Japanese submission to the Memory of the World Register on diaries and other items left behind by Japanese former detainees captured by Soviet after the end of WWII. About a week after Japan's surrender in World War II in 1945, Soviet leader Joseph Stalin ordered the rounding up of Japanese prisoners of war in what was then Manchuria, in northeastern China. According to the Ministry of Health, Labor and Welfare, some 575,000 Japanese nationals were forced to do hard labor at camps in Mongolia and the then Soviet Union, and detainees remained in camps for 11 years at most. During detention, approximately 55,000 Japanese died of starvation or illness. Immediately after Japan's submission, Russian government official expressed opposition, saying Japan was “politicizing” UNESCO similar to China's move with the Nanjing Massacre documents.

Age of Historical Justice

As Samuel Moyn, who is well known for his provocative book tracing the history of human rights, very few World War II memorials alluded to innocent victims.⁸ Today, we are living in a world where history has increasingly become a matter of public controversy all over the world, as people clash over whether museums and statues have properly commemorated unnamed victims. People have begun critically interrogating racial

⁸ Samuel Moyn, “You Must Remember This: Do Our Memorials to The Dead Do More Harm Than Good?” *New Republic* (May 4, 2016). [online] <https://newrepublic.com/article/133017/must-remember-war-memorials-david-rieff> Accessed 19 January 2018.

and imperial politics of commemoration, and increasingly demanding that honoring figures who held racist and imperialistic beliefs and put those beliefs into practice should be removed from the public spaces, and that new museums and statues of innocent victims should be erected.

In March 2015, the movement known as “Rhodes Must Fall” began with a protest action at the University of Cape Town, and quickly spread to other campuses in South Africa, and then to Oxford University in UK. The movement demanded the removal of the statue of Cecil Rhodes, a British politician and believer in British imperialism and supremacy of the Anglo-Saxon race. Eventually, the statue was removed at Cape Town University, while it was kept at Oxford University after lengthy controversy over Rhodes’ mixed historical legacy. In September 2016 at the University of Ghana, approximately 1,000 people signed the petition calling for the removal of a recently installed statue of Mahatma Gandhi, who according to them, had alleged racist views about Africans. Eventually, the Gandhi statue was removed.

Coincidentally, in US, a group of Princeton University student protesters demanded that the university should rename the Woodrow Wilson School because of his poor historical record on race relations. The school was named after Wilson, who served as its president and later became the 28th president of the United States. The students pointed out that Wilson was a racist who had federal government agencies segregated, reversing progress toward civil rights for black people. Though Princeton University finally decided to keep the President’s name at its facilities, the movement calling for correcting past injustice has spread to the other Ivy Leagues. In February 2017, Yale University announced that it would rename Calhoun College, named after alumnus John C. Calhoun, the South's recognized intellectual and political leader in the mid-19th century who devoted much of his remarkable intellectual energy to defending slavery. Explaining the decision, Yale president Peter Salovey stated, “John C. Calhoun's legacy as a white supremacist and a national leader who passionately promoted slavery as a 'positive good' fundamentally conflicts with Yale's mission and values.”

Since the 1990s, UNESCO has launched various projects and educational programs such as Slave Route Project in order to address past injustice. In 2017, to honor the history of the slave trade and its abolition, UNESCO approved the inclusion in the World Heritage List of the Valongo Wharf Archaeological Site in central Rio de Janeiro, Brazil, one of the principal slave trade routes through which enslaved people were transported to the Americas and Caribbean in the 19th century, confirming their “outstanding universal value.” It is estimated that as many as 900,000 enslaved African men, women and children reaching the South American continent were held at that Site before being sold on the Brazilian slave market. According to UNESCO, the site is the “most important physical trace” of the devastating trade on the American continent and should have the same place in history as Hiroshima and Auschwitz “to make us remember those parts of the history of humanity that must not be forgotten”.⁹

UNESCO marked August 23 the International Day for the Remembrance of the Slave Trade and its Abolition to remember the universal demand for freedom that led to the 1791 insurrection by slaves in what is now Haiti, and to underscore the importance of teaching this history to young people. Irina Bokova, the Director-General of UNESCO emphasized, “Everyone must know the scale of the crime of the slave trade, the millions of lives broken and the impact on the fate of continents up to this very day,” pointing to modern slavery and human trafficking, as well as ongoing social injustices, racism and racial discrimination, to which the legacy of the 1791 insurrection has contemporary relevance.¹⁰

⁹ “Promoting Rapprochement Through the Shared Heritage of the Slave Route,” UNESCO website [online] <https://en.unesco.org/news/promoting-rapprochement-through-shared-heritage-slave-route>. Accessed 19 January 2018. “The Outstanding Universal Value of the «Valongo Wharf Archaeological Site,” UNESCO website (July 27, 2017) [online] http://www.unesco.org/new/en/social-and-human-sciences/themes/slave-route/sv000/news/the_outstanding_universal_value_of_the_valongo_wharf_arch/ Accessed 19 January 2018.

¹⁰ “On Day of Remembrance, UN Says History of Slave Trade Can Help Combat Social Injustice,” UN News Centre (August 23, 2017) [online] <http://www.un.org/apps/news/story.asp?NewsID=57398#.WkyK3iOKV8c> Accessed 19 January 2018. “Worldwide Remembrance of The Slave Trade ‘a Tribute to every victim’ – Senior UNESCO Official” UN News Center (August 22, 2017) [online] <http://www.un.org/apps/news/story.asp?NewsID=57397#.WkyH6iOKV8c> Accessed 19 January 2018.

On the 60th anniversary of the liberation of the Nazi concentration in 2005, a UN resolution was drafted to designate January 27 as the International Day of Commemoration in Memory of the Victims of the Holocaust. The resolution called for education programs on the Holocaust to help prevent genocide. It also rejected denials that the Holocaust occurred. The UN organizes and supports events such as concerts by musicians who survived the Holocaust or are survivors' descendants, art exhibitions inspired by the Holocaust, film screening focused on the Holocaust.¹¹ In 2017, UNESCO published a policy guide on education about the Holocaust and genocide in order to enhance learners' critical thinking against racism, antisemitism and all forms of prejudice, and to allow them to reflect on moral dilemmas of the past as well as of the present, and their role as citizens to protect and uphold human rights.¹²

Searching for New Perspectives on Reconciliation – Victims' Sympathy

Japanese government seems to have failed to understand East Asian history problems in the context of the global trend of amending historical injustices. The Nanjing Massacre, the “comfort women” issue, and other atrocities and violence conducted by the imperial Japanese military are no longer a purely bilateral issue of Japan as perpetrator and China and South Korea as victims. These tragedies have increasingly been shared and recognized as a genre of suffering that exists globally. The ultimate solution, therefore, might be realizing redress for all the victims of wartime violence, creating a comprehensive mechanism for the prevention and eradication of these forms of violence, and realizing an equal and safe world where everyone could live with dignity. Toward realizing the ultimate goal, Japan should sincerely listen to the voice of the victims for justice, and wholeheartedly support them.

¹¹“The Holocaust and the United Nations Outreach Programme,” (November 1, 2005). United Nations website [online] <http://www.un.org/en/holocaustremembrance/> Accessed 19 January 2018.

“Education about the Holocaust and genocide” UNESCO website [online] <https://en.unesco.org/themes/holocaust-genocide-education> Accessed 19 January 2018.

¹²“Education about the Holocaust and Preventing Genocide A Policy Guide,” UNESCO Education Center [online] <http://unesdoc.unesco.org/images/0024/002480/248071E.pdf> Accessed 19 January 2018.

Certainly, with regard to East Asian history problems, the onus is primarily on Japan, as the former perpetrator country. However, it is also true that reconciliation is a fundamentally reciprocal act. Lily Gardner Feldman, who is known for her comprehensive study on postwar Germany's reconciliation policy with the neighboring countries, argues that victims need to be magnanimous and open to reconciliation. Of course, Japan should make further reconciliation efforts especially on individual Korean and Chinese victims, Feldman argues, yet the victims also could take the initiative, considering active roles of victims in Germany's reconciliation process.¹³ For example, in case of Polish and German reconciliation, the initiative came first not from the perpetrator country, but from the victim country. It was the Polish Catholic bishops that first appealed to the Germans in 1965, when the hatred toward German people was widely shared among the Polish, through issuing the message "We forgive and ask for forgiveness," with the conviction that the only way to stabilize a peaceful relationship between Poland and Germany was through reconciliation. These bishops' efforts were supported by sympathetic media circle, which not only allowed civil society to openly discuss their shared past in public sphere, but also affected the state leadership.¹⁴ Germany's case tells us the importance of victims' forgiveness and sympathy in order to break the impasse and to push forward reconciliation.

Of course, we can find useful lessons of victim's forgiveness and sympathy from East Asian cases as well. I would like to introduce two not well-known statues telling different stories on reconciliation. In July 2016, a stone monument with memorial plaques was erected in Hibiya Park, Tokyo, in order to honor former Philippine President Elpidio Quirino for his extraordinary act of forgiveness toward Japan after World War II, and to commemorate the 60th anniversary of the restoration of diplomatic rela-

¹³ Lily Gardner-Feldman, *Germany's Foreign Policy of Reconciliation: From Enmity to Amity* (Rowman & Littlefield Publishers, 2012). "Other Nations Could Learn from Germany's Efforts to Reconcile after WWII," *Johns Hopkins Magazine* (Summer 2015) [online] <https://hub.jhu.edu/magazine/2015/summer/germany-japan-reconciliation/> Accessed 19 January 2018.

¹⁴ Seunghoon Emilia Heo, "Who Can Lead the Change?" AICGS Website (December 10, 2012) [online] <http://www.aicgs.org/publication/who-can-lead-the-change/> Accessed 19 January 2018.

tions between Japan and the Philippines. Quirino was then senator when he lost his wife Alicia and three of his children at the Battle of Manila in 1945. Eight years later when the country had been freed from the Japanese occupation and Quirino was already president, he granted pardon to all of the 105 Japanese war criminals who were detained in Muntinlupa prison. The Filipino people who were still recovering from the hurt and trauma of the war caused by Japan, the act of forgiveness was difficult to accept, and his decision was regarded as “political suicide.” In a statement released from the Office of the President, Quirino expressed that he too was wronged by the Japanese but nevertheless stood by his decision to pardon them. In an undated draft letter, Quirino insisted that, “In extending the executive clemency, I had no other desire than to express not merely my humanitarian feeling but the nobility of character of the Filipino people.”¹⁵

The unveiling ceremony was hosted by the Philippine Embassy and attended by about 150 people. The plaque placed on the monument says, “I am doing this because I do not want my children and my people to inherit from me hate for people who might yet be our friends for the permanent interest of the country,” the words that Quirino released when he made the decision to grant executive clemency. Ruby Quirino Gonzalez, his granddaughter aged 62, gave a talk. While insisting how her grandfather’s decision cost him his presidency when anti-Japanese sentiment still ran high, Ruby concluded, “It was the right and a humane decision, and as such, the great friendship between the Philippines and Japan has started.” The monument was funded by various political and business circles that have connections with the Philippines.¹⁶

The other symbolic statue is the “Vietnam Vieta” by Korean artists. In October 2016, the Korean-Vietnamese Peace Foundation presented 52

¹⁵ “To Be Truly Free- President Quirino’s Act of Forgiveness,” *Manila Times* (June 11, 2015) [online] [http://www.manilatimes.net/to-be-truly-free-president-quirinos-act-of-forgiveness/191013/Accessed 19 January 2018](http://www.manilatimes.net/to-be-truly-free-president-quirinos-act-of-forgiveness/191013/Accessed%2019%20January%202018).

¹⁶ “Unveiling Ceremony of the Memorial to H.E. Elpidio Quirino, Former President of the Republic of the Philippines (June 14, 2016)” Japanese Ministry of Foreign Affairs website [online] http://www.mofa.go.jp/press/release/press4e_001181.html Accessed 19 January 2018. “Philippine Leader Who Forgave War Criminals Gets Tokyo Memorial,” Portal Japan (June 20, 2016) [online] <http://www.portaljapan.net/2016/06/philippine-leader-who-forgave-war-criminals-gets-tokyo-memorial/> Accessed 19 January 2018.

documents and items to Da Nang Museum as an apology for atrocities committed by soldiers from the Republic of Korea during the Vietnam War. Prominent among the items was the “Vietnam Pieta,” created by the two Korean artists, Kim Seo-kyung and Kim Eun-sung, who are known for creating controversial art addressing war-time atrocities, most notably the famous “comfort women” statues that were erected across South Korea as well as in the United States. One of the artists, Kim Seo-kyung, said, “Just as ordinary Japanese civilians’ willingness to care about comfort women induced more Japanese to become aware of the issue, we need to start the movement to see what was done and how some Koreans once victimized others.”¹⁷ In April 2017, another Vietnam Pieta was installed in the village of Gangjeong on Jeju Island, “island of peace,” to appease the souls of mothers and their nameless babies tragically slain in civilian massacres by South Korean forces during the Vietnam War.¹⁸

Indeed, the victims themselves have already acted to seek global justice beyond redress of their personal grievances. On April 4, 2015, 70 years since Korea’s liberation and 50 years since Korea’s sending soldiers to Vietnam, at the House of Sharing in Gwangju, Gyeonggi Province, Yoo Hee-nam, 87, a former comfort woman for the Japanese imperial army, met with survivors of civilian massacres during the Vietnam War. Yoo said, “It’s shocking to think that South Korean soldiers did those things while they were in Vietnam. I want to apologize on their behalf,” “There is hardly anyone who truly understands the sadness and suffering of victims of war. I am really happy to meet another victim like myself. We both had the good fortune to make it out alive, so let’s not waste the time we’ve been given.” At around the same time, Nguyen Tan Lan and Nguyen Thi Thanh, Vietnam war victims, and Huynh Ngoc Van, Director of the War Remnants Museum in Ho Chi Minh City, visited South Korea for the

¹⁷ Maclellan Swan, “A New Pieta For Peace: South Korea Apologizes to Vietnam: Perhaps Other Nations Can Learn From This Example,” *Globalo* (September 4, 2016) [online]

<http://www.globalo.com/new-pieta-for-peace-korea-vietnam/> Accessed 19 January 2018.

¹⁸ “Vietnam Pieta: A Last Lullaby for Peace in Vietnam, on Jeju Island,” *Hankyoreh* (April 27, 2017) [online] http://english.hani.co.kr/arti/english_edition/e_international/792542.html Accessed 19 January 2017 [online] “Historical Items Received from Korea as War Reconciliation Symbol,” *Thoidai* (October 13, 2016) Accessed 19 January 2018.

opening of a photo exhibition titled “One War, Two Memories,” the exhibition to mark the 70th anniversary of Korea’s liberation from Japanese control and the 40th anniversary of the end of the Vietnam War. At the opening ceremony, seven former comfort women from the House of Sharing, and three Vietnamese women placed some flowers at stone memorials for the comfort women who have died.¹⁹ Here, we can see that memories of victimhood do not necessarily lead to a perpetual cycle of hate and anger. The experience of suffering could enable people to sympathized with the suffering in other countries.

The expected visit of Vietnam war victims, however, evoked a storm of protests among the members of the Korean Victims of Agent Orange Veterans Association (KAOVA). Criticizing the planned photo exhibition as an insult for Vietnam war veterans who were victims of Agent Orange, about 300 members held a demonstration in order to prevent a reception for a photo exhibition. Eventually, the event fell through after the Jogye Order of Buddhist temple, the supposed event place, cancelled the reservation of the space, fearing a backlash from the veteran groups.²⁰

Today, memory wars occur not only between states but within states, and non-state actors play a larger role in the processes of memory-making. A better pathway toward East Asian historical reconciliation, therefore, could be found in further sharing tragic memories beyond national borders and forging transnational coalition, rather than burying them, based on the firm understanding that no nation has a monopoly on virtue or vice in its history, and we all have the responsibility to face past injustice for victims’ rights and dignity and better regional relations.

On February 9, 2018, Japanese Prime Minister Abe held a meeting with South Korean President Moon Jae-in before opening ceremony for Pyeongchang Olympics Games. Their views on “comfort women” issues were never on the same wavelength. After the meeting, Abe restated Tokyo’s opposition to revising a 2015 agreement on “comfort women,” call-

¹⁹ Comfort Women and Vietnam War Survivors Pledge,” *Hankyoreh* (April 6, 2015).

http://english.hani.co.kr/arti/english_edition/e_national/685637.html

²⁰ “Threats of Violence from Veterans Groups derail Vietnam War Event,” *Hankyoreh* (April 8, 2015).http://english.hani.co.kr/arti/english_edition/e_national/685986.html

ing the deal a promise between nations and the basis of two-way ties. Blue House spokesman Kim Eui-kyeom told a briefing, at the meeting Moon said that the emotional damage sustained by the victims cannot be resolved through simple exchanges between governments and that both South Korea and Japan should continue efforts to heal their wounds. Certainly, as Abe said, a promise between nations is one of the important foundations of the bilateral relations, yet it is also true, as Moon said, that “comfort women” issue is a more than purely governmental issue. Reconciliation is a long-term process, in which not only governments yet citizens inside have responsibility, and could play an important roles. In this sense, there is no single “final and irreversible resolution” on this issue.

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**TRILATERAL RELATIONS AND REGIONAL COOPERATION
IN NORTHEAST ASIA: FOCUSING
ON RUSSIA-JAPAN-SOUTH KOREA RELATIONS**

What promotes Regional Cooperation

As the tensions surrounding Korean Peninsula and competition in the region are heightening in recent years, the interest in and aspiration for regional cooperation are gradually growing higher and higher. The experience of European integration has stimulated vast interest in regionalism in Northeast Asia. However, the progress and results of practical regional cooperation are not as successful as expected. This is deeply related to the dramatic changes of the regional order after the Cold War. The regional order of East Asia has been gradually shifted from a US-dominant monopolarity that was formed in the 1990s, via mono-multipolarity in the 2000s, into a bi-polarity in 2010s. These changes in regional politics have led to a variety of theoretical approaches to explain the dynamics of regional cooperation in various ways.

Overall, there are three approaches to discuss the regional cooperation of the region, which are based upon the power transition perspective, the balance of power perspective, and the power of diffusion perspective, respectively.

The first one is the great power-centered approach. It emphasizes regional cooperation by great power politics. In other words, regional cooperation is fundamentally promoted by the activation of regionalism led by a powerful country, and as a result, regional integration can be achieved only by a particular powerful country's intention to build a regional architecture. In this case, the existence of a specific regional hegemonic power and the regional cooperative architecture led by it have crucial importance in forming regional cooperation. In the absence of a regional hegemonic power, at least a consensus on the regional cooperation framework between the great powers in the region needs to exist, and a coordination

mechanism to coordinate dissent among them and close communication channels should be functioning effectively.

In Northeast Asia, there was a high expectation that the US-led regionalism could develop an important regional collaboration mechanism in the 1990s until the early 2000s. But the subsequent rise of China has become a major challenge to the United States, and now the US and China are simultaneously pursuing strategic competition and selective cooperation for their leadership in North Asia. It is likely that competition will continue between both countries, as it will take a considerable amount of time, if ever, until one side completely overwhelms the other. Accordingly the efforts for regional cooperation are likely to take competitive characteristics. Therefore, it seems that it will take a considerable amount of time until the definite trend of regional cooperation led by a certain powerful country is formulated.

The explanations related to the theory of ‘power transition’ or the ‘balance of power’ theory are mainly attempts to explain regional cooperation centered on the great powers. However, such explanations focused on great power politics are not enough to explain the dynamics of regional cooperation in East Asia. In this regard, consideration of ‘power diffusion’ has some usefulness in overcoming these limitations.

The second one is a perspective which emphasizes either sub-national interactions or trans-border sub-regional cooperation. It basically consists of two camps. One is the notion that there is a growing possibility that the activities of non-great powers that are not located at the top of the regional power hierarchy may make a meaningful impact on the regional order. For example, the middle power theory which emphasizes the role of South Korea in the region, can be an explanatory framework that is empowered by a kind of power diffusion perspective. Another can be found in such theories as the inter-city network theory which emphasize the issues and areas which are expanding, which emphasizes the aspect that non-state actors other than the state, and the actors of various levels such as provinces and cities can interact across territorial borders with relatively high autonomy. This type of perspective can be the point where we can more so-

phisticatedly and realistically tab and analyze the factors and framework that can drive economic cooperation in East Asia.

In particular, the discussion on micro-/sub-regional cooperation constitutes a very important logic in explaining the intra-regional economic cooperation in East Asia. Sub-regional cooperation is a way and process of local integration that focuses on interactions to promote mutual benefit by opening only limited areas that are linked each other by common interests among countries rather than consolidating across large areas.¹ The concept of sub-regional cooperation is not new in history. In the pre-modern era before the formation of a typical nation-state, it is true that there had been developed many similar regional patterns of cooperation that could be called various types of micro-regionalism.² For example, greater Germany's unification in the late 19th century and its subsequent construction of a modern nation-state seem to have been made by the spill-over of economic regionalization among the complex interconnected Hansa into the political realm.³ In addition to the development of the Hansa alliance, it is also argued that various examples of Mediterranean and pan-Mediterranean cooperation are applicable to East Asian regional cooperation.⁴

The terms used for sub-regional cooperation are also referred in many ways such as “sub-regional economic zones,”⁵ “growth triangle,”⁶ “border-area cooperation,”⁷ “cross-border economic regions,”⁸ and “micro-

¹Song, Eun-hee. 1996. “Growth Triangle in the Asia-Pacific: Prospect of Mini-lateralism.” *Korean Journal of International Studies* 36-1, pp. 105-127.

²Hook, Glenn D. and Ian Kearns eds. 1999. *Subregionalism and World Order*. Hampshire: Macmillan Press, Ltd.

³Breslin, Shaun and Glenn D. Hook eds. 2002. *Microregionalism and World Order*, Palgrave Macmillan Ltd., pp. 1-22.

⁴Gipouloux, Francois. 2011. *The Asian Mediterranean: port cities and trading networks in China, Japan and southeast Asia, 13th–21st century*, Cheltenham: Edward Elgar Publishing.

⁵Peng, Dajin. 2002. “Subregional Economic Zones and Integration in East Asia,” *Political Science Quarterly* 117-4.

⁶Chen, Xiangming. 2005. *As Borders Bend: Transnational Spaces on the Pacific Rim*, Oxford: Rowman & Littlefield Publishers.

⁷Shin, Beom-Shik. 2013. “US-Russian Cooperation in Northeast Asia for the Asia-Pacific Era,” *The 14th World Korean Forum (UBC in Vancouver, B.C., 6.23~25.)*.

⁸Wang, Jen-hwan. 2001. “Governance of a Cross-Border Economic Region: Taiwan and Southern China,” in Glenn Drover et al. eds. *Regionalism and Subregionalism in East Asia: The Dynamics of China*, Nova Science Publishers.

regionalism.”⁹ Whatever it may be called, these sub-regional collaborations are largely understood to have been driven by mutual economic interests, thus, they take an approach similar to the functionalist perspective in that they facilitate the linkage to more macro-integration, beginning with local integration in the economic and functional spheres. We need to pay more attention to these approaches as there is a high possibility of developing into deeper cooperation because of the expectation that the geographical range will be relatively small and the ease of cooperation stemming from the relatively low security costs. Therefore, it is attracting attention as an important driving force for promoting regional cooperation in East Asia. For this reason, the discussion on sub-regional cooperation in East Asia seems to be more durable versus the general criticism toward the liberalist approaches.

In particular, even though the macro-regional cooperation process in East Asia remains lagging behind at its initial stage, the sub-regional cooperation in various areas in East Asia have been successfully initiated, achieving compromise between the rule of sovereignty and trans-border cooperation in certain issues and scopes, owing to the diversity of actors and the practical nature of sub-regional cooperation itself.¹⁰ Scalapino once pointed out that natural economic territory can be a useful concept for analyzing the sub-regional cooperation in East Asia.¹¹ It is remarkable that this kind of successful cooperation is developing into a concrete regional cooperation mechanism in some areas, such as Southeast Asia.¹² Given that repeatability and reciprocity are the most important requirements in the formation of a certain regime, the development of such a cooperative mechanism will serve as a conduit to mitigate the conflict between sovereignty rule and regionalism in East Asia, and can contribute to regional integration. It is a turning point that makes it possible to expect that it will be possible.

⁹Breslin and Hook 2002.

¹⁰Hansen, Niles. 1986. “Border region development and cooperation: Western Europe and US-Mexico borderlands in comparative perspective,” in Oscar Martinez eds. *Across Boundaries: Transborder Interaction in Comparative Perspective*, El Paso: Texas Western Press.

¹¹Scalapino, Robert A. 1995. “Natural economic territories in East Asia: Present trends and future prospect,” in Korean Economic Institute of America eds. *Economic Cooperation and Challenges in the Pacific*, Washington DC.

¹²Chen 2005.

However, the progress of such regional cooperation is relatively slow and there is a possibility that the spread of the scope will remain in partial effect. In Southeast Asia, this approach has been very effective in promoting regional cooperation, but the success story of such approach has turned out to be very limited in Northeast Asia.

The third approach to regional cooperation is the so-called mini-lateralism approach. It has the characteristic of trying to understand regional cooperation based upon the balance of power perspective, but it also shows an eclectic characteristic beyond the great power-centric explanation. In fact, the power transition between the US and China in East Asia is a very important axis of regional order, but simultaneously it should be noted that the US and China as well as Russia and Japan are using a balancing strategy, in detail, not only consisting of 'internal balancing' or 'external balancing' but also 'institutional balancing' strategies. If these efforts become effective and reach a state of a regional balance of the power structure in East Asia, regional economic cooperation can be pursued and achieved to a certain extent. In this case the role of great power like Russia and Japan will be very meaningful.

Especially, "institutional balancing theory"¹³ is directly related to regional cooperation among the balance of power theories. The US and China in global and regional competition are pursuing power to design regional cooperation architectures such as the 'Regional Comprehensive Economic Cooperation'(RCEP), the 'Asia-Pacific Free Trade Area'(FTAAP) and the 'Pacific Rim Economic Partnership'(TPP), but it is also a fact that their efforts to seek the institutional balancing strategy as a competitive way to collect their own partners, as a result, may stimulate the formation of a regional economic cooperation mechanism, and may result in promoting economic cooperation and regional integration in Northeast Asia. In this regard it would be possible to deduce an explanation framework from a realist perspective that explains the economic cooperation in East Asia. Of course, it should be further pointed out that it will be an important task to check the logic of the economic block in which conflicting political

¹³He, Kai. 2009. *Institutional Balancing in the Asia Pacific: Economic Interdependence and China's Rise*, Routledge.

logic operates and to strengthen the efforts of building a comprehensive partnership.

The logic of the balance of power is basically applied to explain the power balance between the great powers. In particular, as mentioned above, if the US and China, which are competing for global supremacy, form also a strong rivalry structure in the regional political framework in East Asia, and if the situation continues in which neither side of the two can completely overwhelm the other for the time being, the question of what kind of balancing role the great powers such as Russia and Japan can/will play, becomes very important in such situation. At the same time, it is also necessary to reexamine the role of middle power state like South Korea.

Such various approaches to the topic of balance of power and regional cooperation can facilitate and raise discussion that so-called the "middle ground countries" on geopolitical fault lines such as South Korea, North Korea, Japan and Russia may be able to enable a regional cooperation framework in Northeast Asia that is not supplanted by the semi-hegemonic power of the region such as the US or China. The point at which such an idea is manifested can be a venue for us to begin some creative variations of the balance of power theory.

Beyond the limitations of such great power-centered explanations and the probable sub-regional cooperation, the mini-lateral approach can provide a starting point for important thinking that can lay the groundwork for regional cooperation in Northeast Asia.

Trilateral Relation as the Smallest but a Creative Network for Regional Cooperation

The strategic triangle relations has been studied from the cold war era by Lowell L. Dittmer¹⁴ and W. Thompson¹⁵ and others.

Triangle relations can be regarded as the smallest network in the sense that dyadic relations can be influenced not by the two parties them-

¹⁴Dittmer, Lowell. 1981. "The Strategic Triangle: An Elementary Game-Theoretical Analysis," *World Politics* 33; Dittmer, Lowell. 2005. "The Sino-Japanese-Russian Triangle," *Journal of Chinese Political Science* 10-1.

¹⁵Thompson, William R. 1995. "Principal Rivalries," *Journal of Conflict Resolution*, 39-2, pp.195-224.

selves but by a third party. This relationship has received attention especially among strategic study specialists. In contrast to the conventional triangular relations analysis, the network approach provides a very useful framework to explain the changing dynamics of international relations and regional politics of Northeast Asia. Specifically, the network approach shows a comprehensive blueprint of structures and players' interactions by understanding international relations as either anarchical or hierarchical. In that sense, this approach allows keen observation of the players changing the structure of the network, and simultaneously their positional power, as a result of creating or eliminating links with others. In this regard, this research focuses on the 'relational configuration,' or the 'relational patterns' formed in the midst of players' interactions, as shown in the 'social-network theory.' In comparison to the macro structure of neorealism, this configuration is considered to be a 'mid-range structure.' The logic of a 'mid-range structure' not only reflects the contents of the macro structure, but also it can encompass the structural changes that interact with the players' choices. In understanding and analyzing the components and the functions of the mid-range structures, it is critical to grasp the idea of 'social capital' and 'structure holes,' which are found in the networks.

Burt understood the strength of an integrated network as 'social capital,' and the weakness of the divided network as 'structural hole.' The former has high potentials of institutionalization as result of players' repeated and continual interactions, and is culturally homogeneous; therefore, players have a higher chance to form a common understanding, agreed framework, and a lower chance of division, holes, and mediation. The latter case, however, have much more coarse or loose links with each other, therefore, players are only connected indirectly, and their relations are unofficial, unorganized, non-continuous, which has a higher chance of leading to dissonance and severance in relations. The latter case satisfies a warrant that norms and rules that organized interactions within a network can clash from time to time.¹⁶

¹⁶Burt, R. S. 1992. *Structural Holes: The Social Structure of Competition*. Cambridge: Harvard University Press; Burt, R. S. 2005. *Brokerage and Closure: An Introduction to Social Capital*. New York: Oxford University Press.

Following Burt, here, I define ‘social capital’ as a network of three or more players that can create or develop a cooperative strategy, and ‘structural holes’ as a gap in the network that can be filled by strategically casting a link or two. This structural hole is often understood as a subject of strategic interaction that wishes to limit interactions in the network through brokerage. That is because the brokerage filling in the gaps acquires a vast amount of information in an attempt to improve social capital, and its own positional power.

In this regard, we may ask such questions as “which trilateral or multi-lateral relations can function as social capital for cooperation in NEA?”

Trilateral Relations as a Social Capital for Northeast Asian Cooperation

The most powerful link found in Northeast Asia is an alliance between the US-JPN, US-ROK, CHINA-DPRK, even though each link has been experiencing changes in its strength. Strategic cooperation relations just as powerful are the links between the ROK-JPN and CHINA-RUS. Interestingly, South Korea was able to establish a strategic cooperation partnership with China and Russia on a bilateral basis. Through such relations, these countries have already mutually acknowledged the necessity of strategic cooperation, though strategic interactions and coordination of strategies have yet to develop.¹⁷

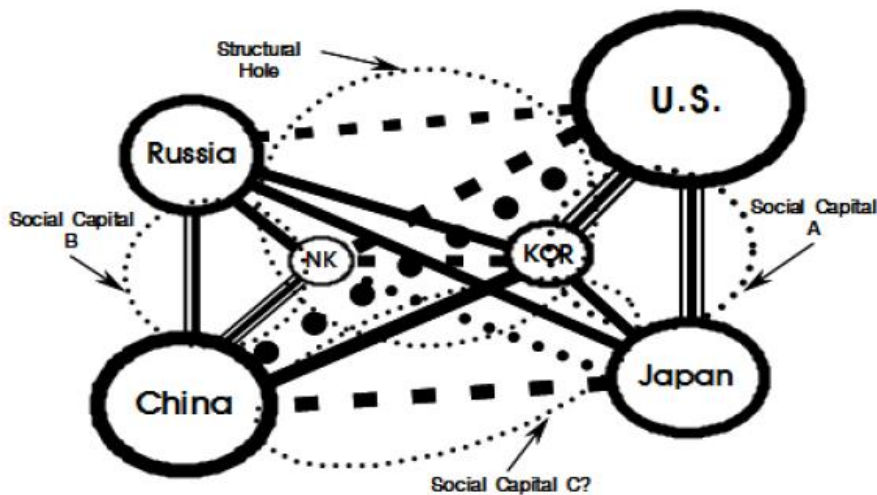
Although this kind of classification of strategic interactions is not easy to establish, the most crucial relationship in determining the future of this region’s order is the axis of US-China relations. Both states have keenly formed a dual relationship of cooperation and competition not only at the global but also at the regional level. At the global level, Chinese influence is yet inadequate to surpass that of the US, which has already cultivated a dominion of global governance that still exists.

Thus, it is true that it is inevitable that China will cooperate with the U.S. in some areas, at least to a certain extent. Nonetheless, in Northeast Asia, China’s influences are at a considerably high level that already rivals

¹⁷Shin, Beom Shik. 2011. “Russia’s “Return” to Asia: How Should South Korea Respond?” *EAI Issue Briefing* No. MASI 2011-09 (Seoul: East Asia Institute).

the U.S. A series of events that came after the observation that a G2 Era has come after the global financial crisis, such as the Tibet Incident, Dalai Lama’s visit to the U.S., the Sinking of Cheonan, the U.S. Naval presence in the West Sea, Lu Xiaobo’s Nobel Prize, China’s human rights issue, the Google issue within China, military tensions, etc. are only some of the events that clearly show the existence of competition between the two countries. Both states are trying their best to monitor and manage the competition through strategic adjustment, but because of the instability of the relations, there is a good chance that the situation will soon evolve into frustration. The Senkaku/Diawidao Islands issue and the rising tension in East and South China Sea only seem to aggravate the matter. Therefore, it is clear that the US and China must strategically and mutually interact with each other. But the sheer fact of coexistence of cooperation and competition remains as a double-edged sword.

<Figure> Power Network in Northeast Asia in 2010s¹⁸



alliance	strategic cooperation	friendly relations	selective cooperation / competition	conflict / antagonism
intensifying	high level	strong rel.	selective minimum	conflict
maintaining	high level	mediate rel.	low competition	middle antagonism
adjusting	middle level	weak rel.	high competition	strong antagonism

¹⁸Shin, Beom Shik. 2015. “Russia’s Place in the Changing Strategic Triangle in the Post-Cold War Northeast Asia: From an Outcast to a Strategic Player?” *Journal of International and Area Studies* 22-2, p. 125.

There are four meaningful points in observing the current status of the Northeast Asian power structure and its future. Explaining these four points via the concept of ‘social capital’ and ‘structural hole’ becomes relevant at this point.

In relation to social capital and its structural hole, a point of earlier interest in the Northeast Asian power structure is the triangularity among ROK-US-JPN. Titled “Social Capital A” in the <Figure> above, this relationship portrays a social capital in which the US-ROK and the US-Japan alliance links and the ROK-Japan’s strong cooperation are combined. The U.S. uses this social capital to check on China and as a vessel of exerting American influence in the region.

In the <Figure>, we can also find a countering triangularity among NK-CHINA-RUS, or “Social Capital B” is shown. Needless to say, a brotherhood-like relationship between North Korea and China was once again reaffirmed through a series of events in 2000s (but it is not certain in the 2010s), and it is also not possible to deny the historically unparalleled strategic partnership between China and Russia. Nonetheless, the contents of the CHINA-RUS strategic cooperation are highly dependent on the level and the region where the cooperation takes place. Specifically speaking, in Northeast Asia, Russia is beginning to step aside from the policies that were half-step behind China to a degree that is not only enhancing its own individuality, but also drawing lines between relationships.¹⁹ This change is becoming more apparent in RUS-NK relations. For instance, Russia experienced a quick influence loss at the global level after the collapse of the Soviet Union, and it was harshest for Russia especially in Northeast Asia. One of the biggest reasons for this is because Russia voluntarily chose a de-linking policy towards North Korea in 1990s, which eventually brought a sharp decline of Russian presence in the Korean Peninsula, ultimately leading to Russia’s general decline in the region.²⁰ As a result, Russia was excluded from the 4-Party Talks. Despite Russia’s noteworthy efforts to

¹⁹Karaganov, Sergei. 2011. “Russia’s Asian Strategy.” *Russia in Global Affairs* (July).

²⁰Meyer, P. F. 1999. “The Russian Far East’s Economic Integration with Northeast Asia: Problems and Prospects,” *Pacific Affairs* 72-2; Ziegler C. E. 1994. “Russia in the Asia-Pacific: A Major Power or Minor Participant?” *Asian Survey* 34-6.

revitalize the lost link with North Korea, the weakness of the bilateral ties ultimately led to an immature form of NK-CHINA-RUS triangularity, which has not yet evolved into powerful enough social capital to stand against ROK-US-JPN triangularity.

However, there has been an indication of change that deserves examination. It seems that through several North Korea-Russia summit meetings, signs of strategic cooperation between the two states have begun to appear. Therefore, it may be wise to understand the Russia-North Korea link as a link that is transforming into a strategic one. But even if such a relationship is enhanced, the triangularity among NK-CHINA-RUS is unlikely to structuralize into a complete and strong social capital. Again, this is because there is a clear distinction between the direction of Korean Peninsula policies of Russia and China, and it is likely that North Korea will want to utilize its mediator position between the two powers to achieve its strategic goal of a “balance of dependence.”

Meanwhile, the ROK-CHINA-JPN triangular relation shown in the <Figure> has ample potential to develop into a full social capital, even though we cannot expect much from it at current situation. Specifically, China has a large interest in trilateral cooperation in the form of an ASEAN+3(APT) or ROK-CHINA-JPN summit meeting excluding the US. Despite its potential, there is still a long way to go before it takes on the role of social capital due to the restructuring of US-Japan alliance ties. It is rather likely that the decline of an East Asia Community plan, which former Prime Minister Hatoyama and Mr. Ozawa argued for, and the continuing tension over the Senkaku/Diawidao Islands between Japan and China can only enhance US-Japan inclination. Furthermore, incidents such as the sinking of Cheonan, the shelling of Yeonpyeong Island, and the negligence by China of the North Korean nuclear and ICBM tests had been strengthening the South Korean people’s belief of Chinas’s collusion with North Korea and distaste in seeking a trustworthy long-term partnership with China.

Concerning the structural hole in the region the formation of an almost empty hole surrounding North Korea is what one ought to look at most carefully. The inter-Korean relation is definitely the clearest structural hole on the Northeast Asian power dynamics, not to mention the ab-

sence of North Korea-US, and the North Korea-Japan relations. Therefore, depending on how this structural hole is filled, the Northeast Asian power dynamics will experience a significant change.

Other points of interest from the purview of the structural hole are the North Korea-Russia link and the US-Russia link. As mentioned above, ultimately, Russia's sharp decline in the Northeast Asia in the 1990s has its roots not only in the decline of Russia's hard power and its failed de-linking policies toward North Korea at a strategic level, but also in the US policies of deterring Russia and the consequential link loss, as well as Russia's failure to establish an alternative regional link. This signifies that despite discussing cooperation at the global level, the US and Russia during the post-Cold War period could not establish a Northeast Asian regional level cooperation network. Consequently, through temporary operation of a North Korea-US link, the US focused on resolving the early stage of North Korean nuclear problem. Conclusively, the US failed to utilize the comprehensive network theory-based approach, which eventually led to the failure of solving the nuclear problem of North Korea. Frankly, during this period of global strategic change, the US largely ignored Russia's interests in the region because it didn't acknowledge Russia as a major or significant actor in Northeast Asia and lacked appropriate policies to treat it.

The formation of a structural hole as a result of the de-linking policy by Russia that disabled Russia-North Korea and Russia-US strategic interactions, still functions as an important factor that hinders the establishment of a cooperative structure in Northeast Asia. In that sense, the analysis thus far showed that it is necessary to focus on filling in the structural holes in order to complete the task of fostering Northeast Asian regional political stabilization.²¹

South Korea-Russia-Japan Trilateral Relations as a New Platform for Regional Cooperation in Northeast Asia?

Recently, Japanese Prime Minister Abe Shinzo is very active in promoting cooperation with Russia. In the past, Japan had questioned the

²¹ Shin 2015.

ownership of the Kuril Islands by Russia, and linked the possibility of large-scale investment in Russia with this territorial issue. However, in May 2016, Abe made a major investment in Russia by attempting a "new approach" to isolate political issues and economic cooperation at a summit with President Putin in Sochi, southern Russia. On September 1, 2016, the day before the Second Eastern Economic Forum, Prime Minister Abe showed Russia his activeness and authenticity of intention for cooperation and the investment, creating the "Ministry of Economic Cooperation with Russia" to take charge of economic cooperation between Russia and Japan, appointing Seiko Hiroshige, the Secretary of the Ministry of Economy, Trade and Industry as the minister of the new institution.

Prime Minister Abe met with President Putin also at the Eastern Economic Forum, and he was very pleased with his proposal to discuss the progress of the eight areas of economic cooperation presented at the Sochi summit in May 2016. Abe did not achieve the desired results at the 16th meeting with Putin, but he started running again to resolve the territorial problem without being frustrated. On January 8, 2017, Abe met with his supporters in Yamaguchi Prefecture and promised to visit Russia in the first half of the year to express his commitment to sign a peace treaty and a return the four Kuril Islands. That particular attempt was not successful. But Abe again attended the 3rd Eastern Economic Forum in September 2017, confirming that Japan is continuing its policy of negotiation with Russia.

There is an evaluation that the large-scale economic cooperation by Japanese government is an intentional plan to solve the problem of returning the northern territories through the conclusion of a peace treaty. However, even if this were to solve political problems through economic cooperation, it seems to have also resulted in a constructive stimulus for the Korean government. Considering the international opposition to North Korea's nuclear testing and the opposition of China to the deployment of THAAD in South Korea and Russia's opposition, Korea is required to actively invest in the Far East. Despite the devaluation of Japanese economic cooperation for resolving political problems, it is the reason why Korea has paid attention to the mechanism of economic cooperation that Japan is pursuing with Russia.

The promotion of the “New Northern Policy” with the inauguration of President Moon Jae-in can be understood as part of efforts to establish the moment of change over the Korean peninsula. President Moon Jae-in presented his “9 Bridges Strategy,” economic cooperation in such 9 fields as gas, electric power, ship-building, Northern Arctic Route, railroad connection, ports, jobs, agriculture, and fisheries, linking Russia's Far East Development with South Korea's New Northern Policy in the 3rd Eastern Economic Forum in September 2017. These proposals have already been pursued in the ‘New Silk Road Initiative,’ and ‘Eurasia Initiative’ by the Lee Myung-bak administration and the Park Geun-hye government, but President Moon emphasized the active measures including establishment of the \$2 billion investment platform and set up a dedicated organization of its Northern cooperation, the Presidential Committee on the Northern Economic Cooperation.

It is true that Russia has tried to expand its platform of cooperation with regional states, actively executing its New Eastern Policy and establishing the Eastern Economic Forum and so forth, but, in the author's opinion, it is not enough.

The problem is that such active approaches by South Korea and Japan to promote economic cooperation with Russia need to be sophisticated in the structural aspects of regional politics by networking principles. Of course, it is true that there are different reasons for their active approach to bilateral cooperation with Russia, and there are also competitive aspects between them. The Kuril Islands are important to Japan, and North Korea is important to South Korea. There is also a clear competitive edge in order to gain several economic opportunities in the newly developing Russian Far East.²² However, if Russia really wants to become a constructive and stable regional member of the region, Russia should not try to divide and rule the approaches of the regional states toward Russia, and does not have to regard them as an objective to utilize only for its own purposes.

²²Ha, Young-Chool, Beom-Shik Shin, 2013. “The Development of Russian Far East and Eastern Siberia and the Future of Northeast Asia,” *Пространственная Экономика*, No. 2 (Khabarovsk: Economic Research institute).

In a broader sense, however, South Korea, Japan, and Russia have in common the status of “middle ground states” which are located on the geopolitical fault lines in Northeast Asia. As noted earlier, the US and China will continue their strategic rivalry for a considerable amount of time. If these three countries – South Korea, Japan, and Russia – in the middle ground between the US and China can create momentum for regional cooperation in the framework of a mini-lateral networking approach, this can significantly contribute to the regional balance of power and stability, and can also increase the possibility to create a new model of regional cooperative interaction in Northeast Asia.

The successful development of the Russian Far East, which is essential for Russia to secure a stable status in Northeast Asia, and the successful achievement of the Pan-East/Japan Sea economic cooperation can develop into a regional structure in which the strategic competition between the US and China in the region can be alleviated, and will develop into a meaningful platform for regional peace and co-prosperity in Northeast Asia.

The presence and participation of the United States in this region can be questioned. As the tensions and conflicts with China increase, the cost of the US’ presence in the region will certainly increase. Then the US will attempt to place some of the burden of its presence on its allies, as we can see from the Trump administration’s alliance policy in recent times. And if the share is even greater, the US will have to adjust its burden. Concomitantly, Japan and South Korea will need to work together to prepare for a possible decreasing and declining US presence. However, it is also important to help the United States maintain a balance of power in the region while maintaining its influence at a low cost. In this respect, efforts to develop South Korea-Japan-Russia cooperation into social capital of Northeast Asian regional politics can have a significant meaning. We need to develop this trilateral relationship, and to transform it into social capital for the establishment of successful regionalism in Northeast Asia.

To this end, the author proposes that the heads of state of the three countries meet at the annual Eastern Economic Forum in Vladivostok to hold regular tripartite summits to promote regional economic cooperation, to develop and expand inter-city, logistics and port networks around the

East Sea/Japan Sea, and to promote cooperation to develop the Northern Arctic Route, as well as on other various issues. The regularization of the tripartite summit meeting to enable such regional cooperation will mitigate the rivalry between China and the US, and will further expand the trilateral cooperation between South Korea, Japan, and Russia into a more comprehensive regional cooperation mechanism, attracting China and even North Korea, and securing and stabilizing the role of the US in Northeast Asia.

Научное издание

**ПЕРСПЕКТИВЫ РАЗВИТИЯ
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ПОИСК ТРЕХСТОРОННЕЙ МОДЕЛИ СОТРУДНИЧЕСТВА
В СЕВЕРО-ВОСТОЧНОЙ АЗИИ**

Монография

Владивосток, Дальневосточный федеральный университет, 2018

На английском языке

Academic publication

**THE FUTURE DEVELOPMENT OF
KOREAN – RUSSIAN RELATIONS:
IN SEARCH OF TRILATERAL COOPERATION
IN NORTHEAST ASIA**

Monograph

Signed into print 10.04.2018.

Format 60x84/16. Printed sheets 10,59.

Circulation 100 copies. Order xxx.

Far Eastern Federal University
8 Suhanova St., Vladivostok, 690091

Printed in the printing house of FEFU's Publishing Department
10 Pushkinskaya St., Vladivostok, 690091